



The Leading Component Supplier

COMPONENTA 2002

Interim Report 1 January – 31 March 2002

Componenta Corporation

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Componenta Group had net sales during the first quarter of 2002 of EUR 47.1 million (net sales of EUR 56.3 million in the same period in the previous year). The Group had an operating profit of EUR 1.1 (3.8) million and a loss after financial items of EUR 1.0 million (profit of EUR 1.9 million). The earnings per share were EUR -0.06 (0.17). The Group's equity ratio, including the preferred capital notes in equity, was 30.1%, (32.0% on 31 December 2001). Net sales and the profit after financial items are estimated to improve in the second quarter of the year. The Group's order book at the end of the review period stood at EUR 28.2 million (EUR 26.5 million on 31 December 2001).

Markets

According to the latest economic forecasts, the impact of the events towards the end of last year on growth in 2002 appears to be less serious than was feared. Demand for investment goods is not expected to start to pick up until the second half of the year.

The uncertainty prevailing among Componenta's customer sectors about developments in the world economy has shown itself in the first part of the year as weak demand. The fall in demand for heavy trucks, which had already started the previous year, continued in Europe in the first part of the year. Demand for components from Finnish machinery and equipment manufacturers has declined with the decrease in order books. Because of the long through-put times for orders, any recovery in economic growth will only show in the sector after a delay. Demand from European off-road manufacturers has also continued to be weak. In addition, the uncertainty in the energy markets in the USA has postponed deliveries of wind turbine generator components.

Net sales

The Group had net sales of EUR 47.1 million (EUR 56.3 million). The Group's order book at the end of the review period stood at EUR 28.2 (33.5) million (EUR 26.5 million on 31 December 2001).

Exports and foreign operations accounted for 75% (74%) of net sales. Componenta Group's net sales by market area were as follows: Finland 25%, other Nordic countries 54%, Central Europe 19% and other countries 2%.

Result and financing

Componenta Group made an operating profit of EUR 1.1 (3.8) million during the review period, and the loss after financial items was EUR 1.0 million (profit of EUR 1.9 million). The result does not include net profits from the sale of non-current assets or other non-recurring items (in the corresponding period in 2001 these accounted for EUR 1.0 million). The Group's financial costs amounted to EUR 2.1 (1.9) million. The Group's net result was EUR -0.6 (1.6) million.

The preferred capital notes issue and exchange that took place during the review period and are effective until 2009 at the latest, considerably reinforce the Group's financing structure. The Group had EUR 28 million in unused committed credit facilities at the end of the review period.

Including the preferred capital notes and the negative goodwill in shareholders' equity, the equity ratio was 30.4% (31.0%). Including the preferred capital notes in shareholders' equity, the equity ratio was 30.1% (25.5%).

Cast and Other Components

The Cast and Other Components business group supplies ready to install cast and machined components to the heavy truck industry, the power and transmission industries, machine building industry and the off-road industry.

Cast and Other Components had net sales in the review period of EUR 38.8 (45.2) million and an operating profit of EUR 1.4 (3.4) million. The order book stood at EUR 22.9 (27.0) million on 31 March 2002 (EUR 22.0 million on 31 December 2001).

Component deliveries to the heavy truck industry were 11% down on the corresponding period in the previous year. However, delivery volumes remained at the level of the final quarter of last year.

Deliveries to customers in the energy and power transmission industries were 14% up on the first quarter last year. Componenta Nisamo, which was acquired last summer, helped in the increase. Deliveries of wind turbine generator components failed to reach the planned level, however, as uncertainty in the energy markets in the USA caused component deliveries to be postponed from the first to the second quarter of the year. Deliveries in the review period only reached the level of the final quarter last year.

Component deliveries to manufacturers of machinery and equipment and to the off-road industry both fell by about 20 per cent compared to the corresponding period last year, but remained at the same level as at the end of last year. Some of the decline in net sales was a consequence of the product rationalisation connected to the remedial action at the Alvesta foundry and of the closing down of operations at the Osby unit.

The restructuring programme at the Alvesta foundry, which has been weakening the Group's result, has been completed. During the review period the unit's operating result started to improve, but was still slightly loss-making.

The closing of the Osby machine shop has gone according to plan and production in the unit ended in March. The transfer of products to Componenta's other units in Sweden have largely been completed. Operations in Osby will cease entirely in May. The costs of closing the Osby unit were recorded already in Componenta Group's result for 2001.

Sales of geared components at Componenta Albin have grown as expected from the end of the previous year and exceeded the level of the first quarter last year. The investment in the machining centre carried out at Albin early in the year will raise the unit's production capacity and boost the efficiency of its operations.

Other Business and associated companies

Componenta's Other Business comprises mainly the Wirsbo forges and the Traryd metal foundry.

Net sales for Other Business totalled EUR 7.9 (8.9) million in the review period and the operating profit was EUR 0.3 (0.3) million. The order book stood at EUR 5.4 (5.8) million on 31 March 2002 (EUR 4.6 million on 31 December 2001).

The fall in demand from the heavy truck industry also affected the volumes of forged products supplied by Componenta Wirsbo, and these were lower than in the corresponding period of the previous year. Demand for the aluminium and copper components made by Componenta Traryd was strong, however, and the unit's sales rose from the previous year's level.



Componenta's associated companies have been formed by merging companies that used to belong to the Group with partner companies. In January Componenta raised its holding in the associated company Thermia AB from 30 per cent to 36 per cent.

Componenta Group's share of the result of the associated companies was EUR -0.4 (-0.7) million. The result was raised by the better than forecast result for 2001 from Thermia, which is recorded in Componenta's result for 2002. The result was reduced by the result from Ulefos NV, which was poorer than the previous year in the first part of the year.

Investments

Investments in production facilities during the review period totalled EUR 1.0 (4.3) million. The most significant of these were the new production lines at Albin and Nisamo and the pressing line for forged components at Wirsbo, which was started last year. In addition to these production investments, the Group raised its holding in Thermia AB. The Group's gross investments totalled EUR 2.1 (36.5) million.

Componenta Group's investments in production facilities for the whole year are estimated to be EUR 7.5 million at most.

Share capital and shares

The shares of Componenta Corporation are quoted on the main list of the Helsinki Exchanges. At the end of the review period the company's share capital stood at EUR 19.2 million. The shares have a nominal value of 2 euros. At the end of the review period on 31 March 2002 the quoted price of Componenta Corporation shares stood at EUR 2.38. The lowest quoted price during the review period was EUR 2.13 and the highest was EUR 2.70. The share capital had a market value of EUR 22.9 million. The volume of shares traded during the review period was equivalent to 2.8% of the share stock. The Annual Shareholders' Meeting of Componenta Corporation decided to pay a dividend in accordance with the Board's proposal. The dividend of EUR 0.15 per share was paid on 22 February 2002.

Authorization for share issues and purchasing own shares

The company's Board of Directors has no authorization for share issues or for purchasing the company's own shares.

Preferred capital notes

Componenta Corporation offered holders of the preferred capital notes issued in 1997 by its subsidiary Componenta Finance Corporation the opportunity to exchange their notes for new preferred capital notes issued by Componenta Corporation. The subscription period was 4 February - 15 February 2002. As a result of the offer, 99.4% of the Componenta Finance Corporation preferred capital notes were exchanged for new notes issued by Componenta Corporation. The preferred capital notes issued by Componenta Corporation had a principal of EUR 25,101,000 and the loan period is 15 February 2002 - 19 March 2009. Annual interest is paid on the loan, at a rate 4% above the 12-month Euribor interest rate. The company will repay 10% of the principal annually and the first instalment was repaid on 19 March 2002. Componenta Corporation also has

the right to pay off more than 10% of the loan on the annual interest payment date.

The preferred capital notes issued by Componenta Finance Corporation were in their entirety in the possession of Componenta Corporation by the end of March. One of the preferred capital notes was listed on the Helsinki Exchanges and trading in this preferred capital note was terminated on 25 March 2002.

Including the preferred capital notes issued in December 2001, Componenta Corporation has preferred capital notes with a total value of EUR 28,590,900, after the repayment on 19 March 2002.

Board and Management

The Annual Shareholders' Meeting on 12 February 2002 elected Heikki Bergholm as a new member of the Board of Directors, as Jouko Koskinen stood down. The members of Componenta Corporation's Board of Directors are Olli Reenpää, Juhani Mäkinen, Heikki Bergholm, Antti Lehtonen and Heikki Lehtonen. The Board elected Olli Reenpää as its Chairman and Juhani Mäkinen as Vice Chairman.

Componenta Group's corporate executive team consists of President and CEO Heikki Lehtonen, Senior Vice President and COO Yrjö Julin (until 30 April 2002), CFO Sirpa Koskinen, Sales and Marketing Director Jari Leino, Director of Supply Chain 1 Bengt Christensson, Director of Supply Chain 2 Lauri Huhtala, Director of Supply Chain 3 Olli Karhunen, and Communications Manager Pirjo Aarniovuori.

Prospects

Several industrial sectors have unused capacity, which may reduce the immediate need for capital expenditure by industry if the anticipated recovery in the world economy takes place. If the forecast economic growth is realised and capacity usage by industry rises, investments in machinery and equipment will probably increase towards the end of the year.

The expected recovery in economic growth will probably not start to affect Componenta's customer sectors until the second half of the year. Componenta's order intake and order books have already shown an increase from the level at the start of the year, especially in the heavy truck, energy and power transmission sectors.

Demand from the heavy truck industry is estimated to decline during 2002. Production by the Nordic machine building industry is expected to decline in 2002 from the previous year's level, despite the anticipated recovery in demand in the second half of the year. Construction of wind turbine generators is forecast to return to its previous growth path in the second quarter of the year.

On the basis of the order book and total orders received, Componenta Group's net sales and result in the second quarter of the year are expected to improve on the first quarter.

Helsinki 15 April 2002

COMPONENTA CORPORATION
Board of Directors

Componenta Corporation

Income statement, M€	1.1.-31.3.2002	1.1.-31.3.2001	1.1.-31.12.2001
Net sales	47.1	56.3	193.8
Other operating income (*)	0.1	2.3	4.1
Share of the associated companies' result	-0.4	-0.7	-0.5
Operating expenses	42.9	52.0	184.1
Depreciation and write-downs	3.1	2.8	17.3
Negative goodwill recognised as income	-0.2	-0.7	-12.3
Operating profit	1.1	3.8	8.3
<i>% of net sales</i>	2.2	6.7	4.3
Financial income and expenses	-2.1	-1.9	-6.0
Profit after financial items	-1.0	1.9	2.3
<i>% of net sales</i>	-2.2	3.4	1.2
Income taxes	0.5	-0.3	5.0
Minority interest and conversion difference	0.0	0.0	0.0
Net profit	-0.6	1.6	7.4
(*) includes profit from sold businesses in 2001			

Balance sheet, M€	31.3.2002	31.3.2001	31.12.2001
Assets			
Non-current assets	151.1	150.2	151.4
Current assets			
Inventories	20.1	22.8	20.5
Receivables	50.5	56.9	42.8
Securities	0.0	1.2	0.0
Cash and bank accounts	1.5	5.3	1.7
Total current assets	72.0	86.2	65.1
Total assets	223.1	236.3	216.5
Liabilities and shareholders' equity			
Shareholders' equity			
Share capital	19.2	19.2	19.2
Other equity	17.2	13.5	19.2
Preferred capital notes	28.6	22.7	28.7
Total shareholders' equity	65.0	55.4	67.1
Minority interest	2.1	4.8	2.1
Negative goodwill	0.6	13.2	0.7
Provisions	0.9	0.0	2.0
Liabilities			
Non-current liabilities			
Interest bearing	75.4	74.9	80.0
Interest free	0.0	3.6	0.0
Current liabilities			
Interest bearing	46.3	45.8	34.1
Interest free	32.8	38.8	30.4
Total liabilities	154.5	163.0	144.6
Total liabilities and shareholders' equity	223.1	236.3	216.5



Key Ratios	31.3.2002	31.3.2001	31.12.2001
Equity ratio, %	17.3	15.8	18.7
Equity ratio, %, preferred capital notes and negative goodwill in equity	30.4	31.0	32.3
Earnings per share, €	-0.06	0.17	0.77
Equity per share, €	3.79	3.40	4.00
Net interest bearing debt, M€	113.5	106.5	105.3
Net interest bearing debt, M€, preferred capital notes in debt	142.0	129.2	134.0
Net gearing, %, preferred capital notes and negative goodwill in equity	167.5	145.3	150.6
Net gearing, %, preferred capital notes in debt	368.5	345.3	330.5
Order book, M€	28.2	33.5	26.5
Investments to non-current assets, M€	2.1	36.5*	53.1*
Investments to non-current assets, % of net sales	4.5	64.8	27.4
Average number of personnel	1,729	1,846	1,810
Number of personnel at the end of the period	1,748	1,874	1,741
Share of export and foreign activities in net sales, %	75.0	74.0	72.0
Contingent liabilities, M€	50.7	74.3(**)	51.1

(* Investments in year 2001 included the acquisition of Componenta Finance Corporation shares.

(** The contingent liabilities in March 2001 included EUR 31.8 million Componenta Finance Corporation shares which had been pledged. The amount of debts secured by the pledge was EUR 2 million.

Derivative instruments, M€	31.3.2002		31.3.2001		31.12.2001	
	Nominal value	Current value	Nominal value	Current value	Nominal value	Current value
Interest derivatives						
Interest rate swaps	18.0	0.1	32.3	0.1	27.2	0.1
Future agreements	-	-	4.8	0.0	-	-
Currency derivatives						
Forward exchange agreements	39.6	-0.6	46.5	0.2	47.1	-1.0
Currency swaps	-	-	-	-	0.6	0.0

Derivative instruments are used to hedge the Group's foreign exchange and interest rate risks

LARGEST REGISTERED SHAREHOLDERS ON 31 MARCH 2002

Shareholder	Shares	Share of total voting rights %
1 Lehtonen Heikki	3,681,731	38.29
Lehtonen Heikki	3,336,731	
Helsingin Santapaperi Oy	340,000	
Oy Högfors-Trading Ab	5,000	
2 Etra Invest Oy	870,400	9.05
3 Ilmarinen Mutual Pension Insurance Company	457,600	4.76
4 Sampo Group	437,800	4.55
Sampo Life Insurance Company Ltd	237,800	
If Insurance Company Ltd	200,000	
5 Phalanx Special Investment Fund	282,800	2.94
6 Lehtonen Anna-Maria	178,823	1.86
7 Inkinen Simo-Pekka	150,700	1.57
8 Local Government Pension Institution Finland	150,000	1.56
9 Lehtonen Yrjö M.	131,040	1.36
10 Federation of Finnish Metal Engineering and Electrotechnical Industries	126,000	1.31
11 Alfred Berg Finland Investment Fund	126,000	1.31
12 Alfred Berg Portfolio Investment Fund	121,700	1.27
13 Insurance Company Suomi	116,800	1.21
14 Alfred Berg Optimal Investment Fund	114,200	1.19
15 Alfred Berg Small Capital Investment Fund	98,700	1.03
16 Other shareholders	2,571,015	26.74
Total	9,615,309	100.00

The members of the Board of Directors own 40.1% of the shares. All shares have equal voting rights. The members of the Board of Directors hold 13.0% of the outstanding warrants. If all the warrants were converted to shares the holding of shares by the members of the Board of Directors would decrease to 38.6%.

CORPORATE DEVELOPMENT (M€)

Net sales	1.1.-31.3.2002	1.1.-31.3.2001	1.1.-31.12.2001
Cast and Other Components	38.8	45.2	158.4
Other Business	7.9	8.9	30.6
Divested operations	-	1.8	3.2
Others and internal sales	0.4	0.4	1.6
Componenta Group total	47.1	56.3	193.8
Operating profit	1.1.-31.3.2002	1.1.-31.3.2001	1.1.-31.12.2001
Cast and Other Components	1.4	3.4	7.1
Other Business	0.3	0.3	0.4
Divested operations	-	-0.2	-0.3
Others and internal sales	-0.6	0.3	1.1
Componenta Group total	1.1	3.8	8.3
Order book	31.3.2002	31.3.2001	31.12.2001
Cast and Other Components	22.9	27.0	22.0
Other Business	5.4	5.8	4.6
Divested operations	-	0.8	-
Others and internal sales	-0.1	-0.1	-0.1
Componenta Group total	28.2	33.5	26.5

CORPORATE QUARTERLY DEVELOPMENT (M€)

	1-3/2002	10-12/2001	7-9/2001	4-6/2001	1-3/2001
Net sales	47.1	46.2	39.8	51.5	56.3
Operating profit	1.1	1.1	-0.6	4.0	3.8
Net financial items	-2.1	-0.6	-1.8	-1.7	-1.9
Profit/loss after financial items	-1.0	0.6	-2.5	2.3	1.9

QUARTERLY DEVELOPMENT BY BUSINESS GROUP (M€)

Net sales	1-3/2002	10-12/2001	7-9/2001	4-6/2001	1-3/2001
Cast and Other Components	38.8	38.5	33.1	41.6	45.2
Other Business	7.9	7.2	6.3	8.2	8.9
Divested operations	-	-	0.1	1.3	1.8
Others and internal sales	0.4	0.5	0.3	0.4	0.4
Componenta Group total	47.1	46.2	39.8	51.5	56.3
Operating profit	1-3/2002	10-12/2001	7-9/2001	4-6/2001	1-3/2001
Cast and Other Components	1.4	1.1	-0.3	2.9	3.4
Other Business	0.3	-0.1	0.0	0.2	0.3
Divested operations	-	-0.4	0.0	0.3	-0.2
Others and internal sales	-0.6	0.5	-0.3	0.6	0.3
Componenta Group total	1.1	1.1	-0.6	4.0	3.8
Order book	31.3.2002	31.12.2001	30.9.2001	30.6.2001	31.3.2001
Cast and Other Components	22.9	22.0	26.3	25.9	27.0
Other Business	5.4	4.6	5.6	5.2	5.8
Divested operations	-	-	-	-	0.8
Others and internal sales	-0.1	-0.1	-0.2	-0.1	-0.1
Componenta Group total	28.2	26.5	31.7	31.0	33.5

COMPONENTA

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