

Componenta Corporation

Financial statements 1 January - 31 December 2010

2010 in Brief

- Net sales increased 51% to MEUR 452 (MEUR 300).
- Value of production rose 63% and was MEUR 455 (MEUR 278).
- Operating profit was MEUR 13.5 (MEUR -15.4).
- Result after financial items was MEUR -10.0 (MEUR -37.2). Result includes one-time item of MEUR -0.1.
- Order book rose 61% and was MEUR 95 (MEUR 59).
- Capacity utilisation rate was 57% (38%).
- Net cash flow from operations was MEUR 25.2 (MEUR 14.2).
- In September new capital of MEUR 39 was obtained from the capital market by issuing a subordinated capital loan with a maturity of five years and an unsecured bond with a maturity of three years.
- Unused committed credit facilities and cash in bank at the end of the financial year were MEUR 75.
- Board of Directors proposal for the Annual General Meeting is that no dividend will be paid for the review period 1 January - 31 December 2010.

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Income Statement 2010

MEUR	2010	2009
	1 - 12	1 - 12
Net sales	451.6	299.6
Operating profit	13.5	-15.4
Financial income and expenses	-23.5	-21.8
Result after financial items	-10.0	-37.2
Net result	-7.5	-28.7
Basic earnings per share, EUR	-0.45	-2.30

Q4/2010 in Brief

- Net sales increased 72% to MEUR 131 (MEUR 76).
- Value of production rose 79% and was MEUR 128 (MEUR 72).
- Operating profit was MEUR 5.8 (MEUR -1.7).
- Result after financial items was MEUR -0.1 (MEUR -6.5). Result includes one time item of MEUR -0.1.
- Capacity utilisation rate was 66% (38%).
- Net cash flow from operations was MEUR 18.2 (MEUR 8.1).

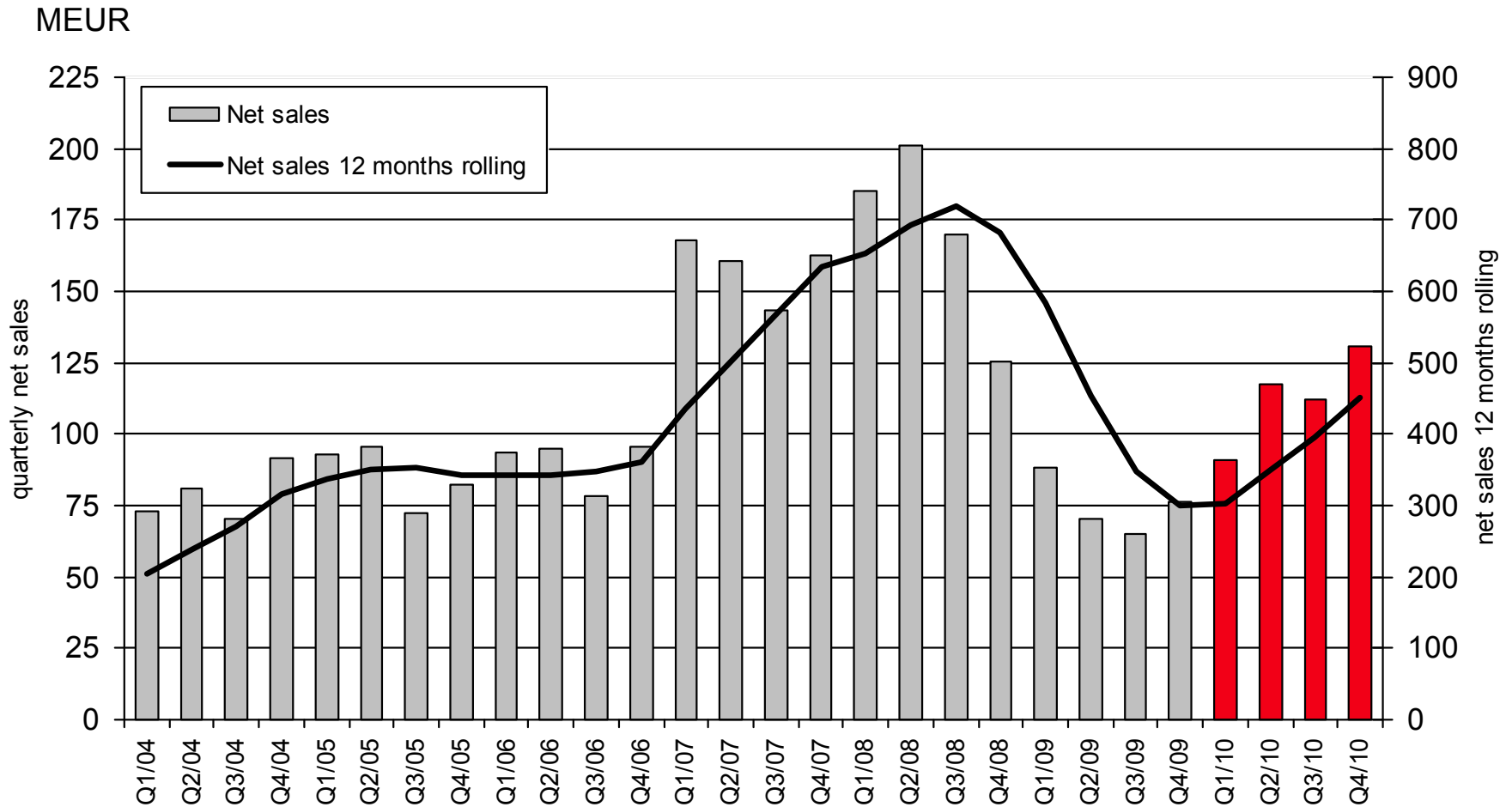
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Income Statement Q4/2010

MEUR	2010	2009
	Q4	Q4
Net sales	130.7	76.1
Operating profit	5.8	-1.7
Financial income and expenses	-5.9	-4.9
Result after financial items	-0.1	-6.5
Net result	-0.5	-5.3
Basic earnings per share, EUR	-0.03	-0.32

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Quarterly Net Sales Development 2004 - 2010



Key Ratios

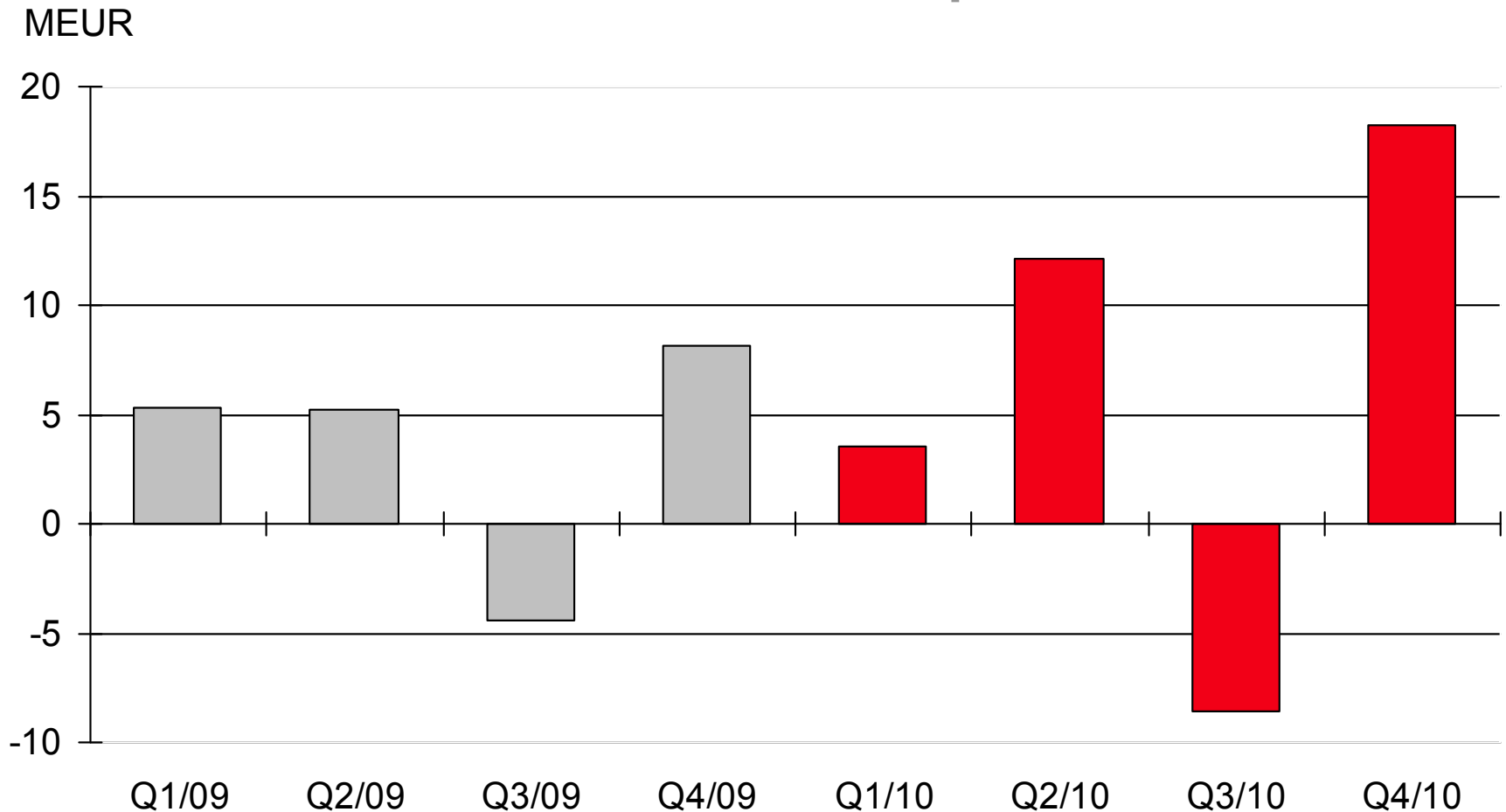
	31.12.2010	31.12.2009
Equity ratio, % (preferred capital note in equity)	26.4	26.5
Return on equity, %	-10.3	-45.1
Return on investment, %	5.0	-4.1
Net interest bearing debt, MEUR (preferred capital note in equity)	189.4	206.5
Net gearing, % (preferred capital note in equity)	170.5	200.8
Order book, MEUR	94.6	58.8
Investments in production facilities, MEUR	8.5	15.5
Personnel at the end of the period (incl. leased personnel)	4,414	3,698

Cash Flow Statement 2010

MEUR	2010	2009
Cash flow from operations before change in net working capital, financing and taxes	31.3	-2.5
Changes in net working capital	13.6	37.5
Cash flow from operations before financing and taxes	44.8	35.0
Net cash flow from operations	25.2	14.2
Net cash flow from investments	-10.4	-12.6
Net cash flow from financing activities	-11.7	0.9
Change in liquid assets	3.1	2.5

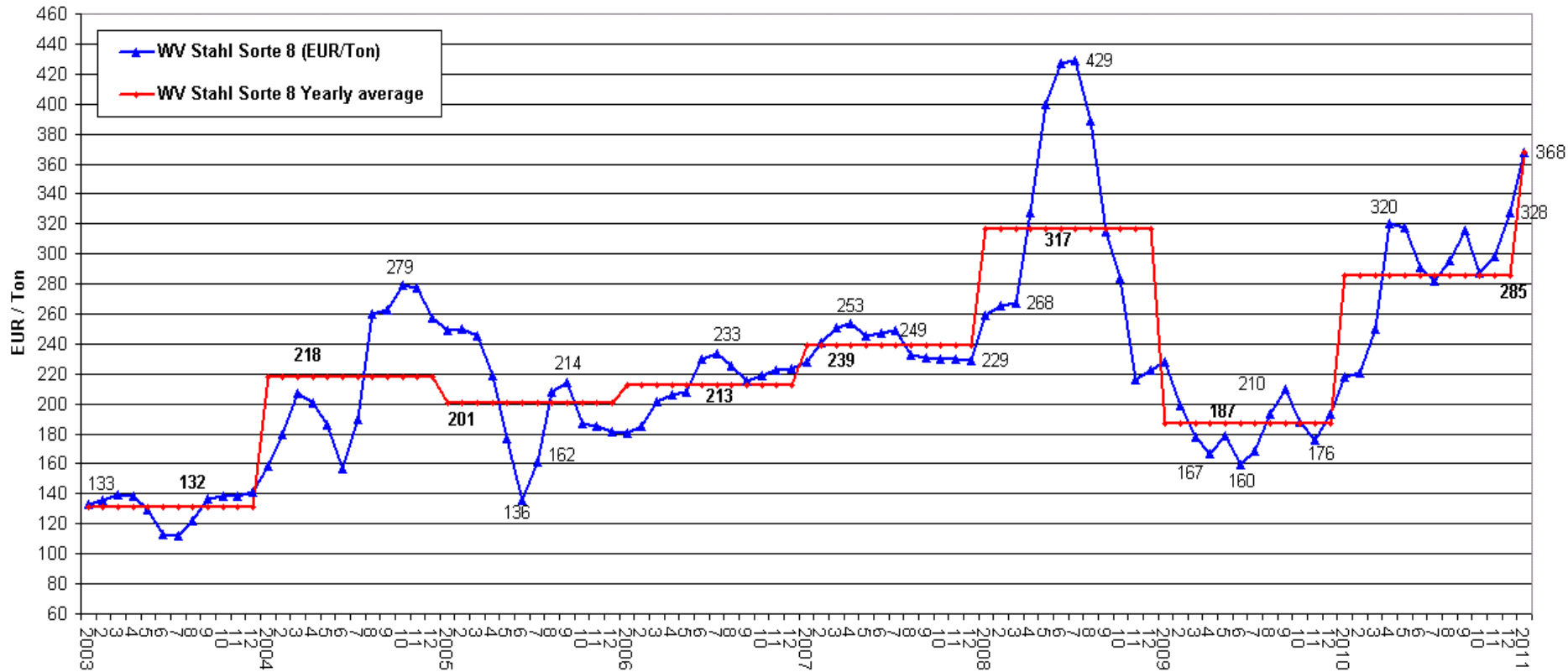
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Development of Net Cash Flow from Operations



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Wvstahl Sorte 8/Package Recycled Metal (EUR/ton)



Source: Wvstahl

Development of Exchange Rates Turkish Lira



Source: Reuters

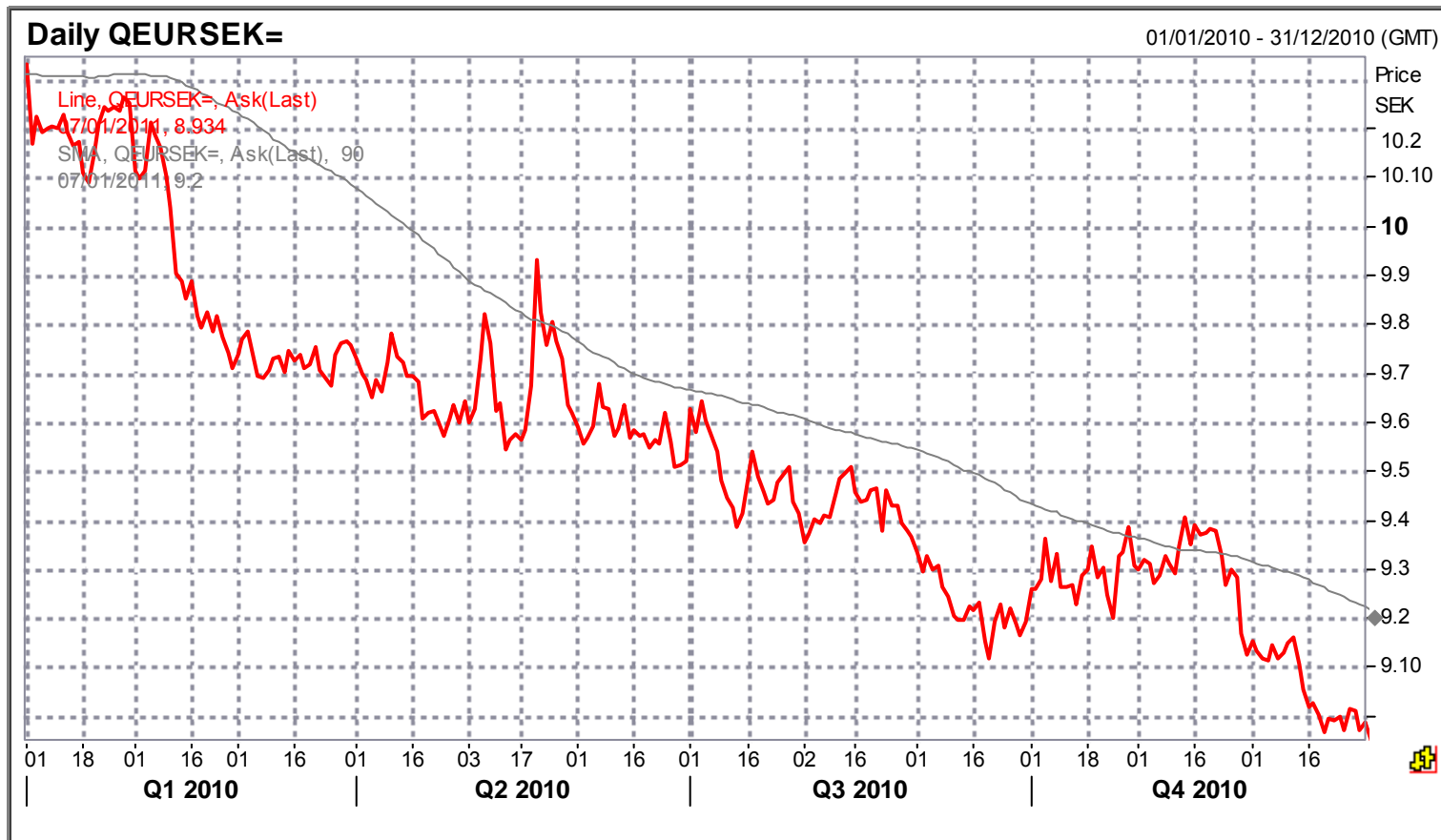
Development of Exchange Rates Great Britain Pound



Source: Reuters

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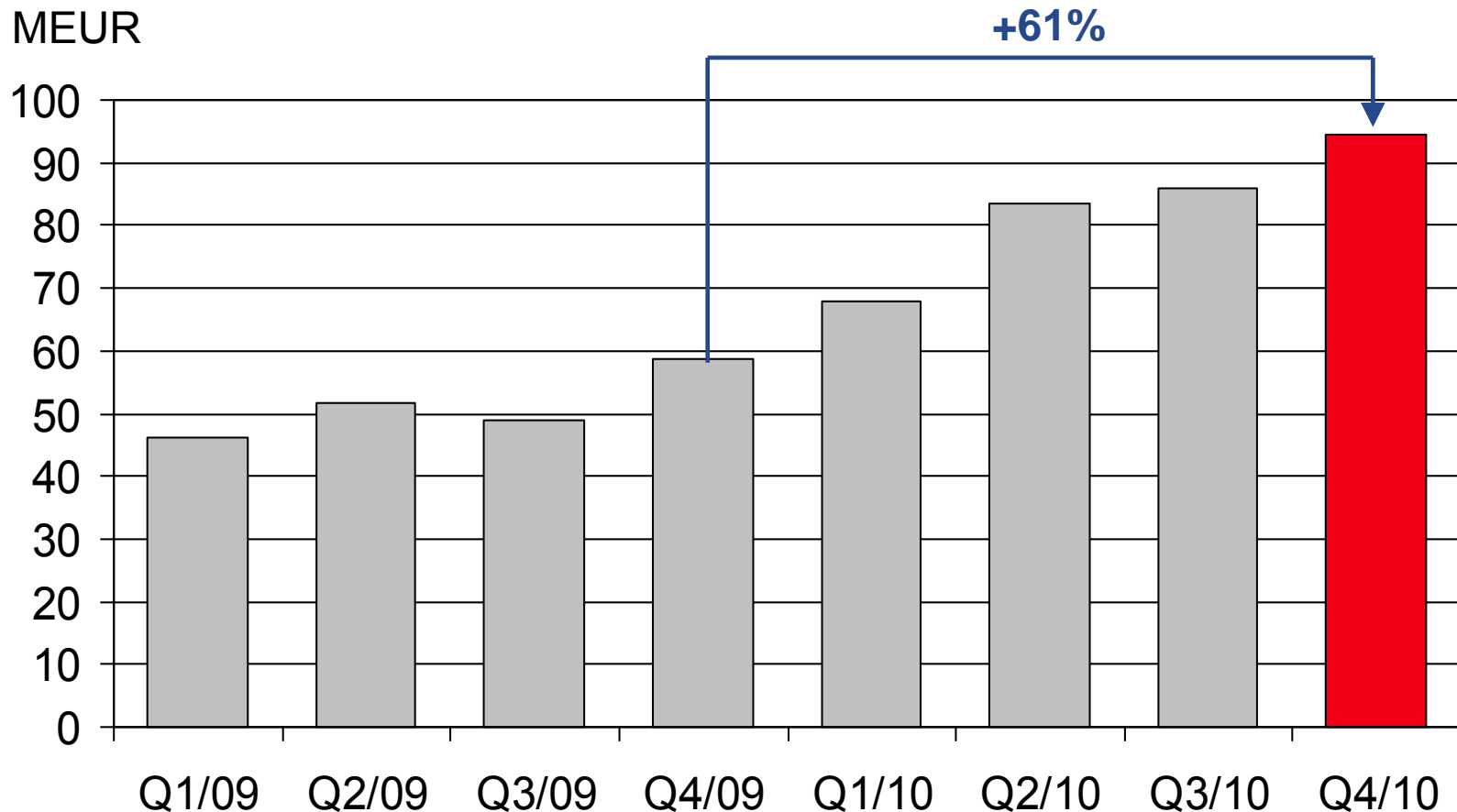
Development of Exchange Rates Swedish Krona



Source: Reuters

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Quarterly Development of Order Book (Includes Orders for Coming Two Months)

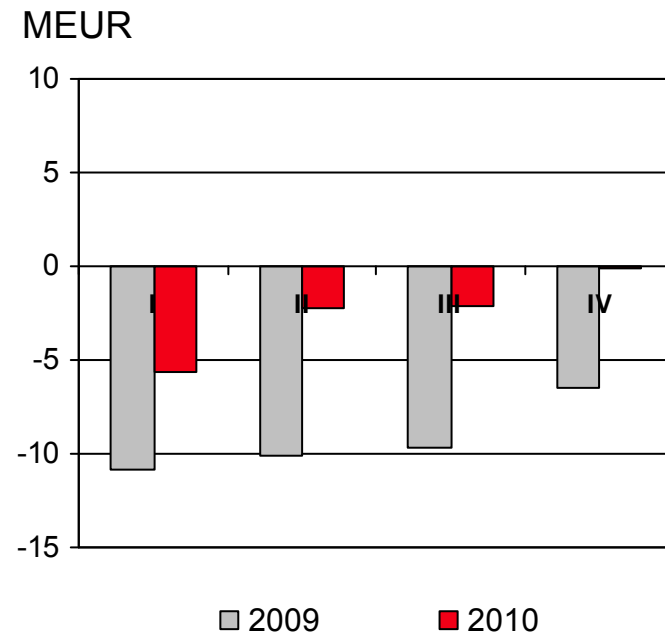
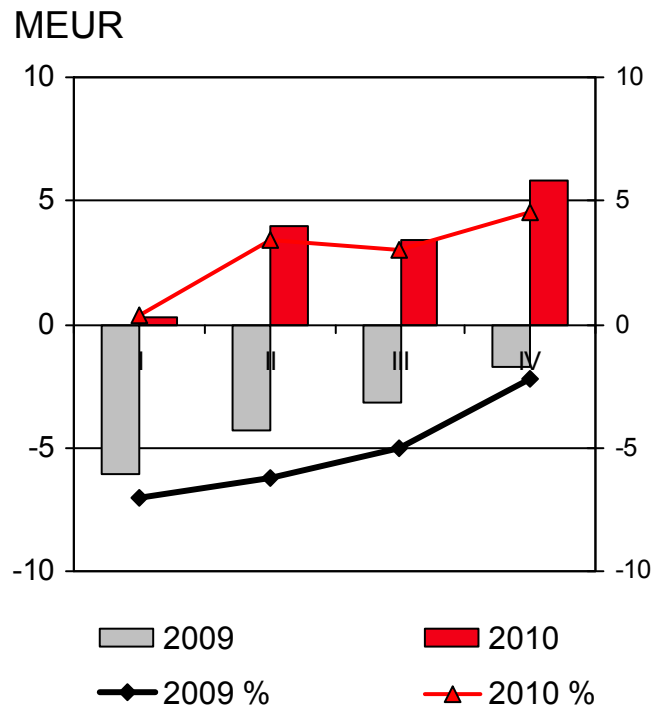


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Quarterly Operating Profit and Result after Financial Items

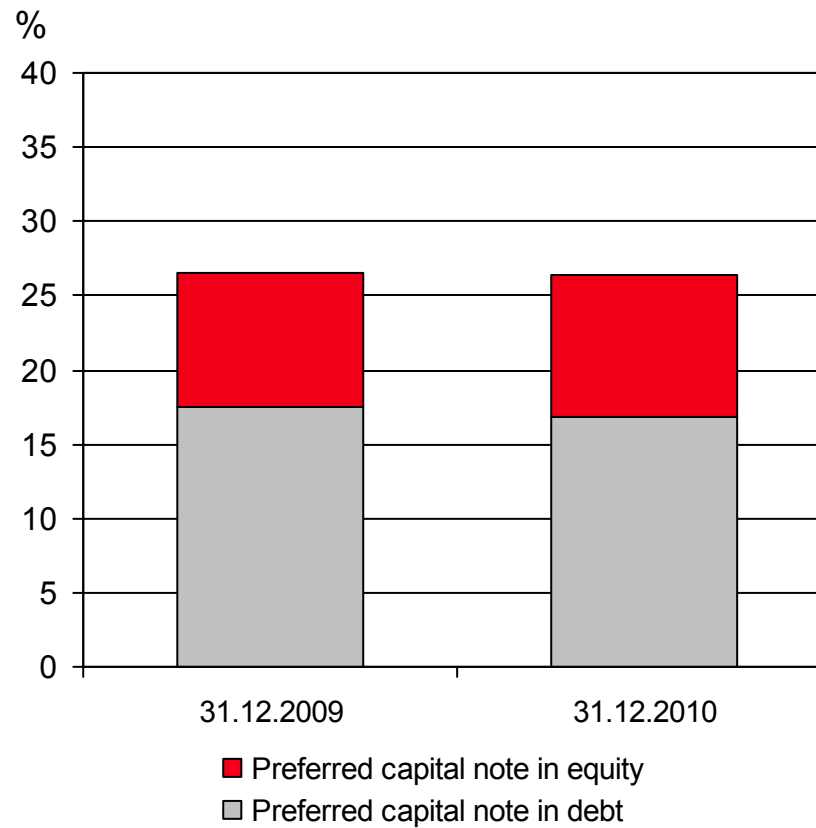
Operating profit

Result after financial items



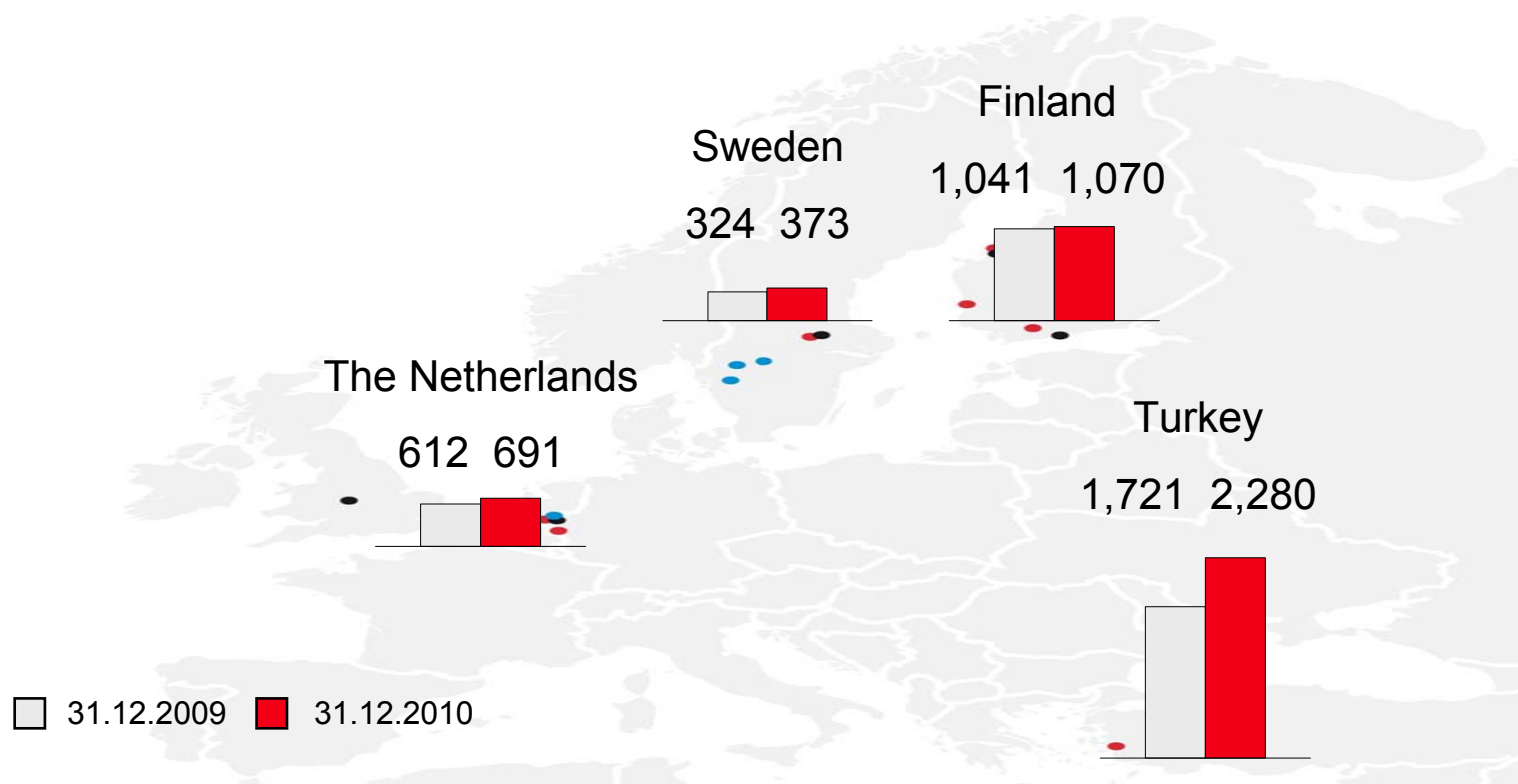
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Equity Ratio



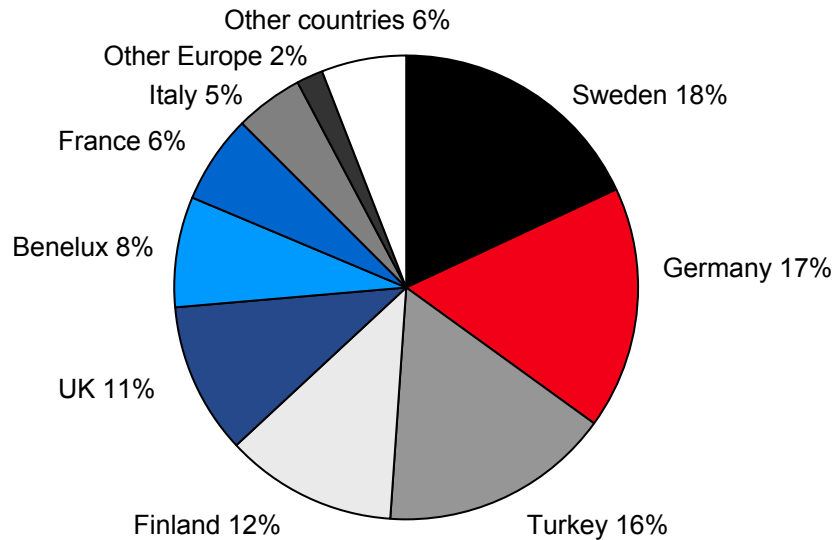
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Personnel by Country including Leased Personnel

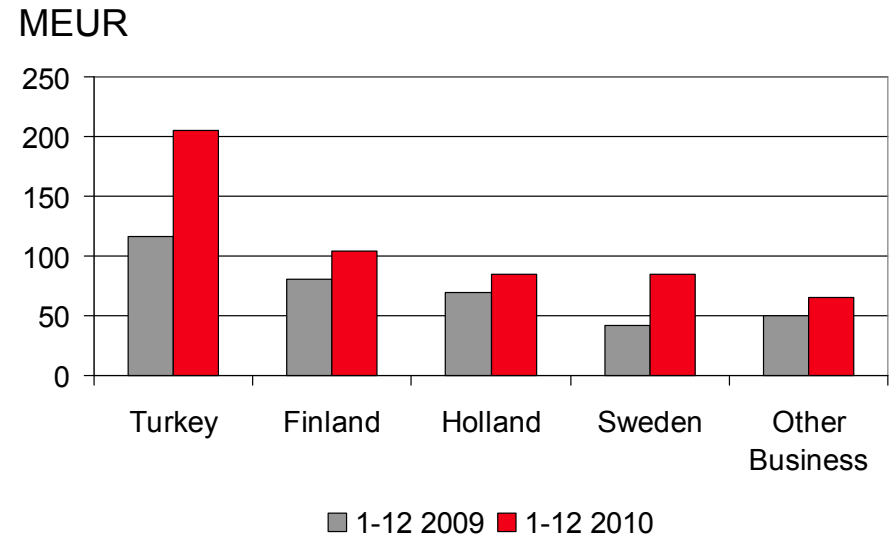


Distribution of sales

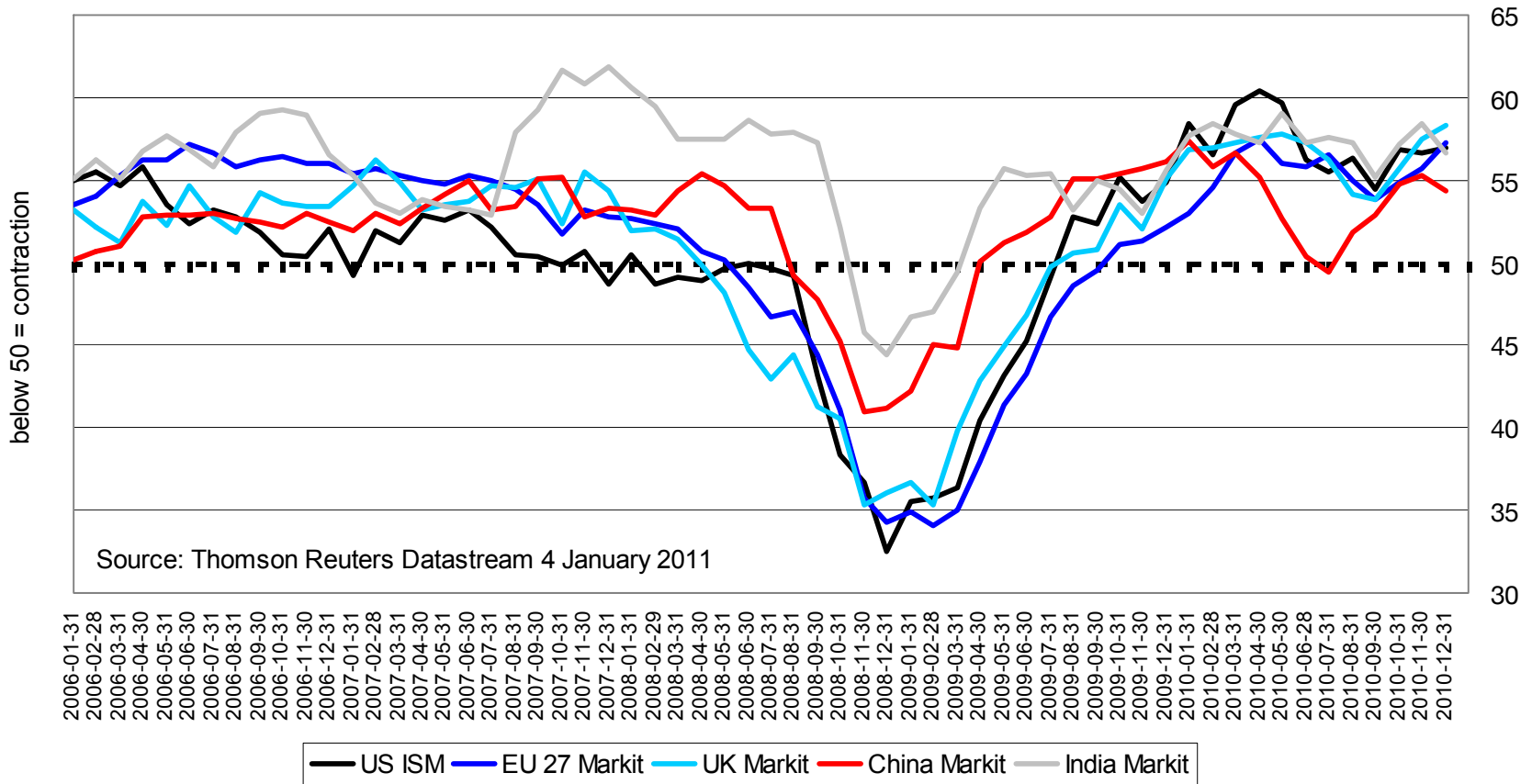
Sales by market area 2010



Sales by operations 2010

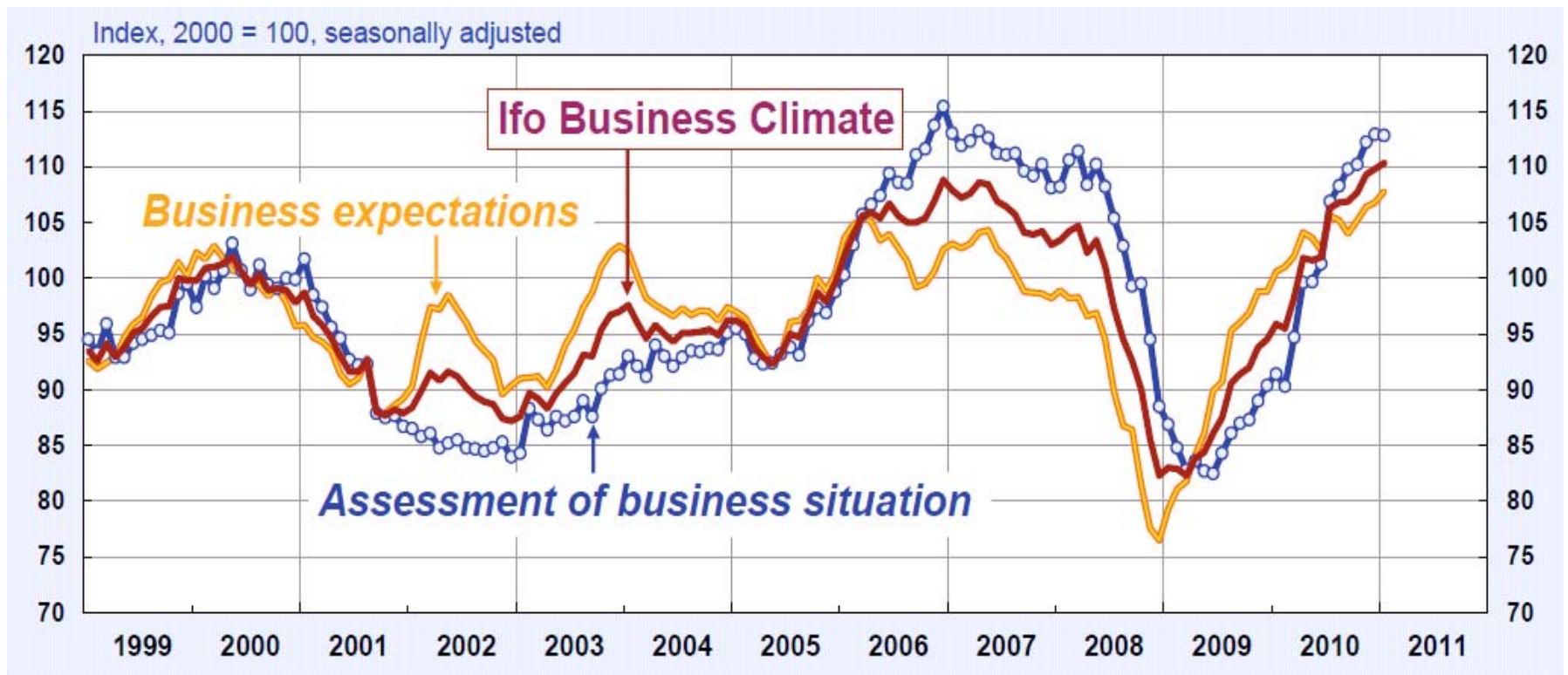


Manufacturing Purchasing Manager Indices



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Ifo Expectations



Source: IFO

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Investor Confidence Index



Source: SSaA

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CDS Index



Source: Reuters

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Comparable Sales to Customer Industries



Heavy trucks

26% (20%)



Construction and mining

21% (15%)



Machine building

20% (28%)



Automotive

20% (20%)



Agriculture

11% (13%)



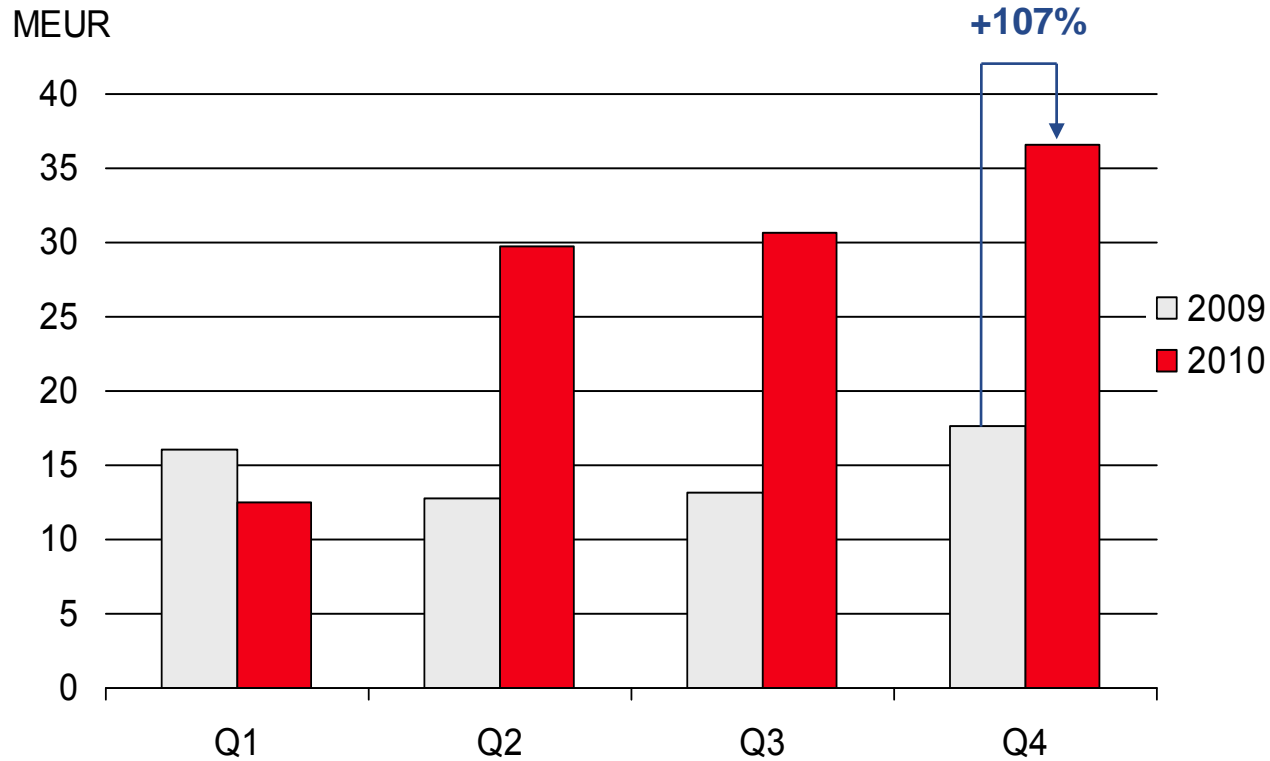
Wind power

2% (2%)

Note: Other sales 1% (1%)

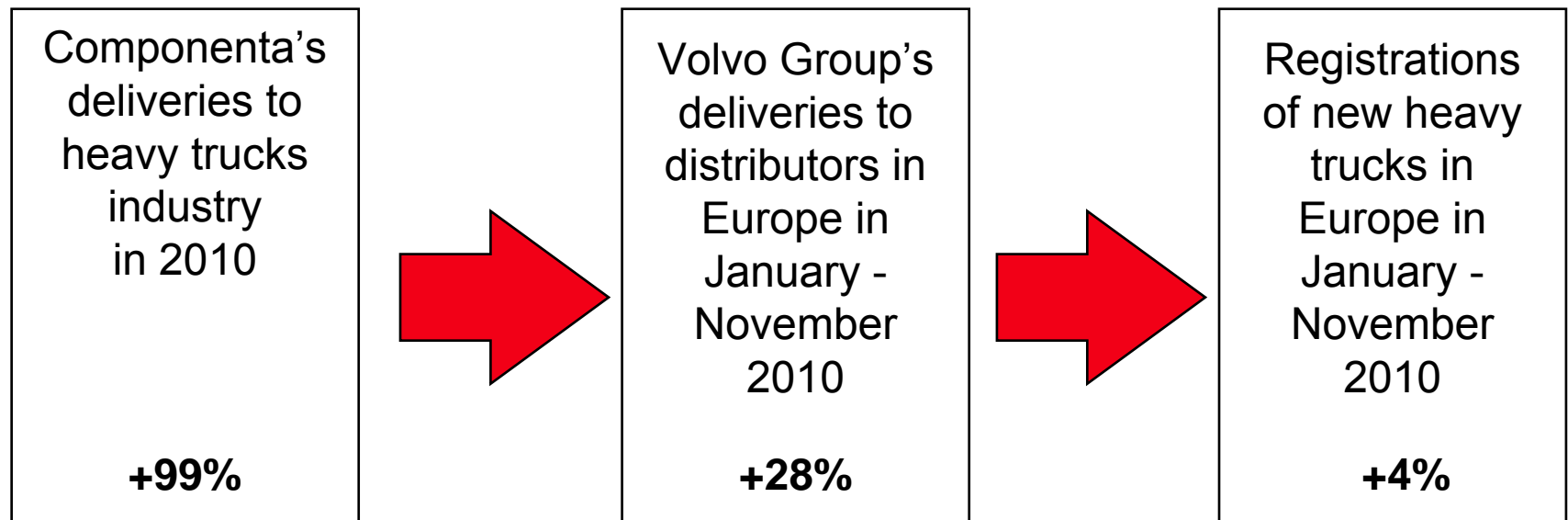
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Comparable sales to heavy trucks industry quarterly



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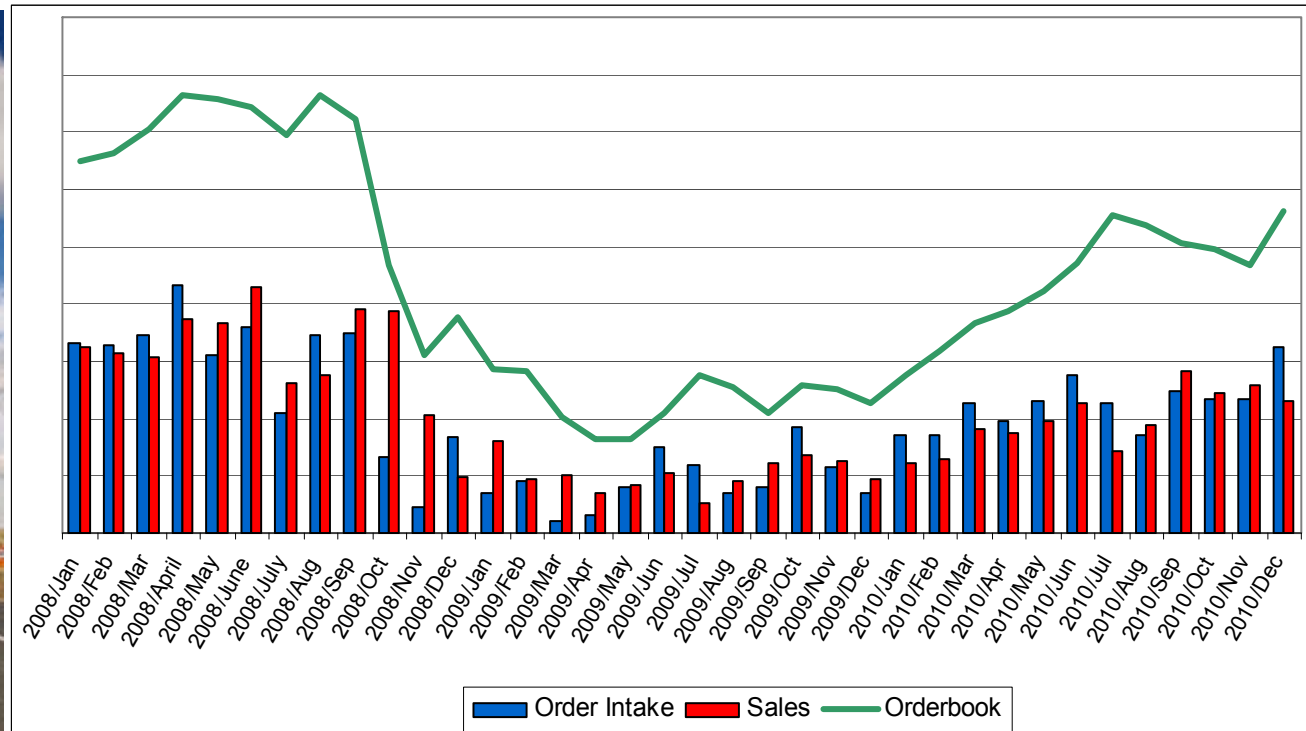
Development of supply chain in heavy trucks industry



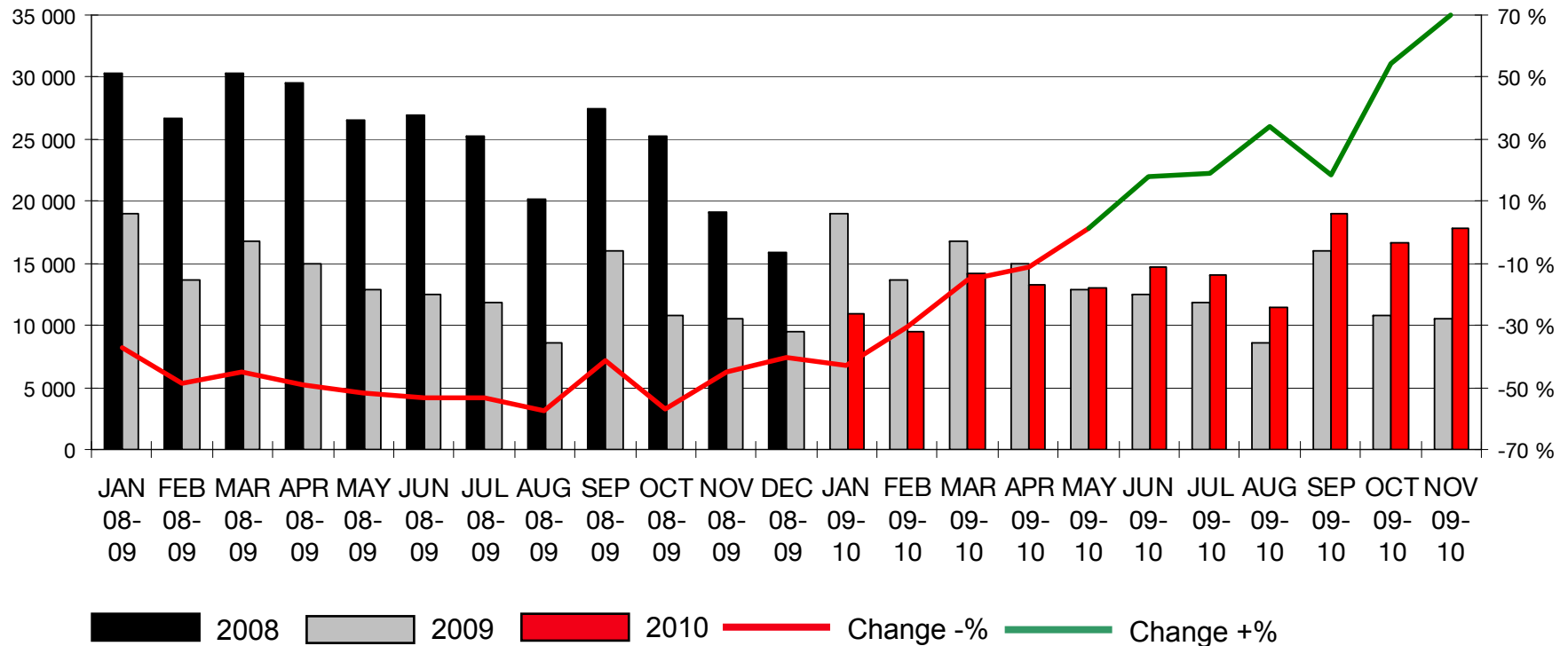
Sources: Volvo web pages, ACEA

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Development of sales and order book in heavy trucks industry



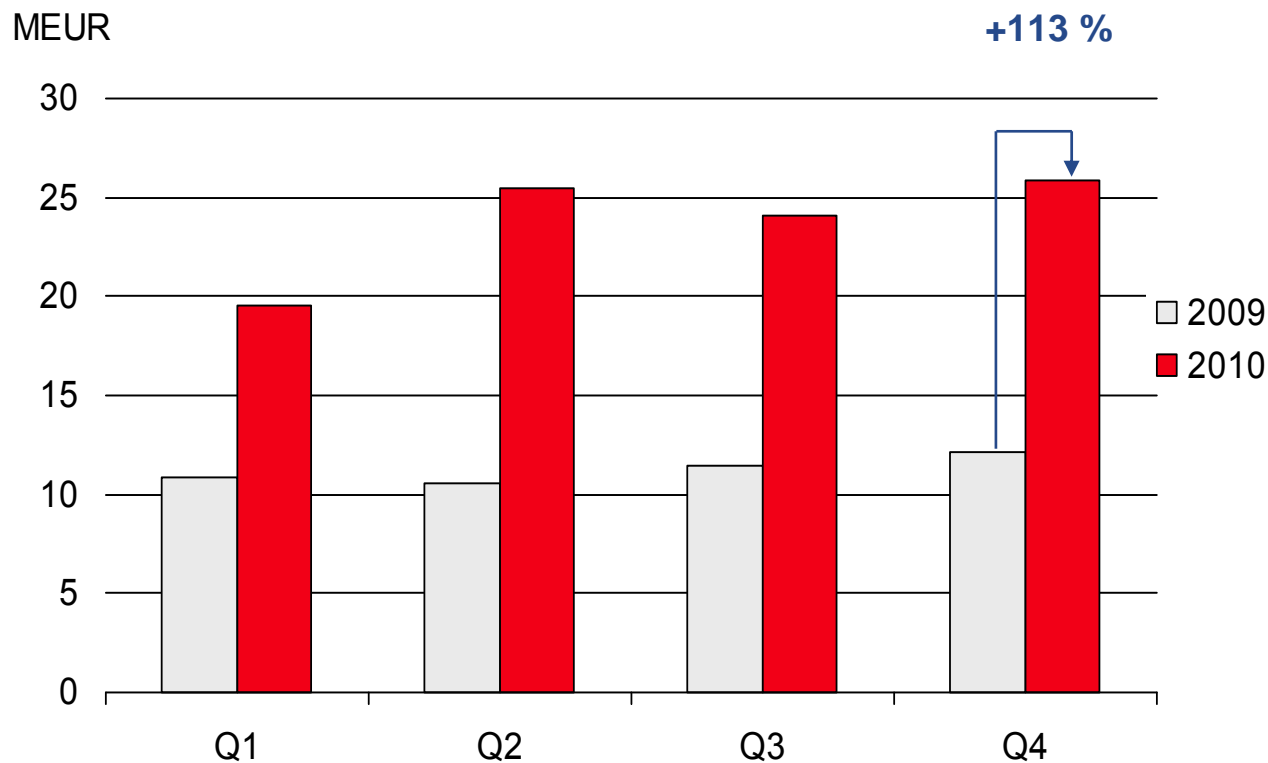
Registrations of new heavy trucks in Europe (EU27)



Source: ACEA

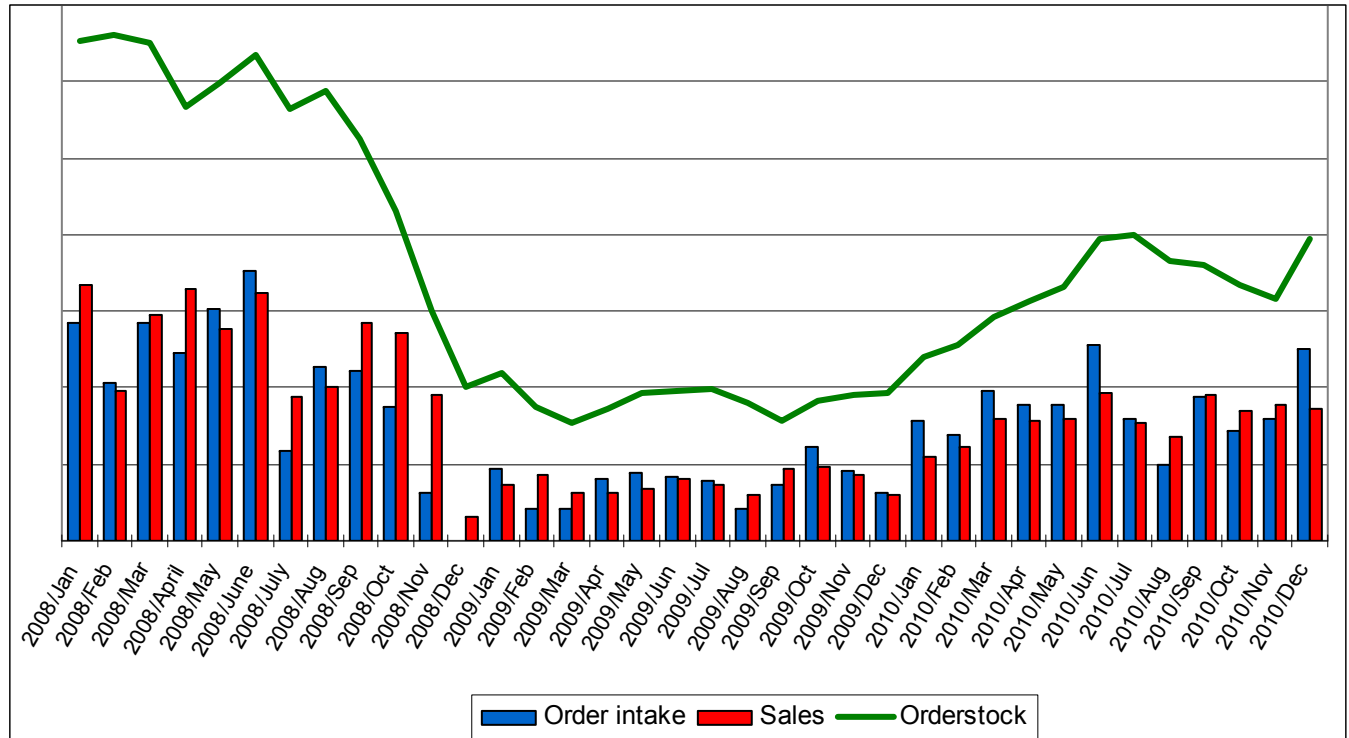
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Comparable sales to construction and mining industry quarterly



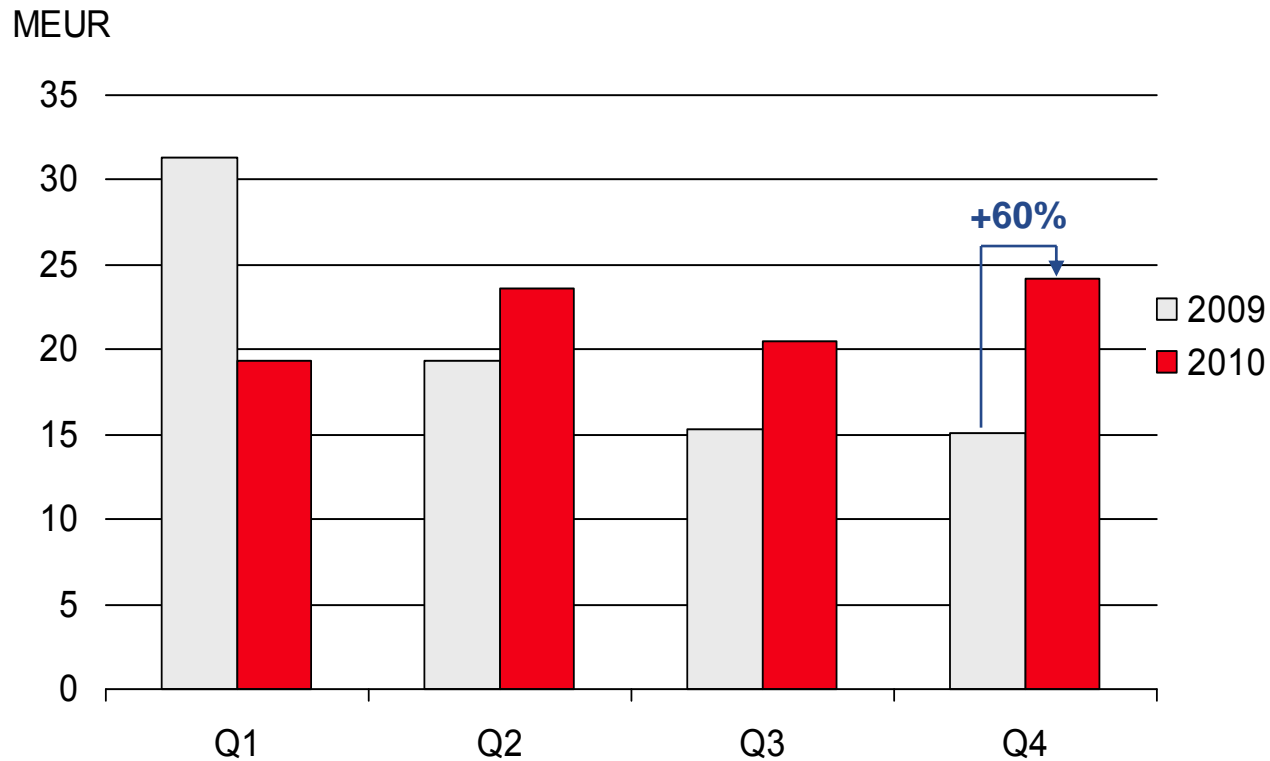
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Development of sales and order book in construction and mining industry



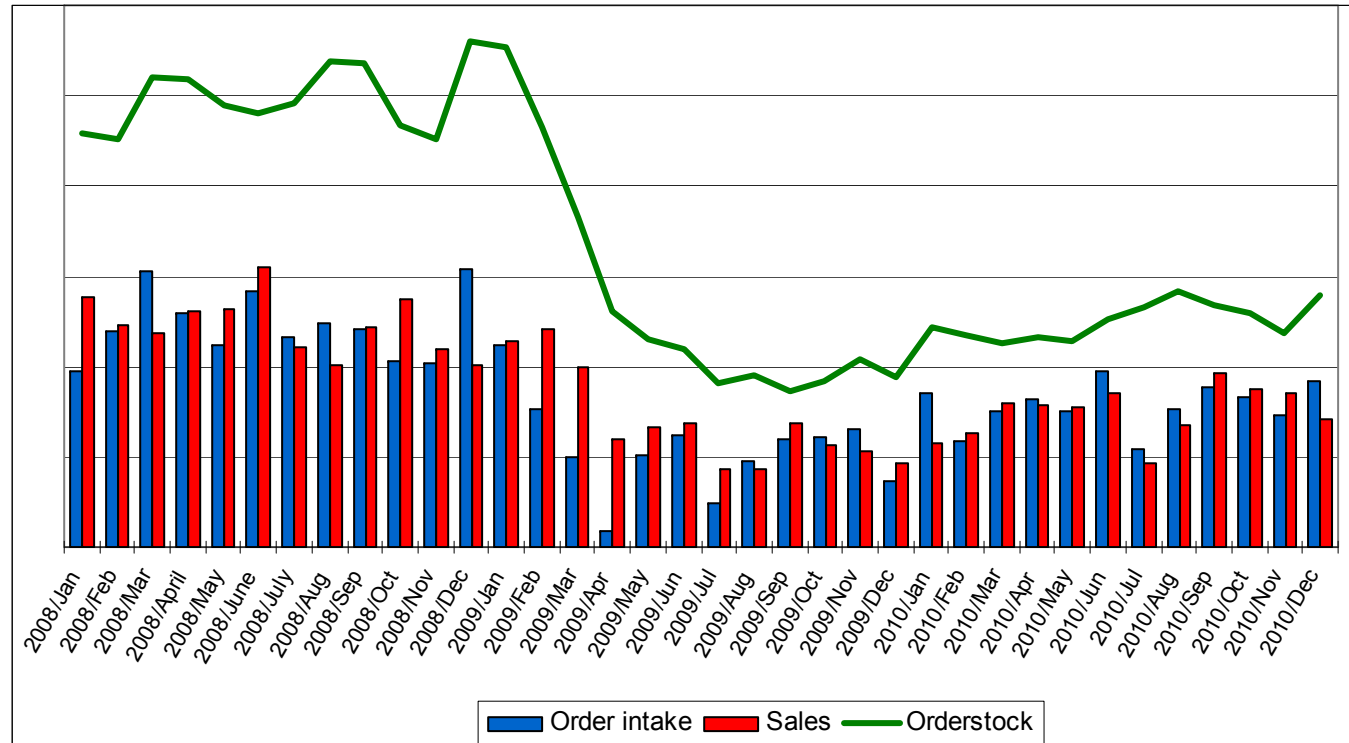
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Comparable sales to machine building industry quarterly



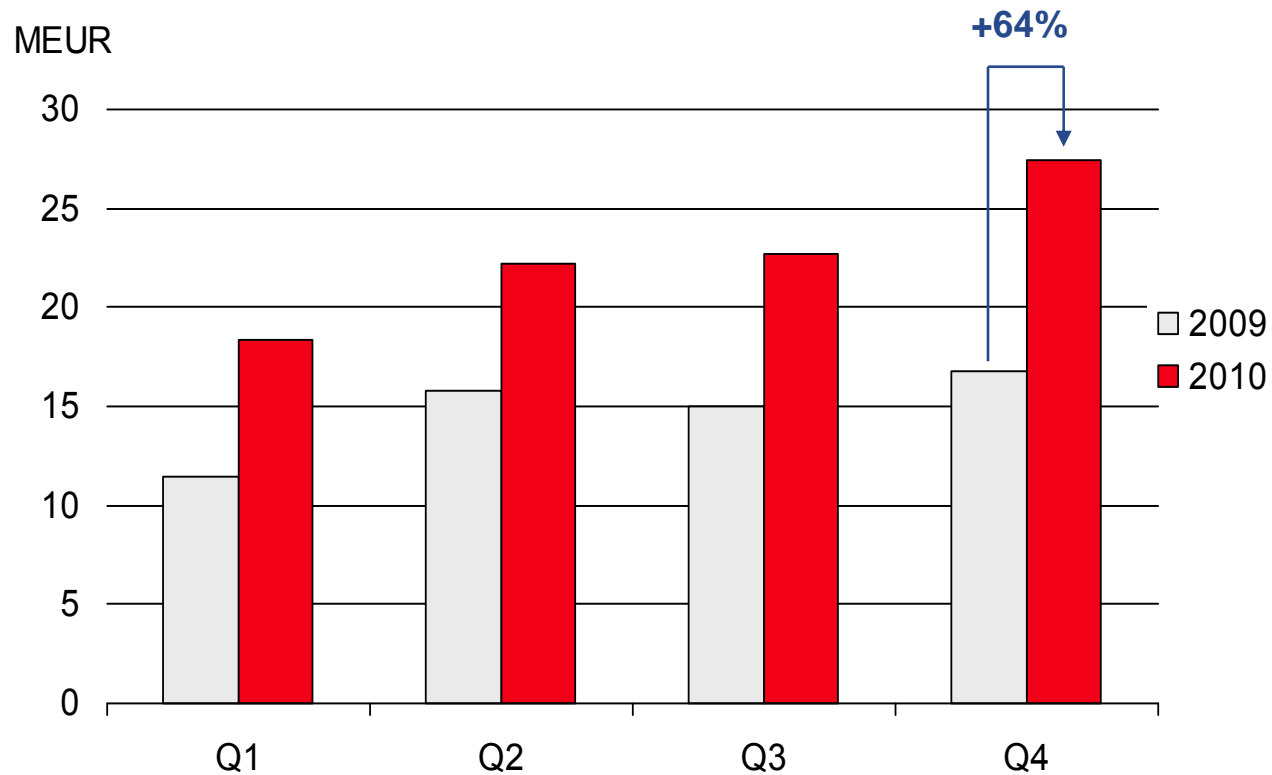
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Development of sales and order book in machine building industry

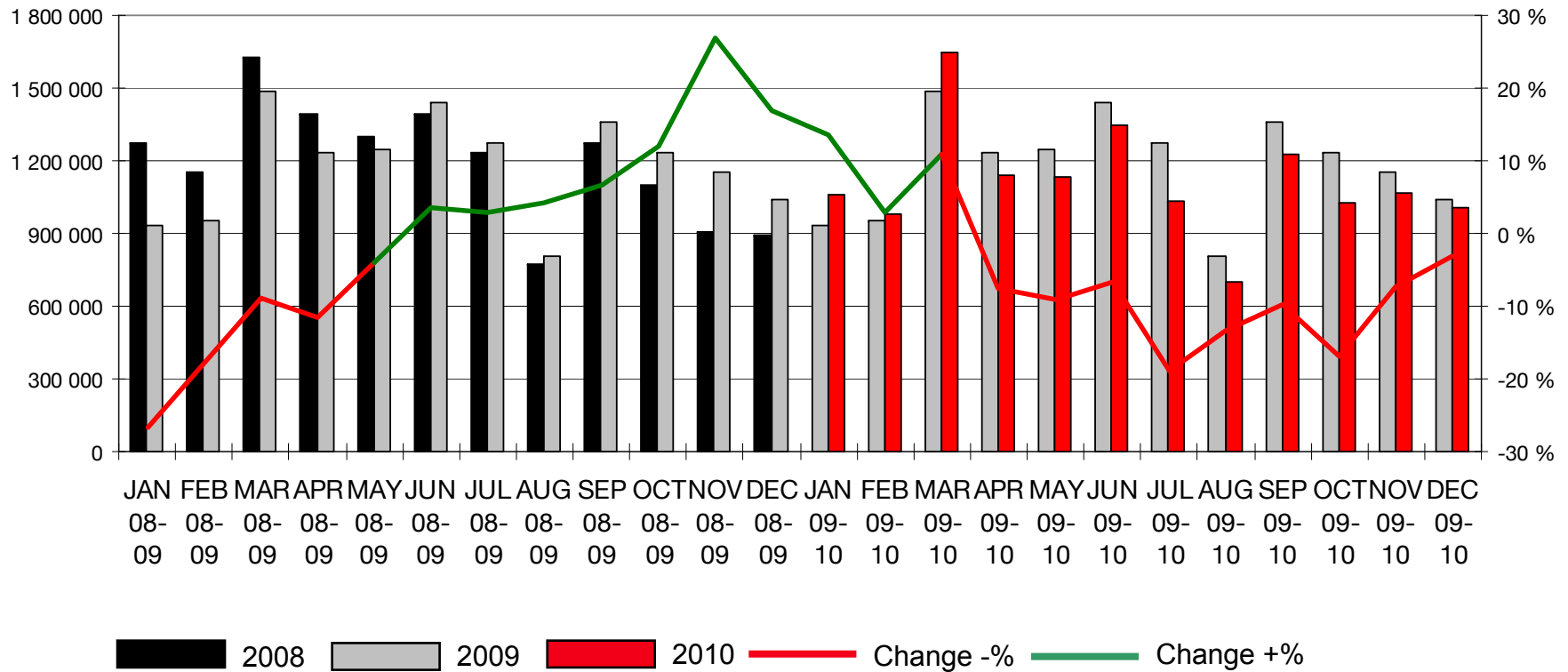


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Comparable sales to automotive industry quarterly



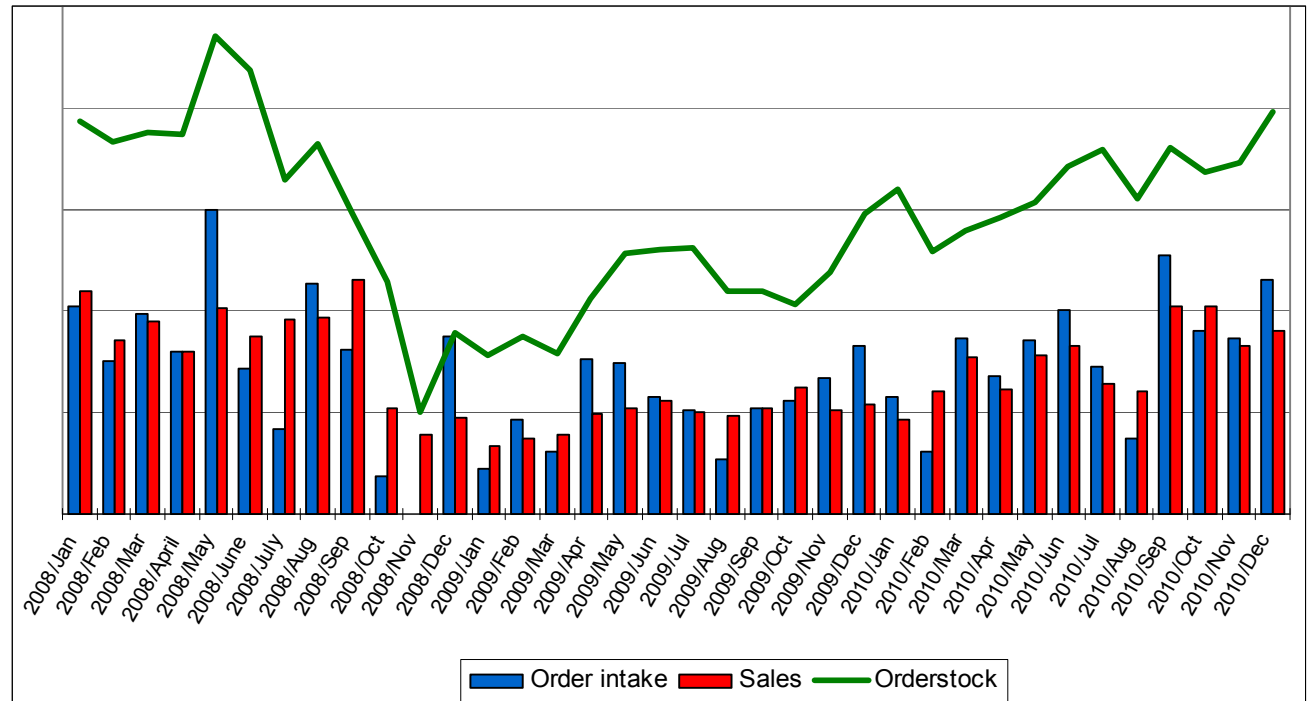
Registrations of new passenger cars in Europe (EU27)



Source: ACEA

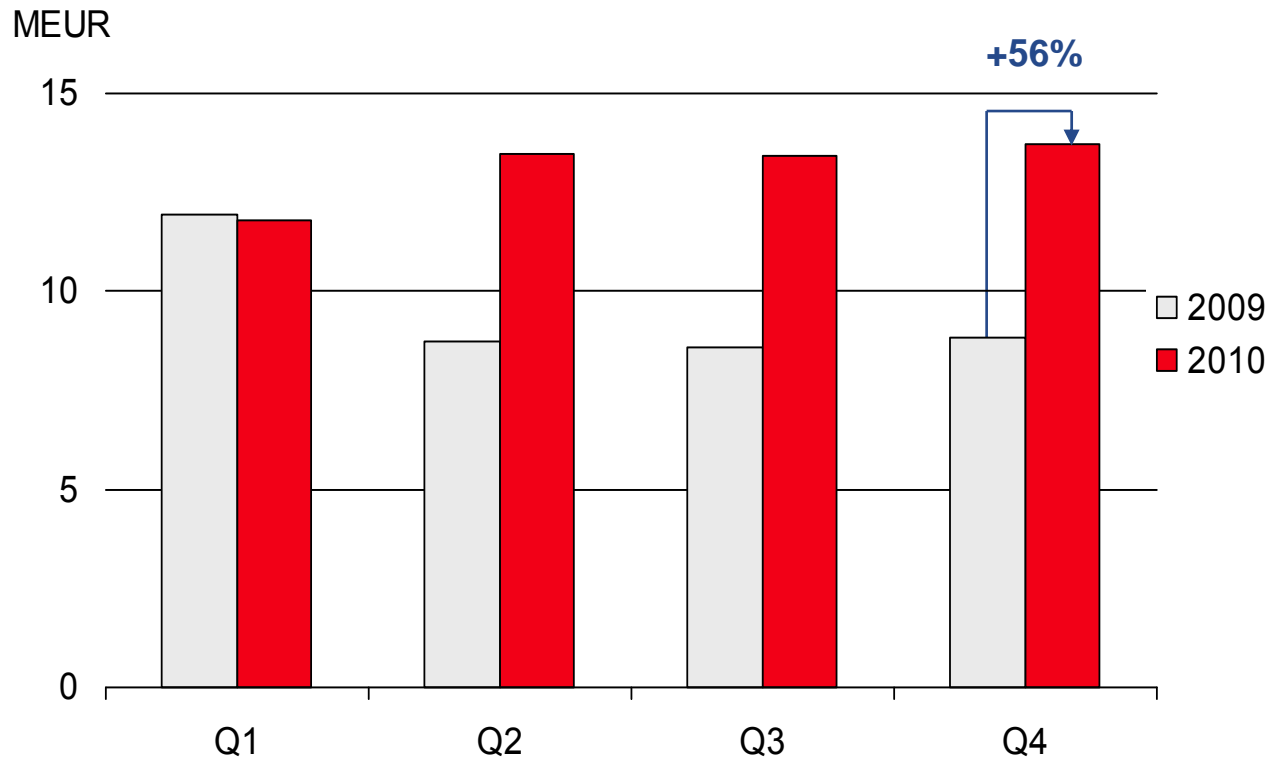
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Development of sales and order book in automotive industry



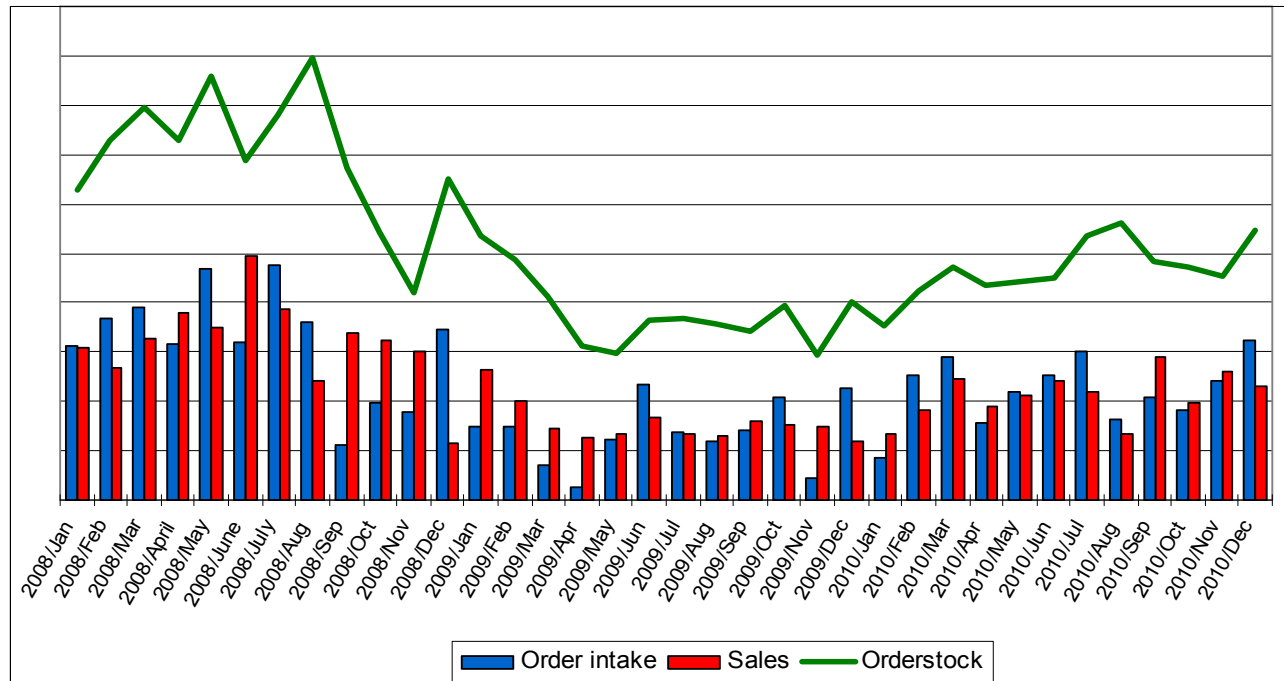
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Comparable sales to agriculture industry quarterly



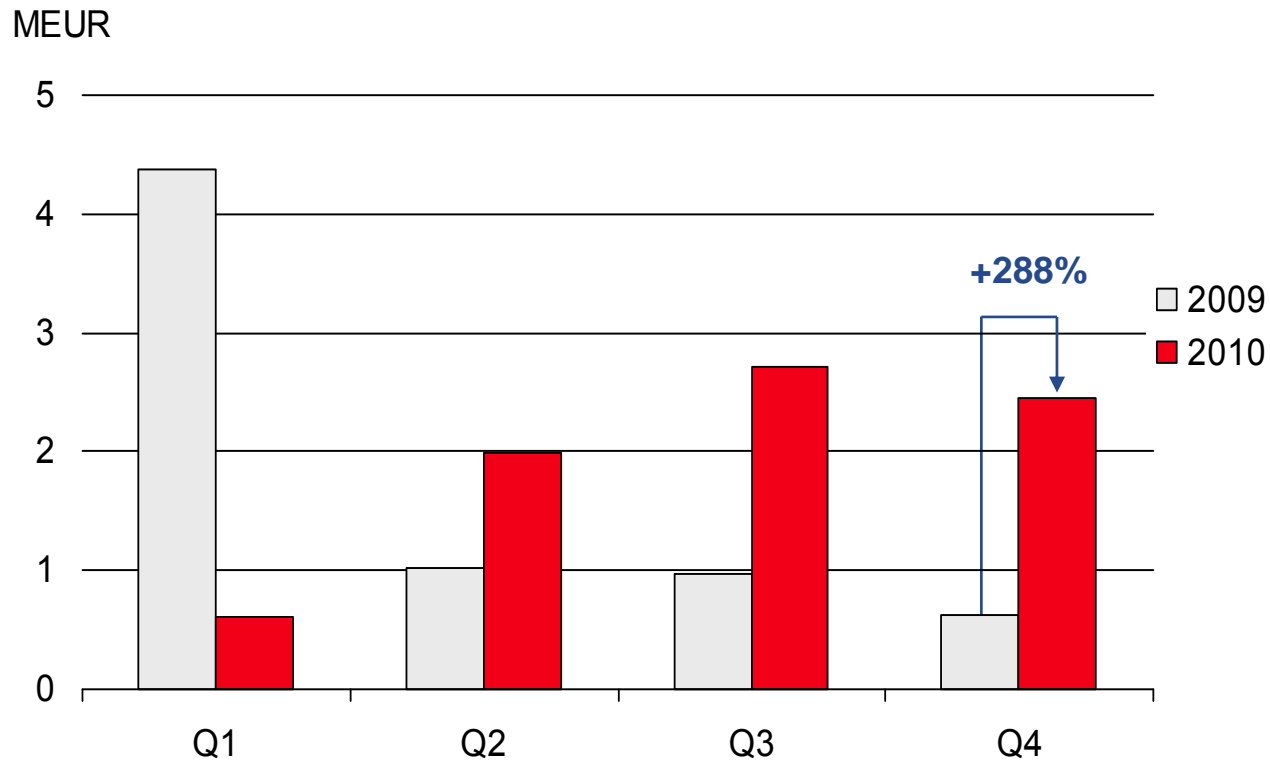
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Development of sales and order book in agriculture industry



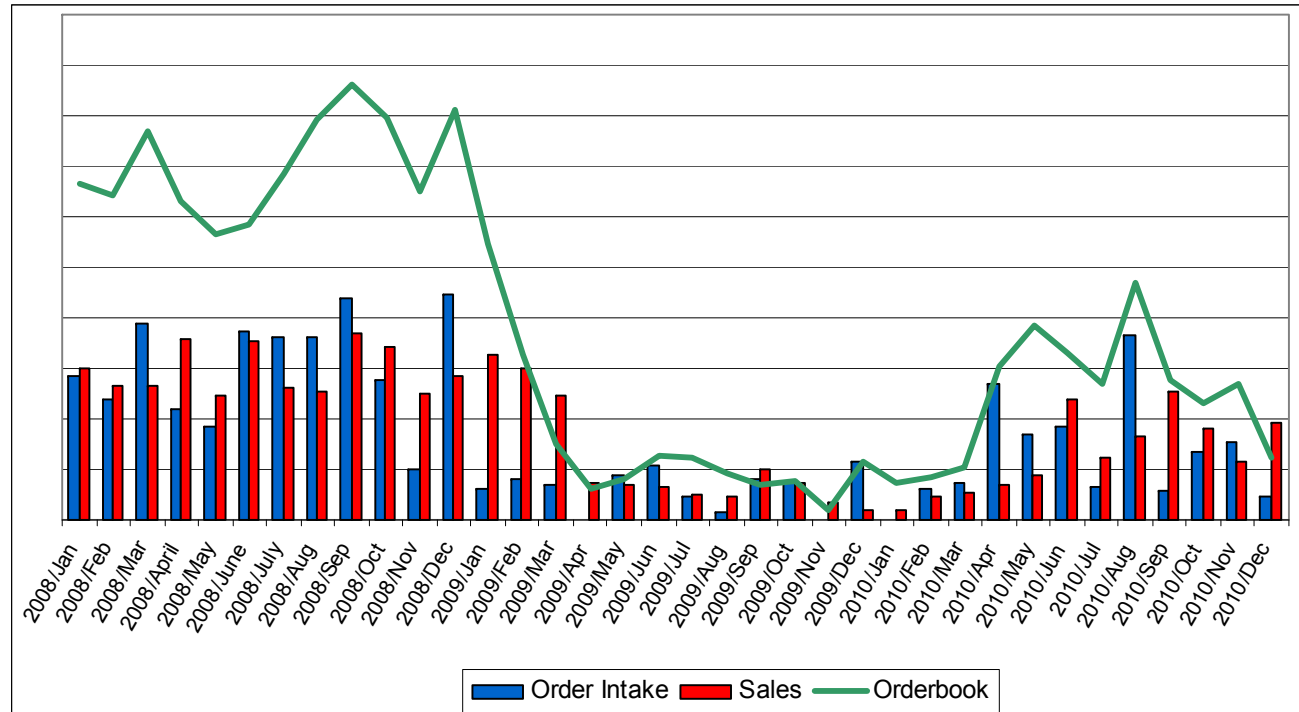
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Comparable sales to wind power industry quarterly



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Development of sales and order book in wind power industry



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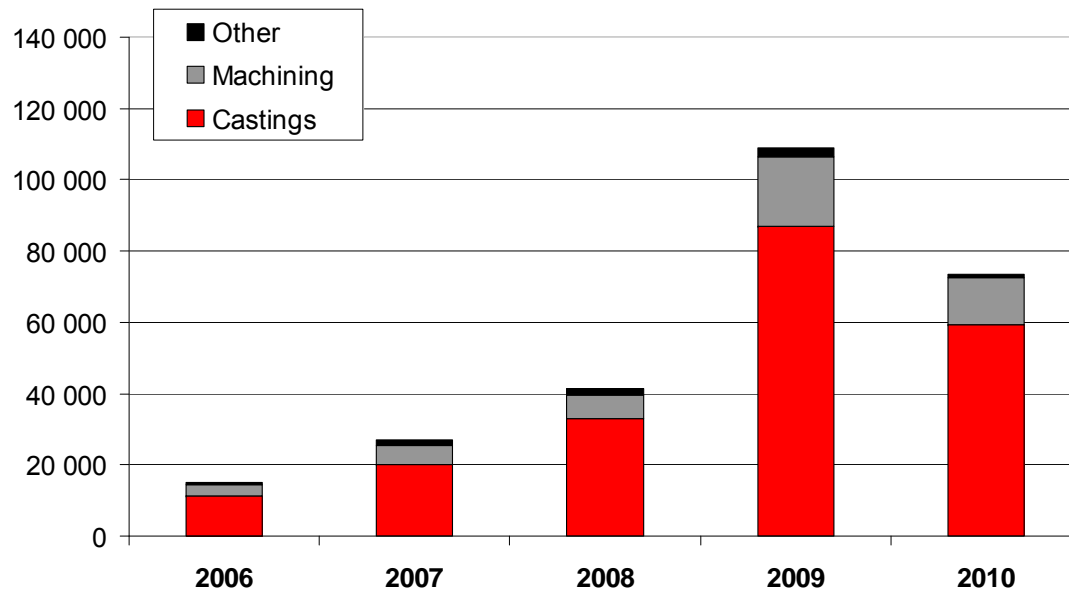
Analysis of changes in income statements Q1-Q4/2010 vs. Q1-Q4/2009

MEUR	Q1/10	Q1/09	Diff %	Q2/10	Q2/09	Diff %	Q3/10	Q3/09	Diff %	Q4/10	Q4/09	Diff %
Net Sales	91,2	88,1	4 %	117,3	70,6	66 %	112,3	64,8	73 %	130,7	76,1	72 %
Value of production	94,4	75,3	25 %	119,0	66,1	80 %	113,0	65,3	73 %	128,3	71,8	79 %
Materials	-34,3	-24,1	43 %	-45,5	-20,6	121 %	-43,4	-23,3	87 %	-49,7	-24,9	100 %
Direct wages and external services	-24,2	-25,0	-3 %	-29,3	-21,4	37 %	-27,6	-18,7	48 %	-31,2	-19,5	60 %
Other variable and fixed costs	-32,3	-29,3	10 %	-35,6	-25,5	40 %	-34,5	-23,5	47 %	-37,6	-25,9	45 %
Costs total	-90,8	-78,3	16 %	-110,4	-67,5	64 %	-105,6	-65,5	61 %	-118,5	-70,3	69 %
EBITDA	3,6	-3,0		8,6	-1,4		7,4	-0,2		9,8	1,5	
Delay in steel raw material surcharges, price increases of other raw materials and FX losses impact												
	-2,2			-4,6			-0,8			-1,2		

Offers and new sales

Monthly offers > 100,000 EUR

1000 EUR

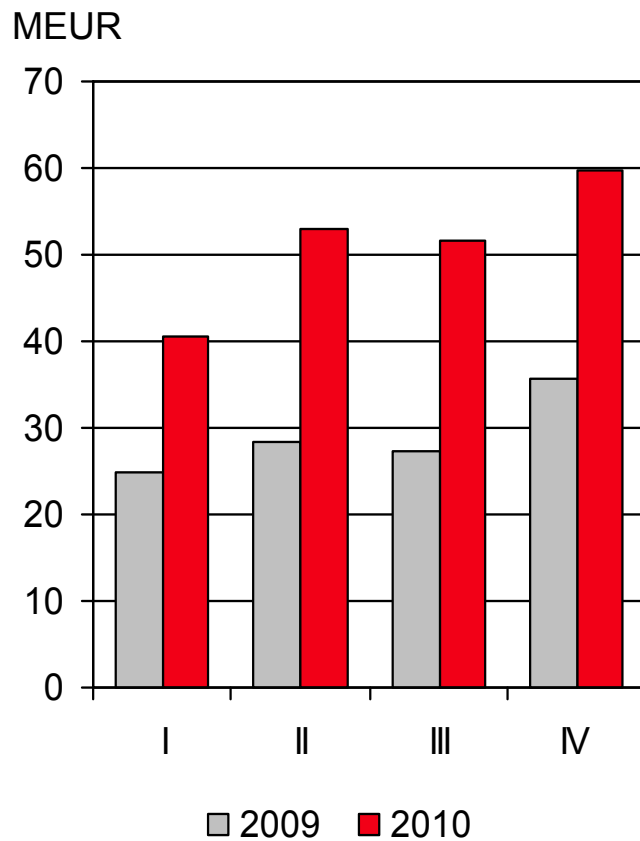


- The offers submitted by the Group have remained at a high level.
- Componenta's new sales developed well during 2010.

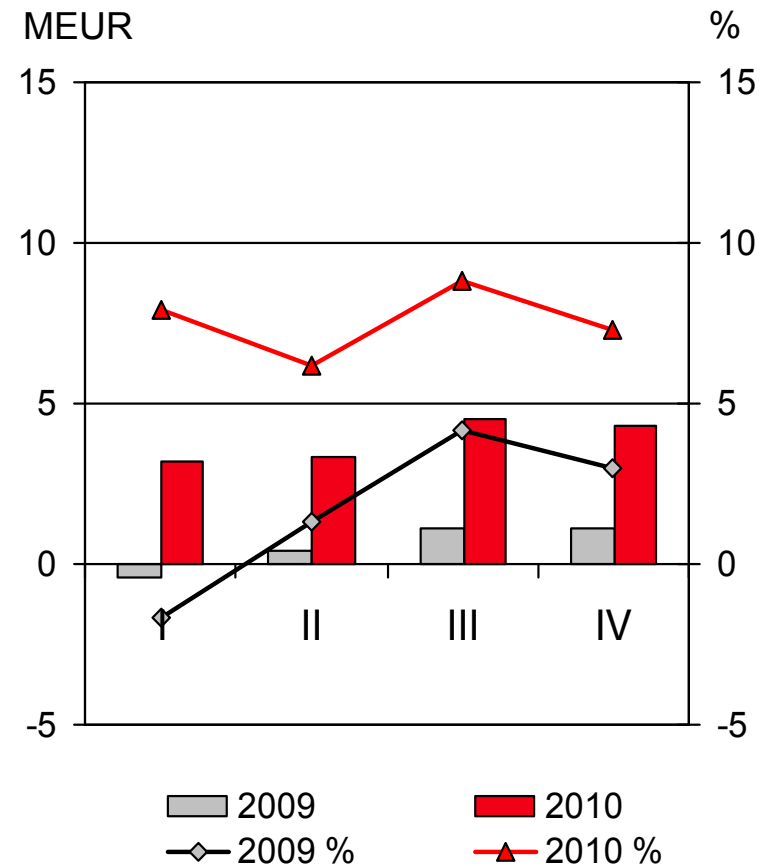
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Turkey operations

Net sales



Operating profit



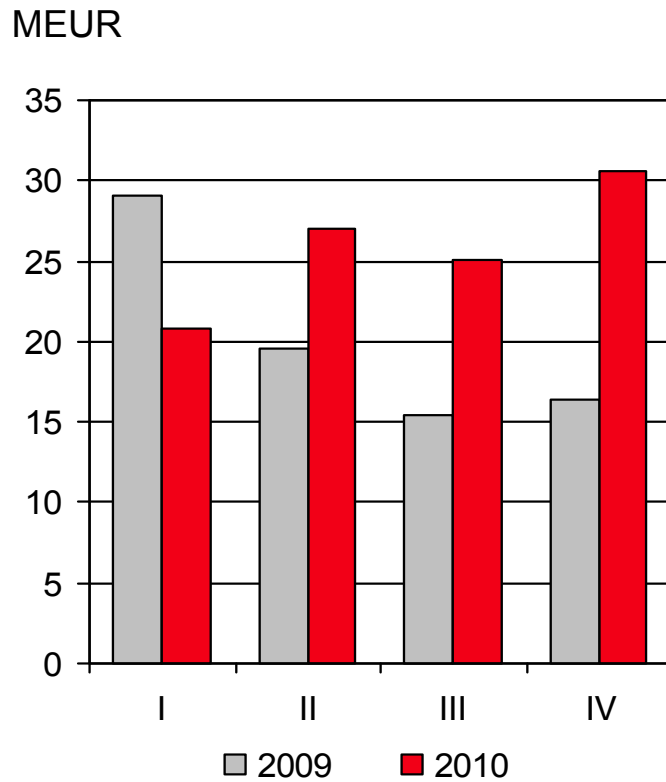
Performance of the Turkey operations

- The Turkey operations comprise iron foundry and machine shop in Orhangazi and aluminium foundry and production unit for aluminium wheels in Manisa.
- Net sales in the financial year increased 76% to MEUR 204.8 (MEUR 116.2). Operating profit was MEUR 15.2, corresponding to 7.4% of net sales (MEUR 2.2; 1.9%).
- Operating profit in the financial year was boosted by excellent volume development especially in construction and mining and automotive industries. The operating profit was however hurt by MEUR -2.3 due to rapidly increased raw material prices as well as other raw material prices not covered by material surcharges and exchange rate losses.
- Net sales in the fourth quarter rose 67% and were MEUR 59.6 (MEUR 35.6) and operating profit was MEUR 4.3, corresponding to 7.3% of net sales (MEUR 1.1; 3.0 %). Fourth quarter operating profit was improved by changes in raw material prices and exchange rate gains by MEUR 0.3 in total.
- The order book at the end of the financial year rose 70% from the previous year and was MEUR 47.8 (MEUR 28.1).

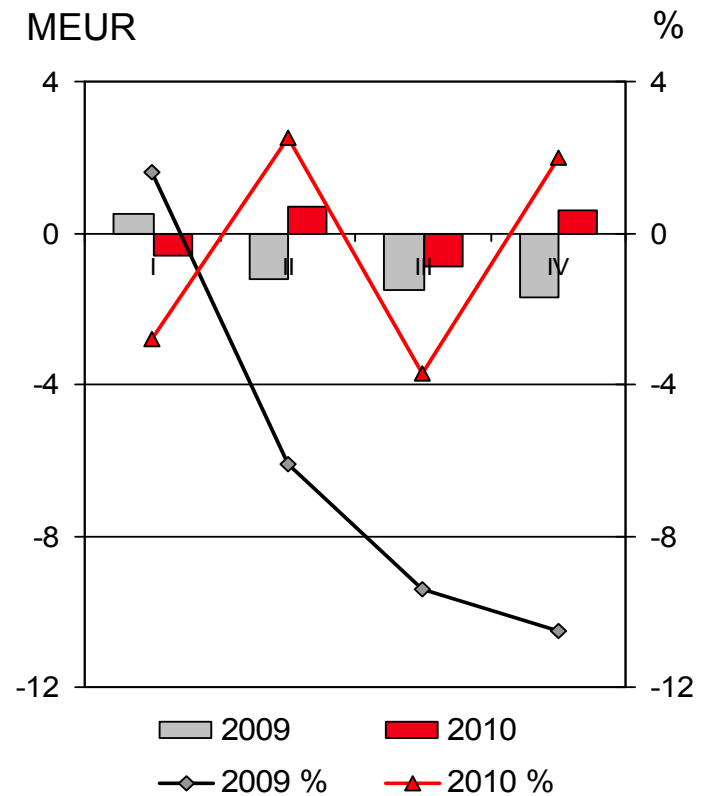
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Finland operations

Net sales



Operating profit



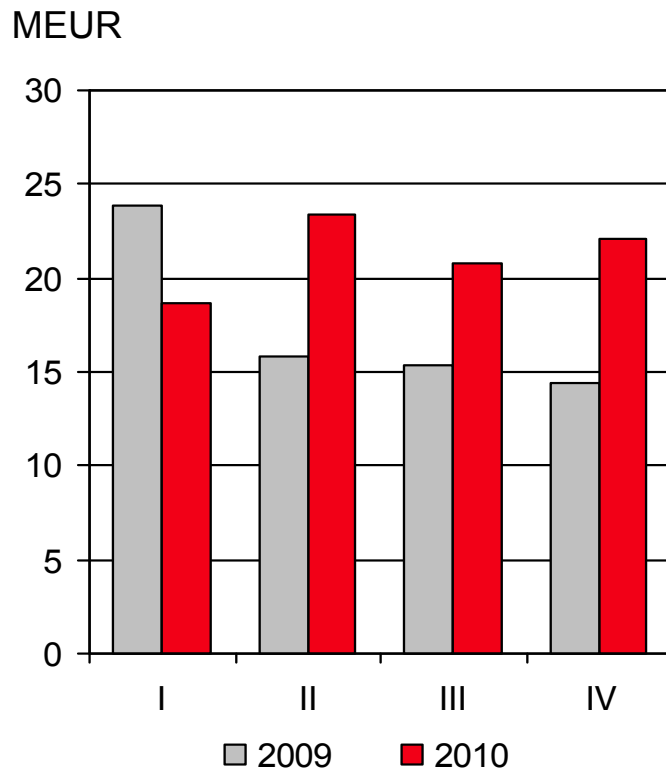
Performance of the Finland operations

- The operations in Finland include the iron foundries in Iisalmi, Karkkila, Pietarsaari and Pori and the machine shops in Lempäälä and Pietarsaari. The operations also include the production unit for pistons in Pietarsaari.
- Net sales in the financial year increased 29% and were MEUR 103.6 (MEUR 80.4) and operating profit MEUR -0.2, corresponding to -0.2% of net sales (MEUR -3.9; -4,8%).
- Operating profit in the financial year improved due to cost adaptation measures that were implemented in the second half of 2009 and increased production volumes especially in the heavy truck industry. Operating profit in the financial year was however burdened by MEUR -3.8 due to the rapid increase in iron raw material prices as well as in the second half of the year strong increase in other raw material prices not covered by material surcharges.
- Fourth quarter net sales rose 87% and were MEUR 30.6 (MEUR 16.4) and operating profit MEUR 0.6, corresponding to 2.0% of net sales (MEUR -1.7; -10,5 %). Rapid increase in raw material prices affected the fourth quarter operating profit by MEUR -0.9.
- Order book at the end of the financial year rose from the previous year 33% and was MEUR 15.7 (MEUR 11.8).

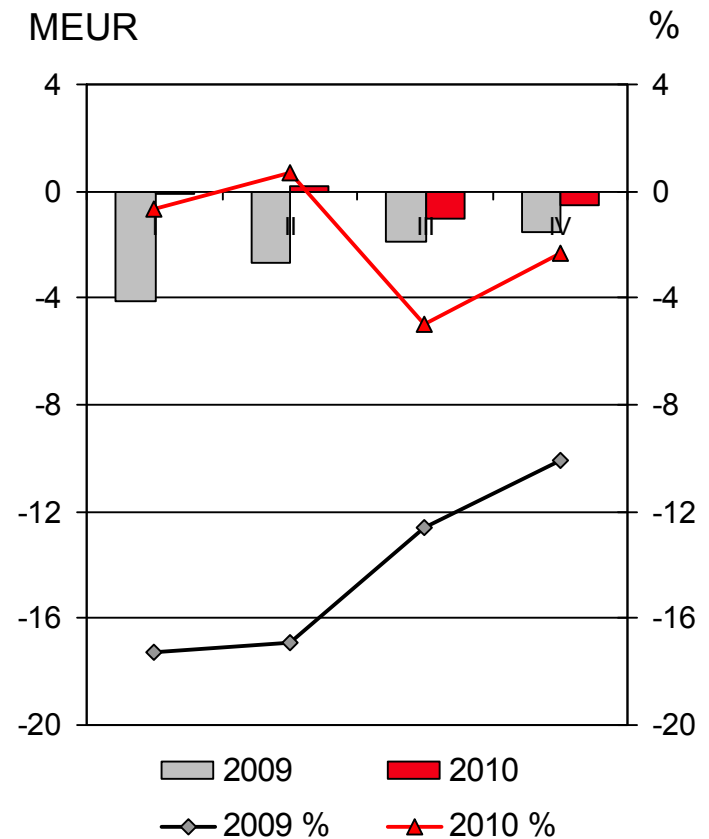
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Holland operations

Net sales



Operating profit



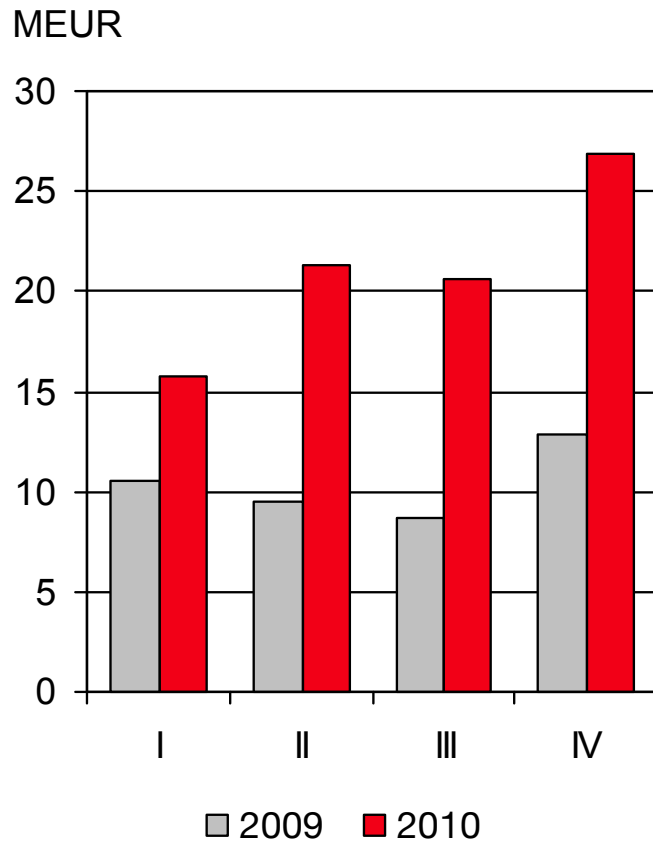
Performance of the Holland operations

- The operations in Holland comprise iron foundries in Heerlen and Weert, machine shop operations in Weert and pattern shop in Tegelen.
- Net sales in the financial year increased 22% and were MEUR 85.1 (MEUR 69.5) and operating profit MEUR -1.5 or -1.8% of net sales (MEUR -10.2; -14.7%).
- The operating profit in the financial year improved due to cost adaptation measures taken earlier and increased production volumes. The operating profit in the financial year was however affected negatively by MEUR -2.4 due to rapid increase in iron raw material prices and in the second half of the year rapid increase in other raw material prices not covered by material surcharges.
- Fourth quarter net sales rose 54% and were MEUR 22.1 (MEUR 14.4). Operating profit was MEUR -0.5, corresponding to -2.3% of net sales (MEUR -1.5; -10.1%). Changes in raw material prices affected the fourth quarter operating profit by MEUR -0.5.
- Order book at the end of the financial year increased from the previous year 32% and was MEUR 16.4 (MEUR 12.5).

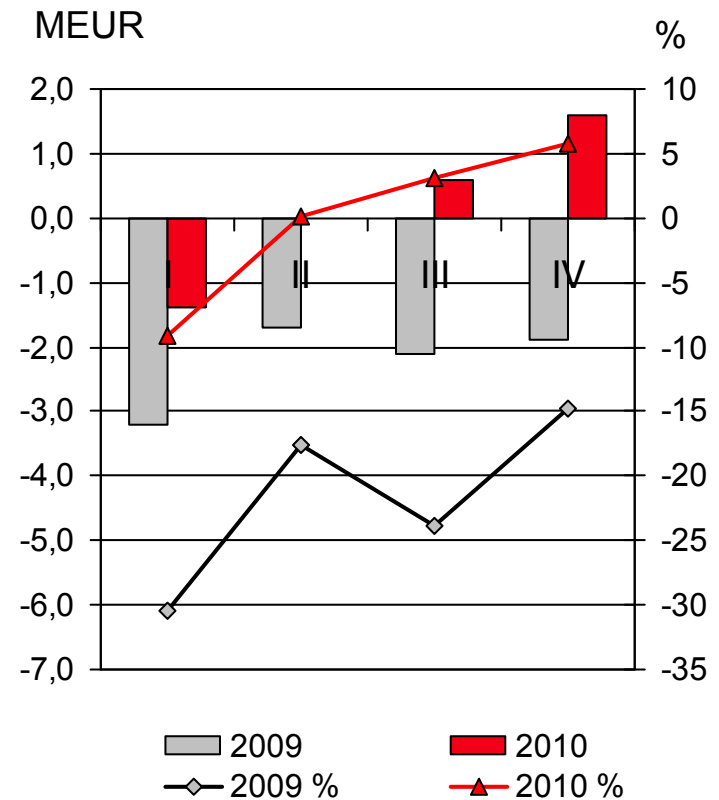
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Sweden operations

Net sales



Operating profit



Performance of the Sweden operations

- The operations in Sweden include the machine shop in Främmestad and the forge in Wirsbo.
- Net sales increased 104% from previous year and were MEUR 84.7 (MEUR 41.5). Operating profit was MEUR 0.8 or 0.9% of net sales (MEUR -8.8; -21.3%).
- Operating profit in the financial year improved from the previous year due to cost adaptation measures implemented earlier and significantly increased production volumes, especially in the heavy trucks industry. The operating profit was however burdened by the exceptional increases in energy prices during first quarter of the year.
- Fourth quarter net sales increased 109% and were MEUR 26.9 (MEUR 12.9) and operating profit was MEUR 1.6, corresponding to 5.8% of net sales (MEUR -1.9; -14.8%).
- Order book at the end of the financial year increased from the previous year 111% and was MEUR 22.0 (MEUR 10.5).

Market Outlook

- The demand outlook in all the Group's customer sectors is good at the beginning of 2011.
- Demand in the heavy trucks sector is expected to continue at good level, in particular because of positive market development in Europe.
- Demand for construction and mining components is expected to continue developing favourably during 2011, mainly because of the higher mining material prices and the recovery in the economy.
- Demand for agricultural machinery is estimated to rise from the previous year as the result of higher food prices and development in demand in Europe and North America.
- Due to growing exports by Turkey's automotive industry and encouraging development in demand for aluminium alloy wheels, demand in the automotive industry is estimated to stay at good level in 2011.
- Demand in the wind power sector is expected to remain at a low level in Europe.
- Demand in the machine building industry is expected to continue to pick up gradually.

Componenta's Prospects for 2011

- Componenta's prospects for 2011 are based on general external economic indicators, delivery forecasts given by customers, and on Componenta's order intake and order book.
- Componenta's order book at the end of the financial year was 61 % higher than at the end of the previous year.
- In 2011 the Group's net sales are expected to rise clearly and the result after financial items before one-time items to be positive.
- Net cash flow from operations is expected to remain positive and changes in working capital should be moderate, due to the sale of trade receivables.
- Investments in production facilities in 2011 are expected to be some MEUR 15.
- The continuing rise in raw material prices at the beginning of 2011 will weaken the result in the beginning of the year.

Componenta Strategy 2011 - 2015

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Market dynamics in the future

New generation vehicles shape the casting market

**Environmental
regulation**

Cost cutting

Safety and durability

Growing demand for aluminum castings

Breakthrough of wind power as a significant energy source

**Growth of Chinese
and Indian economies**

**Broadest variety of
alternative energy
sources in history**

Foundry industry re-shaping accelerates

VISION 2015

Preferred casting solutions provider locally and globally

STRATEGY

We grow with our customers as one Componenta providing solutions from engineering to component.
Our performance is based on our **values** and **sustainability**.

MISSION: Casting Future Solutions

- We are actively shaping the traditional ways of operating in the cast component industry in the transformation towards new generation vehicles and machinery
- Our approach is based on the customer's business and in close partnership we are able to contribute to our customers' success
- We provide advanced engineering expertise for world-leading customers in their field
- The customer benefits from our ability to balance our footprint and our services for different parts of the value chain

VALUES:

OPENNESS

HONESTY

RESPECT

Financial objectives

2010

- EBIT 3%
- Equity ratio 26.4% *)
- Net sales 452 MEUR
- ROI 5%

2012

- EBIT 10%
- Equity ratio 35% *)
- Net sales 750 MEUR
- ROI 20%

2015

- EBIT 12%
- Equity ratio 40% *)
- Net sales 1 Bn EUR
- ROI >20%

*) Preferred capital notes in equity

COMPONENTA

Key strategic targets

1

Grow together as One Componenta

2

Offer best customer experience

3

Reach excellence in delivery
certainty, quality and cost

4

Boost up solution selling