

COMPONENTA

Componenta Corporation

**Financial statements
1 January – 31 December 2009**

2009 in brief

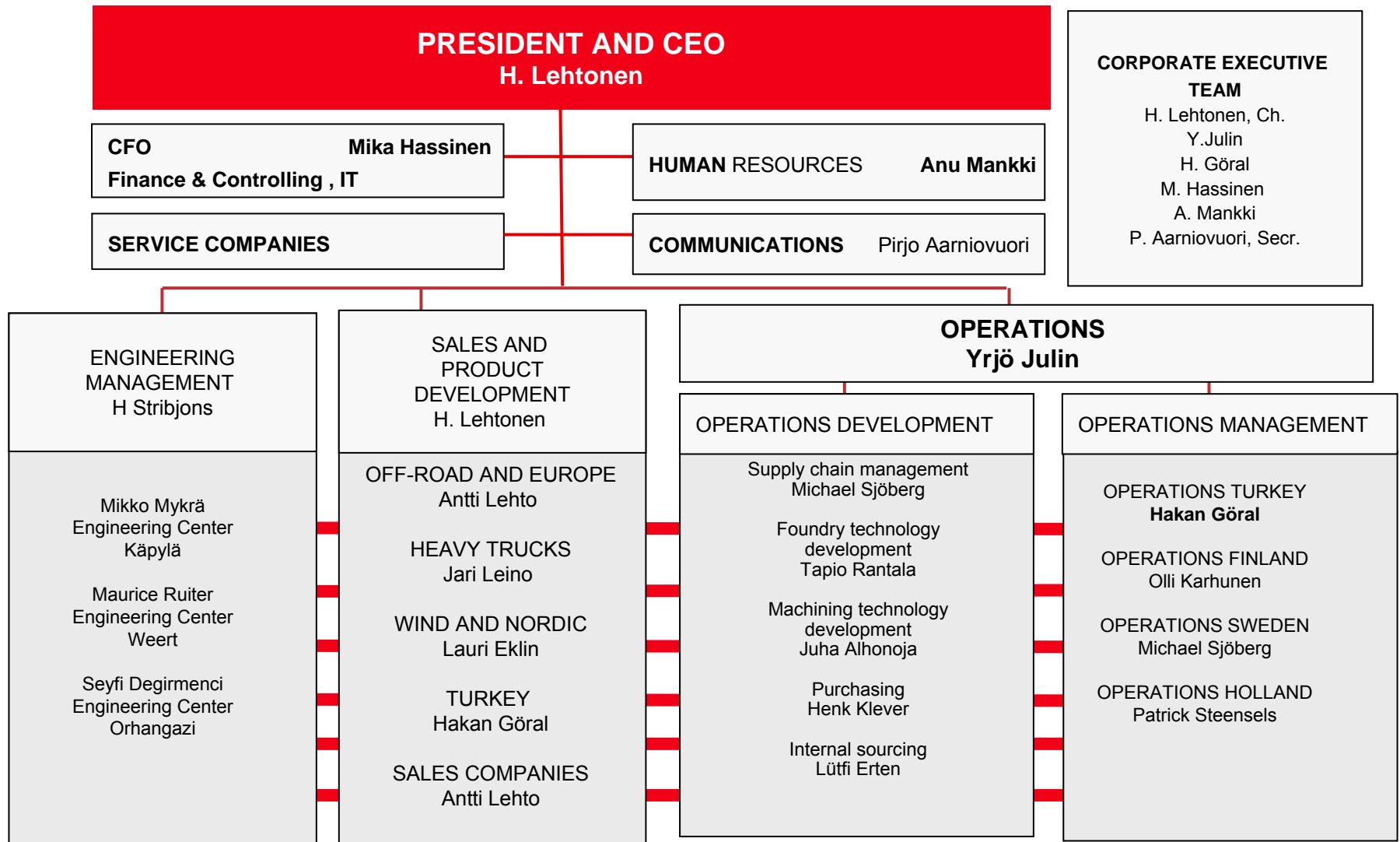
- Net sales were MEUR 299.6 (MEUR 681.4). Net sales fell 56.0%.
- Operating profit excluding one-time items was MEUR -15.4 (47.9).
- Result after financial items excluding one-time items was MEUR -37.2 (MEUR 19.2).
- Cash flow from operations was MEUR 14.2 (MEUR 29.4).
- Net sales for the fourth quarter were MEUR 76.1 (MEUR 125.3), operating profit excluding one-time items MEUR -1.7 (MEUR -6,0), profit after financial items excluding one-time items MEUR -6.5 (MEUR -16.1) and cash flow from operations MEUR 8.1 (MEUR 5.5).
- Unused committed credit facilities and cash in bank at the year-end were MEUR 46.1.
- The Board of Directors' proposal for the Annual General Meeting is that no dividend will be paid from year 2009.

Events after end of period

- Componenta changes its organization and to strengthen common way of operating starting from 1 February 2010.
- The Group's business operations will be organized into four operational areas, which are Turkey, Finland, Holland and Sweden.
- Group-wide operational development functions and processes – supply chain management, development of foundry and machine shops technology, purchasing and internal sourcing – support the operational areas and operations management and add value to the customers.
- Yrjö Julin was appointed Chief Operating Officer and the member of Componenta Executive Team, being responsible for operations management at Componenta.

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Componenta Group starting from 1 February 2010



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Income statement 2009

MEUR	2009	2008
	1 - 12	1 - 12
Net sales	299.6	681.4
Operating profit, excluding one-time items	-15.4	47.9
Financial income and expenses	-21.8	-28.7
Result after financial items, excluding one-time items	-37.2	19.2
One-time items	0.0	-0.6
Result after financial items	-37.2	18.6
Net result, excluding one-time items	-28.7	14.4
Net result	-28.7	13.9
Earnings per share, EUR, excluding one-time items	-2.30	1.28
Earnings per share, EUR	-2.30	1.24

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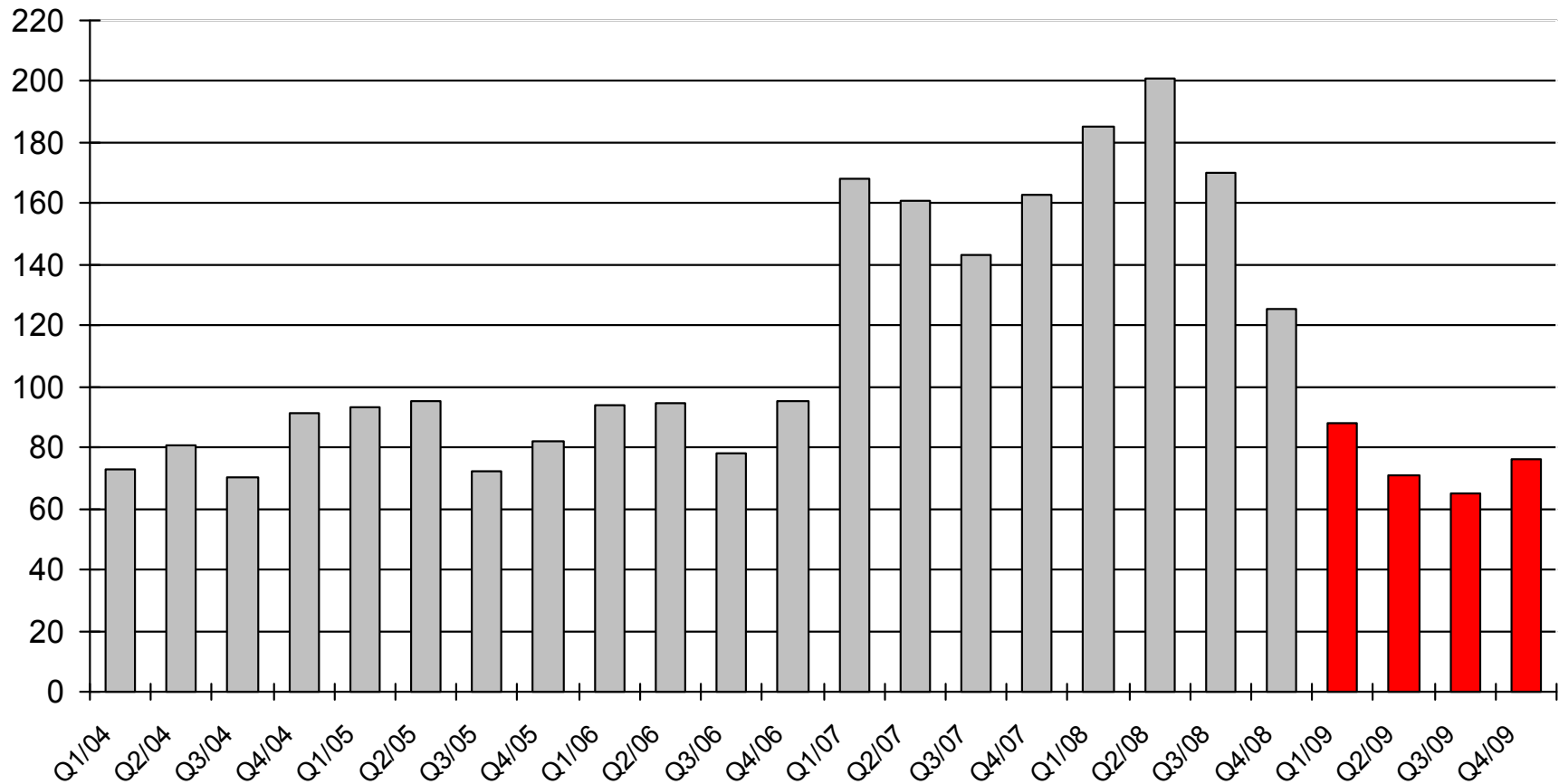
Income statement Q4/2009

MEUR	2009	2008
	Q4	Q4
Net sales	76.1	125.3
Operating profit, excluding one-time items	-1.7	-6.0
Financial income and expenses	-4.9	-10.1
Result after financial items, excluding one-time items	-6.5	-16.1
One-time items	0.0	-0.2
Result after financial items	-6.5	-16.3
Net result, excluding one-time items	-5.3	-12.4
Net result	-5.3	-12.6
Earnings per share, EUR, excluding one-time items	-0.32	-1.07
Earnings per share, EUR	-0.32	-1.08

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Quarterly development of net sales 2004 - 2009

MEUR



Key ratios

MEUR	31.12.2009	31.12.2008
Equity ratio, % (preferred capital note in equity)	26.5	27.3
Return on equity, %	-45.1	14.8
Return on equity, % (excluding one-time items)	-45.1	15.3
Return on investment, %	-4.1	13.6
Return on investment, % (excluding one-time items)	-4.2	13.8
Net interest bearing debt, MEUR (preferred capital note in equity)	206.5	211.2
Net gearing, % (preferred capital note in equity)	200.8	172.6
Order book, MEUR	58.8	73.6
Investments in production facilities, MEUR	15.5	44.6
Personnel at the end of 2009 (including leased personnel)	3,698	4,488

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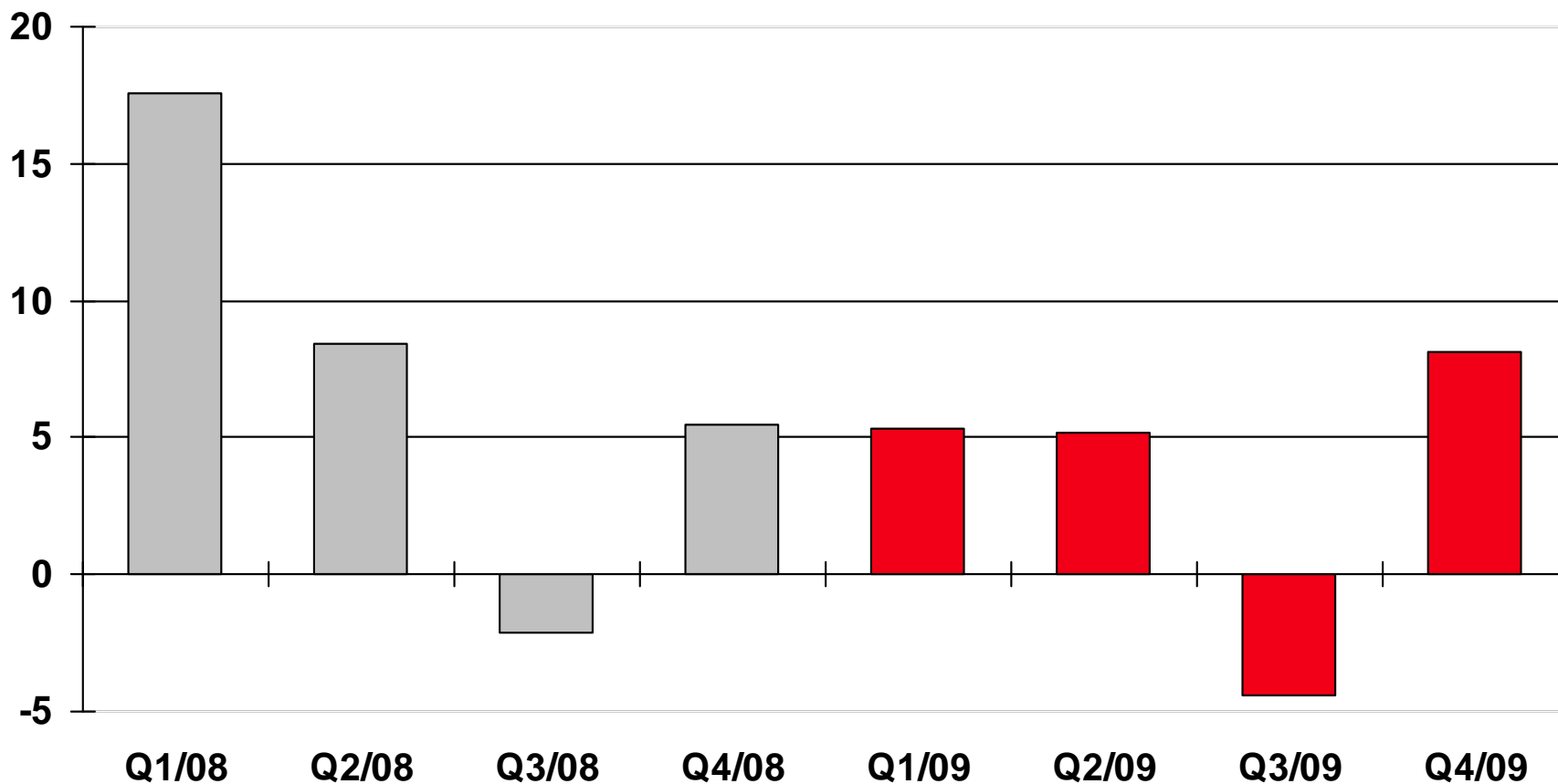
Cash flow 2009

MEUR	2009	2008
Cash flow from operations before change in net working capital, financing and taxes	-2.5	68.6
Change in net working capital	37.5	-4.2
Cash flow from operations before financing and taxes	35.0	64.4
Cash flow from operations	14.2	29.4
Cash flow from investments	-12.6	-40.6
Cash flow from financing activities	0.9	-8.7
Change in liquid assets	2.5	-20.0

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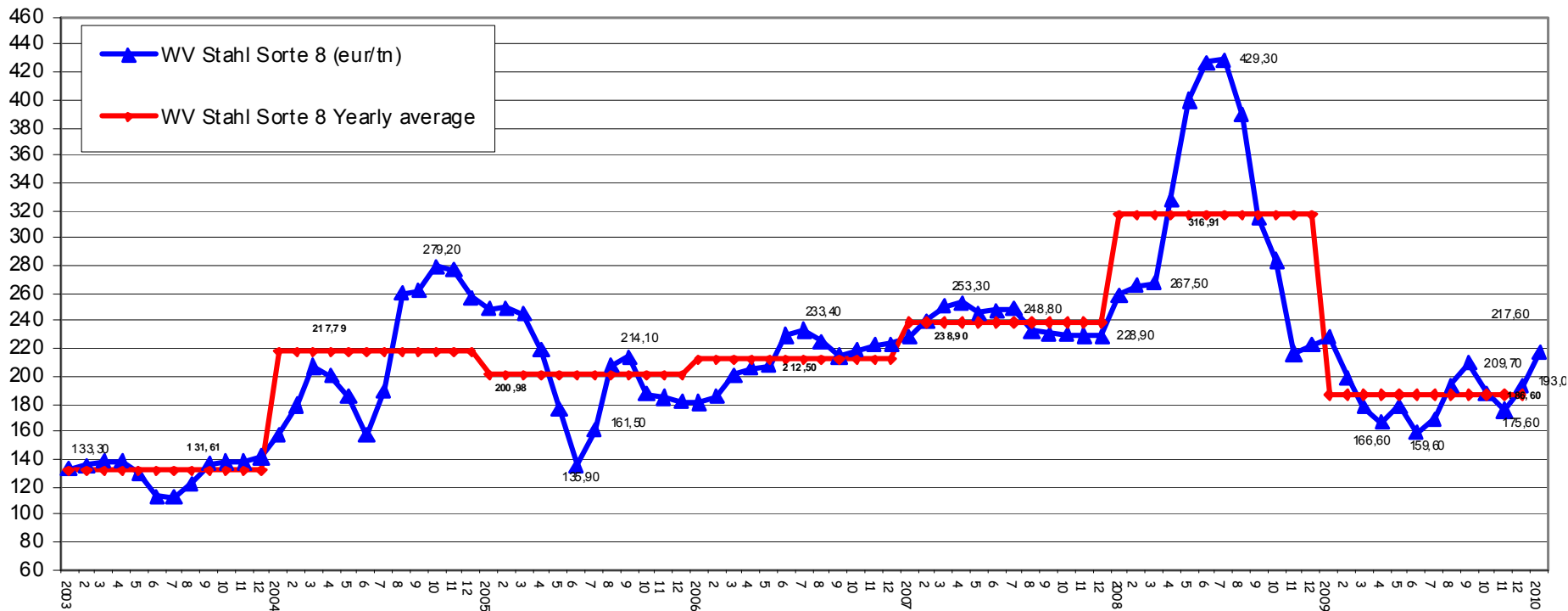
Cash Flow from Operations

MEUR



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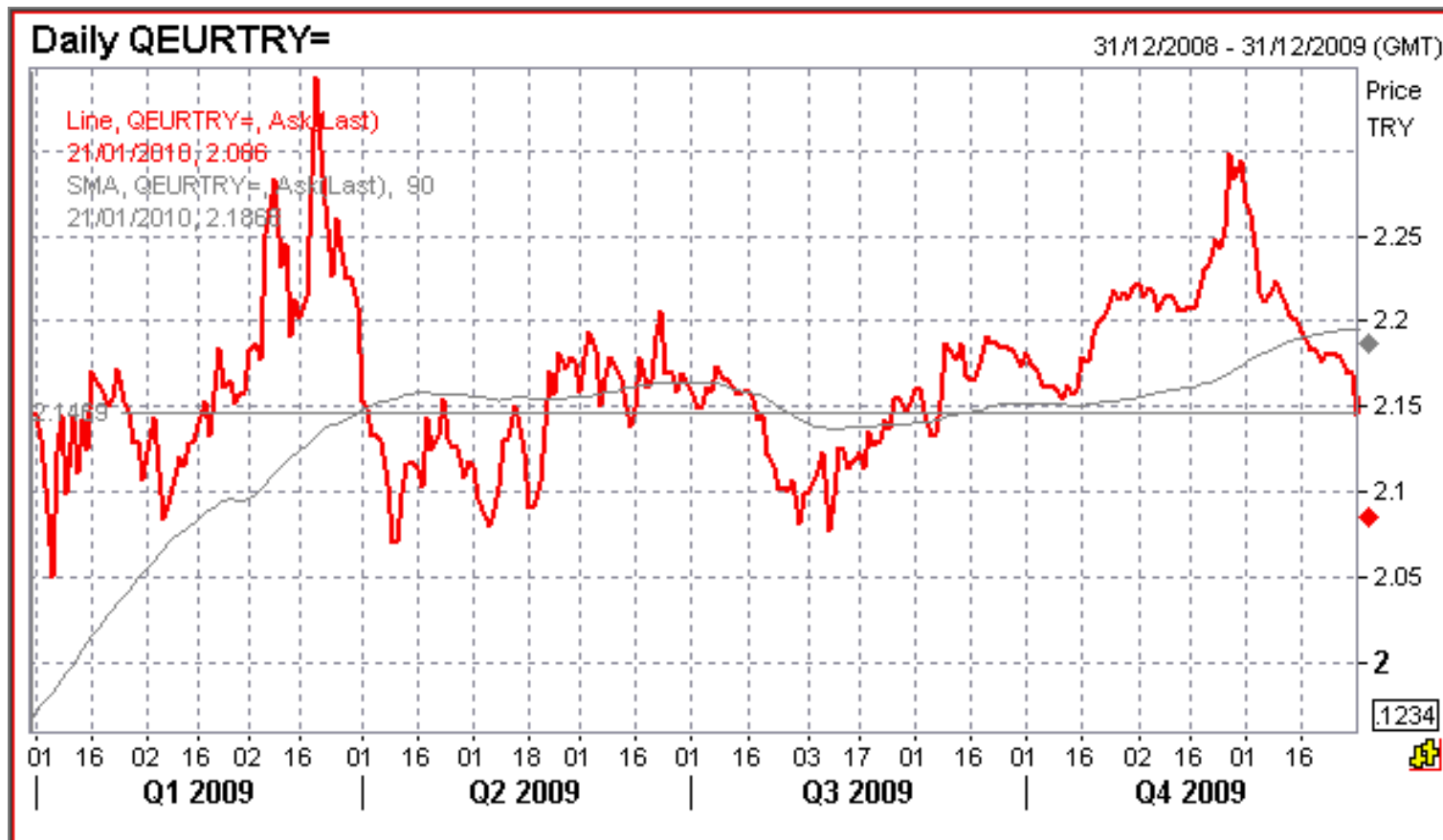
Wvstahl Sorte 8/package recycled metal (EUR/ton)



Source: Wvstahl

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Development in exchange rates Turkish lira



Source: Reuters

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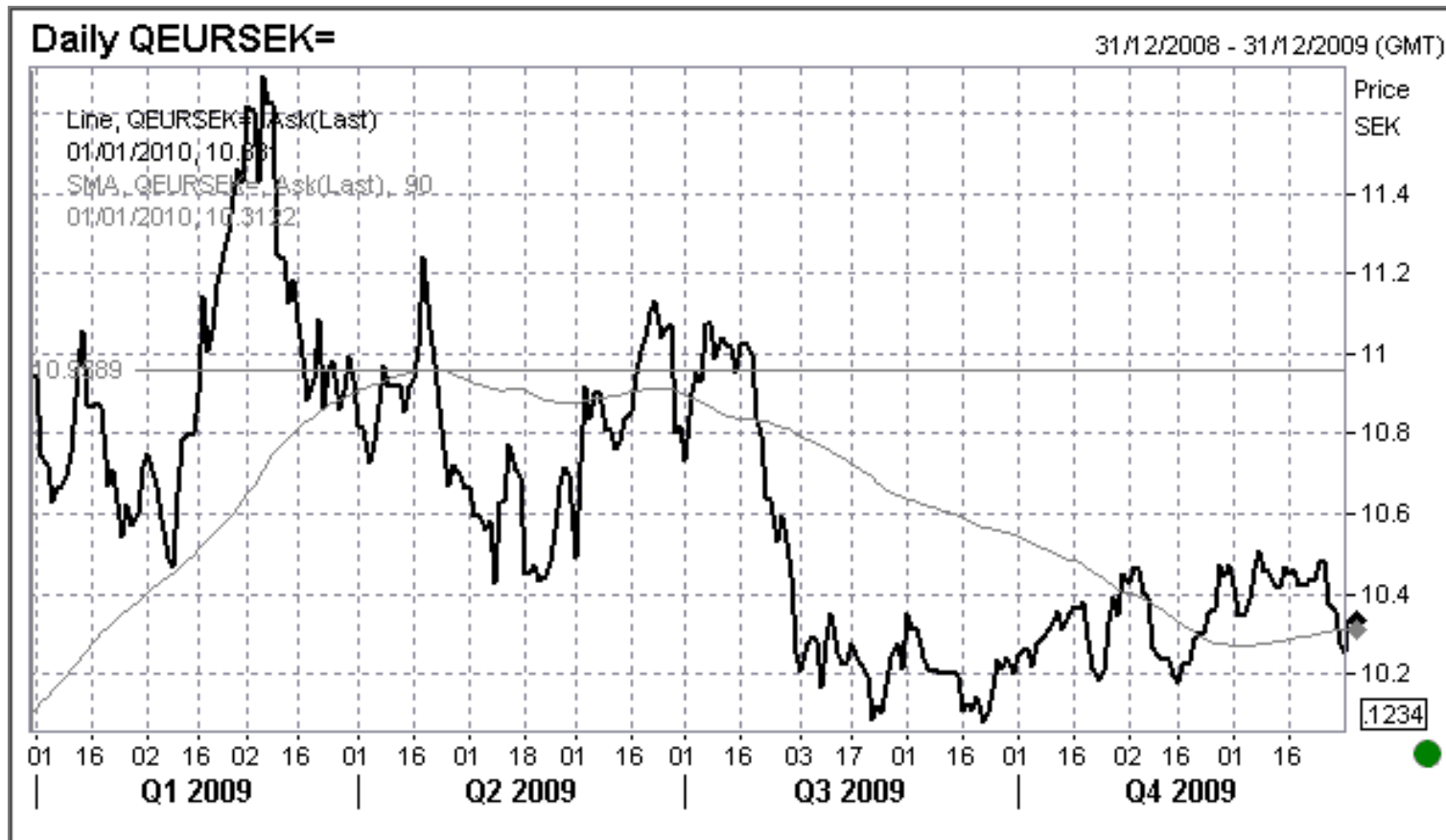
Development in exchange rates Great Britain pound



Source: Reuters

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Development in exchange rates Swedish krona

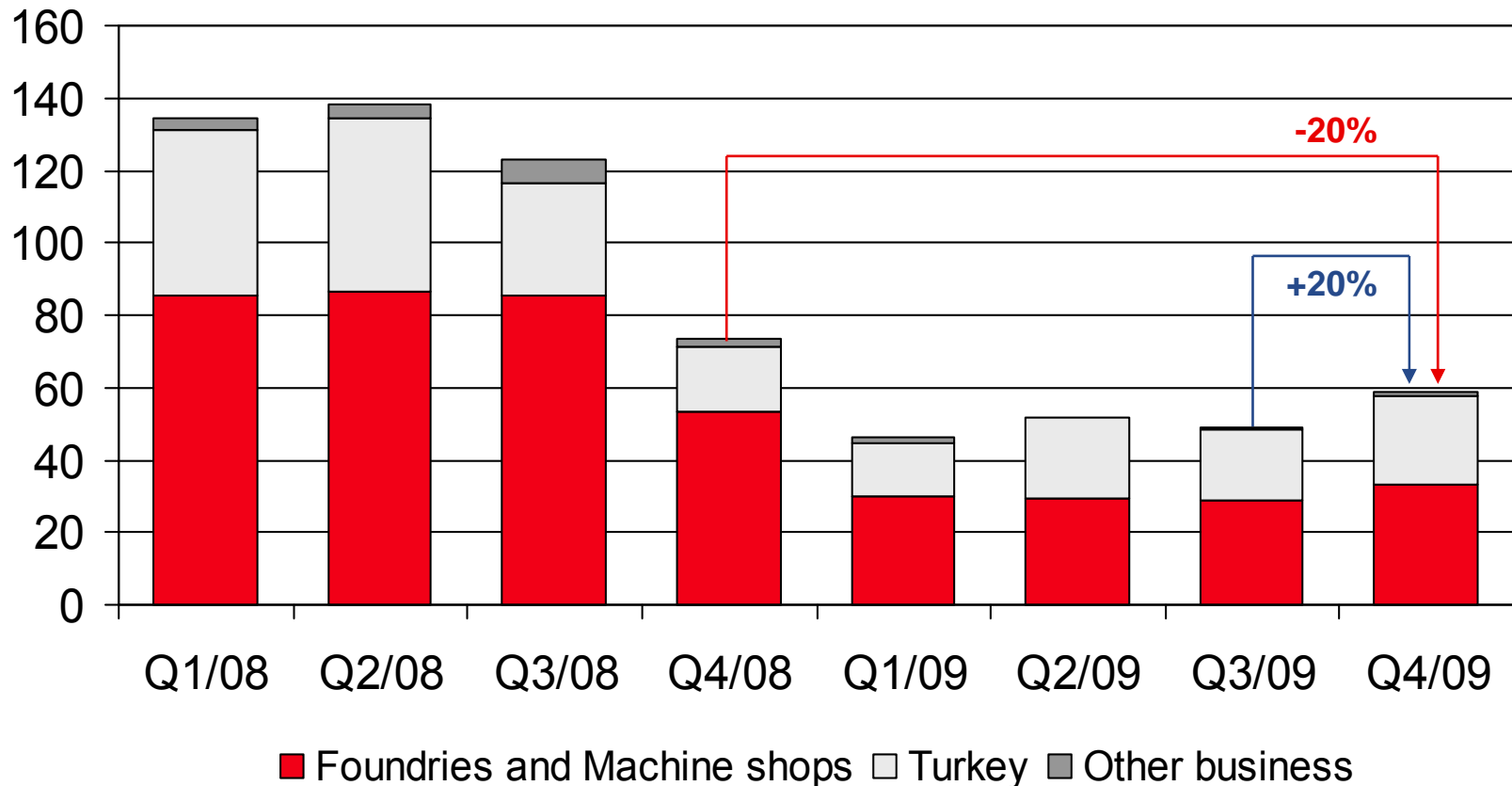


Source: Reuters

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Quarterly development of order book
(includes orders for coming two months)

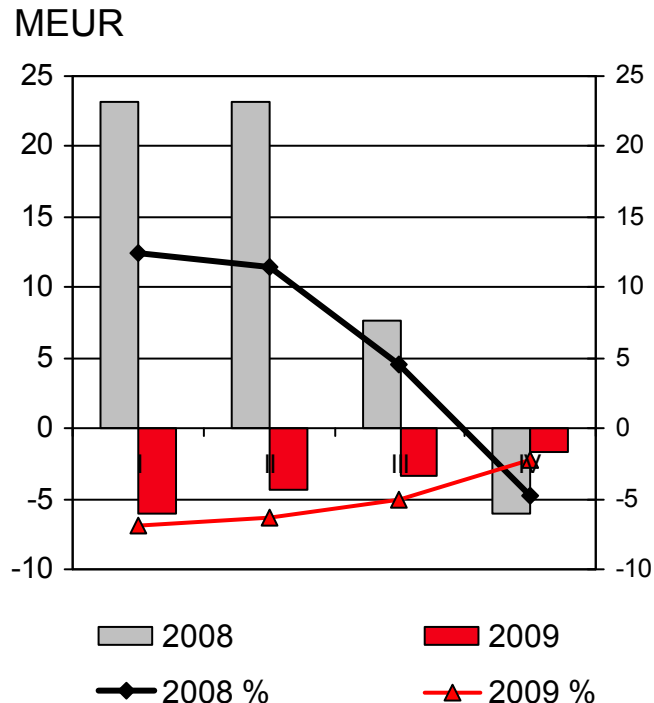
MEUR



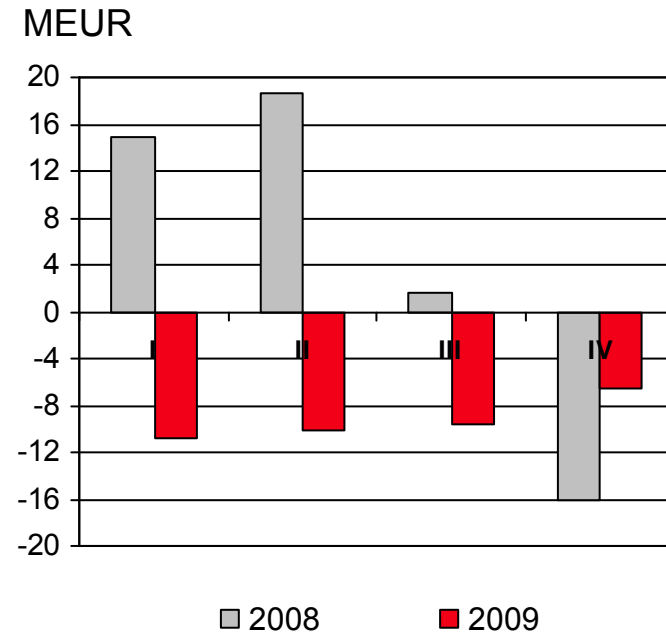
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Quarterly operating profit and result after financial items excluding one-time items

Operating profit
excluding one-time items

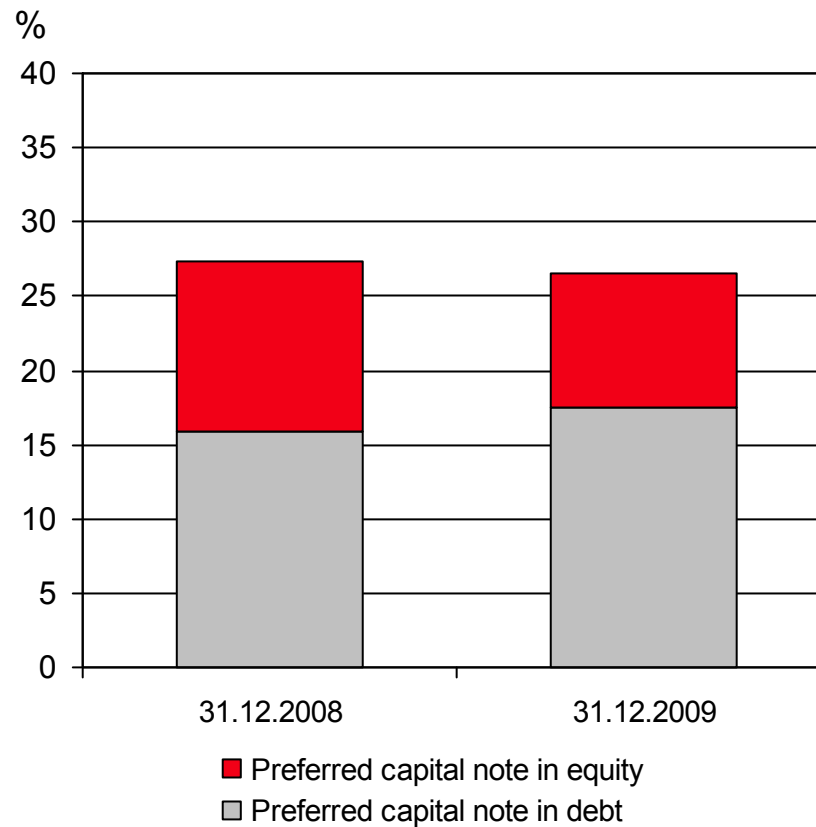


Result after financial items
excluding one-time items



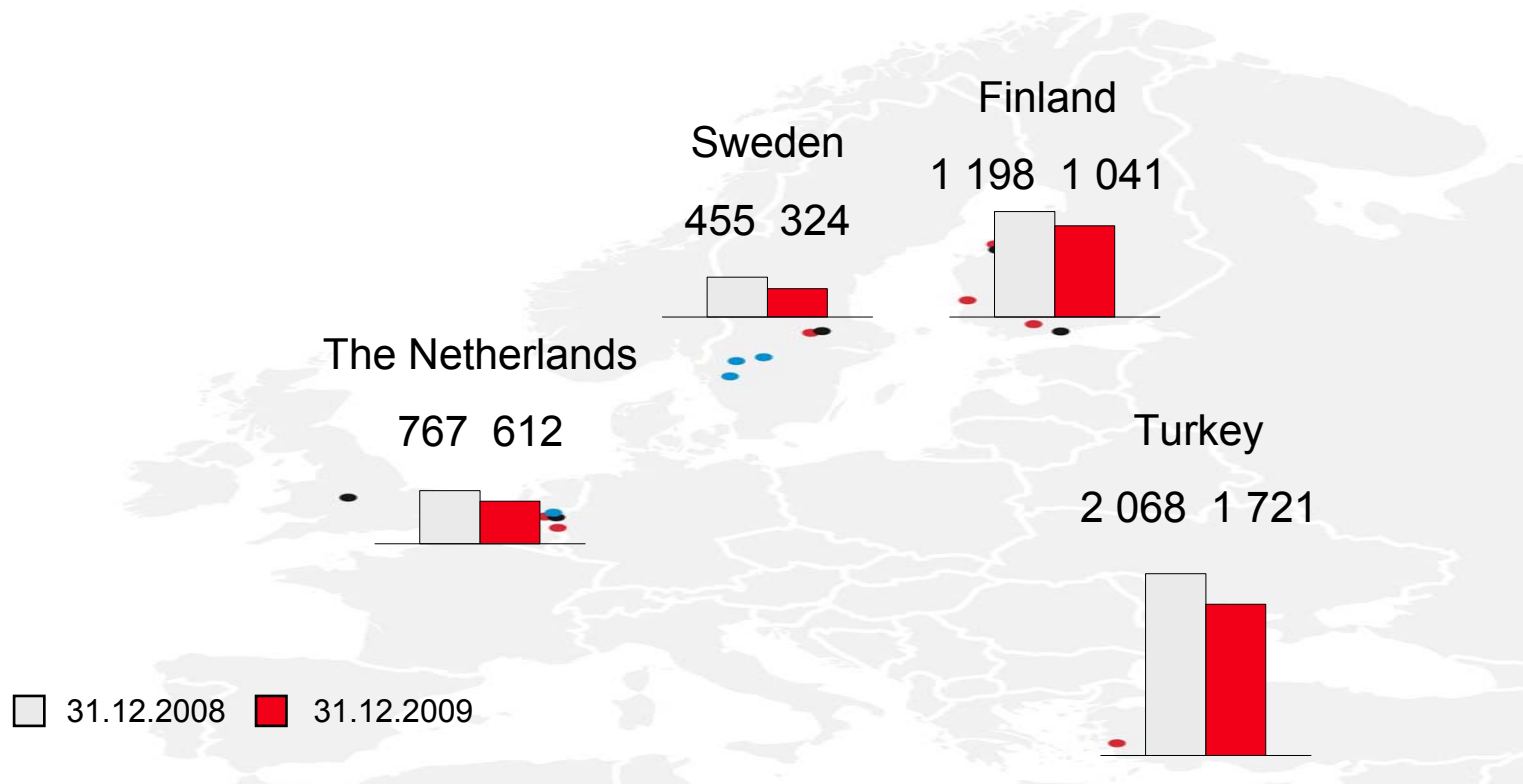
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Equity ratio, %



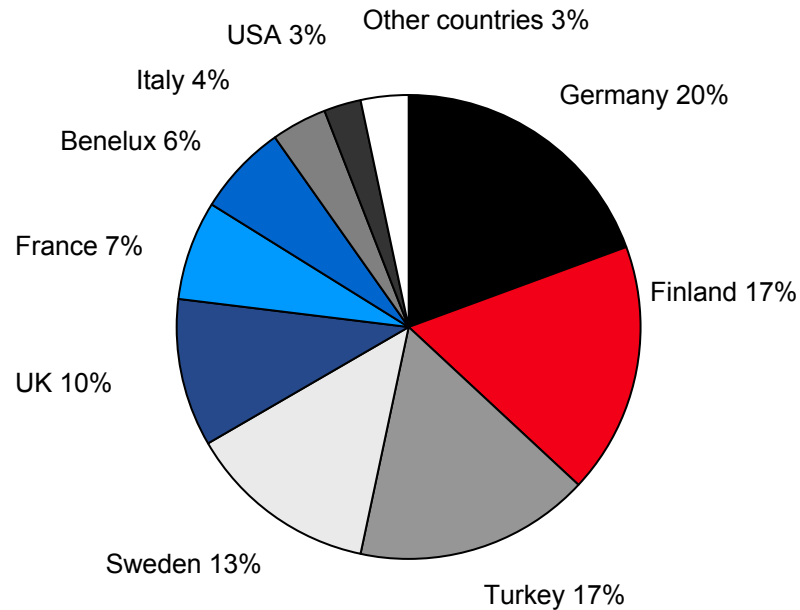
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Personnel by country including leased personnel

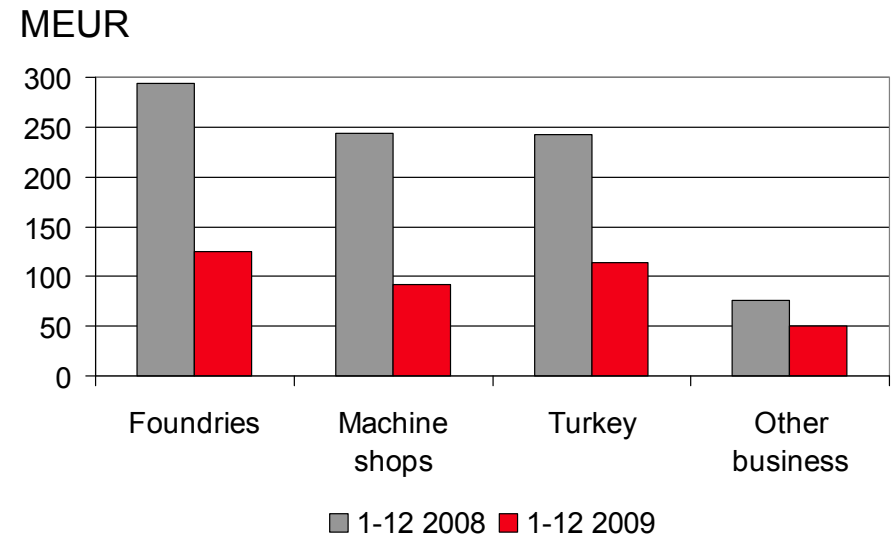


Distribution of sales

Sales by market area 2009

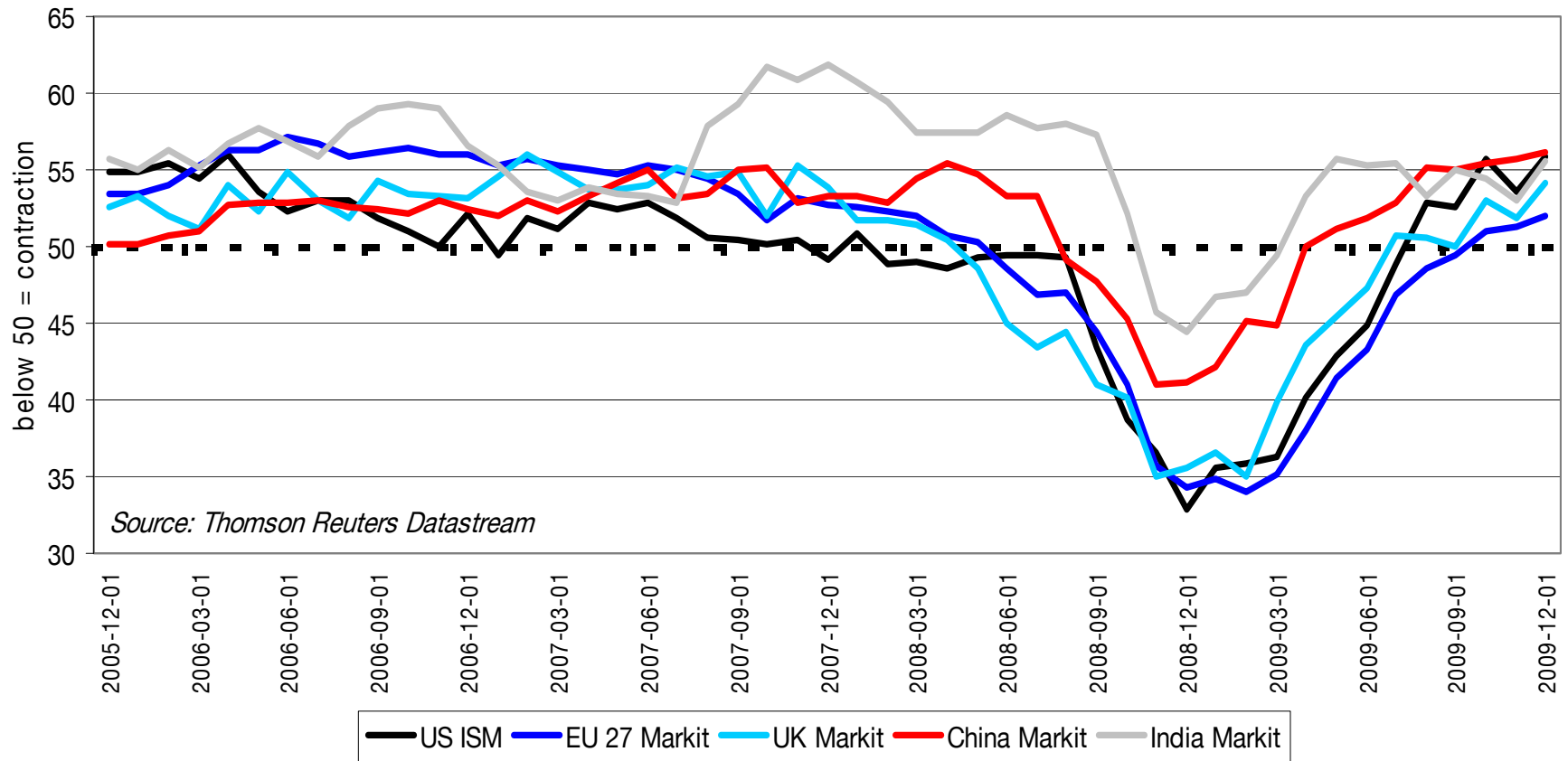


Sales by division excluding one-time items



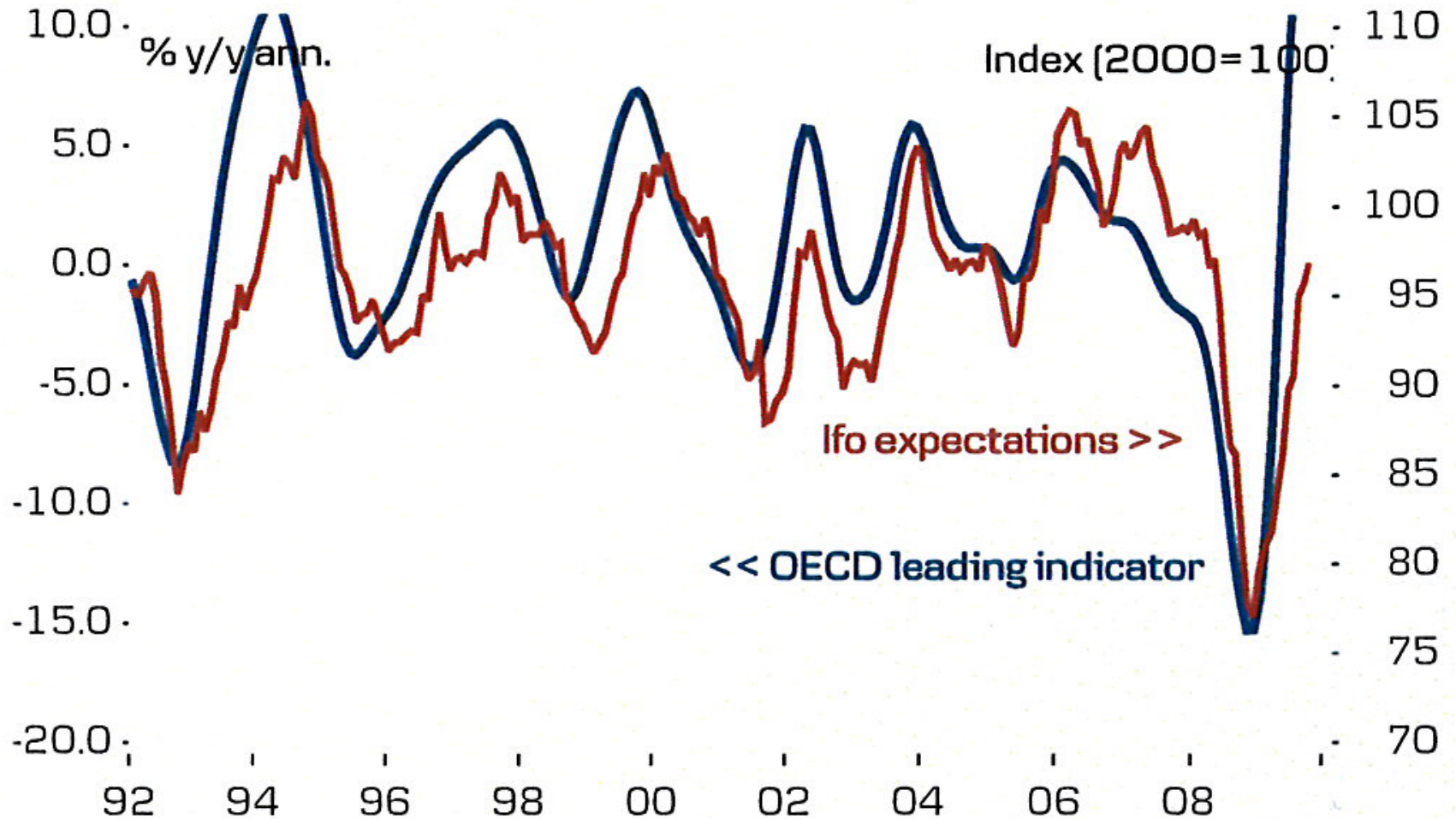
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Manufacturing Purchasing Manager indices



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IFO expectations



Lähde: Danske Bank

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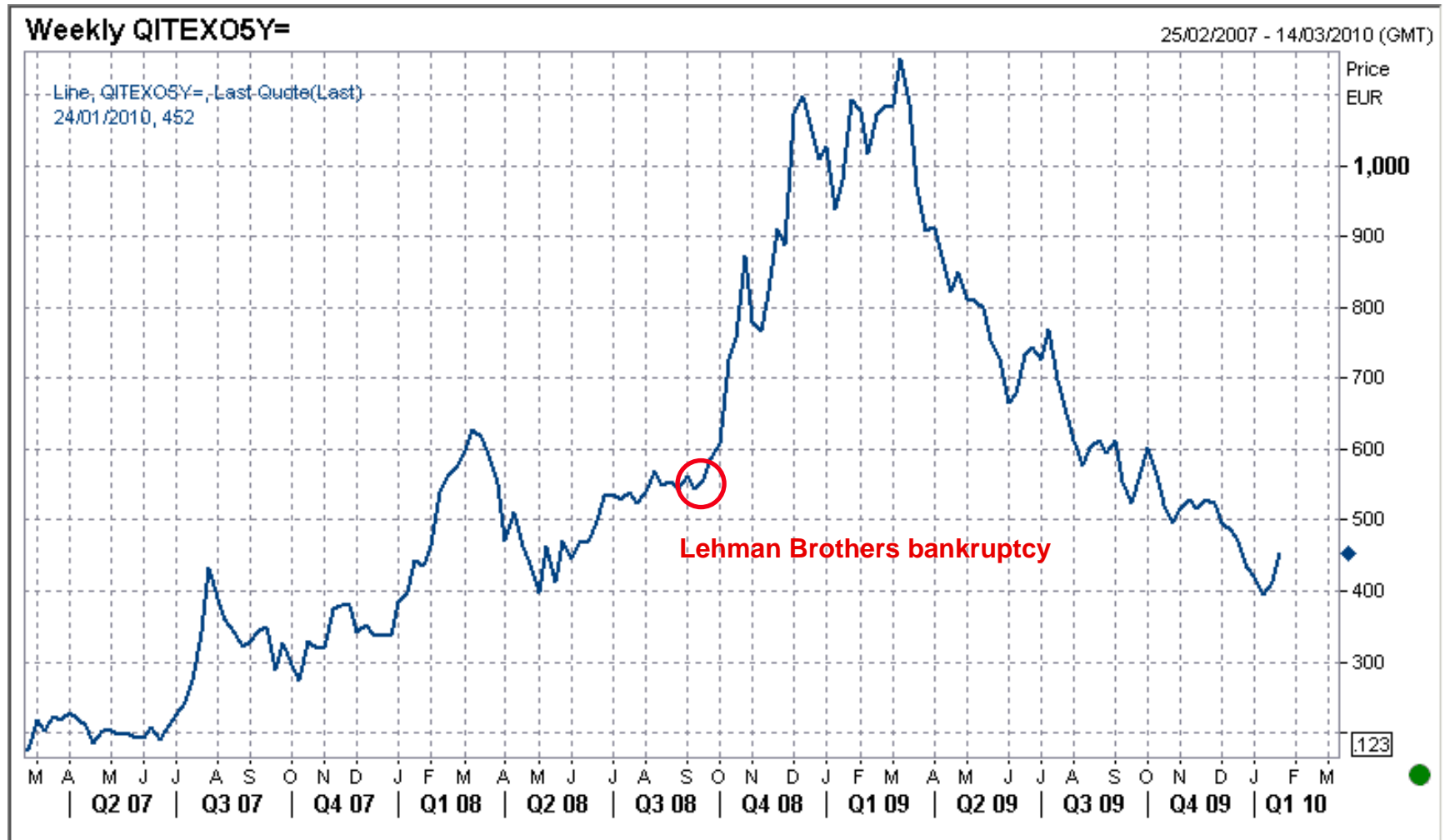
Investors confidence index



Source: SSaA

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CDS index



Source: Reuters

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Comparable sales to customer industries



Off-road

30% (35%)



Heavy trucks

20% (28%)



Automotive

21% (14%)



Diesel & wind

10% (7%)



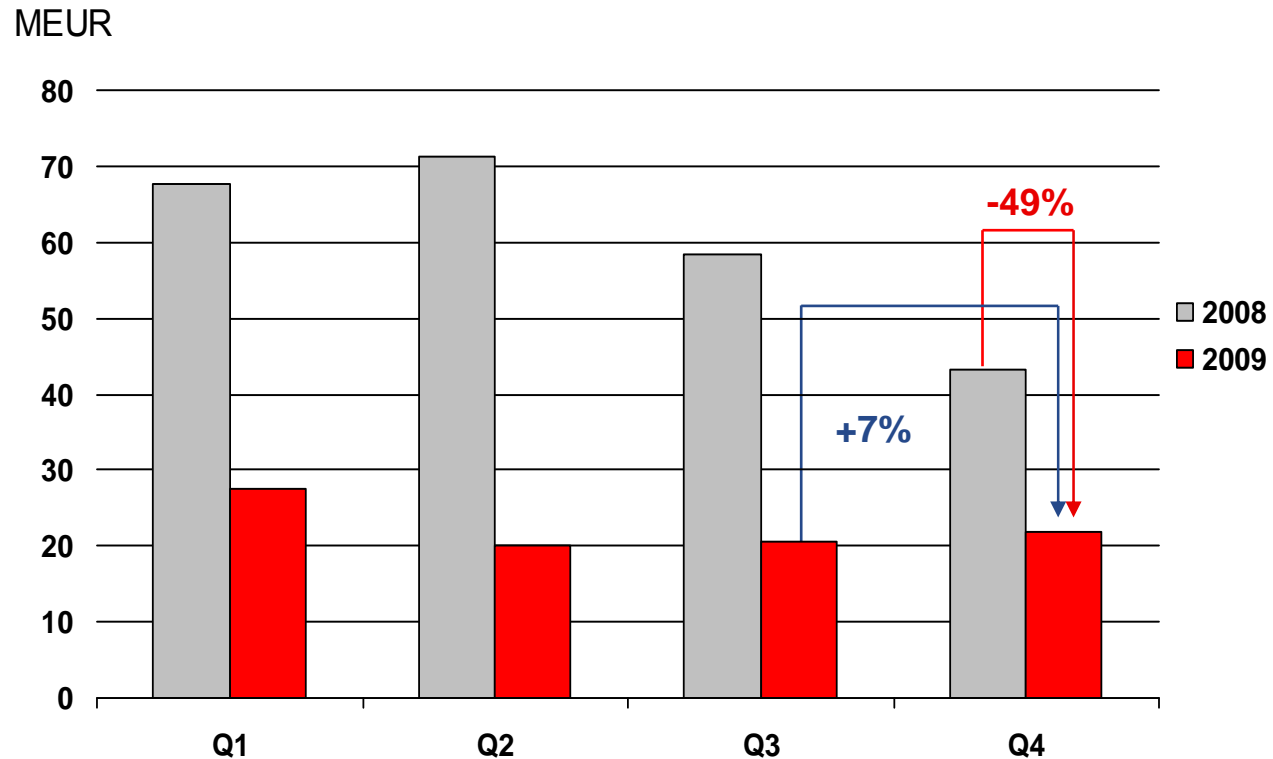
Machine building

17% (15%)

Note: Other sales 1% (1%)

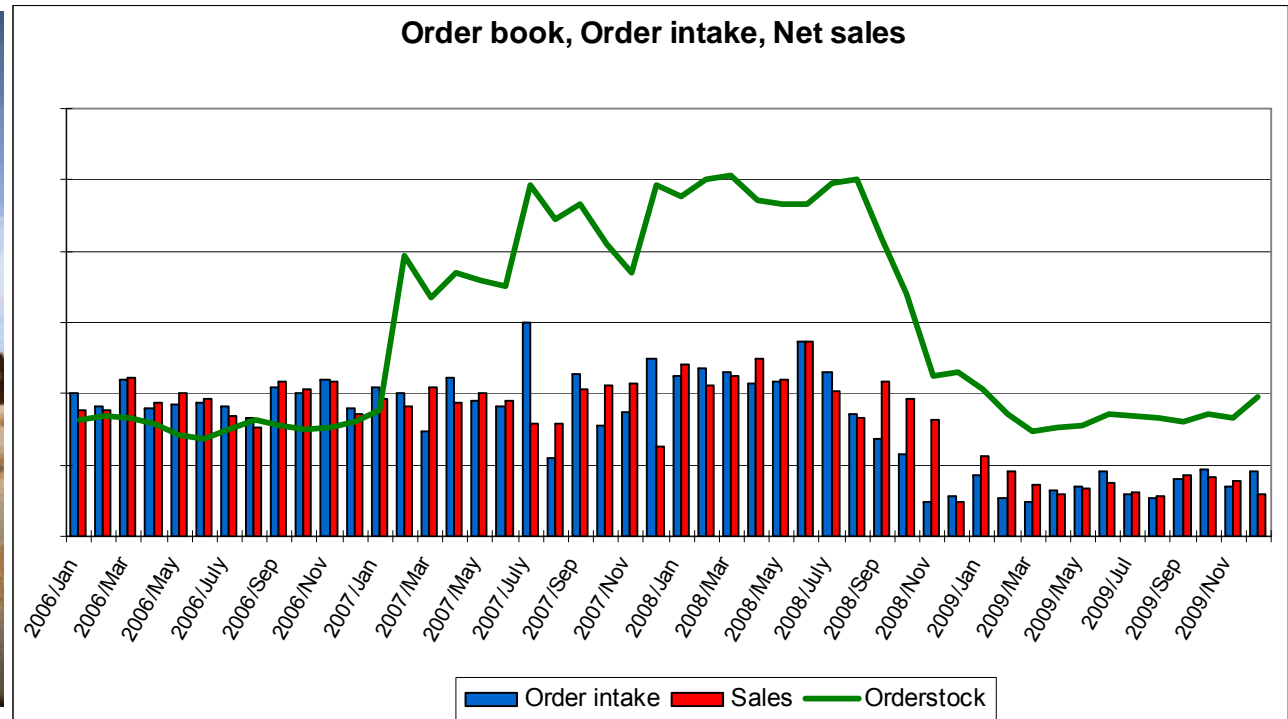
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Comparable sales to off-road industry quarterly



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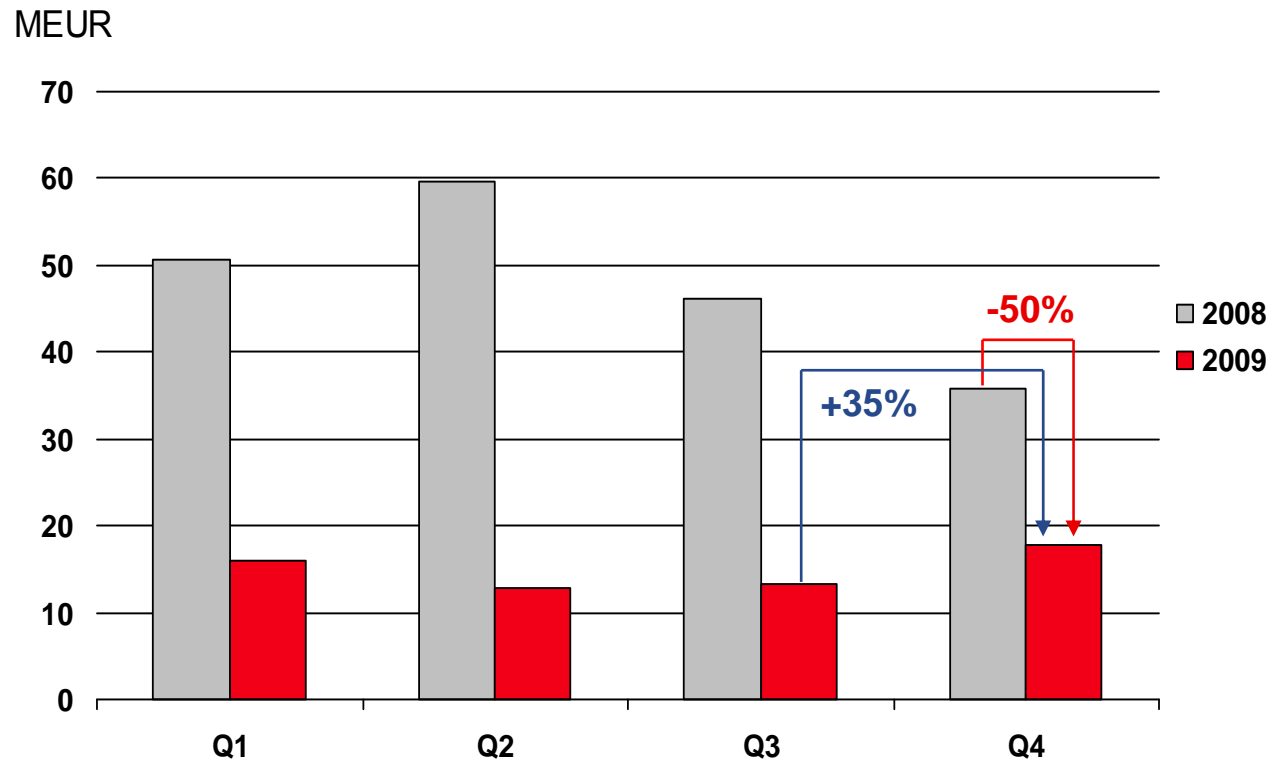
Development of order book and sales in off-road



Largest customers: AGCO, JCB, Caterpillar, T.T.F., Carraro

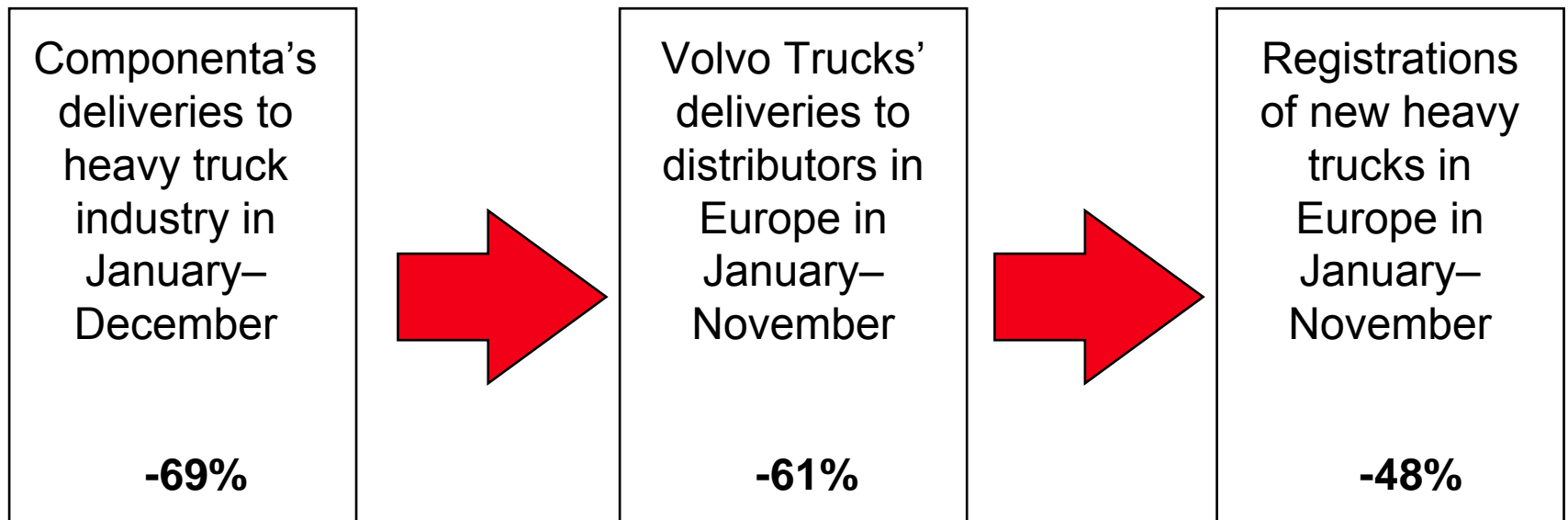
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Comparable sales to heavy truck industry quarterly



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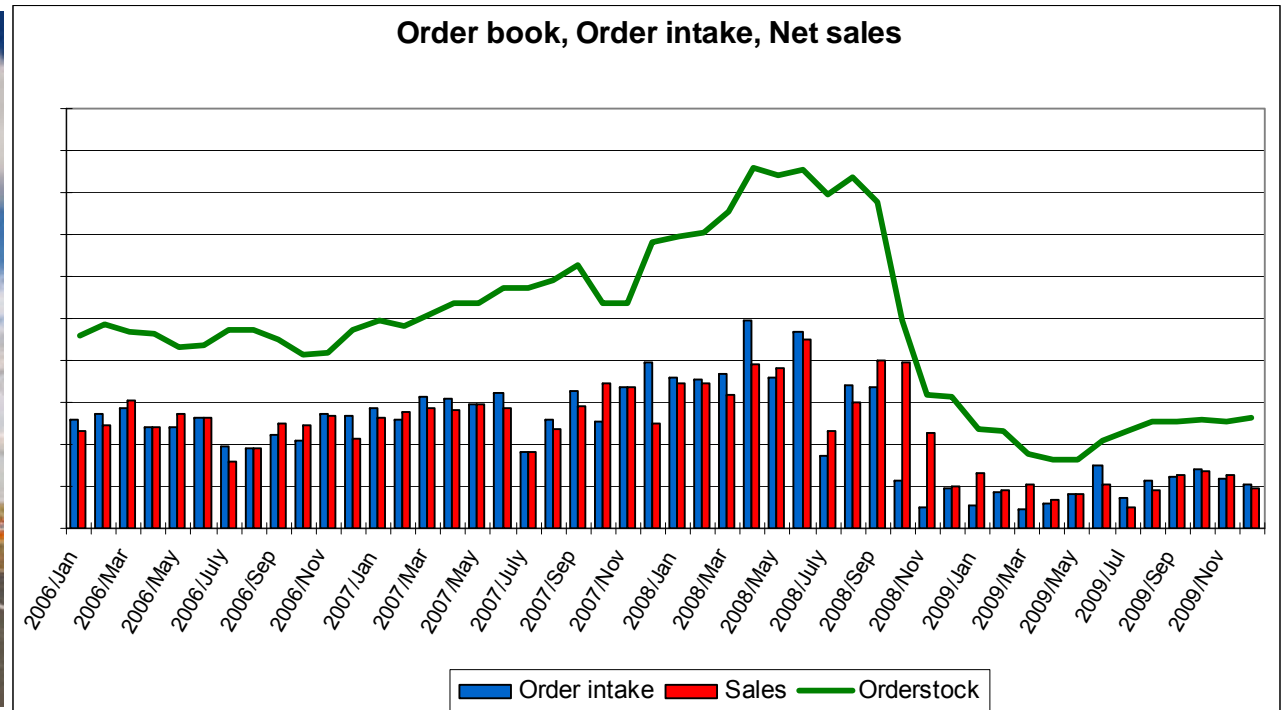
Development of supply chain in heavy truck industry



Sources: Volvo's web pages, ACEA

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Development of order book and sales in heavy trucks

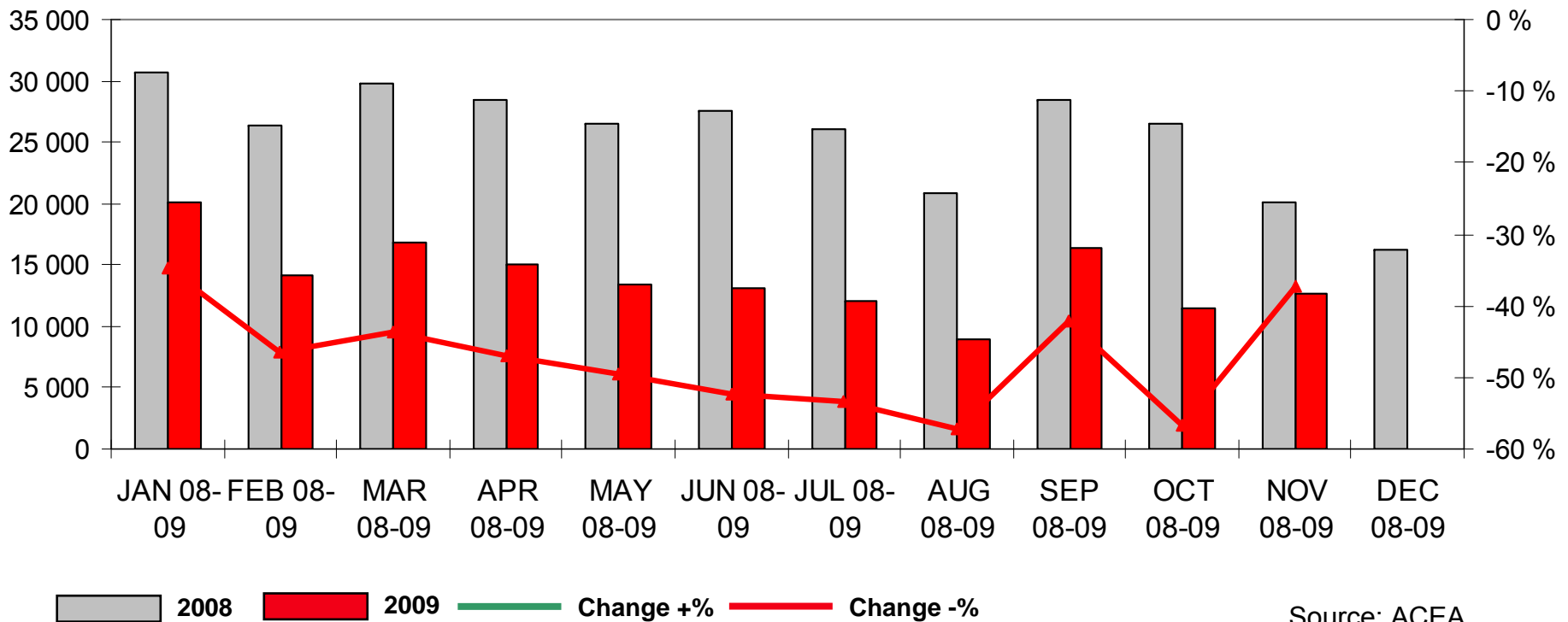


Largest customers: Volvo Trucks, Scania, Daimler, MAN, Iveco

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Registrations of new heavy trucks in Europe (EU27+EFTA)

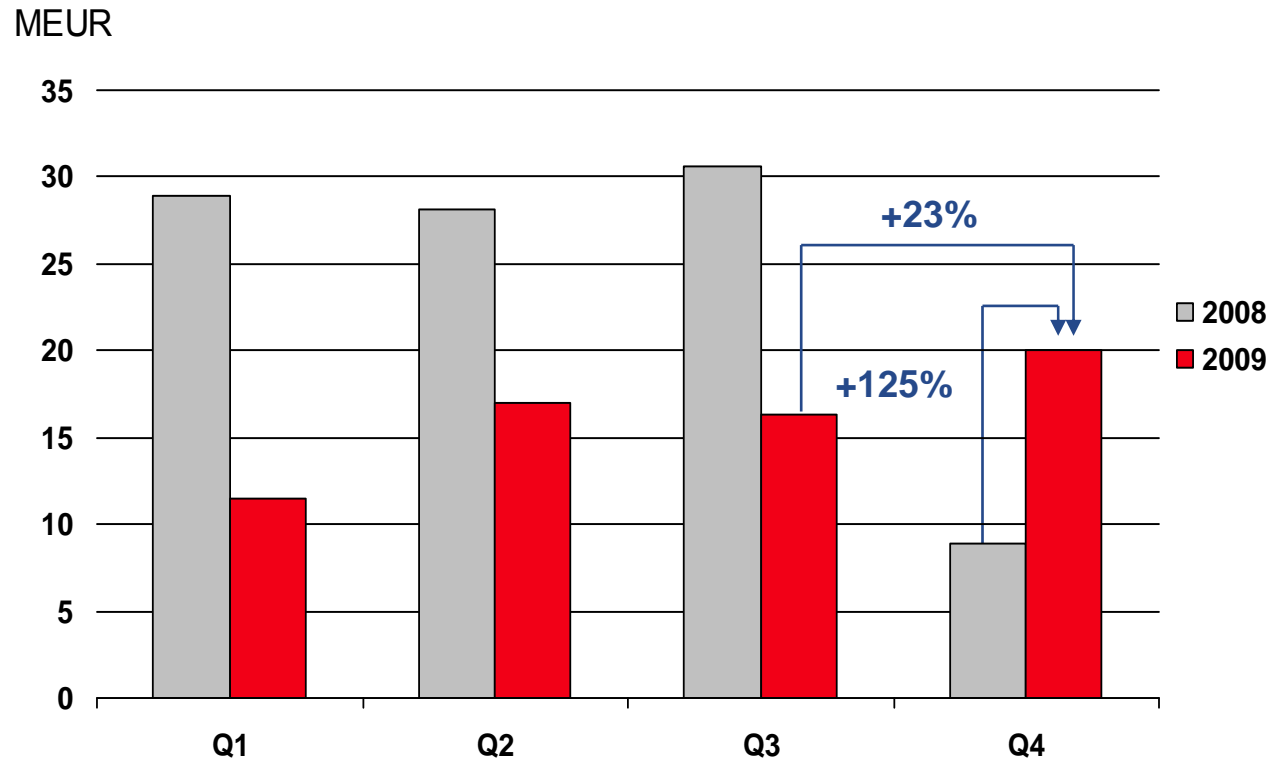
-48% in Jan-Nov 2009



Source: ACEA

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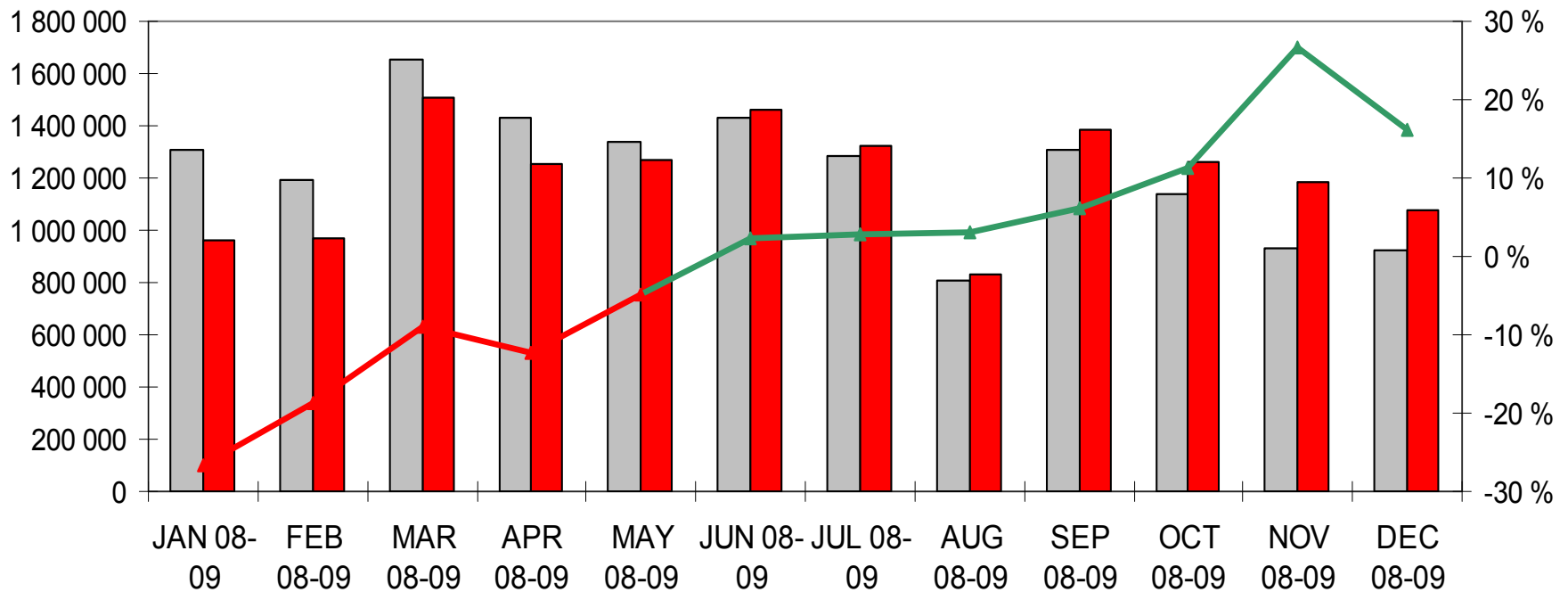
Comparable sales to automotive industry quarterly



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Registrations of new passenger cars in Europe (EU27+EFTA)

-1.6% in 2009

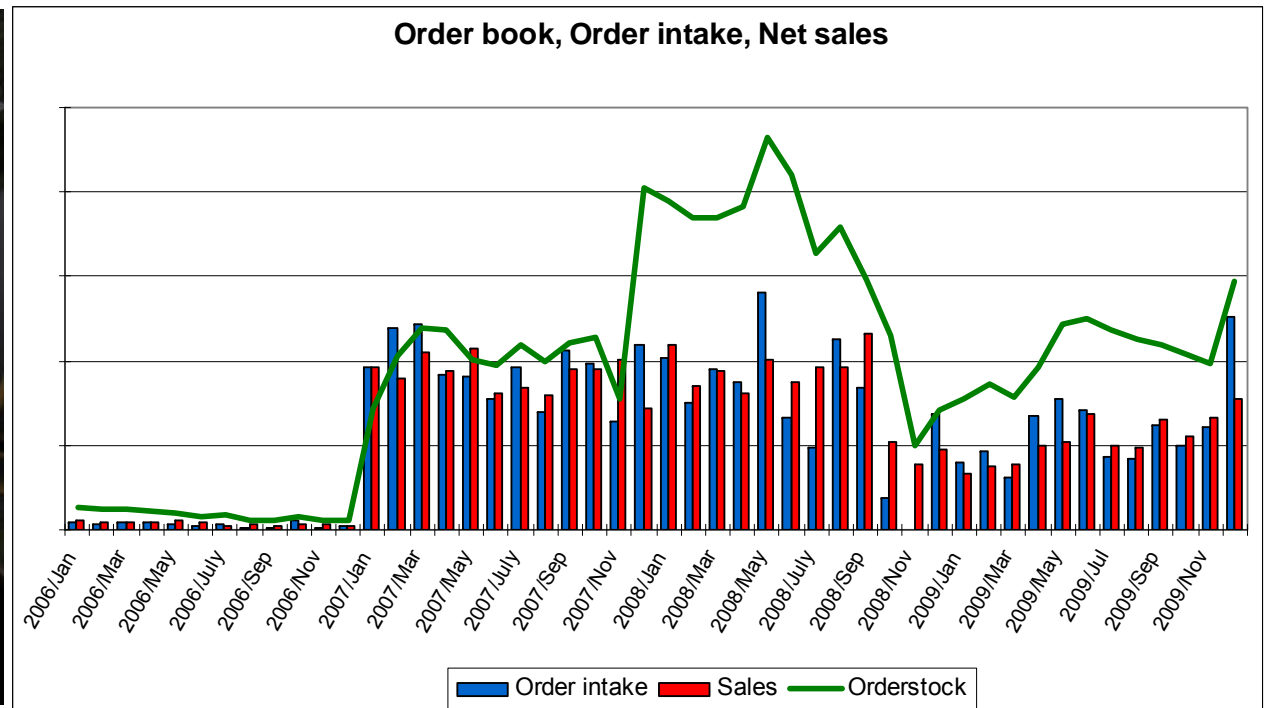


■ 2008 ■ 2009 — Change +% — Change -%

Source: ACEA

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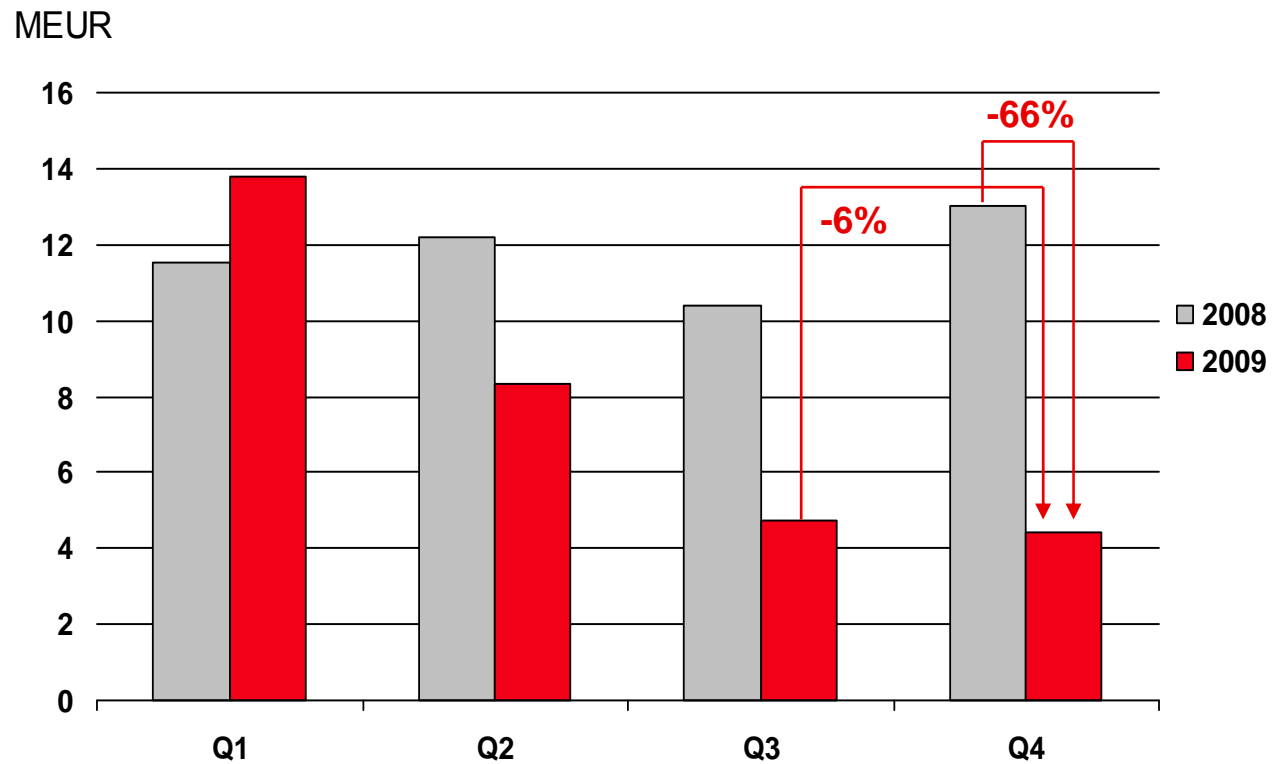
Development of order book and sales in automotive



Largest customers: Tofas, Ford Otosan, Ford of Europe, ATU, Oyak-Renault

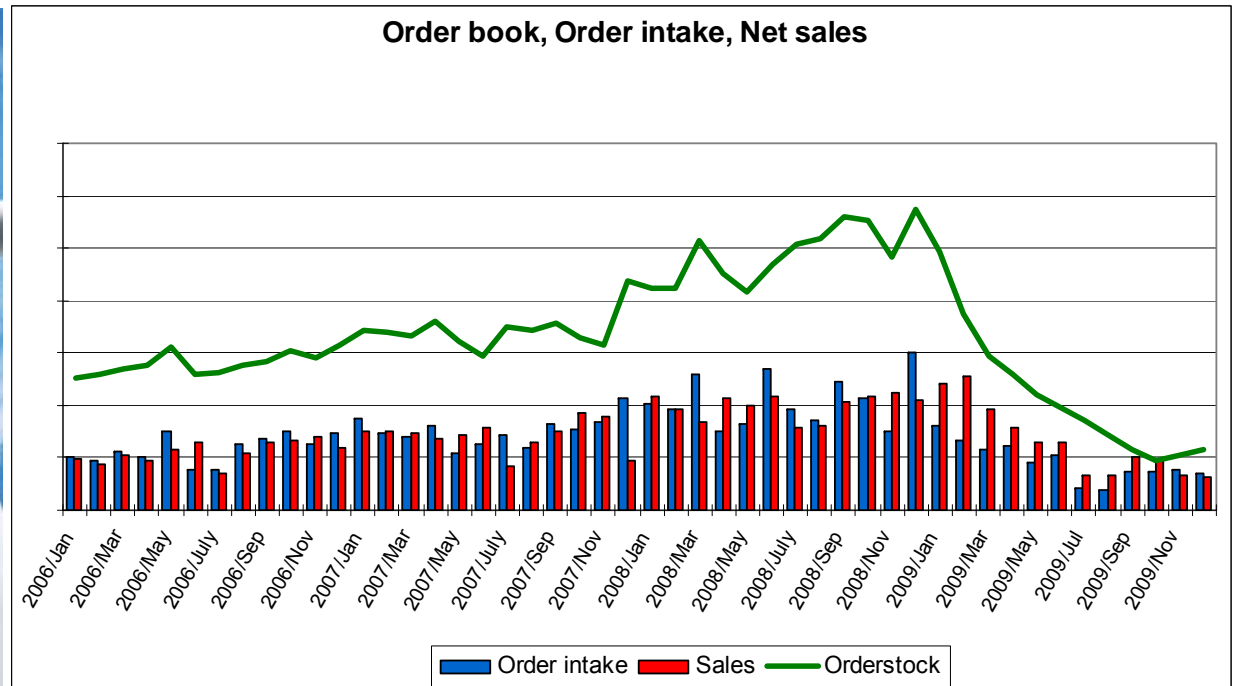
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Comparable sales to diesel & wind industry quarterly



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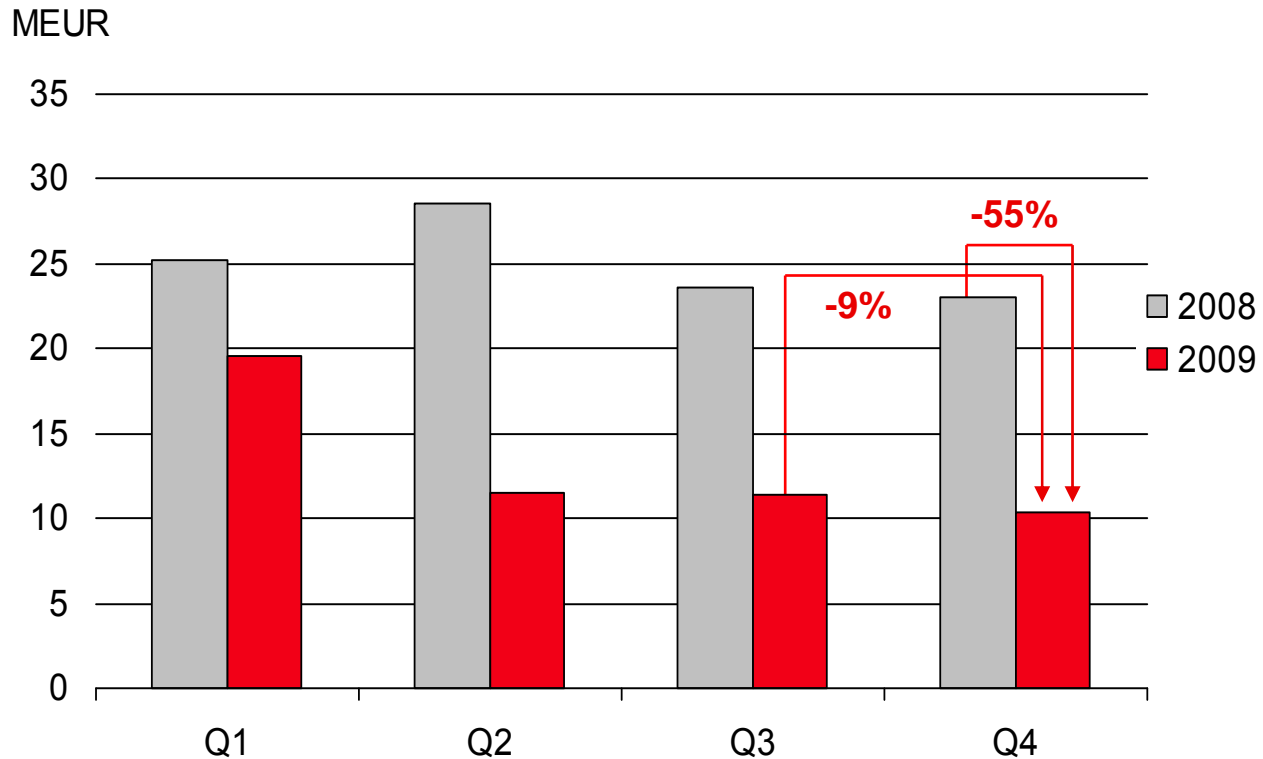
Development of order book and sales in diesel & wind



Largest customers: Wärtsilä, Moventas, Caterpillar, Mahle, Voith

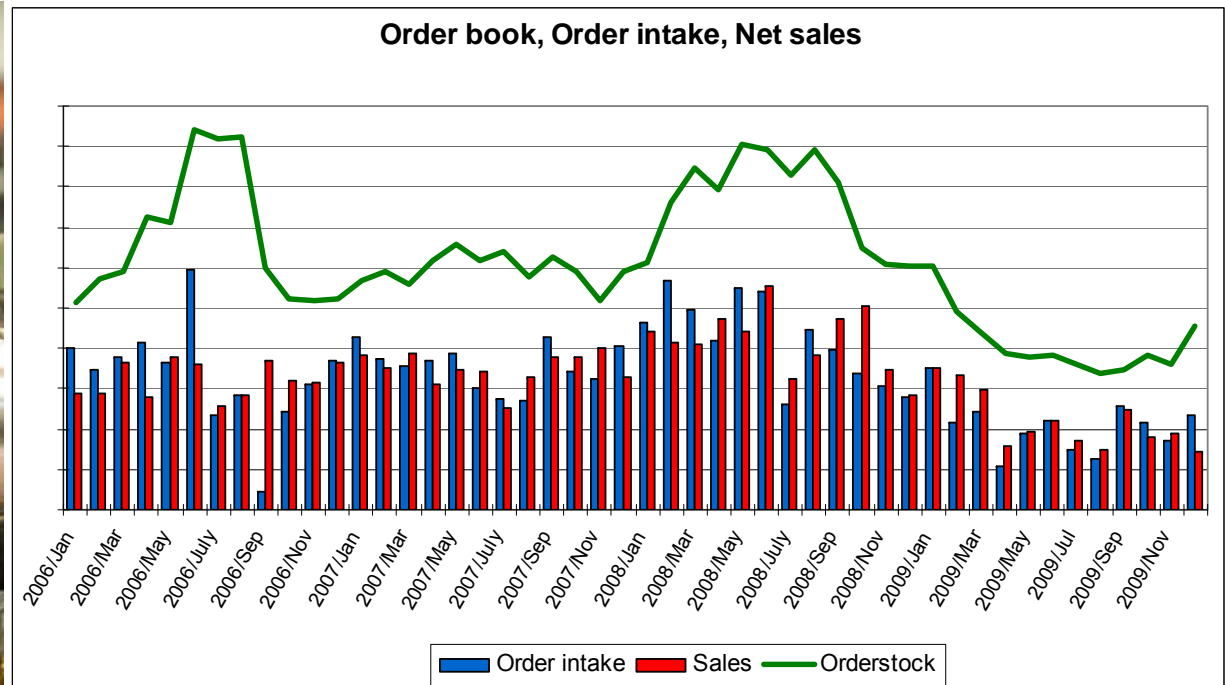
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Comparable sales to machine building industry quarterly



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Development of order book and sales in machine building industry



Largest customers: Atlas Copco, ABB, NCB Lohmann, Kone Elevators, Konecranes

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We focus now on four task forces

Operations and cost efficiency	→	Improvement of productivity in the foundries and machine shops.
Cash flow	→	Reduction of working capital and raw material inventories, collection of trade receivables and shortening of customers' payment terms.
Internal sourcing	→	Cost savings by optimization of production.
Sales	→	Focusing on new sales in 2010.

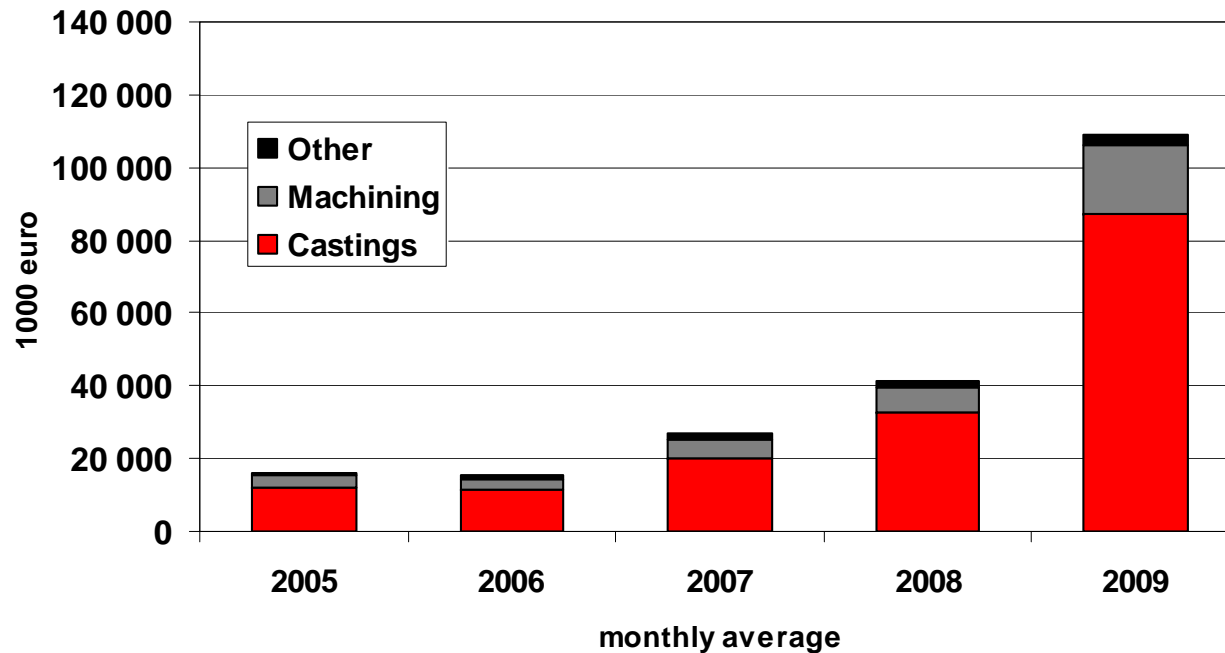
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Analysis of changes in quarterly income statements

MEUR	Q1/09	Q1/08	Diff %	Q2/09	Q2/08	Diff %	Q3/09	Q3/08	Diff %	Q4/09	Q4/08	Diff %
Net sales	88,1	185,0	-52 %	70,6	201,0	-65 %	64,8	170,1	-62 %	76,1	125,3	-39 %
Value of production	75,3	185,9	-59 %	66,1	207,3	-68 %	65,3	170,7	-62 %	71,8	118,1	-39 %
Materials	-24,1	-67,4	-64 %	-20,6	-76,6	-73 %	-23,3	-68,0	-66 %	-24,9	-45,2	-45 %
Direct wages and external services	-25,1	-46,9	-47 %	-21,3	-45,9	-54 %	-18,7	-40,9	-54 %	-19,5	-38,4	-49 %
Other variable and fixed costs	-29,2	-42,5	-31 %	-25,6	-55,7	-54 %	-23,5	-48,5	-52 %	-25,9	-35,0	-26 %
Total costs	-78,3	-157	-50 %	-67,5	-178,2	-62 %	-65,5	-157	-58 %	-70,3	-118,6	-41 %
EBITDA	-3,0	29,1	-110 %	-1,5	29,0	-105 %	-0,2	13,3	-102 %	1,4	-0,5	382 %

Offers and new sales

Monthly offers > 100 000 EUR

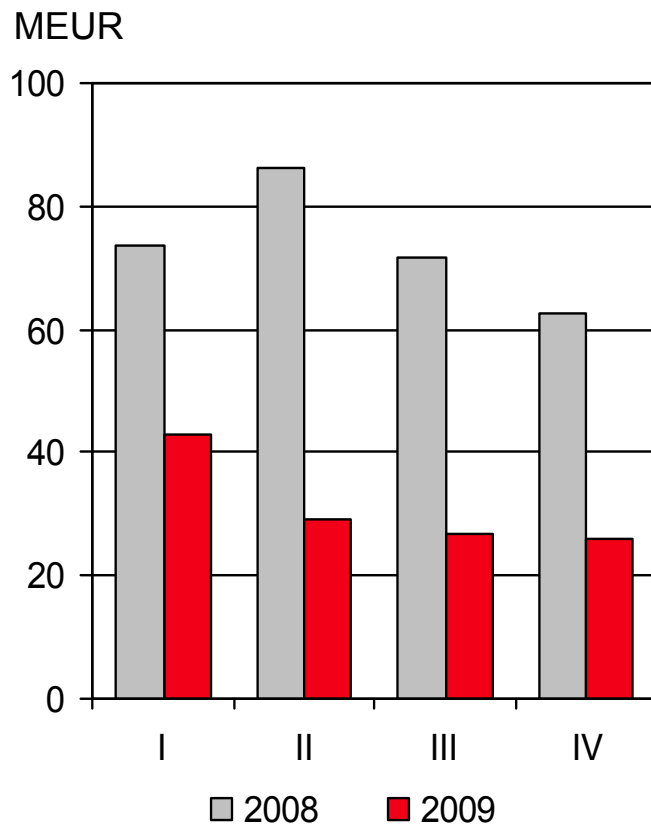


- The Group has submitted a record number of offers during the whole year 2009.
- Despite general development in the world economy, Componenta's new sales improved well during 2009.

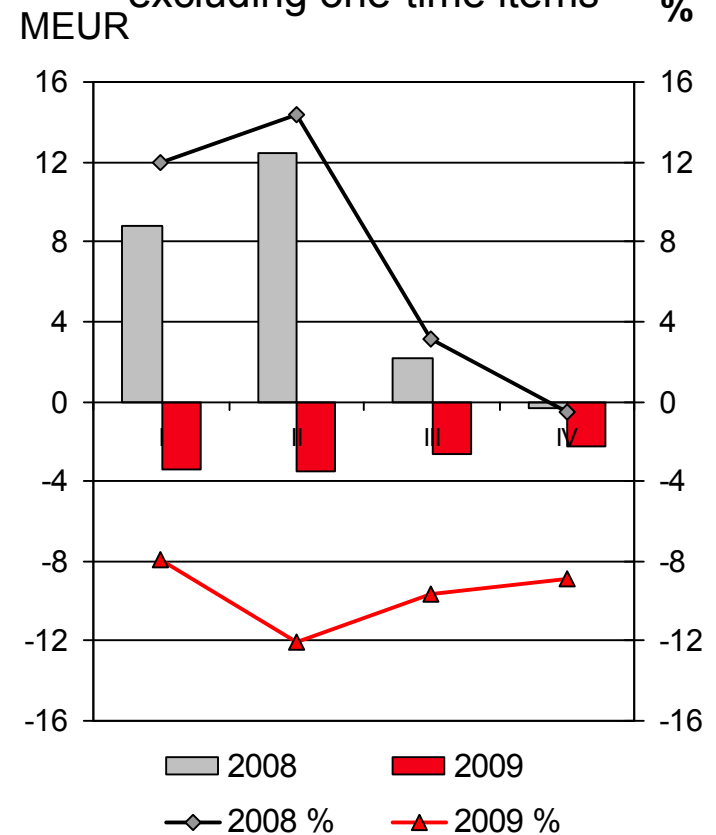
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Foundries division

Net sales



Operating profit
excluding one-time items



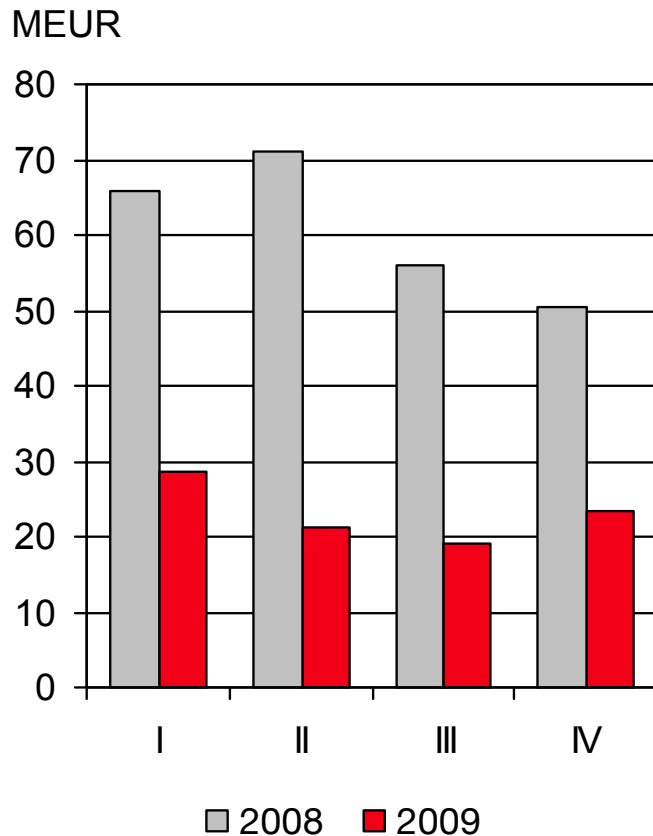
Performance of the Foundries division

- The division contains the Group's foundries in Karkkila, Pori, Pietarsaari and Iisalmi in Finland, and in Heerlen and Weert in the Netherlands.
- Net sales in 2009 were MEUR 124.9 Me (MEUR 294.0) and operating profit MEUR -11.9 or -9.5% of the net sales (MEUR 23.2; 8.0%).
- The division's operating profit was affected negatively mainly due to very low capacity utilization.
- Fourth quarter net sales were MEUR 25.9 (MEUR 62.6) and operating profit MEUR -2.3 or -8.9% of the net sales (MEUR -0.3; -0.4%).

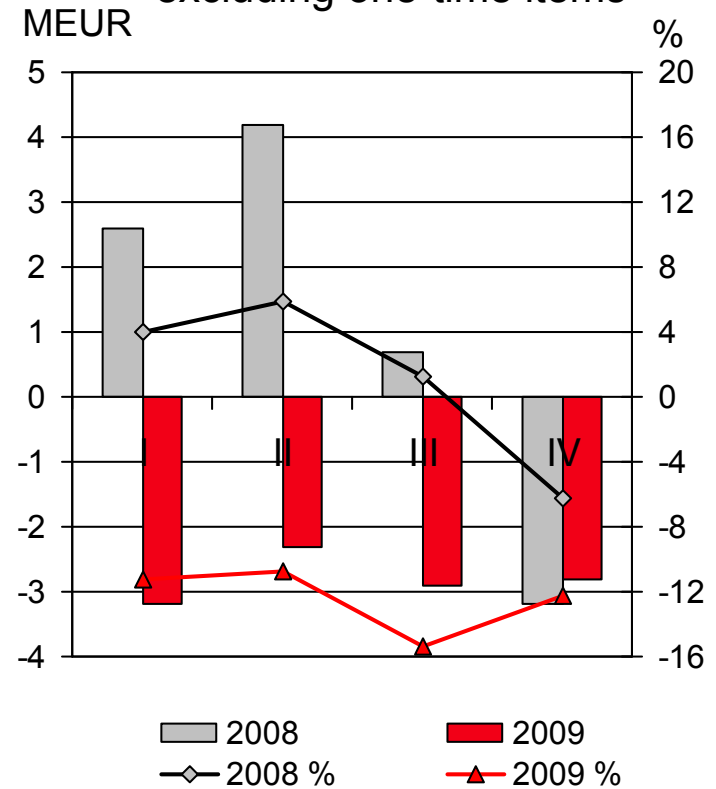
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Machine shops division

Net sales



Operating profit excluding one-time items

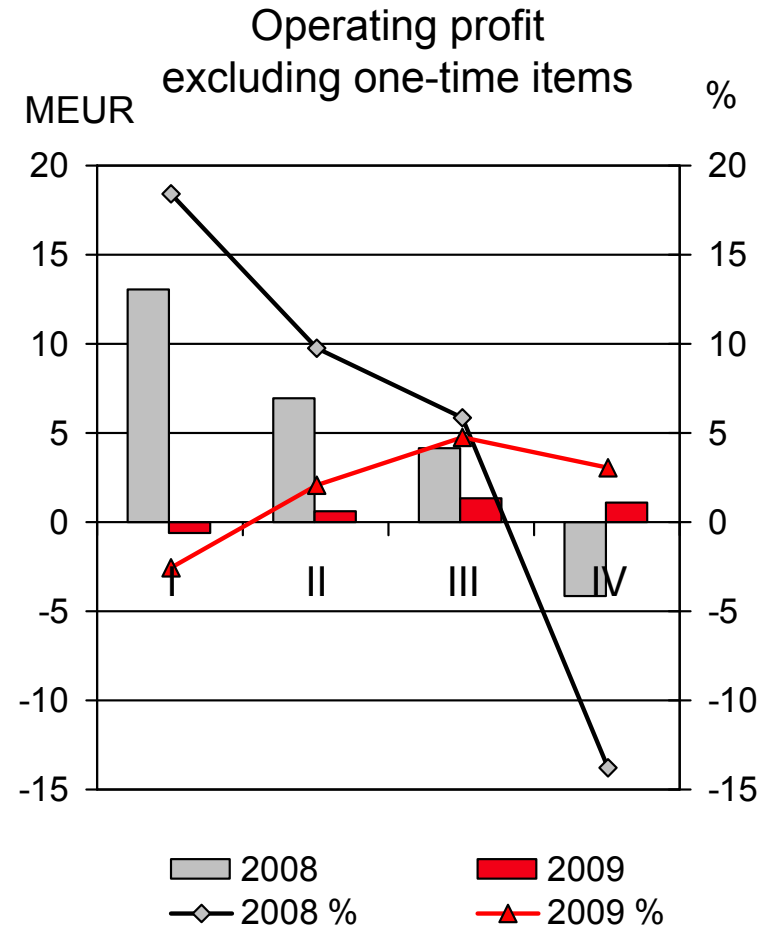
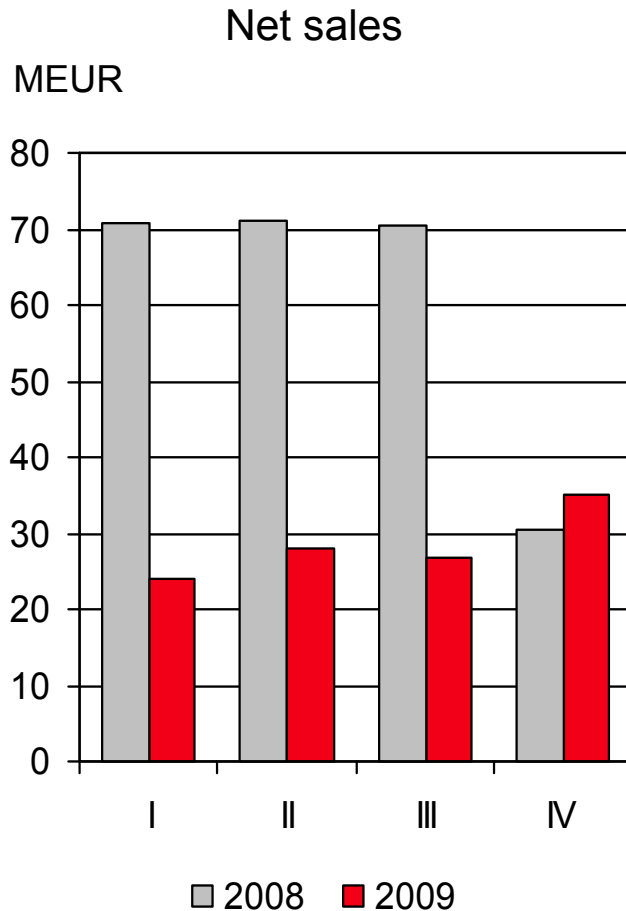


Performance of the Machine shops division

- The division comprises a machine shop in Främmestad and a forge in Wirsbo in Sweden, machine shops in Lempäälä and Pietarsaari in Finland, machining operations in Weert in the Netherlands and machine shop in Orhangazi in Turkey.
- Net sales in 2009 were MEUR 92.3 (MEUR 243.3) and operating profit MEUR -11.3 or -12.3% of the net sales (MEUR 4.3; 1.8%).
- The division's operating profit weakened mainly due to very low volumes. In addition, a large part of the division's personnel is in Sweden, where adjusting the number of personnel has been slower than in the Group's other countries.
- Fourth quarter net sales totalled MEUR 23.4 (MEUR 50.5) and operating profit MEUR -2.8 or -12.2% of the net sales (MEUR -3.2; -6.3%)

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Turkey division



Performance of the Turkey division

- The Turkey division comprises the iron foundry in Orhangazi and the aluminium foundry and production unit for aluminium wheels in Manisa.
- Net sales in 2009 were MEUR 114.0 (MEUR 242.7) and operating profit MEUR 2.4 or 2.1% of the net sales (MEUR 19.9; 8.2%).
- The division's operating profit in 2009 was heavily affected by the sharp decline in volumes. Adaptation of costs succeeded well in Turkey, and despite the very low capacity utilization rate the division's operating profit was positive from the second quarter onwards.
- Fourth quarter net sales were MEUR 35.2 (MEUR 30.4) and operating profit MEUR 1.1 or 3.1% of the net sales (MEUR -4.2; -13.8%).

Prospects for 2010

- Componenta's prospects for 2010 are based on general external financial indicators, order forecasts given by customers, and on Componenta's order intake and order book.
- The demand outlook in most of the Group's customer industries remains weak at the beginning of 2010, due to low demand for investment goods. Lowering the stocks by customers has stopped which will improve their own production volumes in 2010.
- The low volume of construction in the USA and Europe reduced demand considerably in the off-road industry in 2009. Increase in raw material prices in 2009 creates better prospects for demand in mining industry in 2010. Due to the economic recession, many countries initiated infrastructure projects in 2009. It is estimated that these projects will increase the demand for off-road vehicles in 2010.

Prospects for 2010 (cont.)

- Componenta's deliveries to heavy trucks industry is estimated to clearly increase in 2010 compared with the previous year. Increase in deliveries is mainly due to normalisation of stock levels. Registrations of heavy trucks in Europe are still at low level.
- The number of new passenger cars registered in Europe decreased only 1.6% in 2009 compared to the previous year. The number of produced vehicles stayed at the same level as in the previous year due to various subsidy measures taken in many countries, aimed at renewing the fleet of cars. In 2010, the registrations of new passenger cars are expected to be at lower level than in 2009.
- Demand in the wind power sector weakened considerably during 2009. Improved situation in the financial markets is expected to improve the demand in the wind power sector earliest in the second half of 2010.

Prospects for 2010 (cont.)

- Demand for diesel engines was weak in 2009. Due to the long order book of diesel engine manufacturers, deliveries remained however at a reasonable level until the end of 2009. Weakened prospects have decreased the number of components delivered to customers as they reduce their own stocks.
- Demand in the machine building industry is expected to recover step-by-step from last year.
- Componenta's order book was 20% higher in the beginning of 2010 compared to the end of Q3/2009. Due to the adaptation actions implemented in 2009 and decreased volumes operating costs of the Group decreased altogether 54% compared to the previous year. Investments in production facilities in 2010 are expected to halve from the previous year (MEUR 15.5).
- Componenta Group's 2010 net sales is expected to increase from the previous year and result after financial items excluding one-time items to improve clearly from previous year. Cash flow from operations is still expected to stay positive.