

COMPONENTA



Casting Future Solutions

Contents

President's review	1
Group management	2
Report by the Board of Directors	3
Consolidated income statement and balance sheet	6
Parent company income statement and balance sheet	7
Consolidated cash flow statement	8
Parent company cash flow statement	9
Notes to the financial statements	10
Shares and shareholders	24
Per share data	25
Group development 2000 - 2002	26
Calculation of key financial ratios	27
Proposal of the Board of Directors for the distribution of profits	28
Auditor's report	28
Group development	29

Componenta's financial information on web in 2003

Componenta's financial information can be obtained also on the Internet. In addition to this printed Annual Report the company will publish a Web Annual Report in Finnish and in English at the address www.componenta.com.

Besides the financial information the Group's Internet pages include much information related to the company itself and its business, for example:

- Corporate Strategy
- Corporate Governance
- Personnel
- Environment
- Business

Information about Componenta Corporation shares is available on the Internet page of the Helsinki Exchanges www.hex.fi.

Annual Shareholders' Meeting

The Annual Shareholders' Meeting of Componenta Corporation will be held at 2.00 pm on 12 February, 2003.

Interim reports

In 2003 Componenta Corporation will publish interim reports in Finnish and English as follows:

January - March	14 April 2003
January - June	11 July 2003
January - September	15 October 2003

From the beginning of 2003 the annual and interim reports will not be mailed automatically. Reports and releases can be read immediately after publishing on the Group's Internet pages at the address www.componenta.com. On these pages you can also order them to your own e-mail address. The printed reports can be ordered by telephone +358 9 2250 2701 or by e-mail ir.componenta@componenta.com.

President's Review

Casting Future Solutions

2002 was a year full of uncertainty. At the start of the year industrial investments were still depressed. The markets had been shaken by the events of the previous autumn, but during the spring they picked up momentarily, bringing an increase in our order books. But this improvement did not last long. Demand and order volumes in the business sectors of Componenta's customers fluctuated greatly during the year, and this was reflected in the operations of our foundries and machine shops. In the spring we took into use extra production shifts to raise capacity, and only a few months later many units needed to reduce the number of shifts and to cut personnel.

Componenta Group's net sales in 2002 were lower than in the previous year. This was due not just to the state of the market but also to the divestment of two units during the year 2002.

The decision to close down loss-making Componenta Osby had already been taken in the previous year and the machine shop ceased operations in May 2002. Componenta Traryd, which was not part of the Group's core operations, was sold in the autumn.

The decline in the order book and the variations in the amount of work resulted in low profitability and a poor result all through the year. To improve the result, towards the end of 2002 a programme of remedial action was started throughout the Group. This involved drawing up a savings programme to cut costs across the Group, and in addition each business unit set its own savings target. Personnel agreed to for example take leave instead of holiday pay, and some units had to lay people off. All but the most essential investments were put on hold, and many activities will in the future be carried out at lower cost than in the past. A major element of the restructuring programme involves examining the profitability of the product structure. We believe that the steps being taken will result in increased profitability and an improved result even in the spring of 2003.

During 2002 Componenta completed a strategy review. We examined and updated the Group's business strategy and the strategies for the Business Chains, and set strategic goals for the years 2003 – 2006. We also prepared a HR strategy, setting goals for HR management and development. The process differed this time from previous reviews since it involved a bigger number of Componenta personnel from all personnel groups and all business units in drawing up the strategy. Matters

relating to the strategy were reviewed and discussed with the people who play a key role in implementing it. The result of the process was that we agreed on actions that will enable Componenta to become a company that is the preferred engineering co-operation partner by 2006.

The goals are ambitious but at the same time realistic. Part of Componenta's strength lies in the wide-ranging knowhow and strong professional skills of its personnel. Many of our business units have long traditions and they possess indepth knowledge and skills in casting and machining. Combining these with new technology and ongoing R&D, we can offer customers competitive components and solutions today and in the future.

At the end of 2003, it will be 85 years since the founding of Rauta- ja metallivalimo Suomi (Iron and Metal Foundry Finland), from which the modern Componenta has developed. Over the years the casting industry has made tremendous advances and much has changed. Componenta has become a strong expert in foundry and machine shop operations – casting future solutions. One thing has not changed, however. Understanding the needs of customers better than competitors was the business idea of the company's founder, the machine shop engineer Matti Lehtonen, and still holds good in our operations today.

Heikki Lehtonen
President and CEO

Group Management



Olli Reenpää



Heikki Bergholm



Heikki Lehtonen



Juhani Mäkinen



Lauri Huhtala



Olli Karhunen



Sirpa Koskinen



Jari Leino



Pirjo Aarniovuori

Board of Directors

Olli Reenpää, b. 1934

M.Sc. (Eng)

Board Member since 1995,

Chairman since 2000

President and CEO of Otava Books
and Magazines Group Ltd

Chairman of the Board of Directors
of Yhtyneet Kuvalehdet Oy and

Otava Publishing Company Ltd

Member of the Board of Directors
of Otava Books and Magazines Ltd

1,000 Componenta shares

6,000 warrants

Heikki Bergholm, b. 1956

M.Sc. (Eng)

Board Member since 2002

President and CEO of Suominen
Corporation

Member of the Board of Directors
of Sponda Plc.

90,000 Componenta shares

1,500 warrants

Heikki Lehtonen, b. 1959

M.Sc. (Eng)

Board Member since 1987

President and CEO of Componenta
Corporation

Chairman of the Board of Directors
of Jaakko Pöyry Group Ltd

Vice Chairman of the Board of
Directors of Raute Plc

Member of the Board of Directors
of Otava Books and Magazines

Group Ltd

3,681,731 Componenta shares

33,876 warrants

Juhani Mäkinen, b. 1956

Attorney

Board Member since 2000

Chairman of the Board of Directors
of Hannes Snellman Attorneys at
Law Ltd

Chairman of the Board of Directors
of Oy Forcit Ab and Bothnia

International Insurance

Company Ltd

Vice Chairman of the Board of
Directors of Myllykoski Oyj

2,000 Componenta shares

4,500 warrants

Executive team

Heikki Lehtonen, b. 1959

M.Sc. (Eng)

President and CEO

3,681,731 Componenta shares

33,876 warrants

Lauri Huhtala, b. 1964

M.Sc. (Econ.)

Director, Foundries

800 Componenta shares

7,500 warrants

Olli Karhunen, b. 1959

M.Sc. (Eng.)

Director, Power and transmission

1,800 Componenta shares

7,500 warrants

Sirpa Koskinen, b. 1963

M.Sc. (Econ.)

CFO

7,500 warrants

Jari Leino, b. 1961

Engineer

Director, Sales & Marketing

2,000 Componenta shares

7,500 warrants

Pirjo Aarniovuori, b. 1955

Communications Manager

2,500 warrants



Report by the Board of Directors

The weak performance of the global economy in 2002 coupled with increased uncertainty about demand reduced Componenta Group's sales and weakened the Group's result. In consequence of the weaker performance and the uncertainty about demand, the Group initiated a programme to adjust cost and product structures. This is estimated to improve the Group's operating profit by more than EUR 6 million in 2003. The cost structure has been enhanced through programmes to raise productivity at individual units and by cutting fixed costs. These actions account for two thirds of the programme. The programme to adjust the product structure includes optimizing production processes and correcting unhealthy price structures.

The Group reinforced its financing structure through an issue of preferred capital note in February. The preferred capital note is effective at the latest until 2009.

Componenta Group had net sales in 2002 of EUR 180.8 million (net sales in the previous year were EUR 193.8 million, net sales declined 7%). The Group had an operating profit of EUR 7.0 (8.3) million and a loss after financial items of EUR 2.1 million (profit of EUR 2.3 million). Low sales in the first quarter and increased net financial costs reduced the Group's result from the previous year's level.

The Board of Directors proposes to the Annual Shareholders' Meeting that a dividend of EUR 0.10 per share will be paid.

Market

The year 2002 was characterized by uncertainty about developments in the global economy. Many industrial sectors had unused capacity, which reduced the need for manufacturers to invest. However, the differences in developments between individual sectors and between individual companies were considerable.

Demand for heavy trucks in Europe continued to fall throughout 2002, and total demand was more than 10 per cent down on the previous year. Heavy truck production declined by about 6% in Europe. Componenta's delivery volumes to the heavy truck industry were six per cent lower than in the previous year. Componenta's sales followed general trends closely, despite the steps taken during the year to eliminate non-profitable products.

Demand from the energy and power transmission sector was lower in the final quarter than in the same period in the previous year. Sales were affected by changes in the product structure of wind generator customers, which means that in future sales will focus on larger units. Sales increased, however, by 3% during 2002. The purchase of Componenta Nisamo in the summer of 2001 contributed to this improvement.

Output by Nordic machinery and equipment manufacturers declined in 2002, a consequence of low demand for investments in export and domestic markets. The sector has much unused capacity. Cast and Other Components' deliveries to machine building industry fell 8% in the final quarter of 2002 from the final quarter in 2001. Componenta's sales to machinery manufacturers were 17% lower in 2002 than in the previous year.

Demand from European off-road manufacturers in 2002 was lower than in the previous year. Componenta's deliveries to off-road manufacturers, however, grew slightly in the final quarter compared to the same period in the previous year. For the whole year sales were 5% down on the previous year, due to the weak sales performance at the start of the year.

Changes in Group structure

In September Componenta sold the operations of metal foundry Componenta Traryd, which was not part of the core business, in an MBO to the company's operative management consisting of Chairman of the Board Antti Lehtonen, Managing Director Bo Rosengren and Finance Manager Gunnar Blomberg. The selling price was EUR 4 million. Componenta continues to participate in Traryd's business as a financier.

Karkkilan Konepaja Oy, Componenta Rauma Oy and Karkkilan Vanha Valimo Oy merged with Componenta CPC Oy on 30 September 2002.

Net sales and order book

The Group had net sales in the January – December review period of EUR 180.8 (193.8) million. Net sales fell 7% from the previous year. The Group's order book at the end of the review period on 31 December 2002 stood at EUR 24.9 million (EUR 26.5 million on 31 December 2001). Net sales in the final quarter of the year totalled EUR 44.5 (46.2) million, a fall of 4% from

the previous year.

Exports and foreign operations accounted for 72% (72%) of the Group's net sales. Net sales by market area were as follows: Finland 28% (28%), other Nordic countries 53% (52%), Central Europe 17% (18%) and other countries 2% (2%).

Cast and Other Components had net sales of EUR 148.7 (158.4) million, or 82% (82%) of the Group's net sales.

Net sales by customer business sector were as follows: heavy truck industry 54% (54%), power and transmission industry 14% (13%), machine building industry 15% (16%), off-road industry 12% (12%) and other 5% (5%).

Result

Componenta Group had an operating profit of EUR 7.0 (8.3) million, and a loss after financial items of EUR 2.1 million (profit of EUR 2.3 million). The result includes EUR 1.8 (1.2) million in net profit from the sale of non-current assets and other non-recurring items. The remaining amount of the negative goodwill generated in 2001 in the restructuring of the Group was recognized in the final quarter of the year. A total of EUR 2.9 (12.3) million of negative goodwill was recognized as income during the year.

The Group's net financial costs totalled EUR 9.1 (6.0) million. Financial costs increased mainly because the 2001 financial costs do not include interest on preferred capital notes (EUR 1.6 million). Another factor in the increase was the EUR 0.4 million currency exchange losses. The Group's net profit was EUR 1.0 (7.4) million.

The income taxes for the review period were EUR 3.1 (5.0) million positive. This consists partly of the reduction in deferred tax liability through the reversal of accelerated depreciation and partly of the change recorded in deferred tax receivables for the losses for the financial year and for confirmed losses. The prudence principle was followed in recording the deferred tax assets.

The earnings per share were EUR 0.11 (0.77).

Closing the Osby machine shop and the transfer of products to other Componenta units took place largely according to plan. Some 60% of Osby's production was transferred to other units in the Group. The costs for closing the unit were, however, EUR 0.7 million higher than had been estimated in 2001. Production was terminated at the unit in March and operations ceased entirely in May.

Cast and Other Components

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

Cast and Other Components had net sales in the period January - December of EUR 148.7 (158.4) million and an operating profit of EUR 5.8 (8.7) million. The order book on 31 December 2002 stood at EUR 19.6 (22.0) million.

Net sales in the fourth quarter were EUR 36.4 (38.5) million and the operating profit was EUR 1.5 (1.1) million.

The fall of EUR 9.7 million in sales from the previous year and the restructuring actions taken had a major impact on the result for the whole year, resulting in lower capacity usage. The Alvesta unit was still loss-making, even though its result improved from the previous year.

Other Business

Componenta's Other Business consists of operations that are not part of the Company's core operations, such as the Wirsbo forges, associated companies, the Group's support functions and service units, as well as divested businesses. The way of grouping operations has been changed from the previous year because a detailed listing of other operations serves no purpose and is no longer essential. Following the sale of the Traryd operations, Other Business as previously defined would have consisted almost entirely of the Wirsbo unit.

Other Business had net sales in January - December of EUR 32.1 (35.4) million and an operating profit of EUR 1.2 million (loss of EUR 0.4 million). The order book at the end of the year stood at EUR 5.3 (4.5) million. Net sales in the fourth quarter were EUR 8.1 (7.7) million and the operating profit was EUR 1.0 (0.0) million.

Despite weak sales at the start of the year, Componenta Wirsbo almost achieved the same level in its sales as in the previous year. Wirsbo's operative result failed to match expectations, however, and the unit was heavily loss-making. A one-time write-down of inventory in the third quarter was an extra burden on the unit's result. A streamlining programme has been started at the unit to correct prices and to increase efficiency in the unit.

In January 2002 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 0.2 (-0.5) million. Improved operating profits by Thermia and Ulefos NV increased the Group's share. Exchange rate losses at Ulefos NV reduced the Group's share.

Financing

The Group's equity ratio was 18.2% (18.7%). The equity ratio including the preferred capital notes was 31.4% (32.0%).

The Group reinforced its financial structure in February with an issue of preferred capital note which is effective at the latest until 2009. The Group had unused committed credit facilities at the end of the year of EUR 27 million.

The Group has a EUR 40 million commercial paper programme and EUR 16.6 million of this was in use at the end of the year. The Group's net interest-bearing liabilities, excluding the EUR 28.6 million preferred capital note, totalled EUR 116.5 (112.4) million.

Investments

Investments in production facilities in 2002 totalled EUR 7.9 (15.6) million. The largest of these were the

expansion of Suomivalimo, new production lines at Albin and Nisamo, and the pressing line for forged components at Wirsbo, which was started in 2001 and commissioned in the summer of 2002. The Group also invested EUR 1.1 million in the shares of the associated company Thermia AB. Gross investments totalled EUR 9.8 (53.1) million. Because of its divestments, however, the Group's cash flow for investments was EUR -5.7 million.

The Group's research and development costs are recorded as expenses for the period in which they are incurred.

Personnel

During the financial year the Group had an average of 1,705 (1,810) employees. The Group had 1,616 (1,741) employees on 31 December 2002. 52.8% (50.8%) of the Group's personnel were in Finland, 46.6% (48.7%) in Sweden and 0.5% (0.5%) in other countries.

Board of Directors and Management

Componenta's Annual Shareholders' Meeting on 12 February 2002 elected Heikki Bergholm, Antti Lehtonen, Heikki Lehtonen, Juhani Mäkinen and Olli Reenpää as members of the Board of Directors. The Board chose Olli Reenpää as its chairman and Juhani Mäkinen as its vice chairman.

Antti Lehtonen resigned from the Board of Directors of Componenta Corporation at the end of September.

Senior Vice President Yrjö Julin left to work at another company at the beginning of May and Bengt Christensson, Director of Supply Chain 1, at the beginning of October. The corporate executive team of Componenta Group is formed by President and CEO Heikki Lehtonen, Lauri Huhtala, Director, Foundries, Olli Karhunen, Director, Power and Transmission, Jari Leino, Director, Sales and Marketing, CFO Sirpa Koskinen and Communications Manager Pirjo Aarnio-vuori.

Share capital and shares

Componenta Corporation's shares 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 share has a nominal value of 2 euros. At the end of the year the quoted price of Componenta Corporation shares stood at EUR 1.81. The lowest quoted price during the year was EUR 1.71 and the highest was EUR 2.70. The share capital had a market value at the end of 2002 of EUR 17.4 million. The volume of shares traded during the review year was the equivalent of 11.3% of the share stock.

Authorization for share issues and purchasing own shares

The company's Board of Directors has no authorization to issue shares or to purchase the company's own shares.

Preferred capital note

Componenta Corporation offered holders of the preferred capital notes issued in 1997 by Componenta's

subsidiary Componenta Finance Corporation the opportunity to exchange their notes for new preferred capital note issued in February 2002 by Componenta Corporation. The preferred capital notes issued by Componenta Finance Corporation were in their entirety in the possession of Componenta Corporation by the end of March, and as a result stock exchange trading in Componenta Finance preferred capital notes also ceased in March.

The preferred capital note issued by Componenta Corporation had a principal of EUR 25.1 million and the loan period is 15 February 2002 – 19 March 2009. Annual interest is paid on the note at a rate 4% above the 12-month Euribor interest rate. The company repays 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 note on the annual interest payment date.

On 31 December 2002 Componenta Corporation had preferred capital note with a value of EUR 28.6 million.

Announcements in conformance with Chapter 2, Article 9 of the Finnish Securities Markets Act in 2002

According to a statement made on 12 July 2002, the holding of Etra-Invest Oy in Componenta Corporation exceeded 10 per cent, rising to 10.42 per cent of the shares and voting rights.

Prospects for 2003

This perception of Componenta's prospects is based on publicly available, external business cycle indicators, order forecasts given by customers and on Componenta's order intake and order book.

Uncertainty about developments in the global economy continues to postpone decisions about investments in machinery and equipment by industry. Demand is expected to be slack in 2003.

Demand for heavy truck components stopped falling in 2002. The uncertainty about general economic developments may, however, also affect demand for heavy truck components in 2003.

Judging from the order books, the first quarter of 2003 is likely to be a weak period for wind turbine components due to a seasonal trend. Demand is expected to pick up in the second quarter.

Demand among Nordic machine building industry remained weak at the end of 2002 and any recovery in growth will probably be further postponed, even though demand is expected to have stopped falling. The Group's deliveries to European off-road manufacturers increased in the final quarter of the year and this positive trend is expected to continue in the first part of 2003.

Thanks to the restructuring programme initiated in 2002, in the first quarter of 2003 the Group's cost structure will be EUR 1 million lighter than in 2002.

Componenta Group's net sales in the first quarter of 2003 should be similar to those in the corresponding period in the previous year and the operating profit is expected to improve.

Consolidated income statement 1.1. - 31.12.

1,000 EUR		2002	%	2001	%
Net sales	1	180,778	100	193,802	100
Other operating income	2	3,261		3,585	
Operating expenses	3	167,667		184,084	
Depreciation, amortization and write-down of non-current assets	4	9,376		5,010	
Operating profit	5	6,996	3.9	8,293	4.3
Financial income and expenses	6	-9,111		-5,953	
Profit/loss after financial items		-2,115	-1.2	2,340	1.2
Income taxes	7	3,100		4,999	
Minority interest		29		26	
Profit for the financial period		1,014	0.6	7,365	3.8

Consolidated balance sheet 31.12.

1,000 EUR		2002		2001
Assets				
Non-current assets				
Intangible assets		3,360		4,345
Group goodwill		1,772		-
Tangible assets		127,254		131,921
Investments		16,815		15,177
	8	149,201		151,443
Current assets				
Inventories	9	20,231		20,538
Long-term receivables	10	9,638		7,494
Short-term receivables	11	35,954		35,303
Cash and bank accounts		2,941		1,725
		68,764		65,059
Total assets		217,965		216,502
Liabilities and shareholders' equity				
Shareholders' equity				
Share capital	12	19,231		19,231
Share premium account		11,533		11,533
Legal reserve		5		5
Retained earnings		5,906		311
Profit for the financial period		1,014		7,365
Preferred capital notes	14	28,590		28,705
	13	66,279		67,149
Minority interest		2,070		2,105
Negative goodwill	16	-		657
Provisions	17	-		1,973
Liabilities				
Non-current liabilities	19	75,820		80,073
Current liabilities	21	73,796		64,545
	18	149,616		144,618
Total liabilities and shareholders' equity		217,965		216,502

Parent company income statement

1,000 EUR		1.1.2002 - 31.12.2002	6.11.2000 - 31.12.2001
Net sales		1,352	1,446
Other operating income	26	1,000	-
Operating expenses	27	1,754	1,330
Depreciation	28	9	1
Operating profit		589	115
Financial income and expenses	29	-2,443	4,435
Profit/loss after financial items		-1,854	4,550
Extraordinary items	30	1,473	-
Profit/loss after extraordinary items		-381	4,550
Income taxes	31	535	-1,321
Profit for the financial period		154	3,229

Parent company balance sheet

1,000 EUR		31.12.2002	31.12.2001
Assets			
Non-current assets			
Intangible assets		60	2
Tangible assets		32	20
Investments		56,924	33,461
	32	57,016	33,483
Current assets			
Long-term receivables	33	16,768	6,426
Short-term receivables	34	4,629	337
Cash and bank accounts		3	4
		21,400	6,767
Total assets		78,416	40,250
Liabilities and shareholders' equity			
Shareholders' equity			
Share capital	35	19,231	19,231
Share premium account		11,533	11,533
Legal reserve		5	5
Retained earnings		1,787	-
Profit for the financial period		154	3,229
Preferred capital note	37	28,590	6,000
	36	61,300	39,998
Liabilities			
Non-current liabilities	39	6,883	-
Current liabilities	40	10,233	252
	38	17,116	252
Total liabilities and shareholders' equity		78,416	40,250

Consolidated cash flow statement 1.1. - 31.12.

1,000 EUR	2002	2001
Cash flow from operations		
Profit/loss before extraordinary items	-2,115	2,340
Depreciation according to plan and write-down of non-current assets	9,376	5,010
Unrealized exchange rate gains and losses	26	974
Other income and expenses, with no cash payment	-1,200	2,530
Financial income and expenses	9,085	4,979
Gains and losses from the sale of non-current assets	-2,169	-1,630
Other adjustments	-188	507
Cash flow before change in net working capital	12,815	14,710
Change in net working capital		
Current non-interest bearing receivables, increase (-)/decrease (+)	4,633	9,246
Inventories, increase (-)/decrease (+)	532	1,810
Current non-interest bearing liabilities, increase (+)/decrease (-)	-3,584	-3,233
Cash flow from operating activities before financing and income taxes	14,396	22,533
Paid interest and other financial expenses	-9,391	-8,213
Dividends received	401	1,270
Interest income received	1,113	3,077
Income taxes paid	-13	-112
Cash flow before extraordinary items	6,506	18,555
Cash flow from operations (A)	6,506	18,555
Cash flow from investments		
Investments in tangible and intangible assets	-6,973	-23,629
Proceeds from tangible and intangible assets	3,613	958
Loans granted	-494	-3,006
Investments in subsidiary shares	-	-496
Investments in shares and other investments	-1,860	-8
Repayments of loan receivables	-	9,358
Proceeds from subsidiary shares	-	632
Proceeds from other investments	10	4,370
Cash flow from investments (B)	-5,704	-11,821
Cash flow from financing operations		
Share issue	-	1,152
Draw-down of preferred capital note	-	6,000
Repayment of preferred capital note	-2,645	-
Draw-downs of current loans	9,965	9,760
Repayments of current loans	-491	-23,652
Draw-downs of non-current loans	-	8,102
Repayments of non-current loans	-4,966	-6,371
Dividends paid	-1,449	-
Cash flow from financing operations (C)	414	-5,009
Change in cash and bank accounts (A + B + C) increase (+)/decrease (-)	1,216	1,725
Cash and bank accounts at beginning of period	1,725	-
Cash and bank accounts at period end	2,941	1,725
Change during the financial period	1,216	1,725

Parent company cash flow statement

1,000 EUR	1.1.2002 - 31.12.2002	6.11.2000 - 31.12.2001
Cash flow from operations		
Profit/loss before extraordinary items	-1,854	4,550
Depreciation according to plan	9	1
Other income and expenses, with no cash payment	-1,000	56
Financial income and expenses	2,443	-4,435
Cash flow before change in net working capital	-402	172
 Change in net working capital		
Current non-interest bearing receivables, increase (-)/decrease (+)	-2,235	-268
Current non-interest bearing liabilities, increase (+)/decrease (-)	-53	196
Cash flow from operating activities before financing and income taxes	-2,690	100
 Paid interest and other financial expenses	-310	-384
Dividends received	-	4,787
Interest income received	94	32
Income taxes paid	-	-1,389
Cash flow before extraordinary items	-2,906	3,146
 Cash flow from extraordinary items	2,074	-
Cash flow from operations (A)	-832	3,146
 Cash flow from investments		
Investments in tangible and intangible assets	-79	-23
Preferred capital note investments in Group companies	-134	-
Loans granted to Group companies	-9,141	-6,426
Investments in subsidiary shares	-1,061	-3,845
Investments in shares and other investments	-751	-
Proceeds from subsidiary shares	851	-
Cash flow from investments (B)	-10,315	-10,294
 Cash flow from financing operations		
Share issue	-	1,152
Draw-down of preferred capital note	-	6,000
Repayment of preferred capital note	-2,511	-
Draw-downs of current loans	8,216	-
Draw-downs of non-current loans	6,883	-
Dividends paid	-1,442	-
Cash flow from financing operations (C)	11,146	7,152
 Change in cash and bank accounts (A + B + C) increase (+)/decrease (-)	-1	4
 Cash and bank accounts at beginning of period	4	-
Cash and bank accounts at period end	3	4
Change during the financial period	-1	4

Accounting principles

The financial statements of Componenta Corporation and the consolidated financial statements are prepared in accordance with current laws and regulations in Finland. Finnish legislation is based on the 4th and 7th directives of the European Union.

The consolidated financial statements of Componenta Group have been prepared in euros. The accounting currency for the parent company and Finnish subsidiaries is the euro.

The financial statements for foreign subsidiaries have been arranged to correspond to the Finnish Accounting Act.

The financial year for the Group companies is the calendar year and it ended on 31 December 2002. The 2001 financial statements for comparison for Componenta Corporation are for the period 6 November 2000 – 31 December 2001. The 2001 consolidated financial statements include the parent company's financial statements for the period 6 November 2000 – 31 December 2001 and financial statements for other Group companies for the period 1 January – 31 December 2001.

Scope of consolidated financial statements

The consolidated financial statements include Componenta Corporation and those Finnish and foreign subsidiaries in which the Group holds directly or indirectly shares with over 50% of the voting rights. Subsidiaries acquired during the financial year are included in the consolidated financial statements from the date of acquisition and subsidiaries sold during the financial year are included up until the date of sale.

Associated companies are companies in which the Group holds shares with 20% to 50% of the voting rights. The consolidated financial statements do not include certain small associated companies since the amounts concerned are insignificant. The non-consolidated associated companies do not affect the Group's distributable equity.

Principles for consolidation

The consolidated financial statements are prepared according to the acquisition cost method.

The negative goodwill arising from the acquisition of the shares in Componenta Finance Corporation in 2001 was offset against group goodwill in the consolidated financial statements of Componenta Finance Corporation on 1 January 2001. In addition to this, the negative goodwill was offset in 2001 against write-downs of non-current and current assets made in some subsidiaries and against losses from the closing down of operations. The remainder of the negative goodwill was recognized as income in the income statement in 2002.

The excess of the acquisition cost of the shares of other subsidiaries over the shareholders' equity acquired is group goodwill, which is amortized over 5 years. Group goodwill is presented as a separate item in the balance sheet. In the 2001 financial statements it was offset against negative goodwill.

In the consolidated financial statements of Componenta Finance, a subsidiary of Componenta Corporation, the excess of the acquisition cost of the shares of the subsidiaries over the shareholders' equity acquired is partly allocated to the non-current assets of the subsidiaries. On 31 December 2002, goodwill allocated to machinery and equipment under non-current assets totalled EUR 6.4 million.

The financial statements of associated companies are consolidated according to the equity method. The Group's share of the result of associated companies is entered under other operating income in the income statement. The

difference between the acquisition cost of shares and the Group's share of the shareholders' equity of associated companies and of the accumulated untaxed reserves less deferred tax liability (goodwill) is amortized over 5 - 10 years. Amortization of goodwill from associated companies is recorded in the Group's share of the result of associated companies. The value of shares is presented in the balance sheet as the acquisition cost of the shares adjusted by the Group's share of the accumulated results of associated companies, including the accumulated amortization of goodwill, and by the Group's share of the sales profit arising from business divestments between the Group and associated companies.

Foreign subsidiaries and conversion differences

The income statements of foreign subsidiaries are converted into euros using the average exchange rates for the accounting period. These are the average of the average exchange rates quoted by the European Central Bank at each month end. Balance sheet items are converted into euros at the European Central Bank average exchange rate on the closing day.

The conversion difference arising from using different exchange rates for converting the income statement and the balance sheet is entered under conversion differences in the shareholders' equity. Conversion differences caused by changes in exchange rates when consolidating the shareholders' equity of subsidiaries have been recorded under shareholders' equity.

Foreign currency loans are used to hedge the shareholders' equity of foreign subsidiaries using the equity hedging method. Exchange rate differences for these loans are recorded net in the consolidated balance sheet as conversion differences under shareholders' equity.

Conversion differences from the restricted shareholders' equity of subsidiaries are not distributable funds.

Intra-group transactions

Intra-group transactions have been eliminated in the consolidation, as has the internal margin included in the inventories of Group companies. Intra-group receivables and liabilities have also been eliminated.

The Group's share of the sales profits from business divestments between the Group and associated companies is eliminated. The eliminated sales profits are recorded as income at the same rate as amortization in the associated company.

Foreign currency transactions

Foreign currency transactions are recorded at the exchange rate on the transaction date.

The foreign currency receivables and liabilities of the parent company and of Finnish subsidiaries are converted into euros at the European Central Bank's average exchange rate on the last day of the year. The foreign currency receivables and liabilities of non-Finnish Group companies are converted at the exchange rate for the country concerned on the last day of the year. Any resulting exchange rate differences are recorded in the income statement as sales or purchasing adjustments or as financial items, as appropriate.

Foreign exchange and interest rate derivative instruments

Currency-denominated open derivatives are valued at the exchange rate on the closing day of the period.

Derivative financial instruments concluded to hedge

against foreign currency and interest rate risks are recorded in the income statement at the same time as the commitment that is hedged. Changes in the value of foreign exchange derivatives are entered in the income statement so that the interest portion is deferred and entered as interest income and expenses, and the exchange rate difference is recorded in the result when the commitment hedged is recorded in the income statement.

Minority interest

Minority interest is calculated as the minority shareholders' share of the result for the financial period and of the shareholders' equity of subsidiaries.

Net sales

Indirect taxes, discounts given and exchange rate differences for sales have been deducted from sales income when calculating net sales.

Other operating costs include freight charges, other costs relating to sales and credit losses.

Other income from operations

Other income from operations includes income from the divesting of operations and the sale of subsidiaries. Correspondingly, losses from the divesting of operations and the sale of subsidiaries are recorded under other operating costs.

Extraordinary items

The parent and other Group companies' extraordinary items include group contributions received or given and corresponding taxes.

Direct taxes, deferred tax liabilities and assets

Consolidated direct taxes include direct taxes based on the taxable result of Group companies, calculated according to local tax regulations, and the changes in deferred tax liabilities and deferred tax assets.

Changes in deferred tax liabilities and assets have been calculated from the temporary differences between tax and financial periods, from eliminations made in consolidation, from the confirmed losses and losses for the financial year of Group companies, and from changes in accelerated depreciation and other untaxed reserves. Deferred tax assets for confirmed losses or for losses for the financial period have only been recognized to the extent that it is probable that they can be utilized. Taxes include taxes paid for the period and taxes for previous periods that have been due for payment or refund.

Deferred tax liabilities and assets are presented in the balance sheet as a net figure where they apply to the same tax subject.

Deferred taxes are calculated for Finnish companies using a tax rate of 29% and for Swedish companies using a rate of 28%.

Deferred tax liabilities calculated from the revaluation of non-current assets are stated in a note to the financial statements.

Taxes on group contributions recorded under extraordinary items by the parent company and individual companies are included in extraordinary items.

Non-current assets and depreciation and amortization

Non-current assets are recorded in the balance sheet at their direct acquisition cost less planned depreciation, amortization and write-down. In addition, certain buildings include revaluations made in previous years, and depreciation is not made on these revaluations. No depreciation is made on land and water areas.

Planned depreciation and amortization is calculated on a

straight line basis on the original acquisition cost, based on the estimated useful economic life, as follows:

capitalized development costs	5 years
intangible rights	3 - 10 years
group goodwill	5 years
other capitalized expenditure	3 - 20 years
buildings and structures	25 - 40 years
computing equipment	3 - 5 years
other machinery and equipment	5 - 25 years
other tangible assets	5 - 10 years

Depreciation of group goodwill allocated to non-current asset items takes place according to the schedule for planned depreciation for the item in question.

The profits and losses from the sale of non-current assets are included in the operating profit.

Negative goodwill is recognized as income and presented as a separate item under depreciation and amortization of non-current assets.

Leasing

Leasing payments are treated as rental expenses. Unpaid payments based on leasing agreements are presented under contingent liabilities.

Capitalized development costs

Development costs for new product series have been capitalized in the balance sheet during the previous financial periods. The planned amortization period for these costs is 5 years. Other minor research and development costs are recorded as expenses for the period.

Inventories

The acquisition cost of inventories includes indirect purchasing and manufacturing costs. Inventories are valued at the lowest of the acquisition cost, the replacement price or the probable sale price.

The use of inventories is entered according to the FIFO principle.

Pension obligations

Pension coverage for employees of Group companies in Finland is provided through insurance schemes in line with statutory arrangements. The schemes are funded through payments to an insurance company. According to an agreement made with the pension insurance company, the Group as a large employer is responsible in Finland for unemployment payments and work disability payments included in pension insurance payments in their entirety at the moment when the pension starts.

Foreign subsidiaries operate pension schemes in accordance with local practice and legislation.

Untaxed reserves

The changes in untaxed reserves include the changes in accelerated depreciation and in other untaxed reserves.

In the individual financial statements of Finnish and Swedish subsidiaries, the change in the difference between planned and recorded depreciation is presented as change in untaxed reserves in the income statement, and the accumulated difference between planned and recorded depreciation is presented in the balance sheet under untaxed reserves.

In the consolidated balance sheet, untaxed reserves are allocated to shareholders' equity and the deferred tax liability. The change in untaxed reserves for the period is allocated in the income statement to the result for the period and to the change in the deferred tax liability.

Untaxed reserves recorded under consolidated shareholders' equity are not distributable funds.

Figures are in thousands of euros unless otherwise stated.

Notes to the consolidated income statement

	2002	2001
1. Net sales by geographical market area and by business group		
By geographical market area, M€		
Finland	50.2	53.6
Other Scandinavian countries	94.3	101.4
Central Europe	31.1	34.8
Other countries	5.1	4.0
	<u>180.8</u>	<u>193.8</u>
By business group, M€		
Cast and other components	148.7	158.4
Other business	32.1	35.4
	<u>180.8</u>	<u>193.8</u>
2. Other operating income		
Rental income	454	693
Profit from sale of non-current assets	272	171
Profit from sale of shares and divested operations	1,979	2,970
Other operating income	395	258
Share of profit/loss of associated companies	161	-507
	<u>3,261</u>	<u>3,585</u>
3. Operating expenses		
Change in inventory of finished goods and work in progress	1,164	-412
Production for own use	-120	-262
Materials, supplies and products		
Purchases during the financial period	48,304	57,032
Change in inventories	2,589	326
	<u>50,893</u>	<u>57,358</u>
External services	13,498	13,899
Personnel expenses *)	66,733	68,813
Other operating expenses		
Rents	2,075	2,671
Losses from sale of non-current assets	81	17
Losses from sale of shares and divested operations	215	1,820
Expenses from closing down operations **)	-2,009	2,468
Other operating expenses	35,137	37,711
	<u>35,499</u>	<u>44,687</u>
Total operating expenses	<u>167,667</u>	<u>184,084</u>

**) Provision for closing down of operation made in 2001 recognized as income against operating expenses.

*) Personnel expenses and average number of personnel

	2002	2001
Wages and salaries	49,973	51,334
Pensions and pension insurance payments	9,483	9,324
Other personnel expenses	7,277	8,155
	<u>66,733</u>	<u>68,813</u>
Remuneration to management ***)	831	903
Fringe benefits paid to management ***)	40	39

***) Management includes members of boards of directors, managing directors and vice-managing directors.

The company has no specific pension commitments for management.

Average number of personnel by business group

	2002	2001
Cast and Other Components	1,417	1,487
Other	288	323
	<u>1,705</u>	<u>1,810</u>

4. Depreciation, amortization and write-down of non-current assets

Depreciation and amortization

	2002	2001
Intangible assets		
Capitalized development costs	153	99
Intangible rights	82	89
Goodwill	32	13
Group goodwill	505	267
Other capitalized expenditure	533	550
	<u>1,305</u>	<u>1,018</u>

Tangible assets

	2002	2001
Buildings and structures	828	773
Machinery and equipment	9,862	9,745
Other tangible assets	12	17
	<u>10,702</u>	<u>10,535</u>

Write-down of non-current assets

	2002	2001
Other capitalized expenditure	0	30
Machinery and equipment	296	5,695
	<u>296</u>	<u>5,725</u>

Negative goodwill recognized as income

	2002	2001
	-2,927	-12,268

Total depreciation, amortization and write-down of non-current assets

	2002	2001
	9,376	5,010

5. Operating profit by business group, M€

	2002	2001
Cast and Other Components	5.8	8.7
Other Business	1.2	-0.4
	<u>7.0</u>	<u>8.3</u>

	2002	2001		2002	2001
6. Financial income and expenses					
Financial income			'Financial income and expenses' include		
Dividend income			net exchange rate gains and losses		
Other dividends	12	9	To others	-445	310
Interest and other financial income	1,351	2,333	7. Income taxes		
Interest expenses and other financial expenses	-10,474	-8,295	Income taxes for the financial period	-4	-112
Total financial income and expenses	-9,111	-5,953	Income taxes from previous financial periods	275	0
			Change in deferred tax liabilities	1,244	3,556
			Change in deferred tax assets	1,585	1,555
				3,100	4,999

Notes to the consolidated balance sheet

8. Non-current assets

Intangible assets	Capitalized development costs	Intangible rights	Other capitalized expenditure	Goodwill	Group goodwill	2002 total	2001 total
Acquisition cost at the beginning of the period	1 111	675	6,413	317	-	8,516	-
Increase due to acquisition of Componenta Finance Group	-	-	-	-	-	-	43,260
Other increase	8	20	242	-	-	270	4,430
Offset against negative goodwill	-	-	-	-	2,523	2,523	-36,705
Decrease	-	-	-719	-	-	-719	-2,232
Reclassification	-265	-	265	-	-	0	0
Conversion difference	-	4	32	-	-	36	-237
Acquisition cost at period end	854	699	6,233	317	2,523	10,626	8,516
Accumulated amortization at the beginning of the period	-264	-441	-3,247	-219	-	-4,171	-
Accumulated amortization due to acquisition of Componenta Finance Group	-	-	-	-	-	-	-14,979
Offset against negative goodwill	-	-	-	-	-246	-246	10,066
Increase	-	-	-	-	-	-	-397
Accumulated amortization on decrease and reclassification	58	-	180	-	-	238	2,096
Conversion difference	-	-2	-8	-	-	-10	91
Write-down during the financial period	-	-	-	-	-	-	-30
Amortization during the financial period	-153	-82	-533	-32	-505	-1,305	-1,018
Accumulated amortization at period end	-359	-525	-3,608	-251	-751	-5,494	-4,171
Book value at period end	495	174	2,625	66	1,772	5,132	4,345

Capitalized development costs consist of development costs of new products. The capitalization of development costs is made according to the decision of the Finnish Ministry of Trade and Industry. The capitalized development costs are amortized in 5 years.

Tangible assets	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Advance payments and construction in progress	2002 total	2001 total
Acquisition cost at the beginning of the period	3,547	55,784	140,929	241	4,149	204,650	-
Increase due to acquisition of Componenta Finance Group	-	-	-	-	-	-	189,196
Other increase	9	1,624	5,581	11	397	7,622	24,679
Decrease	-	-	-7,311	-3	-486	-7,800	-5,146
Reclassification	-	270	3,459	29	-3,758	0	0
Conversion difference	8	113	1,179	-1	51	1,350	-4,079
Acquisition cost at period end	3,564	57,791	143,837	277	353	205,822	204,650
Accumulated depreciation at the beginning of the period	-	-6,946	-65,696	-86	-	-72,728	-
Accumulated depreciation due to acquisition of Componenta Finance Group	-	-	-	-	-	-	-59,175
Increase	-	-	-	-	-	-	-3,653
Accumulated depreciation on decrease and reclassification	-	19	5,552	-16	-	5,555	4,229
Conversion difference	-	-27	-664	-	-	-691	2,099
Write-down during the financial period	-	-	-	-	-	-	-5,695
Depreciation during the financial period	-	-828	-9,862	-12	-	-10,702	-10,535
Accumulated depreciation at period end	-	-7,782	-70,670	-114	-	-78,566	-72,730
Book value at period end	3,564	50,009	73,167	163	353	127,254	131,921

The figures in tangible assets include the following revaluations:

	Land areas	Buildings	2002 total	2001 total
At the beginning of the period	589	26,170	26,759	-
Increase due to acquisition of Componenta Finance Group	-	-	-	26,759
At period end	589	26,170	26,759	26,759
Deferred tax liabilities on revaluation				
On 31 December 2002	6,521			
On 31 December 2001	6,521			
Book value of production machinery and equipment				
On 31 December 2002	64,095			
On 31 December 2001	63,589			

	Shares in associated companies	Other shares	Other investments	2002 total	2001 total
Investments					
Acquisition cost at the beginning of the period	17,212	574	-	17,786	-
Increase due to acquisition of Componenta Finance Group	-	-	-	-	24,540
Other increase	1,109	-	751	1,860	8
Decrease	-10	-2	-	-12	-6,703
Reclassification	-	-	-	-	-145
Conversion difference	-	-1	-	-1	86
Acquisition cost at period end	18,311	571	751	19,633	17,786
Accumulated share of profit/loss and decrease	-2,609	-	-	-2,609	-
Accumulated share of profit/loss and decrease due to acquisition of Componenta Finance Group	-	-	-	-	-2,726
Dividends received	-389	-	-	-389	-803
Conversion difference	511	-	-	511	-24
Other decrease/increase	-492	-	-	-492	1,451
Share of profit/loss for the financial period	161	-	-	161	-507
Book value at period end	15,493	571	751	16,815	15,177

On 31 December 2002 the book value of the shares in associated companies includes 2,466 t€ of goodwill (2,761 t€ on 31 December 2001).

	2002	2001		2002	2001
9. Inventories					
Materials and supplies	9,788	9,063	Other short-term receivables		
Work in progress	3,483	4,585	Trade receivables	23,099	27,307
Finished goods	6,960	6,890	Loan receivables	351	898
	20,231	20,538	Other receivables	4,075	3,372
			Deferred tax assets	4,201	1,392
10. Long-term receivables			Prepaid expenses and accrued income	4,038	1,903
				35,764	34,871
From associated companies			Total short-term receivables	35,954	35,303
Loan receivables	4,121	3,897			
Other long-term receivables			Breakdown of prepaid expenses and accrued income		
Loan receivables	2,346	1,921	Periodization of loan charges	343	225
Other receivables	3,171	1,676	Periodization of issue loss	2,096	0
	5,517	3,597	Accrued interest income	269	209
Total long-term receivables	9,638	7,494	Exchange rate gains	26	0
			Periodization of pension expenses	0	176
11. Short-term receivables			Periodization of taxes	252	274
			Other	1,221	1,170
From associated companies				4,207	2,055
Trade receivables	6	9			
Other receivables	15	271			
Prepaid expenses and accrued income	169	152			
	190	432			

There are no loans granted to managing directors and members of the Boards of Directors of Group companies.

	2002	2001
Deferred tax assets		
From consolidation	964	1,021
From the balance sheets of Group companies	0	33
From losses by Group companies	5,632	3,956
Offset with deferred tax liabilities	-2,395	-3,618
	4,201	1,392
Change in deferred tax assets		
In taxes for the financial period		
From the income statements of Group companies	-33	-33
From consolidation	-59	788
From losses by Group companies	1,677	800
	1,585	1,555
From acquisition of Componenta Finance Group	-	3,393
Other changes	-	66
Conversion difference	-	-4
Offset with deferred tax liabilities	1,224	-3,618
Change in balance sheet during the financial period	2,809	1,392

12. Share capital and warrants

The Company's share capital on 31 December 2002 stood at EUR 19,230,618 and was divided into 9,615,309 shares, each of which carries one vote. The shares have a nominal value of 2 euros.

At the end of the financial period, the Company had issued warrants with entitlement to the following subscriptions:

	Number of shares	Holding %
Warrants	89,625	0,88%
Warrants	32,500	0,32%
Warrants	445,722	4,38%
	567,847	5,58%
Number of shares including warrants	10,183,156	100,00%

Warrants issued by the Group

	Warrants	Warrants	Warrants
Issuer	Componenta Corporation	Componenta Corporation	Componenta Corporation
Number of warrants Held by a Group company	89,625	32,500	445,722 91,358
Subscription date	1/1 19.3.2001 - 30.4.2003 1/2 1/2	19.3.2001 - 30.4.2003	1.10.2002 - 31.10.2006 1.10.2004 - 31.10.2006
Subscription terms	One warrant entitles the holder to subscribe for one Componenta Corporation share with a par value of 2 € at a subscription price of 9.18 € per share. The subscription price will be adjusted by the distributed dividends. 9.18 € is the subscription price after the dividend for 2001. The original subscription price was 9.33 €. The shares subscribed with the warrants entitle to dividend for the financial period in which the subscription takes place.	One warrant entitles the holder to subscribe for one Componenta Corporation share with a par value of 2 € at a subscription price of 13.55 € per share. The subscription price will be adjusted by the distributed dividends. 13.55 € is the subscription price after the dividend for 2001. The original subscription price was 13.70 €. The shares subscribed with the warrants entitle to dividend for the financial period in which the subscription takes place.	One warrant entitles the holder to subscribe for one Componenta Corporation share with a par value of 2 € at a subscription price of 4.70 € per share. The subscription price will be adjusted by the distributed dividends. 4.70 € is the subscription price after the dividend for 2001. The original subscription price was 4.85 €. The shares subscribed with the warrants entitle to dividend for the financial period in which the subscription takes place.

	Warrants from the bond with warrants 1997	Warrants 1998
Issuer	Componenta Finance Corporation	Componenta Finance Corporation
Number of warrants	9,225	8,750
Subscription date 1/4	1.4.1998 - 30.4.2003	1.4.1998 - 30.4.2003
1/4	1.4.1999 - 30.4.2003	1.4.1999 - 30.4.2003
1/4	1.4.2000 - 30.4.2003	1.4.2000 - 30.4.2003
1/4	1.4.2001 - 30.4.2003	1.4.2001 - 30.4.2003
Subscription terms	One warrant entitles the holder to subscribe for one Componenta Finance Corporation share with a par value of 2 € at a subscription price of 9.00 € per share. The subscription price will be adjusted by the distributed dividends. 9.00 € is the subscription price after the dividend for 2000. The original subscription price was 10.26 €. The shares subscribed with the warrants entitle to dividend for the financial period in which the subscription takes place.	One warrant entitles the holder to subscribe for one Componenta Finance Corporation share with a par value of 2 € at a subscription price of 13.37 € per share. The subscription price will be adjusted by the distributed dividends. 13.37 € is the subscription price after the dividend for 2000. The original subscription price was 14.63 €. The shares subscribed with the warrants entitle to dividend for the financial period in which the subscription takes place.

	2002	2001		2002	2001
13. Shareholders' equity					
Share capital at the beginning of the period	19,231	-	Equity in untaxed reserves	278	214
Share issue	-	19,231	Conversion difference from restricted shareholders' equity	24	-
Share capital at period end	19,231	19,231	Distributable shareholders' equity	6,618	7,462
Share premium account at the beginning of the period	11,533	-	Distributable shareholders' equity after deducting the unbooked interest expense of the preferred capital notes of Componenta Finance Corporation	6,618	5,867
Share issue	-	11,533			
Share premium account at period end	11,533	11,533			
Legal reserve at the beginning of the period	5	-	14. Preferred capital note		
Share issue	-	5	Debtor: Componenta Corporation		
Legal reserve at period end	5	5	On 31 December 2002 the loan was for appr. EUR 28.6 million. The loan is dated 15 February 2002, and it will mature on 19 March 2009. During years 2001 - 2002 the loan has been drawn down EUR 31.1 million in total. On maturity date 19 March 2002 EUR 2.5 million of the loan was repaid.		
Retained earnings at the beginning of the period	7,676	-	10% of the loan will be repaid yearly if Componenta Corporation and Componenta Group have full cover for their respective restricted equity in the balance sheets of the previous financial period. The loan period will be extended by one year at a time if there is no full cover.		
Dividends paid	-1,450	-	Componenta Corporation has on the maturity date of the interest on 19 March each year the right to repay the loan partly or in whole, if the above mentioned conditions for repayment exist. The interest rate of the loan will be 4% above the 12 month Euribor and it will be restated yearly. The loan carries interest of 7.844%		
Change in minority interest	6	-			
Conversion difference +/-	-326	311			
Profit for the financial period	1,014	7,365			
Preferred capital notes at the beginning of the period	28,705	-			
Due to acquisition of Componenta Finance Group	-	22,705			
Preferred capital note issue, net change	2,396	6,000			
Repayment of preferred capital note	-2,511	-			
Preferred capital note at period end	28,590	28,705			
Total shareholders' equity	66,279	67,149			

p.a. until 19 March 2003. The interest paid annually shall not exceed the distributable non-restricted equity of Componenta Corporation or the Group. Any unpaid interest shall remain a liability of the Company. The preferred capital notes rank junior to the Company's other debt commitments.

The loan is not secured. Accrued interest on the loan on 31 December 2002 has been recorded as an expense in the income statement and as a liability in the accrued expenses.

	2002	2001
15. Untaxed reserves		
Untaxed reserves	7,753	12,483
Equity elimination of acquired Group companies	-5,249	-8,692
Deferred tax liabilities of the untaxed reserves	-2,226	-3,577
Equity in untaxed reserves	278	214

The deferred tax liabilities of the untaxed reserves of the Swedish subsidiaries are calculated with a tax rate of 28 per cent.

The deferred tax liabilities of the untaxed reserves of the Finnish Group companies are calculated using a tax rate of 29 per cent.

16. Negative goodwill

Acquisition cost of Componenta Finance Corporation shares	-	33,461
Componenta Finance Group consolidated equity at the beginning of the period less dividends paid before acquisition	-	73,132
Negative goodwill from the acquisition	-	39,671
Offset against goodwill in Componenta Finance Group at the beginning of the period	-	-24,470
Negative goodwill at the beginning of the period, before offset against goodwill	2,934	15,201
Decrease in negative goodwill	-7	-
Recognized as income according to plan during the financial period	-2,631	-3,040
Recognition as income against write-offs of non-current assets	-296	-5,725
Recognition as income against write-offs of current assets	-	-495
Recognition as income against expenses from closing down of operations	-	-3,007
Offset against remaining group goodwill	-	-2,277
Negative goodwill at period end	0	657

17. Provisions

Provisions from closing down of operations	-	1,973
Change in provisions in other operating expenses in the income statement	-1,973	1,973

	2002	2001
18. Liabilities		
Interest bearing liabilities	119,479	114,131
Non-interest bearing liabilities	30,137	30,487
	149,616	144,618

Foreign currency breakdown of non-current liabilities, %		
EUR	65%	70%
SEK	35%	30%
	100%	100%

19. Non-current liabilities

Other non-current interest bearing liabilities		
Loans from financial institutions	60,748	62,290
Loans from pension funds	14,763	17,309
Other liabilities	270	432
	75,781	80,031

Total non-current interest bearing liabilities	75,781	80,031
--	--------	--------

Non-current non-interest bearing liabilities		
Other liabilities	39	42

Total non-current liabilities	75,820	80,073
-------------------------------	--------	--------

Non-current loans falling due for repayment as follows		
2004	38,529	
2005 - 2007	29,531	
2008 -	7,760	
	75,820	

Non-current loans falling due for repayment in five or more years		
Loans from financial institutions	6,183	2,466
Loans from pension funds	1,577	7,420
	7,760	9,886

20. Deferred tax liabilities

From untaxed reserves	2,226	3,577
From consolidation	169	41
Offset with deferred tax assets	-2,395	-3,618
	0	0

	2002	2001
Change in deferred tax liabilities		
In taxes for the financial period		
From untaxed reserves	1,372	3,597
From consolidation	-128	-41
	<u>1,244</u>	<u>3,556</u>
From acquisition of Componenta Finance Group	-	7,096
Increase from other acquisitions	-	356
Decrease from divested subsidiaries	-	-51
Conversion difference	21	-227
Offset with deferred tax assets, change during the period	1,223	-3,618
Change in the balance sheet during the financial period	0	0
21. Current liabilities		
Current interest bearing liabilities		
Loans from financial institutions	24,462	25,105
Loans from pension funds	2,602	2,638
Liabilities to associated companies	-	101
Other liabilities	16,634	6,256
	<u>43,698</u>	<u>34,100</u>
Total current interest bearing liabilities	43,698	34,100
Current non-interest bearing liabilities		
Current non-interest bearing liabilities to associated companies		
Accounts payable	37	31
Other current non-interest bearing liabilities		
Current prepayments	10	-
Accounts payable	9,419	11,765
Accrued expenses and deferred income	16,556	14,859
Other liabilities	4,076	3,791
	<u>30,061</u>	<u>30,414</u>
Total current non-interest bearing liabilities	30,098	30,445
Total current liabilities	73,796	64,545
Breakdown of accrued expenses and deferred income		
Accrued interest expenses	2,926	706
Exchange rate losses	-	974
Accrued pension expenses	1,742	880
Accrued rents	419	492
Accrued salaries including social security expenses	2,458	2,498
Annual discounts	15	17
Holiday pay reserve including social security expenses	7,876	7,981
Accrued income taxes	12	323
Other	1,108	988
	<u>16,556</u>	<u>14,859</u>

22. Contingent liabilities

Mortgages		
For own debts	14,706	16,136
General charges		
For own debts	16,865	15,767
Pledges		
For own debts	9,690	2,690
Guarantees		
For associated companies	-	21
Other own commitments		
Other commitments	12,465	12,888
Unbooked interest expenses from preferred capital notes of Componenta Finance Corporation	-	1,595
	<u>12,465</u>	<u>14,483</u>
Leasing commitments		
Next year	819	794
In more than one year	2,427	1,163
	<u>3,246</u>	<u>1,957</u>
Secured liabilities		
Liabilities secured with mortgages		
Loans from financial institutions	15,988	13,874
Loans from pension funds	14,382	16,768
Other interest bearing current liabilities	-	580
	<u>30,370</u>	<u>31,222</u>
Liabilities secured with pledges		
Loans from financial institutions	6,781	1,345
Loans from pension funds	2,421	1,345
	<u>9,202</u>	<u>2,690</u>

23. Financial risk management and derivative instruments

The financial risks relating to Componenta Group's business operations are managed in accordance with the financial policy approved by the Board of Directors. This aims to protect the Group against adverse changes in the financial markets and safeguard the performance of the Group and its financial position. Management of financial risks takes place in the corporate treasury function.

Availability of financing and re-financing risk

The company aims to ensure the availability of financing by spreading the maturing dates, sources of funding and financial instruments in its loan portfolio. The proportion of one source of funding may not exceed a limit set by the Board of Directors. The maturing dates for loans are presented in the notes to the balance sheet, item 19.

Liquidity risk

The financial policy states that the Group's liquidity should cover its commitments for the near future and is at least the equivalent of the net sales for half a month. In addition to cash reserves, the Group ensures its liquidity with unused committed credit facilities that amounted to EUR 27.4 million at the end of the financial year. Cash reserves are invested with the institutions on a list of counterparties approved by the Board of Directors that are considered to have a low credit risk.

Foreign exchange risk

In accordance with the Group's financial policy, the foreign exchange risk is divided into transaction risk, which arises from income and expenses denominated in foreign currencies, and translation risk, which arises from equity investments and income denominated in foreign currencies. The transaction position is calculated from the operational cash flow position, which includes the Group's commercial foreign currency flows for a 6 month period. The translation position is calculated from the shareholders' equity and accumulated profit of foreign subsidiaries in the consolidated balance sheet. In accordance with the financial policy, the Group's transaction position shall always be hedged at least 80% and at most 120%. The translation position is hedged in its entirety.

For hedging the Group uses foreign currency loans and deposits and standard hedging instruments such as forward exchange contracts and currency options, which are reliably priced on the market.

The Group's foreign exchange risk consists mainly of a surplus in Swedish and Norwegian crowns and a deficit in US dollars. The estimated transaction position for 6 months ahead in Swedish crowns was EUR 6 million at year end. The maturity of the derivatives is less than one year.

Interest rate risk

Because of the cyclical nature of the markets of the Group's customers, the financial policy states that the interest rates of Componenta's net loans position should be renewed on average after one and before two years. On 31 December 2002 the interest rates of loans fell due for renewal on average in 16 months. To manage interest rate risk, the loan portfolio is spread between variable and fixed rate interest loans and investments.

The interest rate risk is also spread among several interest rate renewal periods, so changes in interest rates affect the Group's result in stages. The average interest renewal period of the net interest position is affected by the choice of interest rate periods and by interest rate swaps. Interest rate swaps have been used to increase the number of fixed interest agreements.

	31.12.2002 Nominal value	31.12.2002 Current value	31.12.2001 Nominal value	31.12.2001 Current value
Derivative instruments				
Currency derivatives				
Forward exchange contracts	37,638	13	47,080	-1,017
Of which hedging future currency flows	0	0	3,547	-62
Currency exchange agreements	3,005	-10	636	-9
Interest rate derivatives				
Interest rate swaps	21,000	-494	27,200	55

The current value is the profit or loss from the derivative instrument according to the market price on 31 December.

The nominal values of the derivative instruments may not necessarily correspond to the payments made by the parties, and thus when examined on their own do not give a true picture of the Group's risk position.

24. Group companies

Company	Domicile	Group share of holding %	Parent company share of holding %
Componenta Albin AB	Kristinehamn, Sweden	100.0	-
Componenta Alvesta AB	Alvesta, Sweden	100.0	-
Componenta CPC Oy	Helsinki, Finland	100.0	-
Componenta Finance Oyj	Helsinki, Finland	100.0	100.0
Componenta Främmostad AB	Essunga, Sweden	100.0	-
Componenta Industri AB	Kristinehamn, Sweden	100.0	-
Componenta Karkkila Oy	Karkkila, Finland	100.0	-
Componenta Mek Pietarsaari Oy	Pietarsaari, Finland	100.0	-
Componenta Nisamo Oy	Lempäälä, Finland	100.0	-
Componenta Osby AB	Osby, Sweden	100.0	-
Componenta Pietarsaari Oy	Pietarsaari, Finland	100.0	-
Componenta Pistons Oy	Pietarsaari, Finland	100.0	-
Componenta Pori Oy	Pori, Finland	100.0	-
Componenta Suomivalimo Oy	Iisalmi, Finland	100.0	-
Componenta Sweden AB	Kristinehamn, Sweden	100.0	-
Componenta Traryd AB	Markaryd, Sweden	100.0	-
Componenta Wirsbo AB	Surahammar, Sweden	100.0	-
Componenta Åmål AB	Åmål, Sweden	100.0	-
JOT Aqua AB	Stockholm, Sweden	100.0	-
JOT Components Holding BV	Rotterdam, The Netherlands	100.0	-
Karkkilan Koskikiinteistö Oy	Karkkila, Finland	81.0	-
Karkkilan Lääkärikeskus Oy	Karkkila, Finland	60.0	-
Karkkilan Valimokiinteistö Oy	Karkkila, Finland	100.0	-
Kiinteistö Oy Ala-Emali	Karkkila, Finland	100.0	-
Kiinteistö Oy Uusporila	Karkkila, Finland	100.0	-
Kiinteistö Oy Ylä-Emali	Karkkila, Finland	100.0	-
Luoteis-Uudenmaan Kiinteistöt Oy	Karkkila, Finland	100.0	-
Santasalo France S.A.R.L.	France	100.0	-
Santasalo UK Ltd	The United Kingdom	100.0	-
Uudenmaan Rakennustiimi Oy	Karkkila, Finland	100.0	-
Vanhan Ruukin Kiinteistöpalvelu Oy	Karkkila, Finland	100.0	-
Vesiterm AS	Tallinn, Estonia	100.0	-

25. Associated companies

Company	Domicile	Group share of holding %	Parent company share of holding %
Thermia AB (*)	Sweden	35,9	-
Keycast Oy (*)	Raahe, Finland	42.6	-
Ulefos NV AS (*)	Norway	50.0	-
Profiz Business Solution Oyj (*)	Helsinki, Finland	32.0	-
Karkkilan Keskustakiinteistö Oy	Karkkila, Finland	50.0	-
Högfors Basket Oy	Karkkila, Finland	50.0	-
Pommisuoja Oy	Helsinki, Finland	22.0	-
Mallix Oy	Lahti, Finland	39.0	-
Kiinteistö Oy Niliharju	Helsinki, Finland	25.0	-

The associated companies marked with a (*) are consolidated by using the equity method. Other associated companies do not affect the Group's distributable equity.

Notes to the parent company
income statement

1.1.-31.12. 2002 6.11.2000-31.12.2001

	1.1.-31.12. 2002	6.11.2000-31.12.2001
26. Other operating income		
Rental income	24	-
Profit from sale of shares	976	-
	<u>1,000</u>	<u>-</u>
27. Operating expenses		
Personnel expenses *)	490	334
Other operating expenses		
Rents	140	110
Other operating expenses	1,124	886
	<u>1,264</u>	<u>996</u>
Total operating expenses	1,754	1,330

***) Personnel expenses and average number of personnel**

Wages and salaries	353	269
Pensions and pension insurance payments	122	52
Other personnel expenses	15	13
	<u>490</u>	<u>334</u>

Remuneration to members of the Board of Directors and to the managing director	77	56
Fringe benefits paid to members of the Board of Directors and to the managing director	0	0

The Company has no specific pension commitments for management.

Notes to the parent company
balance sheet

32. Non-current assets

	Other capitalized expenditure	2002 total	2001 total
Intangible assets			
Acquisition cost at the beginning of the period	2	2	-
Increase	61	61	2
Acquisition cost at period end	63	63	2
Accumulated amortization at the beginning of the period	0	0	-
Amortization during the financial period	-3	-3	0
Accumulated amortization at period end	-3	-3	0
Book value at period end	60	60	2
Tangible assets	Machinery and equipment	2002 total	2001 total
Acquisition cost at the beginning of the period	21	21	-
Increase	19	19	21
Acquisition cost at period end	40	40	21
Accumulated depreciation at the beginning of the period	-1	-1	-
Depreciation during the financial period	-6	-6	-1
Accumulated depreciation at period end	-8	-8	-1
Book value at period end	32	32	20

28. Depreciation and amortization of non-current assets

Depreciation and amortization		
Intangible assets		
Other capitalized expenditure	3	0
Tangible assets		
Machinery and equipment	6	1
	<u>9</u>	<u>1</u>

29. Financial income and expenses

Financial income		
Dividend income		
From Group companies	-	4,787
Interest and other financial income		
From Group companies	96	31
From others	145	1
	<u>241</u>	<u>32</u>
Interest expenses and other financial expenses	-2,684	-383
Total financial income and expenses	-2,443	4,435
'Financial income and expenses' include net exchange rate gains and losses		
To other Group companies	3	-
To others	1	-1
	<u>4</u>	<u>-1</u>

30. Extraordinary items

Extraordinary income		
Group contribution received	2,074	-
Taxes on extraordinary items	-601	-
	<u>1,473</u>	<u>-</u>

31. Income taxes

Income taxes for the financial period	-66	-1,321
Of which taxes on extraordinary items	601	-
	<u>535</u>	<u>-1,321</u>

Investments	Shares in Group companies	Preferred capital note investments in Group companies	Other investments	2002 total	2001 total
Acquisition cost at the beginning of the period	33,461	-	-	33,461	-
Increase	1,061	22,705	751	24,517	33,461
Decrease	-1,055	-	-	-1,055	-
Acquisition cost at period end	33,467	22,705	751	56,924	33,461

	2002	2001		2002	2001
33. Long-term receivables			Share premium account at the beginning of the period	11,533	-
From Group companies			Share issue	-	11,533
Loan receivables	15,567	6,426	Share premium account at period end	11,533	11,533
Other long-term receivables			Legal reserve at the beginning of the period	5	-
Other receivables	1,201	-	Share issue	-	5
	16,768	6,426	Legal reserve at period end	5	5
34. Short-term receivables			Retained earnings at the beginning of the period	3,229	-
From Group companies			Dividends paid	-1,442	-
Trade receivables	141	198	Profit for the financial period	154	3,229
Loan receivables	12	-	Preferred capital notes at the beginning of the period	6,000	-
Other receivables	2,084	3	Draw-down of preferred capital note	25,101	6,000
Prepaid expenses and accrued income	3	-	Repayment of preferred capital note	-2,511	-
	2,240	201	Preferred capital note at period end	28,590	6,000
Other short-term receivables			Total shareholders' equity	61,300	39,998
Trade receivables	5	2	Distributable shareholders' equity	1,941	3,229
Other receivables	14	2			
Prepaid expenses and accrued income	2,371	132			
	2,390	136			
Total short-term receivables	4,629	337			
Breakdown of prepaid expenses and accrued income			37. Terms of the preferred capital note		
Periodization of loan charges	216	21	Please see item 14. Preferred capital note in the notes to the consolidated financial statements.		
Periodization of issue loss	2,096	-	38. Liabilities		
Accrued interest income	34	0	Interest bearing liabilities	15,099	-
Exchange rate gains	3	-	Non-interest bearing liabilities	2,017	252
Periodization of taxes	-	68		17,116	252
Other	25	43			
	2,374	132	39. Non-current liabilities		
35. Share capital and warrants			Non-current interest bearing liabilities		
Please see section 12. Share capital and warrants in the notes to the consolidated financial statements.			Loans from pension funds	6,883	-
				6,883	-
36. Shareholders' equity			40. Current liabilities		
Share capital at the beginning of the period	19,231	-	Current interest bearing liabilities		
Share issue	-	19,231	Loans from financial institutions	8,216	-
Share capital at period end	19,231	19,231		8,216	-

	2002	2001
Current non-interest bearing liabilities		
Accounts payable	105	143
Accrued expenses and deferred income	1,885	66
Other liabilities	27	43
	<u>2,017</u>	<u>252</u>
Total current non-interest bearing liabilities	2,017	252
Total current liabilities	10,233	252
Breakdown of accrued expenses and deferred income		
Accrued interest expenses	1,829	10
Accrued pension expenses	9	14
Holiday pay reserve including social security expenses	47	42
	<u>1,885</u>	<u>66</u>
41. Contingent liabilities		
Guarantees		
For Group companies	56,247	125
Other own commitments		
Other commitments	-	230
Leasing commitments		
Next year	40	50
In more than one year	4	-
	<u>44</u>	<u>50</u>

Shares and shareholders

Largest registered shareholders on December 31, 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 Ab	1,001,800	10.42
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. Inkinen Simo-Pekka	287,644	2.99
6. Svenska Handelsbanken	286,200	2.98
7. Lehtonen Anna-Maria	178,823	1.86
8. Local Government Pension Institution Finland	150,000	1.56
9. Federation of Finnish Metal Engineering and Electrotechnical Industries MET	122,600	1.28
10. Lehtonen Yrjö M	121,040	1.26
11. Alfred Berg Finland Investment Fund	95,100	0.99
12. Bergholm Heikki	90,000	0.94
13. Finnish National Fund for Research and Development (Sitra)	87,000	0.90
14. Lehtonen Antti	83,000	0.86
15. Alfred Berg Optimal Investment Fund	77,000	0.80
16. Other shareholders	2,457,971	25.56
Total	9,615,309	100.00

The members of the Board of Directors own 39.3% of the shares. All shares have equal voting rights. The members of the Board of Directors hold 8.1% 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 37.5%.

Breakdown of share ownership on December 31, 2002

Number of shares	Shareholders	%	Shares	%
1 - 100	133	12.50	8,900	0.09
101 - 500	377	35.43	107,185	1.11
501 - 1,000	234	21.99	193,584	2.01
1,001 - 5,000	230	21.62	567,637	5.90
5,001 - 10,000	32	3.01	227,590	2.37
10,001 - 50,000	34	3.20	823,396	8.56
50,001 - 100,000	12	1.13	966,779	10.05
100,001 - 500,000	10	0.94	2,381,707	24.77
500,001 -	2	0.19	4,338,531	45.12
Total = total issued	1,064	100.00	9,615,309	100.00

Announcements according to section 9 of chapter 2 of the Finnish Securities Market Act in 2002

July 12, 2002 Etra Invest Oy's holding in Componenta Corporation exceeded 10 percent and was 10.42 percent of the total shares and voting rights.

Shareholders by category on December 31, 2002

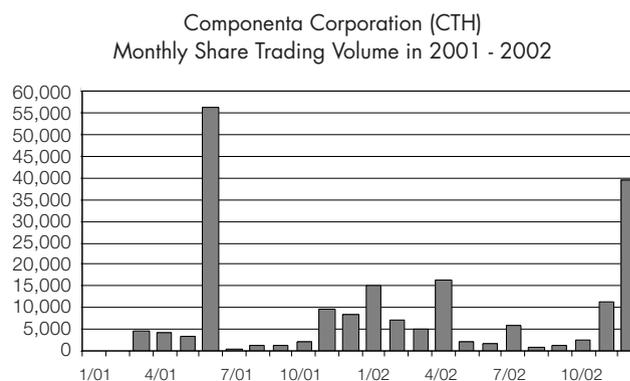
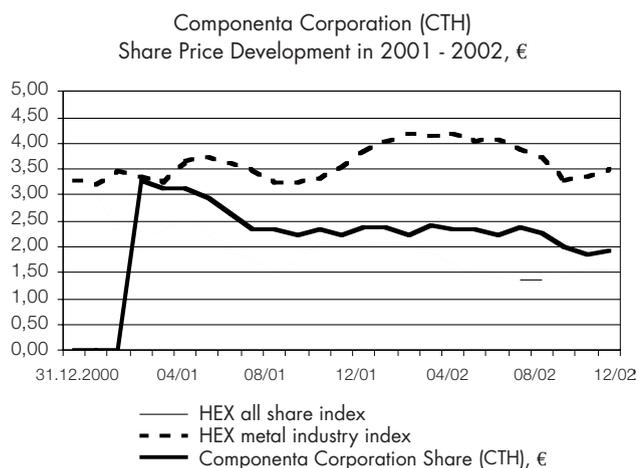
Households	55.46
Finnish companies	17.46
Financial and insurance institutions	12.40
General government	9.24
Non-profit organizations	3.25
Nominee holdings and other foreign shareholders	2.19
	100.0

Per share data

	2002	2001
Earnings per share (EPS), € (*)	0.11	0.77
Equity per share, €	3.92	4.00
Dividend per share, € (**)	0.10	0.15
Payout ratio, %	94.73	19.58
Effective dividend yield, %	5.52	6.98
P/E multiple	17.15	2.81
Share price at year end, €	1.81	2.15
Average trading price, €	2.13	2.82
Lowest trading price, €	1.71	2.11
Highest trading price, €	2.70	3.40
Market capitalization at year end, M€	17.4	20.7
Trading volume, 1,000 shares	1,089	908
Trading volume, %	11.3	9.4
Weighted average of the number of shares, 1,000 shares	9,615	7,643
Number of shares at year end, 1,000 shares	9,615	9,615

(* For the year 2001 calculated with the number of shares at year end.

(** For the year 2002 the proposal of the Board of Directors.



Group development 2000 - 2002

MEUR	Proforma		
	2000	2001	2002
Net sales	225.7	193.8	180.8
Other operating income	7.4	4.1	3.1
Share of profit/loss in associated companies	-0.5	-0.5	0.2
Other operating expenses	208.7	184.1	167.7
Depreciation and write-down of non-current assets	-12.4	-17.3	-12.3
Negative goodwill recognised as income	3.0	12.3	2.9
Operating profit	14.5	8.3	7.0
Financial income and expenses	-8.0	-6.0	-9.1
Profit/loss after financial items	6.4	2.3	-2.1
Profit for the financial period	-	7.4	1.0
Order book	35.0	26.5	24.9
Change in net sales, %	-15.3	-14.1	-6.7
Share of export and foreign activities in net sales, %	77.0	72.0	72.0

	Proforma		
	1.1.2000	31.12.2001	31.12.2002
Balance sheet total	239	217	218
Net interest bearing debt, preferred capital note in debt	147	141	145
Net interest bearing debt, preferred capital note in equity	124	112	117
Invested capital	200	186	188
Return on investment, %	-	5.6	4.4
Return on equity, %	-	20.0	2.5
Equity ratio, %	13.8	18.7	18.2
Equity ratio, %, preferred capital note in equity	23.2	32.0	31.4
Equity ratio, %, preferred capital note and negative goodwill in equity	29.6	32.3	31.4
Net gearing, %, preferred capital note in debt	446.0	348.0	365.0
Net gearing, %, preferred capital note in equity	223.1	162.3	170.5
Net gearing, %, preferred capital note and negative goodwill in equity	175.2	160.8	170.5
Investments in non-current assets	28.2	53.1	9.8
Number of personnel at period end	1,936	1,741	1,616
Average number of personnel	1,986	1,810	1,705

Calculation of key financial ratios

Return on equity -% (ROE)	=	$\frac{\text{Profit after financial items} - \text{income taxes}}{\text{Shareholders' equity without preferred capital notes} + \text{minority interest (quarterly average)}} \times 100$
Return on investments -% (ROI)	=	$\frac{\text{Profit after financial items} + \text{interest and other financial expenses}}{\text{Balance sheet total} - \text{interest free liabilities (quarterly average)}} \times 100$
Equity ratio, %	=	$\frac{\text{Shareholders' equity, preferred capital notes excluded} + \text{minority interest}}{\text{Balance sheet total} - \text{advances received}} \times 100$
Earnings per share, EUR (EPS)	=	$\frac{\text{Profit after financial items} - \text{income taxes} \pm \text{minority interest}}{\text{Average number of shares during the financial period}}$
Earnings per share with dilution, EUR	=	As above, but earnings have been increased by calculating interest on market terms and net of tax, on the capital increase corresponding to the outstanding warrants. The number of shares has been increased with the warrants outstanding. When calculating the dilution effect of warrants, the number of shares has been adjusted with the number of own shares which the company could have acquired, if it would have used the funds generated from the warrants to buy back of own shares at market price (= average trading price).
Average trading price, EUR	=	$\frac{\text{Trading volume, EUR}}{\text{Number of shares traded during the financial period}}$
Equity per share, EUR	=	$\frac{\text{Shareholders' equity, preferred capital notes excluded}}{\text{Number of shares at period end}}$
Dividend per share, EUR	=	$\frac{\text{Dividend}}{\text{Number of shares at period end}}$
Payout ratio, %	=	$\frac{\text{Dividend}}{\text{Earnings (as in Earnings per share)}} \times 100$
Effective dividend yield, %	=	$\frac{\text{Dividend per share}}{\text{Market share price at period end}} \times 100$
Market capitalization	=	Number of shares x market share price at period end
P/E multiple	=	$\frac{\text{Market share price at period end}}{\text{Earnings per share}}$
Net interest bearing debt	=	Interest bearing liabilities + preferred capital notes - cash and bank accounts
Net gearing, %	=	$\frac{\text{Net interest bearing debt}}{\text{Shareholders' equity, preferred capital notes excluded} + \text{minority interest}} \times 100$

Proposal of the Board of Directors for the distribution of profits

The distributable equity according to the consolidated balance sheet is EUR 6,618,000. The distributable equity according to the parent company balance sheet is EUR 1,940,519.00, of which the net profit for the financial period is EUR 154,273.13.

The Board of Directors proposes to the Annual Shareholders' Meeting that from the distributable equity a dividend of EUR 0.10 per share is paid, total dividends being EUR 961,530.90, and EUR 978,988.10 remains in the distributable equity.

Helsinki, January 23, 2003

Olli Reenpää

Heikki Bergholm

Juhani Mäkinen

Heikki Lehtonen

Auditor's report

To the shareholders of Componenta Corporation

I have audited the accounting, the financial statements and the corporate governance of Componenta Corporation for the period 1.1.2002 - 31.12.2002. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets and notes to the financial statements, have been prepared by the Board of Directors and the Managing Director. Based on my audit I express an opinion on these financial statements and on corporate governance.

I have conducted the audit in accordance with Finnish Standards on Auditing. Those standards require that I perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. The purpose of my audit of corporate governance is to examine that the members of the Board of Directors and the Managing Director have legally complied with the rules of the Companies' Act.

In my opinion the financial statements have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements. The financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company's result of operations as well as of the financial position. The financial statements with the consolidated financial statements can be adopted and the members of the Board of Directors and the Managing Director of the parent company can be discharged from liability for the period audited by me. The proposal by the Board of Directors regarding the distributable assets is in compliance with the Companies' Act.

Helsinki, January 24, 2003

Kari Miettinen
APA

Group development by business group

Net sales, MEUR	1.1. - 31.12.2002	1.1. - 31.12.2001
Cast and Other Components	148.7	158.4
Other Business	32.1	35.4
Componenta Group total	180.8	193.8

Operating profit, MEUR	1.1. - 31.12.2002	1.1. - 31.12.2001
Cast and Other Components	5.8	8.7
Other Business	1.2	-0.4
Componenta Group total	7.0	8.3

Order book at period end, MEUR	2002	2001
Cast and Other Components	19.6	22.0
Other Business	5.3	4.5
Componenta Group total	24.9	26.5

Group development by quarter

MEUR	Q4/02	Q3/02	Q2/02	Q1/02	Q4/01	Q3/01	Q2/01	Q1/01
Net sales	44.5	39.1	50.1	47.1	46.2	39.8	51.5	56.3
Operating profit	2.5	0.3	3.1	1.1	1.1	-0.6	4.0	3.8
Net financial items	-2.4	-2.2	-2.4	-2.1	-0.6	-1.8	-1.7	-1.9
Profit/loss after financial items	0.1	-1.9	0.7	-1.0	0.6	-2.5	2.3	1.9

Quarterly development by business group

Net sales, MEUR	Q4/02	Q3/02	Q2/02	Q1/02	Q4/01	Q3/01	Q2/01	Q1/01
Cast and Other Components	36.4	32.4	41.1	38.8	38.5	33.1	41.6	45.2
Other business	8.1	6.7	9.0	8.3	7.7	6.7	9.9	11.1
Componenta Group total	44.5	39.1	50.1	47.1	46.2	39.8	51.5	56.3

Operating profit, MEUR	Q4/02	Q3/02	Q2/02	Q1/02	Q4/01	Q3/01	Q2/01	Q1/01
Cast and Other Components	1.5	-0.4	3.3	1.4	1.1	0.2	3.7	3.6
Other business	1.0	0.7	-0.2	-0.3	0.0	-0.8	0.3	0.2
Componenta Group total	2.5	0.3	3.1	1.1	1.1	-0.6	4.0	3.8

Order book at period end, MEUR	Q4/02	Q3/02	Q2/02	Q1/02	Q4/01	Q3/01	Q2/01	Q1/01
Cast and Other Components	19.6	22.5	23.8	22.9	22.0	26.3	25.9	27.0
Other business	5.3	5.9	6.1	5.3	4.5	5.4	5.1	6.5
Componenta Group total	24.9	28.4	29.9	28.2	26.5	31.7	31.0	33.5

New address

Componenta Corporation's new
address from March 1, 2003 is

Nuijamiestentie 3 C
FIN-00400 Helsinki, Finland

COMPONENTA

COMPONENTA CORPORATION

World Trade Center, Aleksanterinkatu 17

P.O.Box 1132, FIN-00101 Helsinki, Finland

tel. +358 9 225 021 • fax +358 9 2250 2721

www.componenta.com
