

Componenta Corporation Interim Report

1 January - 30 June 2003

Income statement

<i>MEUR</i>	2003 1 - 6	2002 1 - 6	2002 1 - 12
Net sales	93.5	97.2	180.8
<i>Change in net sales, %</i>	-3.8	-9.2	-6.7
Other operating income	0.4	0.5	3.1
Share of result of associated companies	1.0	-0.1	0.2
Operating expenses	83.5	87.7	167.7
Depreciation and write-down of non-current assets	6.1	5.8	9.4
Operating profit	4.4	4.2	7.0
<i>Operating profit, %</i>	4.7	4.3	3.9
Financial income and expenses	-4.0	-4.5	-9.1
Result after financial items	0.5	-0.3	-2.1
Net result	0.8	0.3	1.0

Operating profit by business group

<i>MEUR</i>	2003 1 - 6	2002 1 - 6	2002 1 - 12
Cast and Other Components	5.0	4.7	5.8
Other Business	-0.6	-0.5	1.2
Total	4.4	4.2	7.0

Key ratios

	30.6. 2003	30.6. 2002	31.12. 2002
Equity ratio, %, preferred capital note in equity	31.3	30.1	31.4
Return on equity, %	4.3	1.3	2.5
Invested capital, MEUR	175	193	188
Return on investments, %	5.6	5.1	4.4
Net interest bearing debt, preferred capital note in equity, MEUR	110	123	117
Net gearing, %, preferred capital note in equity	169	181	171
Order book, MEUR	26.5	29.9	24.9
Investments in non-current assets, MEUR	-1.0	-4.3	-5.7
Investments in production facilities, MEUR	0.6	3.7	7.9
EPS, EUR	-0.09	0.03	0.11
Equity/share, EUR	3.89	3.88	3.92
Number of personnel, average	1,596	1,722	1,705
Number of personnel at the end of the period	1,614	1,752	1,616

Cash Flow

MEUR	1.1.-30.6.2003	1.1.-30.6.2002	1.1.-31.12.2002
Cash flow from operations			
Profit/loss before extraordinary items	0.5	-0.3	-2.1
Depreciation, amortization and write-down	6.1	5.8	9.4
Net financial income and expenses	4.0	4.5	9.1
Other income and expenses, adjustments to cash flow	0.5	-2.2	-3.5
Change in net working capital	4.5	-3.5	1.6
Cash flow from operations before financing and income taxes	15.6	4.2	14.4
Net financial income and expenses	-4.2	-5.2	-7.9
Income taxes	0.0	0.0	0.0
Cash flow from operations	11.4	-1.0	6.5
Cash flow from investing activities			
Capital expenditure in tangible and intangible assets	-0.6	-3.7	-7.0
Proceeds from tangible and intangible assets	0.0	0.7	3.6
Other investments and loans granted	-0.4	-1.3	-2.4
Proceeds from other investments and repayments of loan receivables	0.0	0.0	0.0
Cash flow from investing activities	-1.0	-4.3	-5.7
Cash flow from financing activities			
Dividends paid	-1.0	-1.4	-1.4
Share issue	-	-	-
Draw-down (+)/ repayment (-) of preferred capital note	-3.2	-2.6	-2.6
Draw-down (+)/ repayment (-) of current loans	5.1	11.0	9.5
Draw-down (+)/ repayment (-) of non-current loans	-13.7	-2.1	-5.0
Cash flow from financing activities	-12.7	4.8	0.4
Increase (+)/ decrease(-) in cash and bank accounts	-2.3	-0.5	1.2

Review period in brief

- Result rose from previous year
- Net sales MEUR 93.5 (MEUR 97.2); decline 4%
- Operating profit MEUR 4.4 (MEUR 4.2)
- Result after financial items MEUR 0.5 (MEUR -0.3)
- Consolidated net result MEUR 0.8 (MEUR 0.3)
- Earnings per share EUR 0.09 (EUR 0.03)

Review period in brief

- Result improved, despite fall in net sales, thanks to the programme of remedial action
- High global market prices for scrap steel in first part of year weakened result
- Financial costs fell from previous year
- Reduction in personnel (170 => 120) at Främmestad unit, due to loss of products as customers change production strategies; impact on volumes in 2004

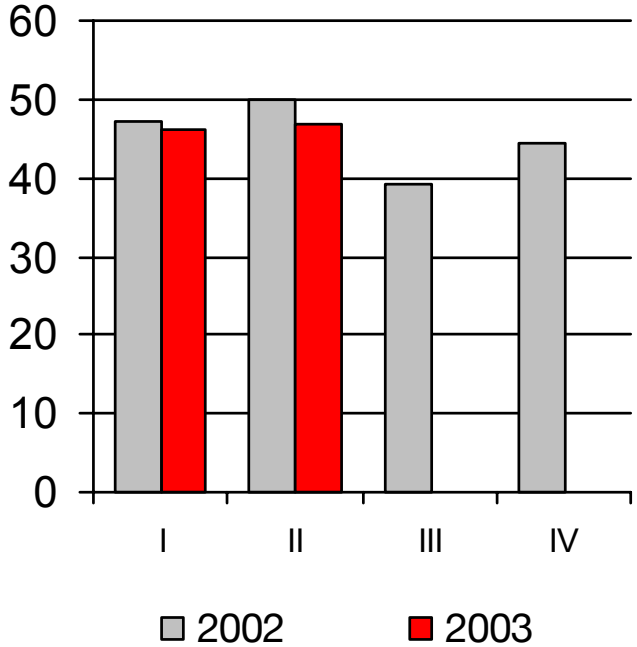
Development of Customer Industries

- Deliveries to Componenta's customer sectors in first six months fell from same period in previous year
- Demand for heavy trucks and output in Europe fell in first half of 2003 but remained at satisfactory level. Q2 deliveries clearly down in 03 from 02 (-8%)
- Demand from machine building industry rose Q2 in 03 from 02, but demand for full six month period still down from previous year (-2%)
- Demand from power and transmission also improved Q2 in 03 from 02 (+3%), but total deliveries for first six months down from last year
- Off-road demand Q2 substantially down (-9%) from previous year. Full six months at same level as last year

Net sales and order book

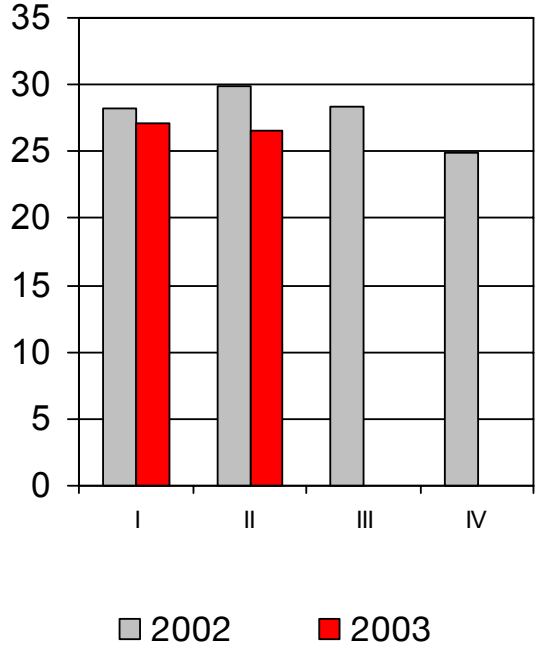
Net sales

MEUR



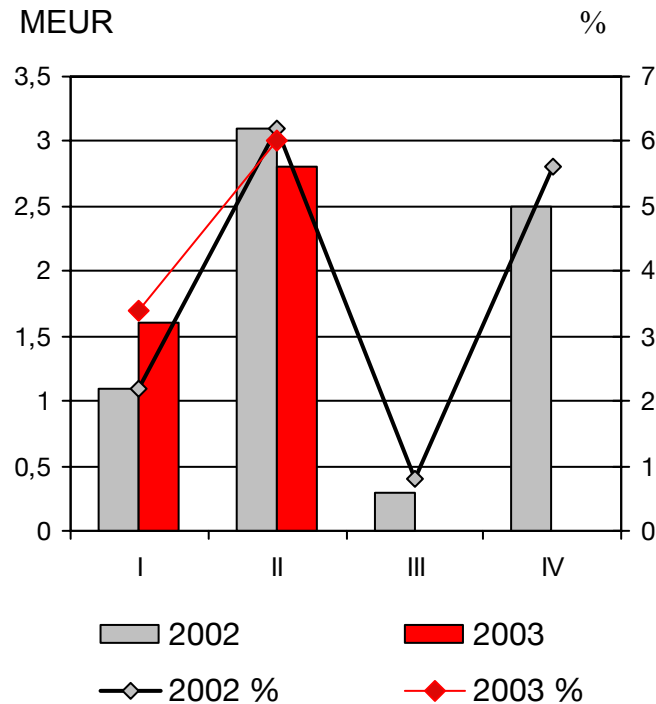
Order book

MEUR

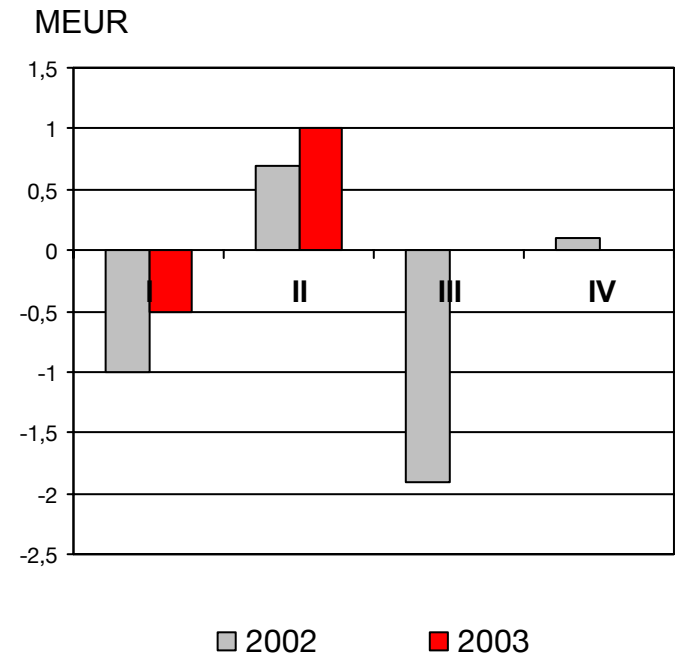


Operating profit and result after financial items

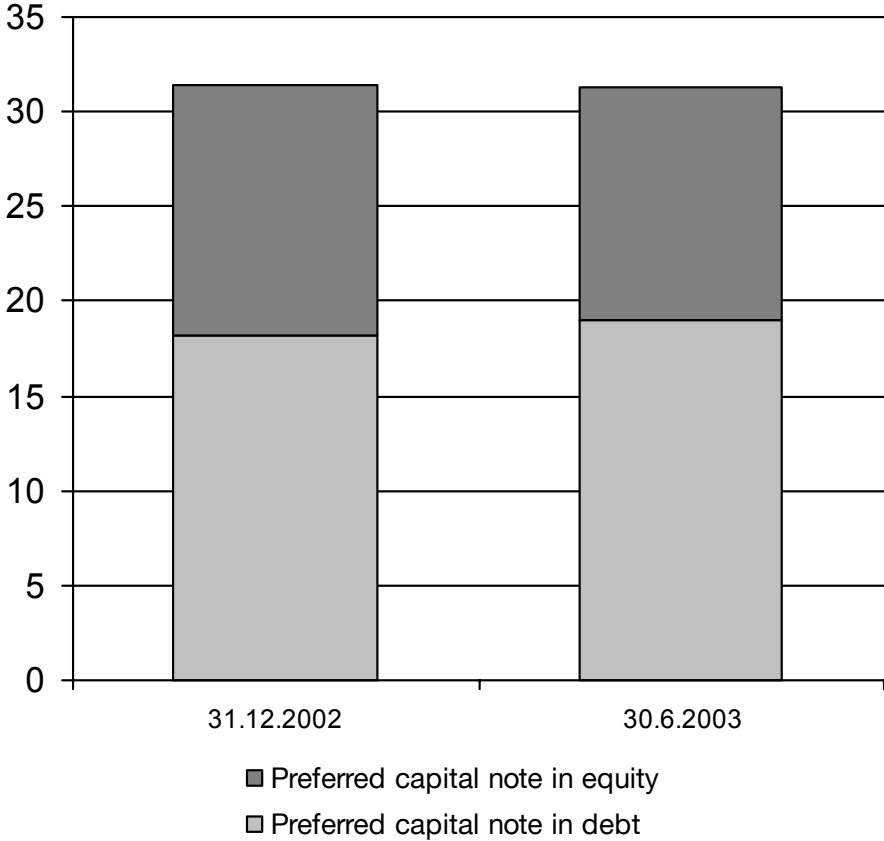
Operating profit/loss



Profit/loss after financial items

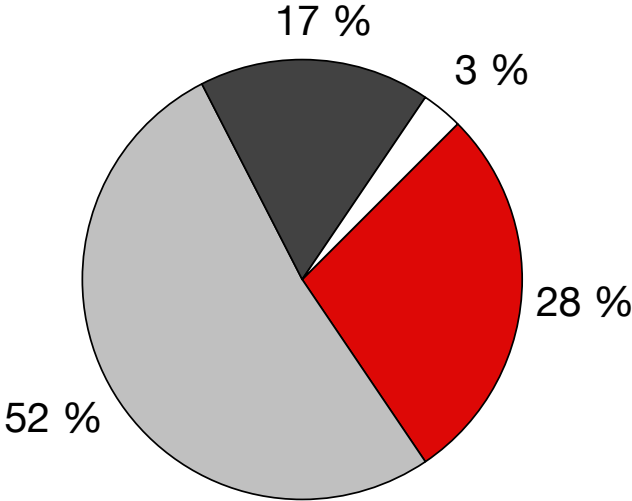


Equity ratio, %



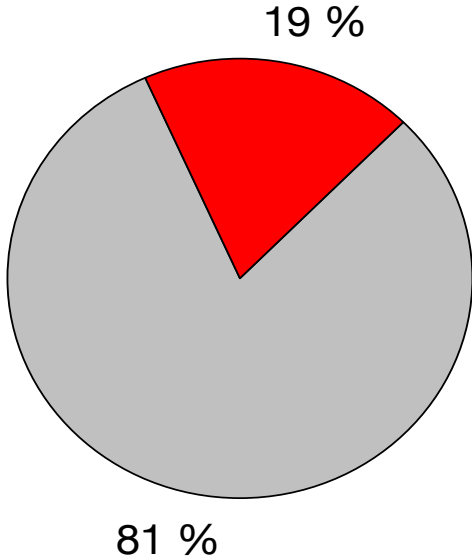
Division of sales

Sales by market area



- Finland
- Other Scandinavia
- Central Europe
- Other countries

Sales by business group



- Cast and other components
- Other operations

Sales to customer industries



Heavy trucks

Power and transmission

Machine building

Off-road

Others

55% (54%)

14% (14%)

14% (14%)

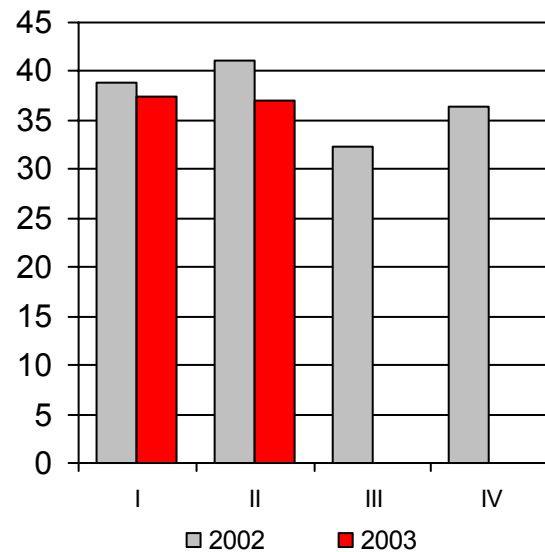
13% (12%)

4% (5%)

Cast and Other Components

Net sales

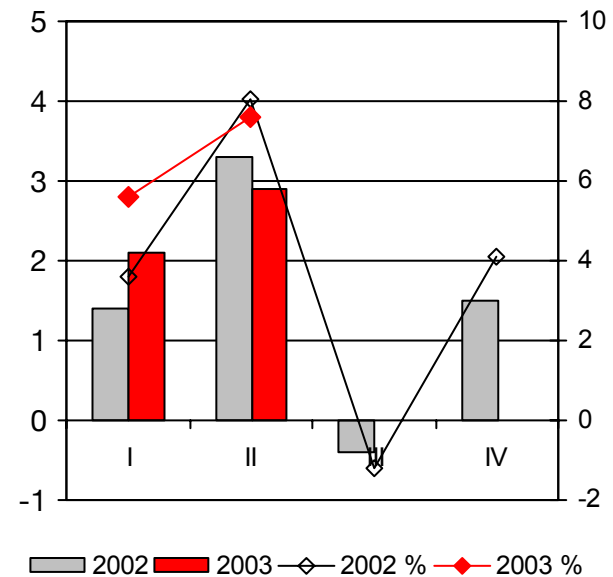
MEUR



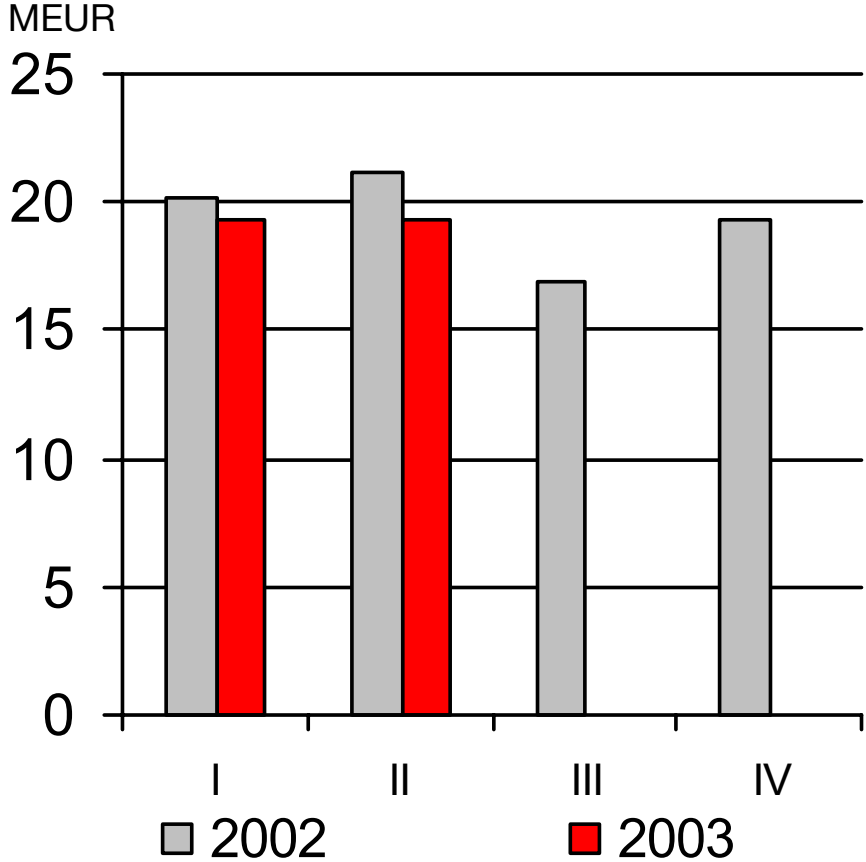
Operating profit

MEUR

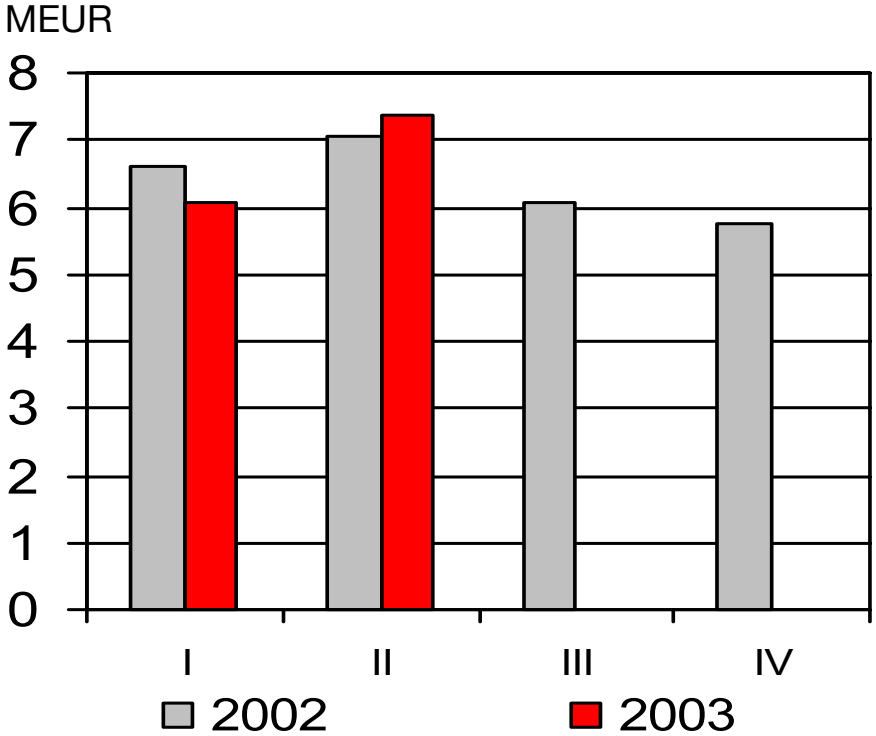
%



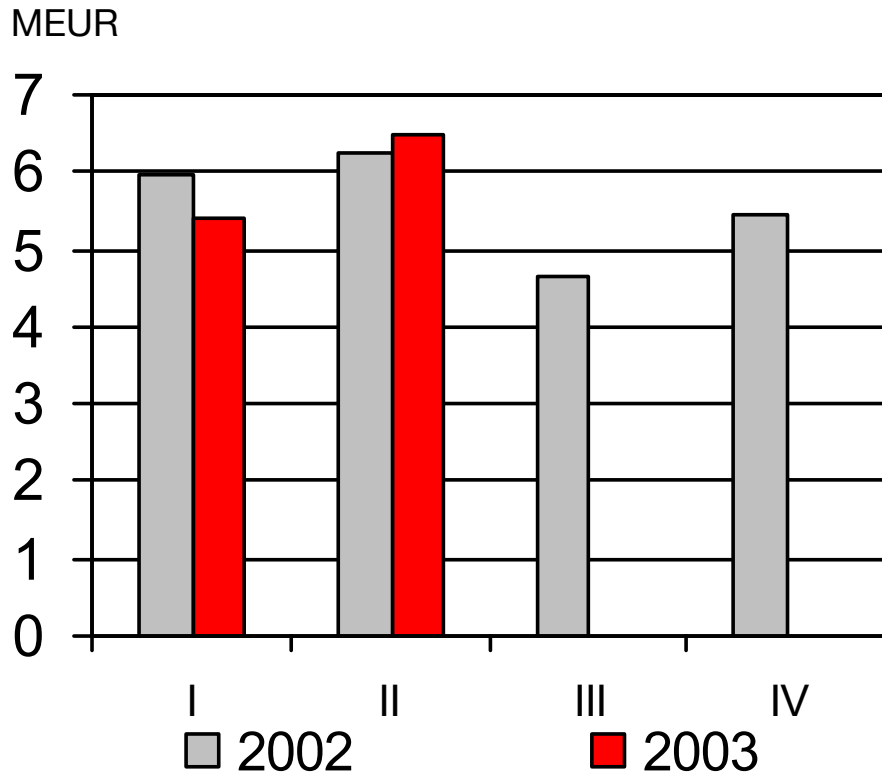
Cast and Other Components, sales to heavy truck industry



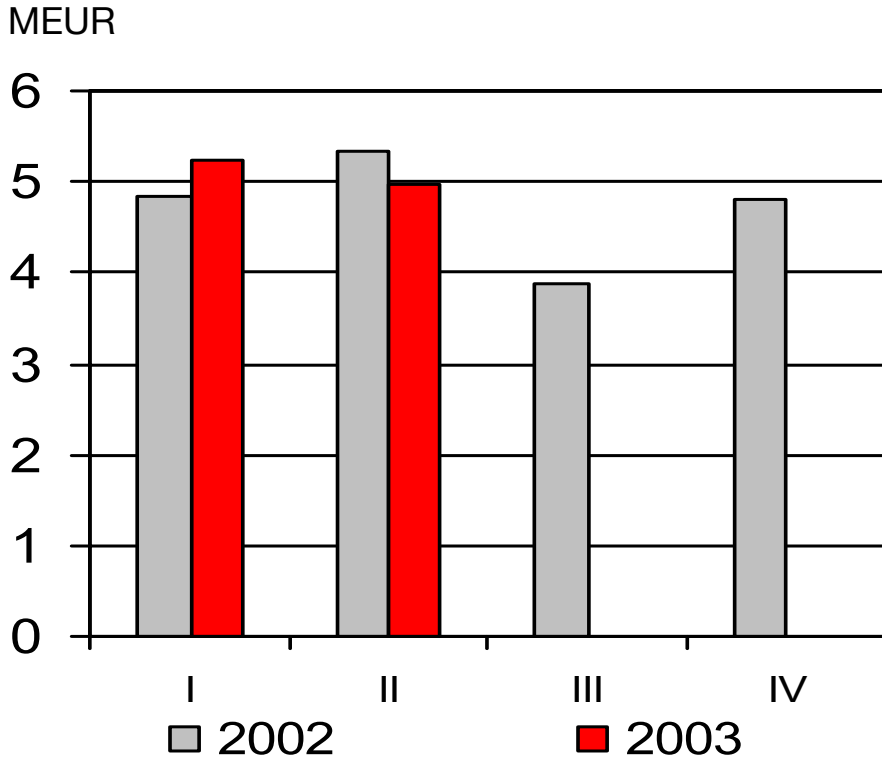
Cast and Other Components, sales to power and transmission industry



Cast and Other Components, sales to machine building industry



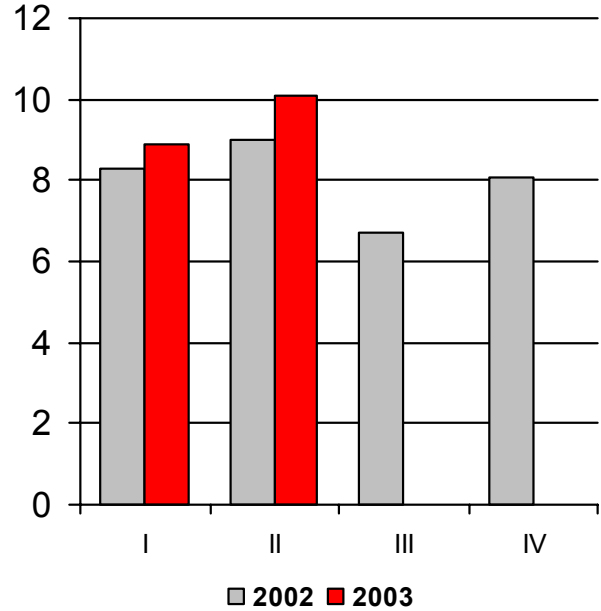
Cast and Other Components, sales to off-road industry



Other operations

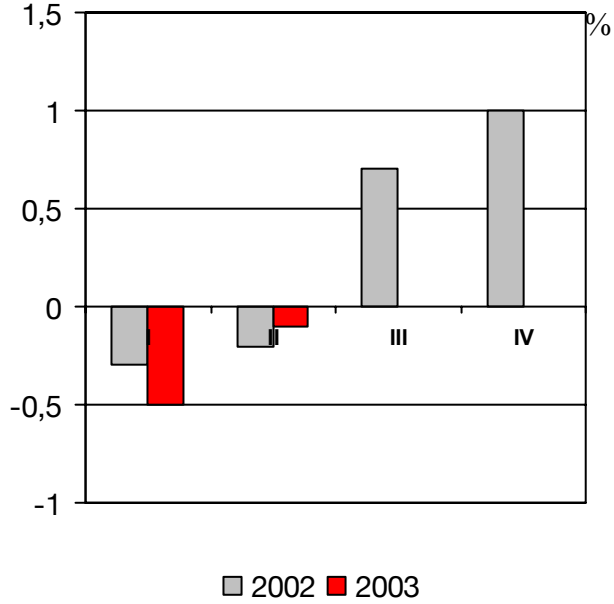
Net sales

MEUR



Operating profit

MEUR



Other operations and associated companies

- Sales by Group's forges increased from corresponding period in previous year; result improved slightly
- Share of results of associated companies MEUR 0.1 (MEUR -0.1); improved result at Keycast and exchange rate gains at Ulefos boosted result. Result was weakened by poorer operational result of Ulefos NV due to state of market in Norway, remedial action is being taken

Prospects 2003

- Manufacturers estimated to further postpone decisions on investments in machinery and equipment. Fall in interest rates creates better conditions for upturn in capital expenditure
- The decline in demand for heavy truck components, which has continued for three years, is thought to have ended
- Demand for power and transmission components expected to further improve in second half of year
- Demand from machine building industry has been better than expected
- Positive development in off-road industry expected to continue despite poor Q2

Prospects Q3/2003

- Despite some positive signs, numerous factors put the start up of growth at risk
- Thanks to programmes of remedial action, cost structure lighter than previous year. Additional actions are being taken
- Q3/03 net sales expected to be at virtually same level as Q3/02
- Q3/03 operational result after financial items, excluding non-recurring items, is expected to be loss-making, but significantly better than Q3/02
- Cash flow from operations will remain clearly positive