



Componenta Corporation

Financial Statements
1 January – 31 December 2008

2008 in brief

- Net sales were MEUR 681.4 (634.7). Comparable growth in net sales was 8.3%.
- Operating profit excluding one-time items was MEUR 47.9 (34.9).
- Profit after financial items excluding one-time items was MEUR 19.2 (14.9).
- Operating profit improved from the previous year, mainly in consequence of higher volumes and greater efficiency in business operations.
- For the last quarter in 2008 the net result remained negative as expected.
 - The net sales decreased by 23%
 - Sharp and rapid decrease in raw material prices were combined with small number of deliveries
 - Costs due to adaptation of the number of personnel
 - Costs due to raw materials and adaptation of the number of personnel were approximately MEUR 7.
- At the end of the year the Group had unused credit facilities of MEUR 63.
- The Board of Directors proposal for dividend is 50 (50) cents per share.

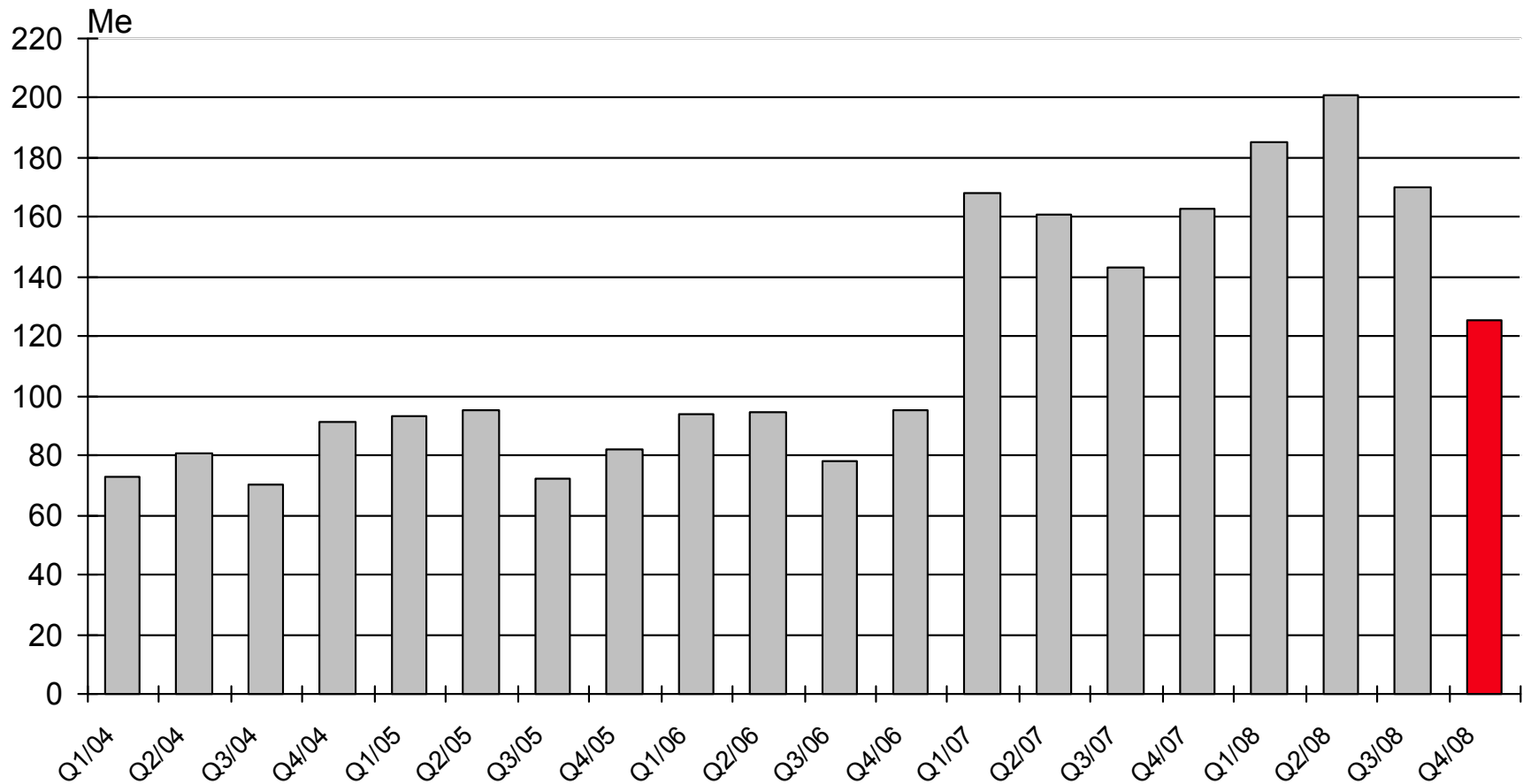
Income statement 2008

MEUR	2008	2007
	1 - 12	1 - 12
Net sales	681.4	634.7
Operating profit excluding one-time items	47.9	34.9
Financial income and expenses	-28.7	-20.0
Result after financial items, excluding one-time items	19.2	14.9
One-time items	-0.6	7.8
Result after one-time items	18.6	22.7
Net result excluding one-time items	14.4	11.4
Net result	13.9	21.6
Earnings per share, EUR, excluding one-time items	1.28	1.01
Earnings per share, EUR	1.24	1.97

Income statement Q4/2008

MEUR	2008	2007
	Q4	Q4
Net sales	125.3	162.9
Operating profit excluding one-time items	-6.0	8.8
Financial income and expenses	-10.1	-5.7
Result after financial items, excluding one-time items	-16.1	3.1
One-time items	-0.2	-4.2
Result after financial items	-16.3	-1.1
Net result excluding one-time items	-12.4	2.6
Net result	-12.6	-1.0
Earnings per share, EUR, excluding one-time items	-1.07	0.25
Earnings per share, EUR	-1.08	-0.09

Quarterly net sales development 2004 - 2008



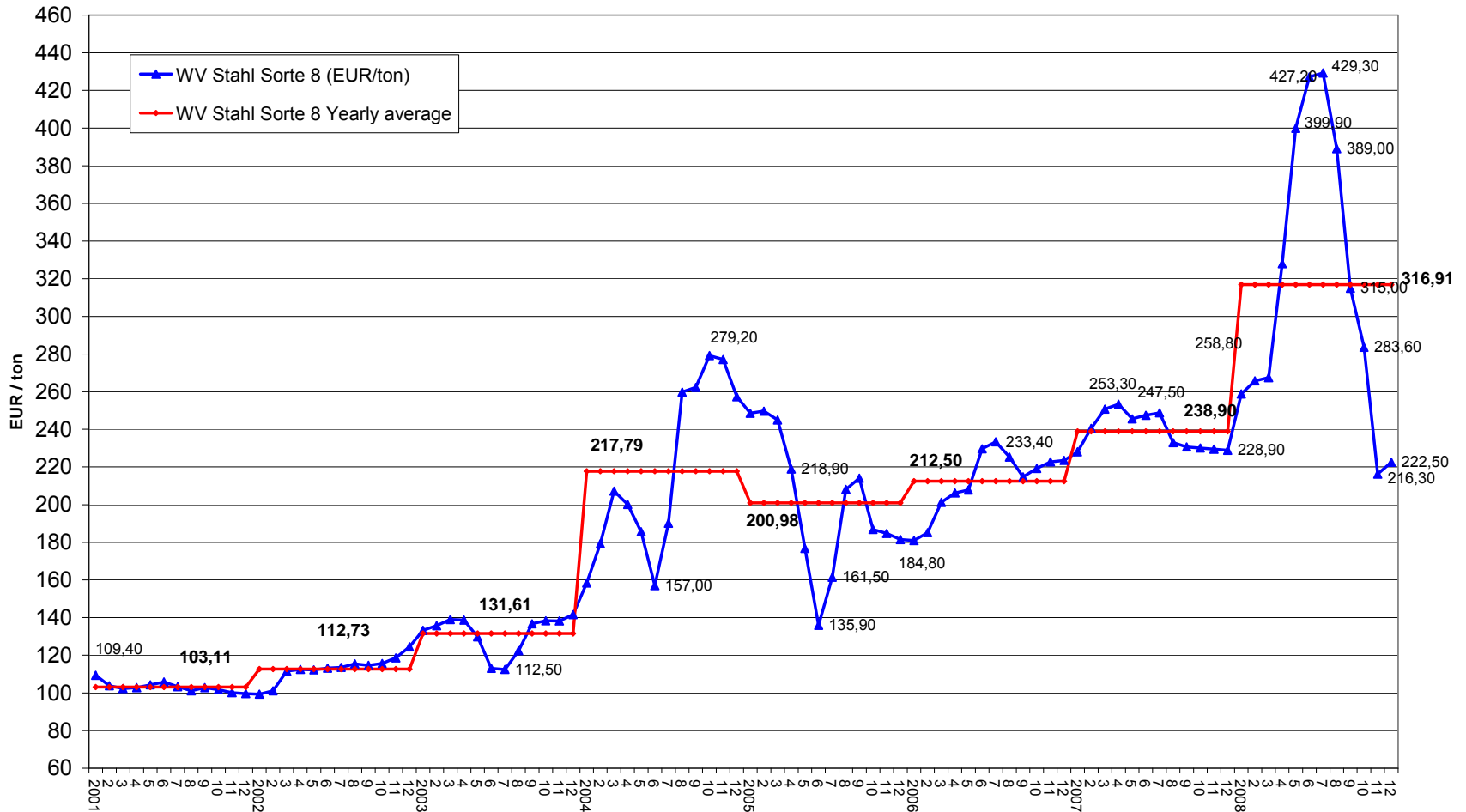
Key ratios

MEUR	31.12.2008	31.12.2007
Equity ratio, % (preferred capital note in equity)	27.8	31.4
Return on equity, %	14.5	23.0
Return on equity, % (excluding one-time items)	14.9	12.1
Return on investment, %	13.6	11.9
Return on investment, % (excluding one-time items)	13.7	9.8
Net interest bearing debt, MEUR (preferred capital note in equity)	211.2	187.4
Net gearing, % (preferred capital note in equity)	168.9	120.2
Order book, MEUR	73.6	129.0
Investments in production facilities, MEUR	42.3	23.6
Personnel at the end of 2008 (including leased personnel)	4,163	5,064

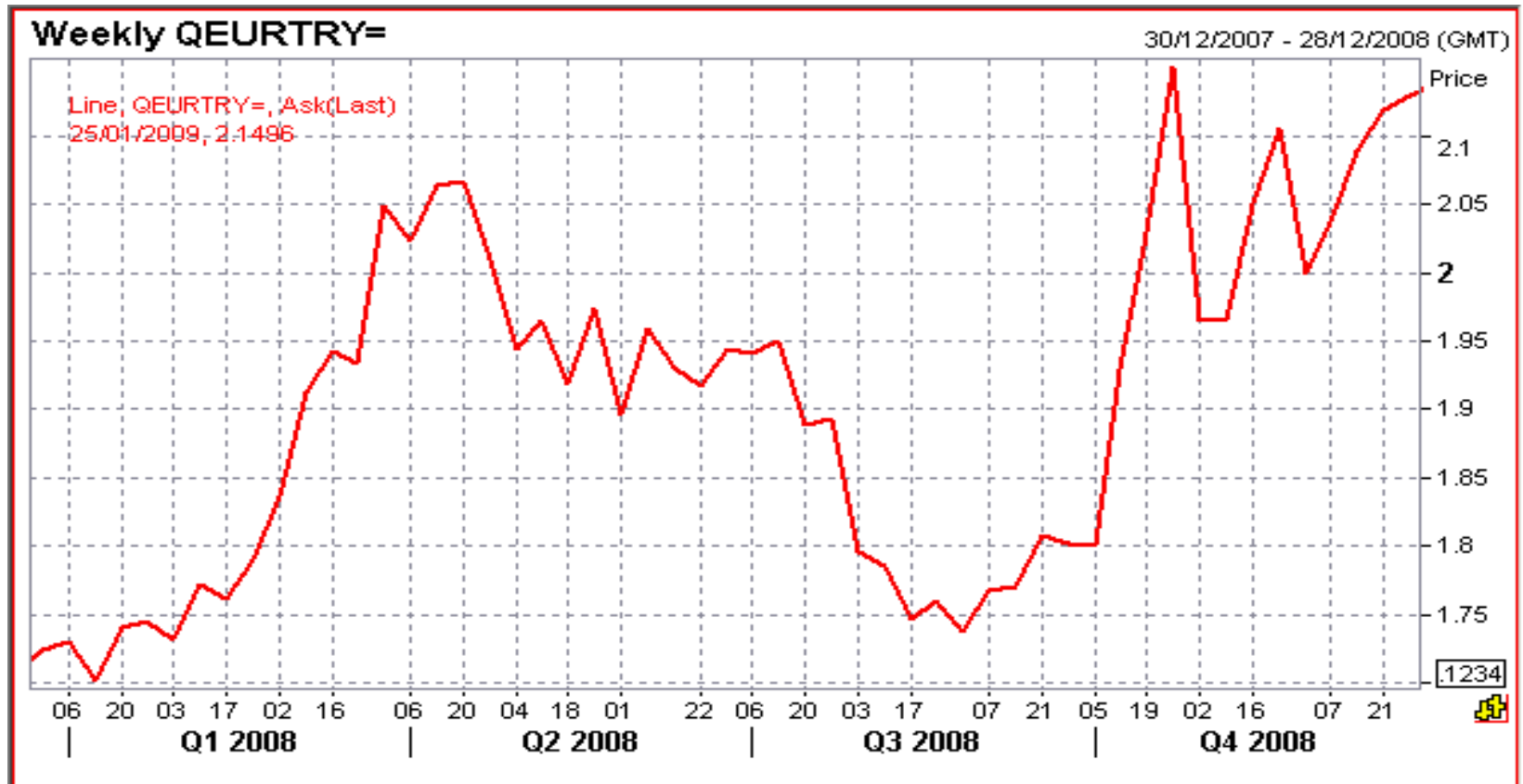
Cash flow 2008

MEUR	2008	2007
Cash flow from operations before change in net working capital, financing and taxes	68,6	57,5
Change in net working capital	-4,2	11,0
Cash flow from operations before financing and taxes	64,4	68,5
Cash flow from operations	29,4	42,6
Cash flow from investments	-40,6	-38,6
Cash flow from financing activities	-8,7	7,2
Change in liquid assets	-20,0	11,2

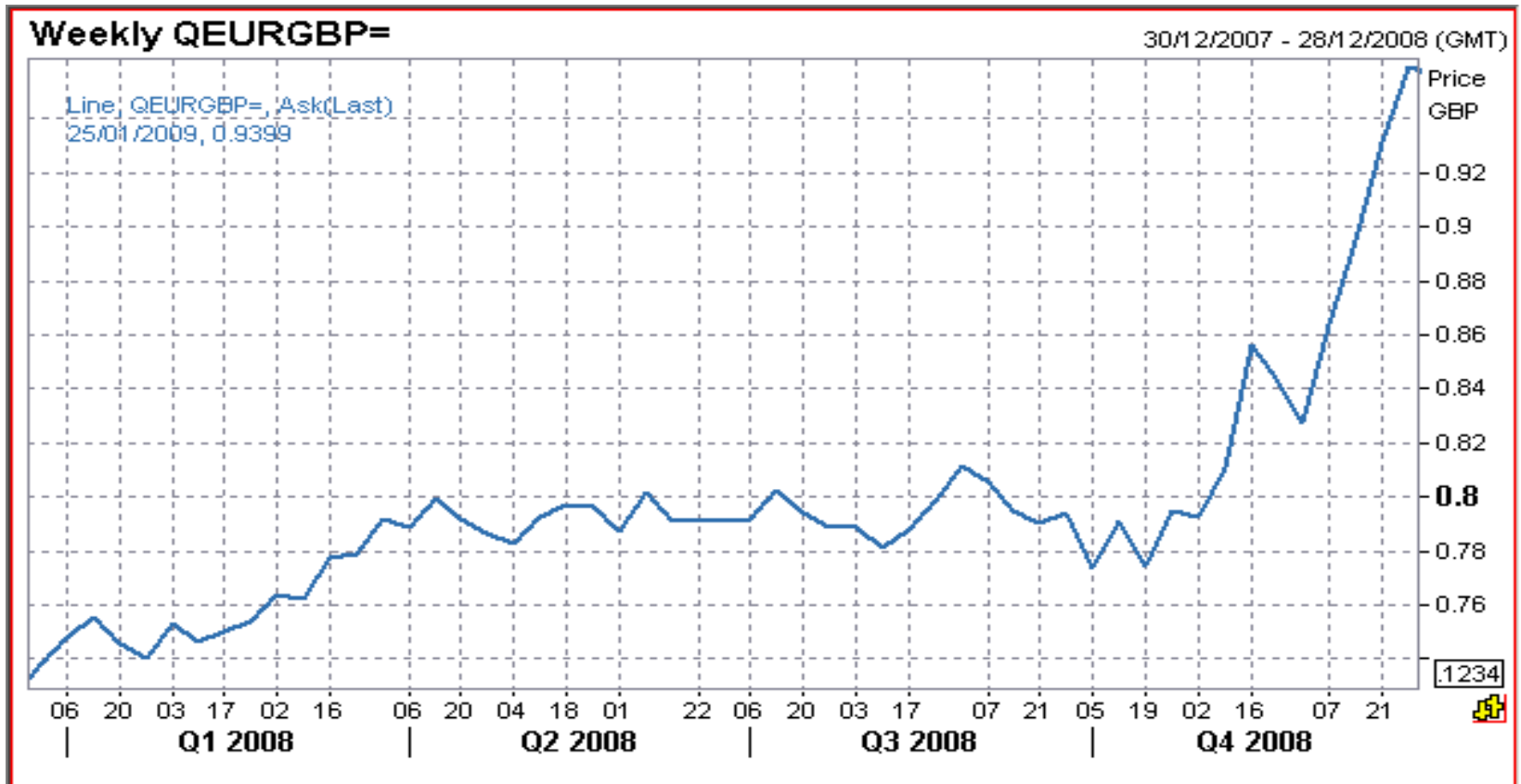
Wvstahl Sorte 8/package recycled metal (EUR/ton) (Source: Wvstahl)



Development in exchange rates Turkish lira

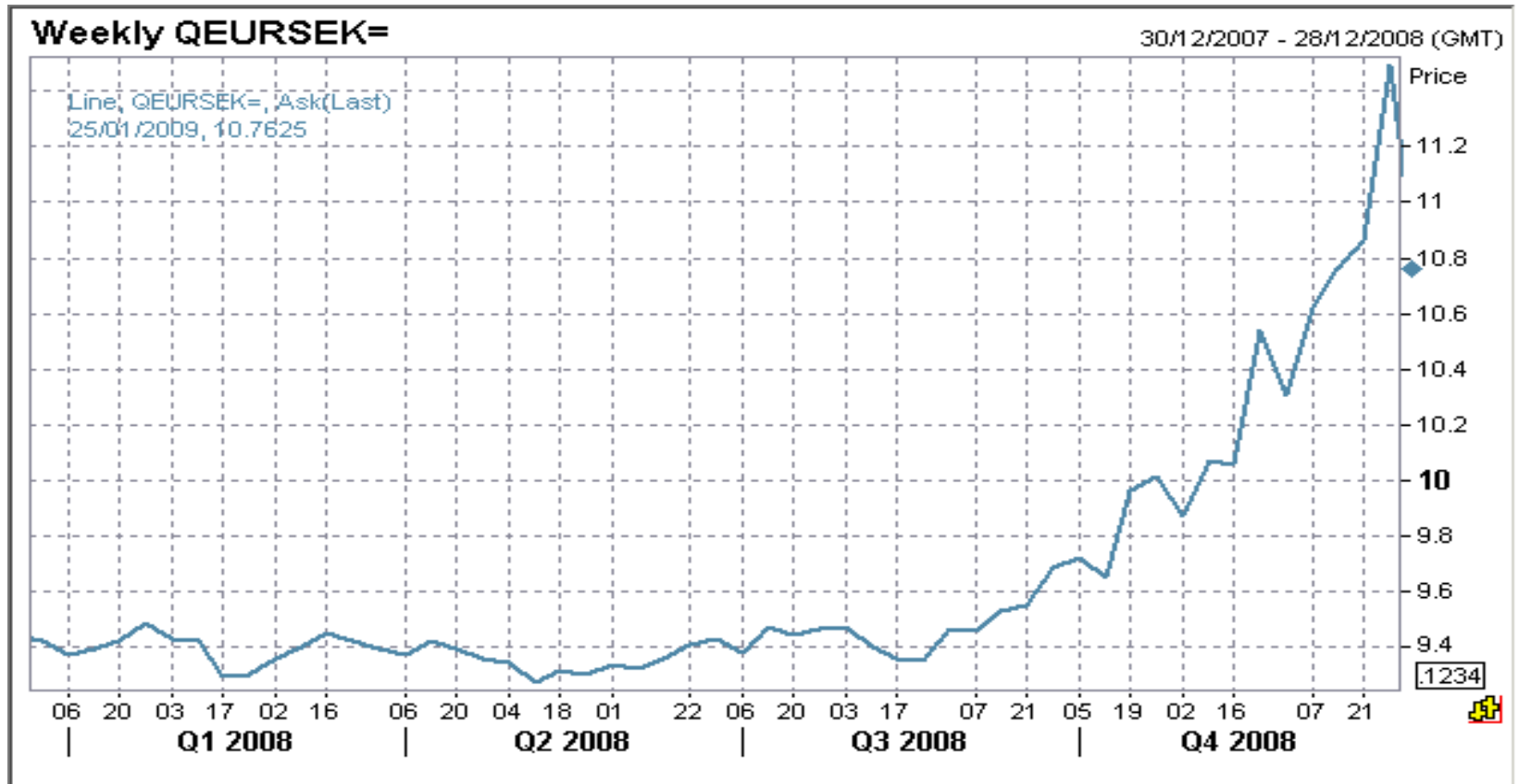


Development in exchange rates Great Britain pound



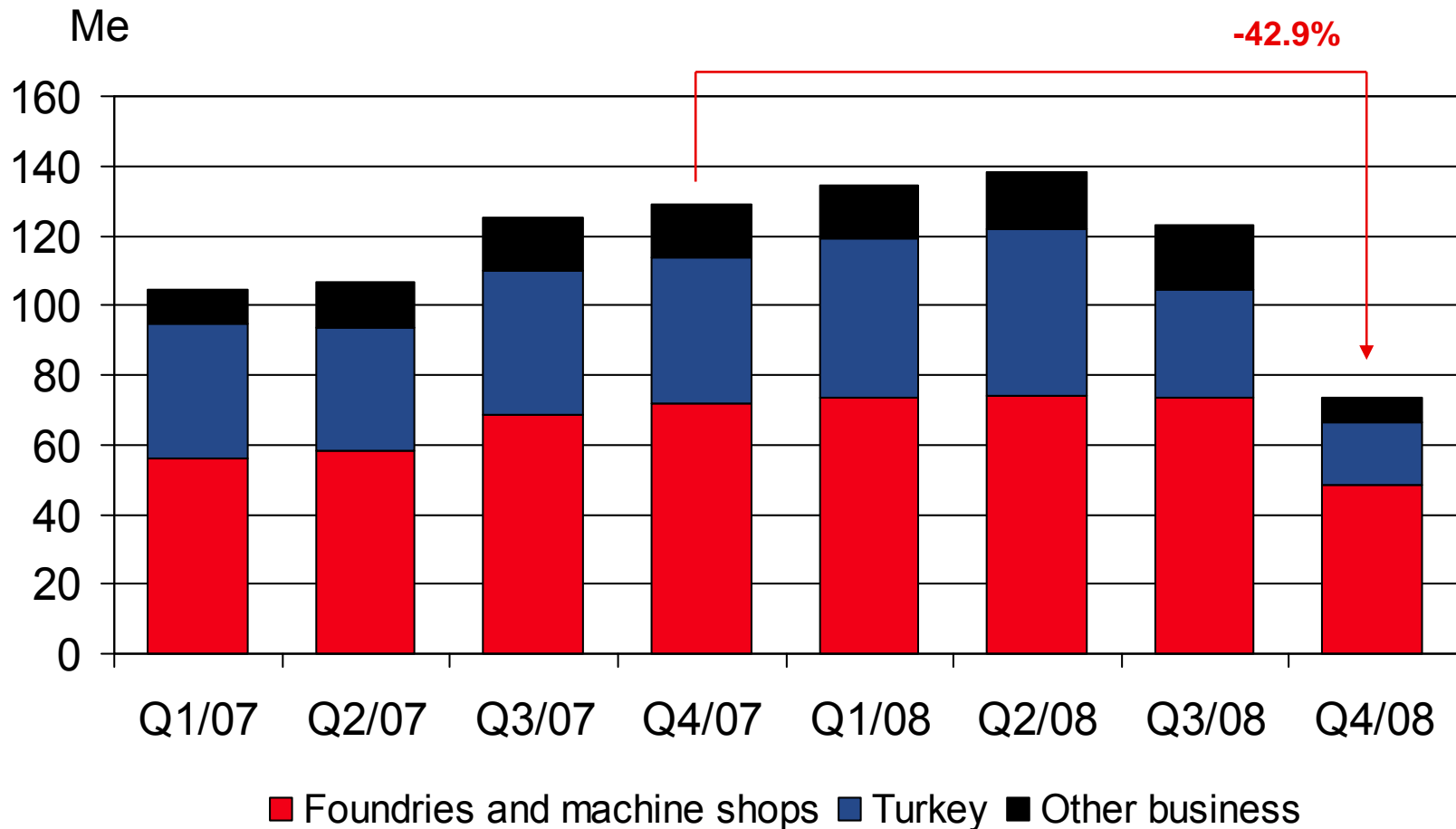
Source: Reuters

Development in exchange rates Swedish crown



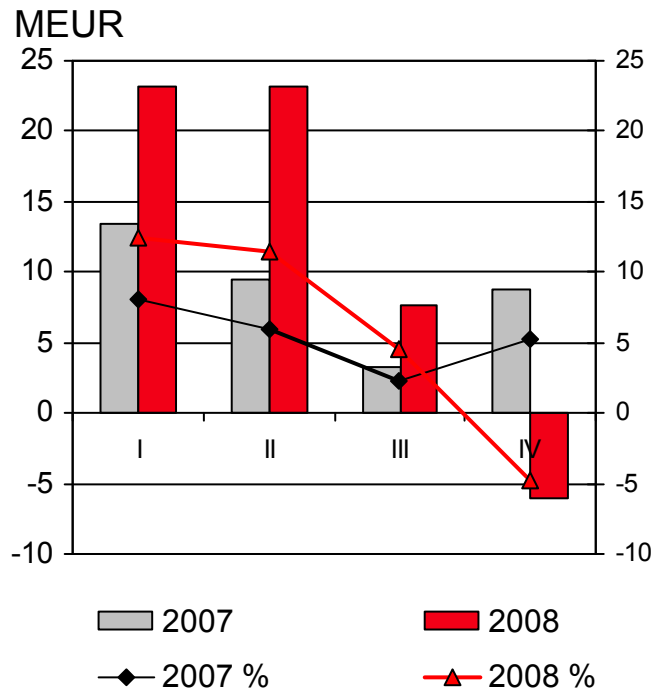
Source: Reuters

Order book quarterly

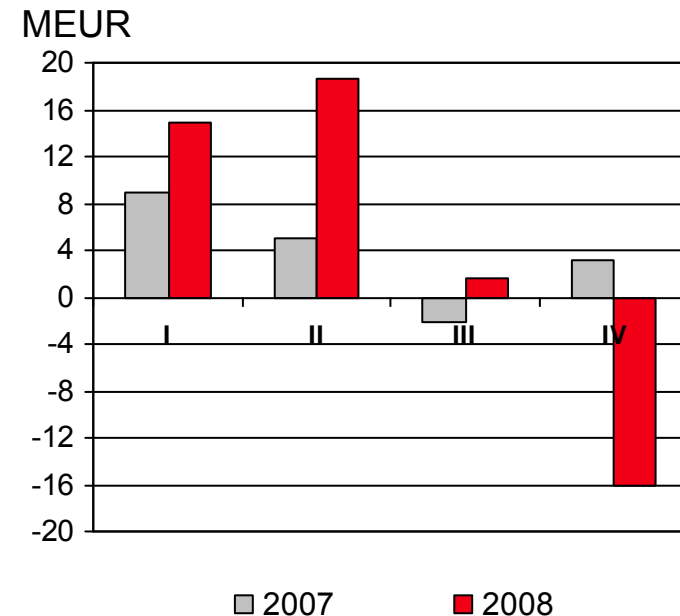


Operating profit and result after financial items excluding one-time items quarterly

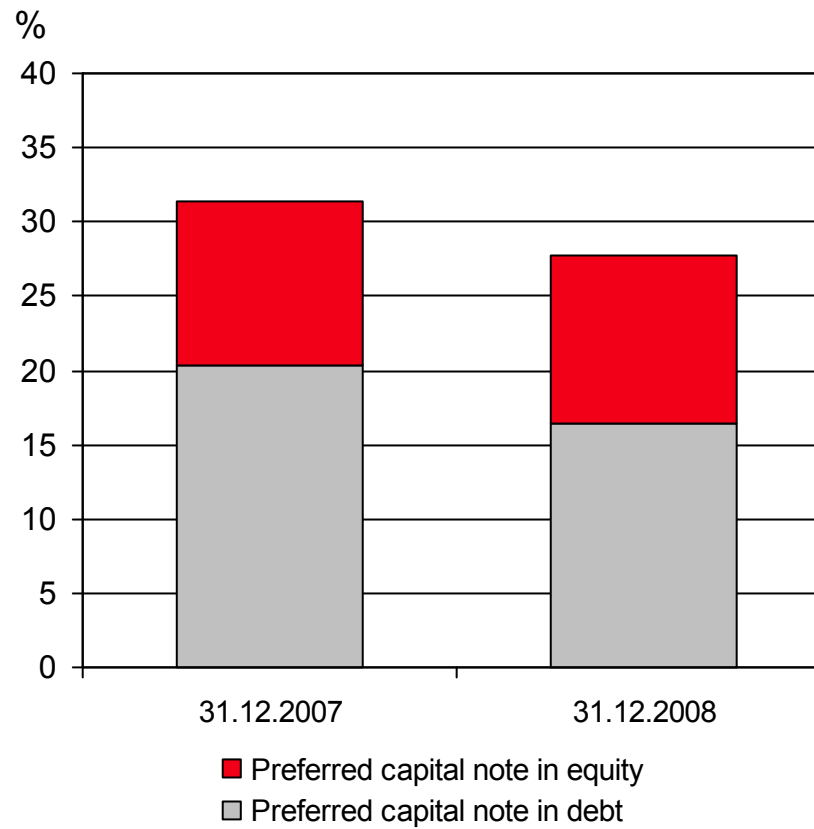
Operating profit
excluding one-time items



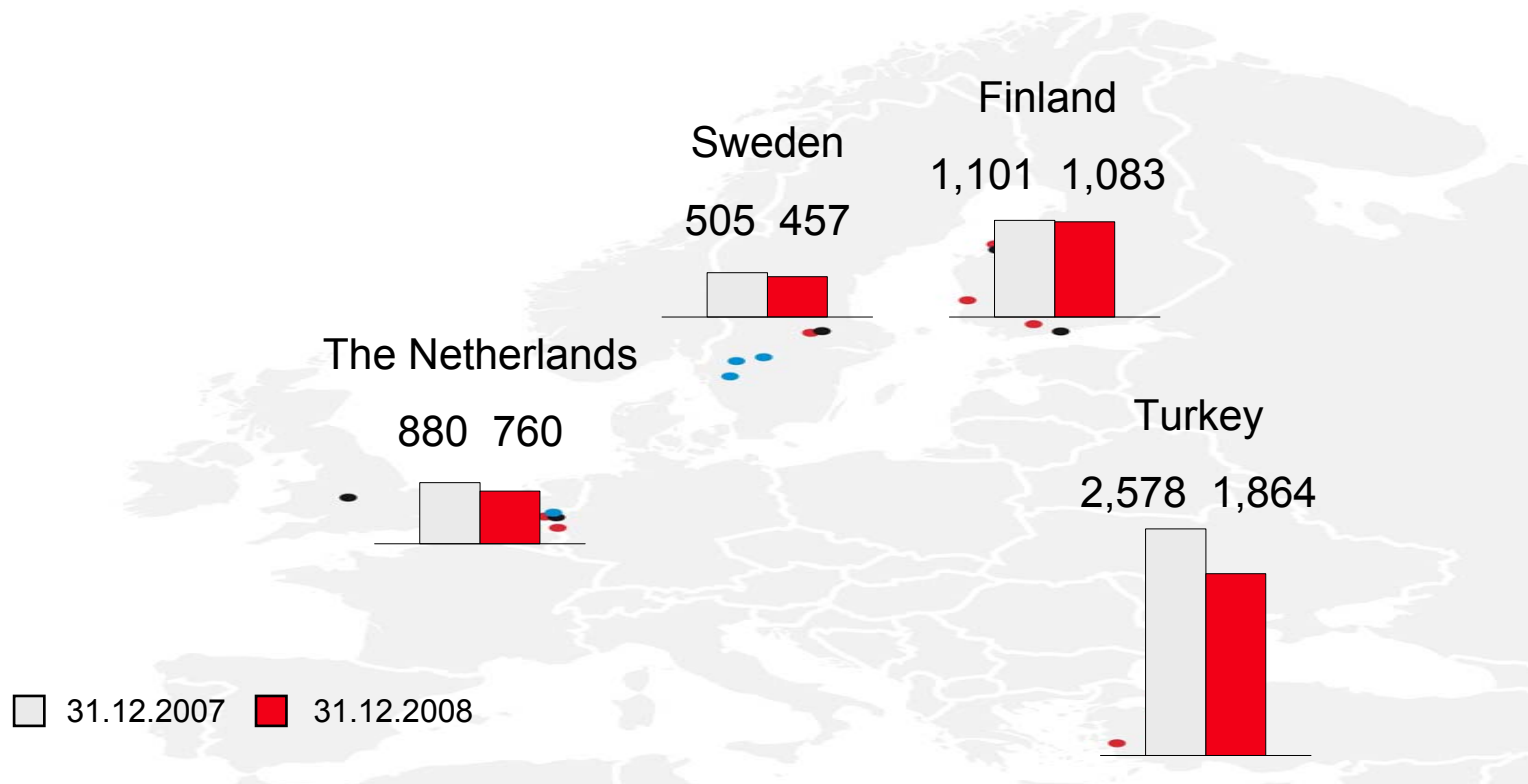
Result after financial items
excluding one-time items



Equity ratio, %

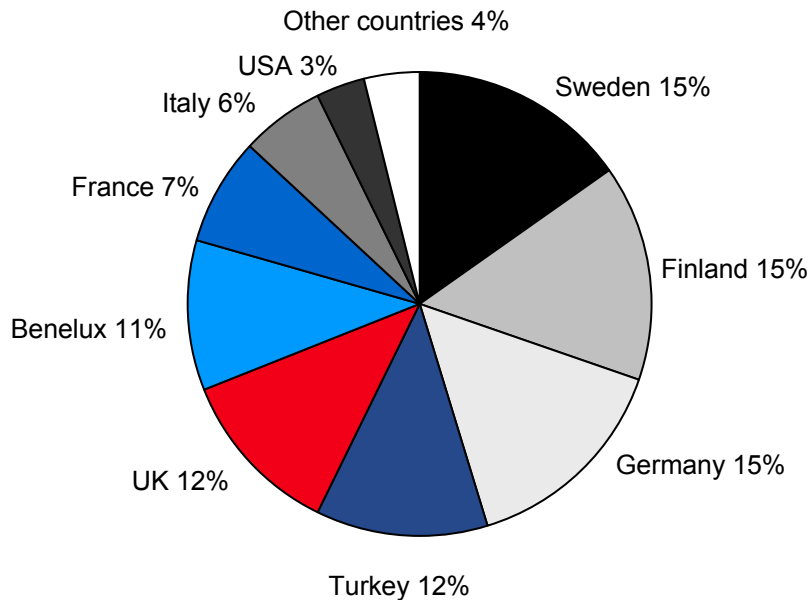


Personnel by country including leased personnel



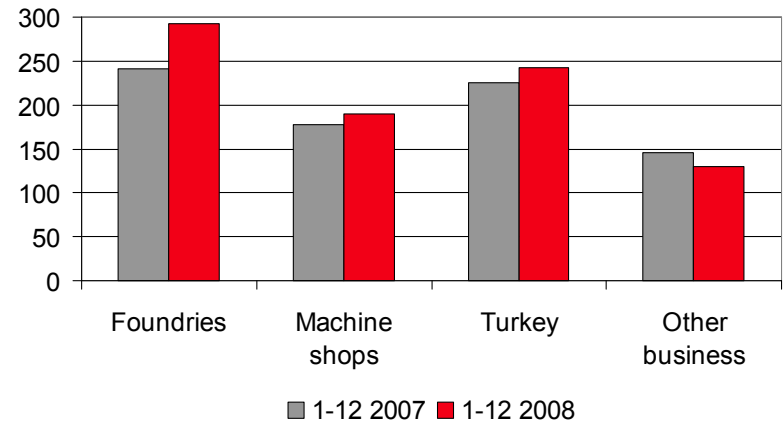
Division of sales

Sales by market area 2008



Sales by division excluding one-time items

MEUR



Comparable sales to customer industries 2008



Off-road

35% (36%)



Heavy trucks

28% (27%)



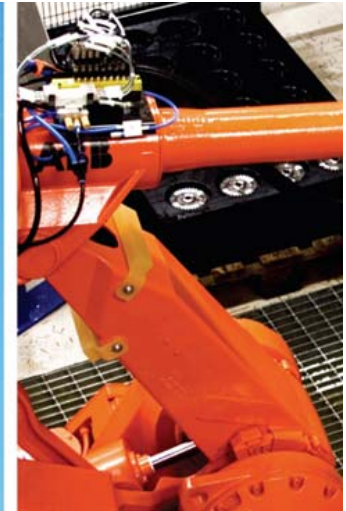
Automotive

14% (17%)



Diesel & wind

7 % (5%)

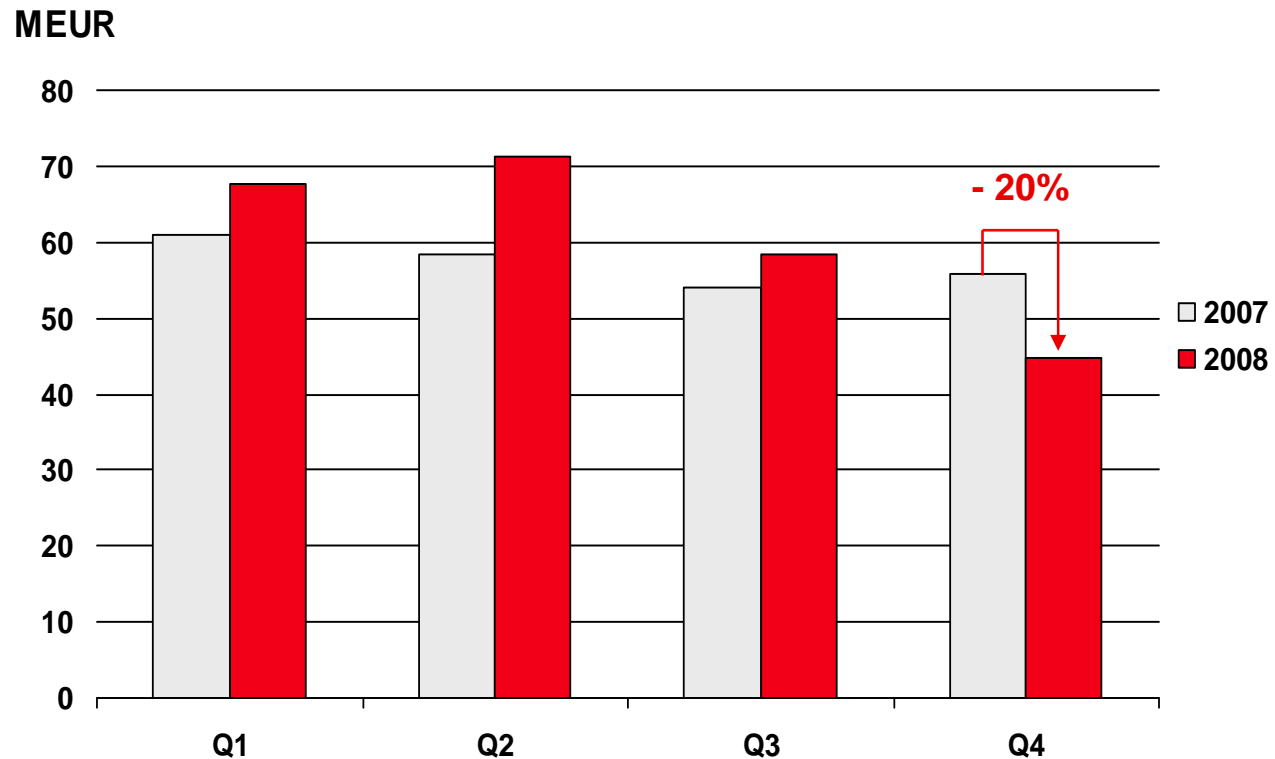


Machine building

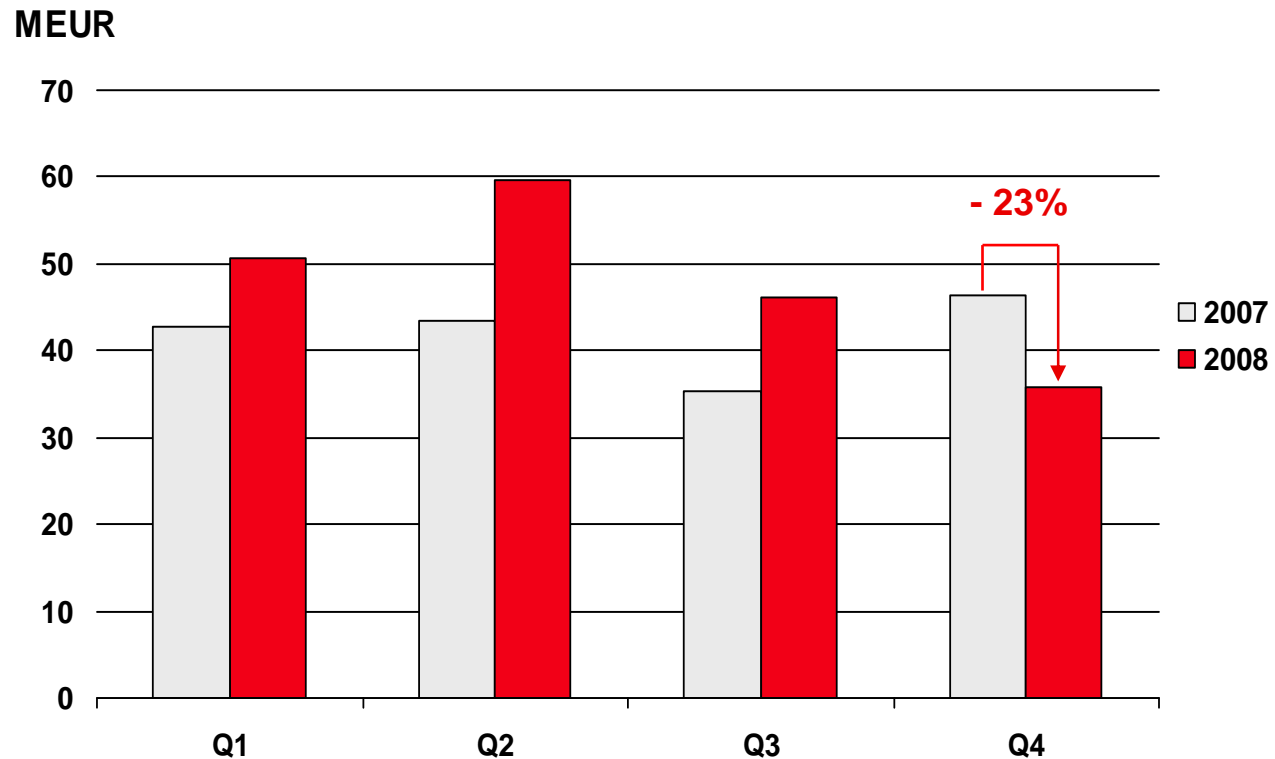
15% (14%)

Note: Other sales 1% (1%)

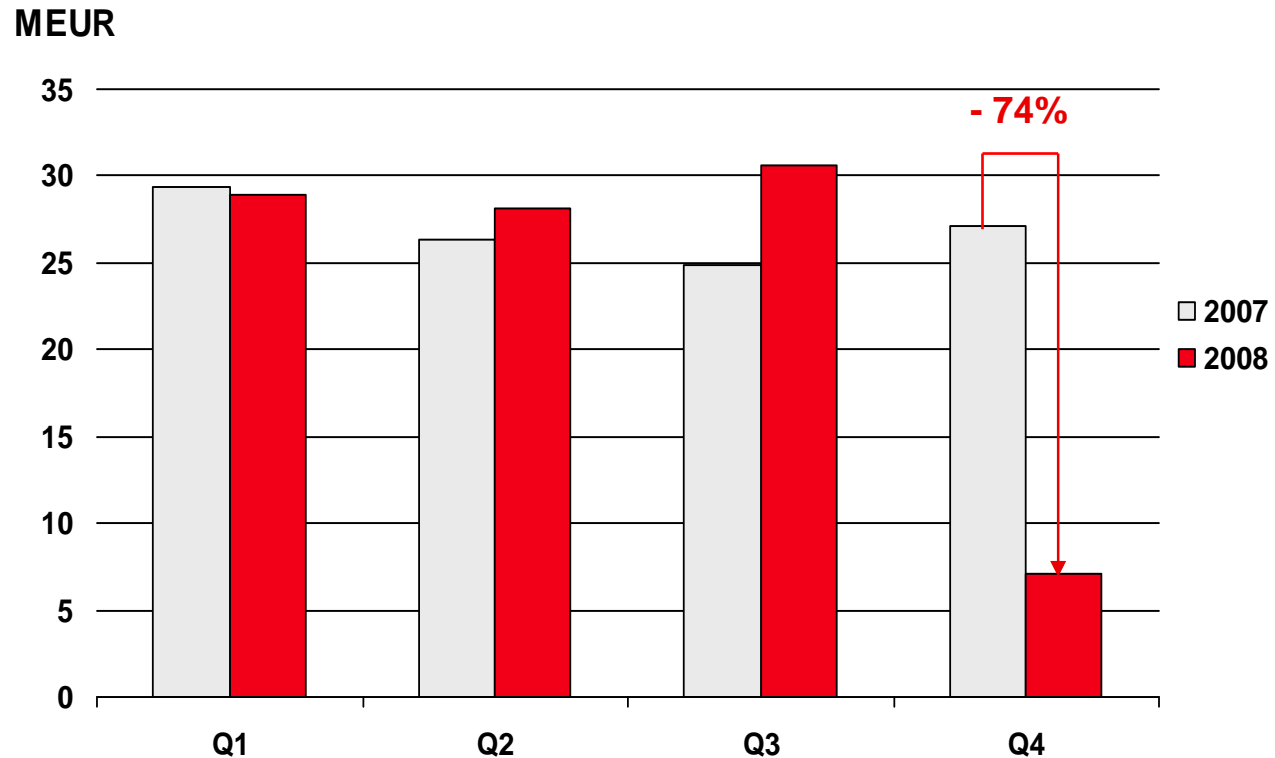
Comparable sales to off-road industry quarterly



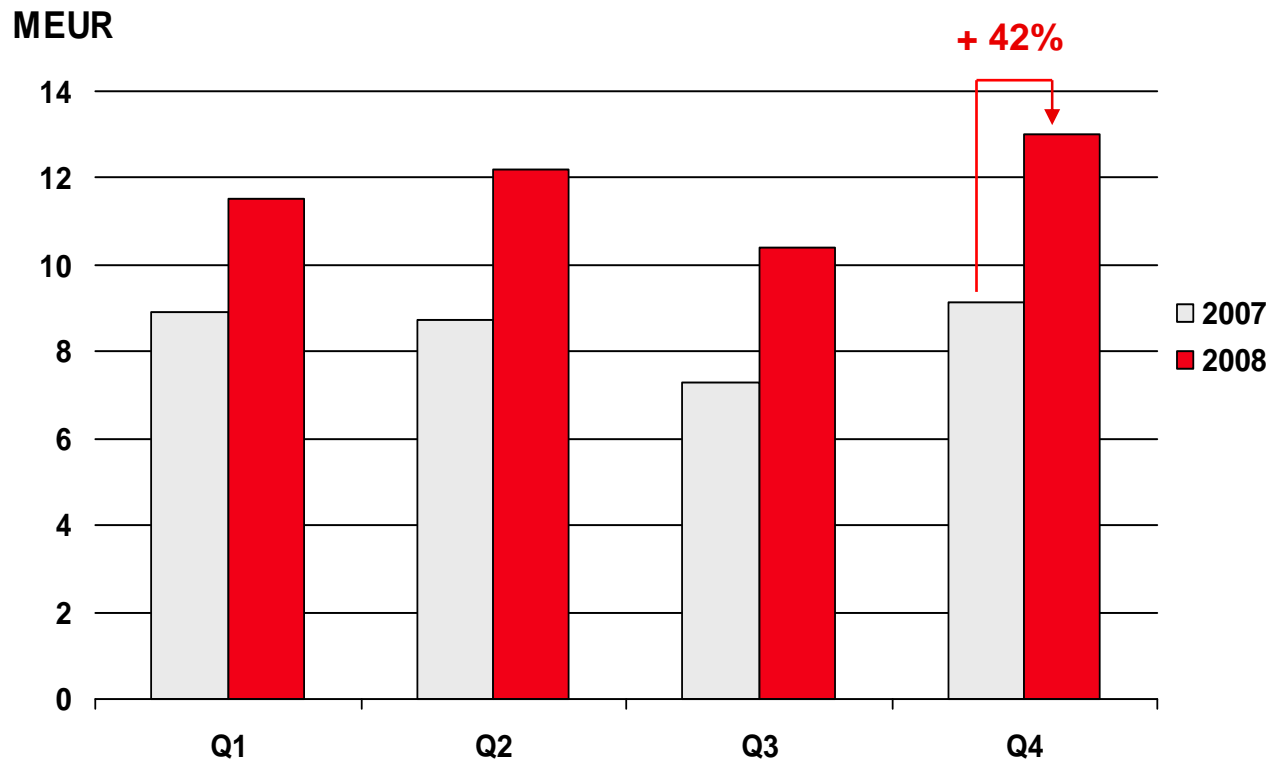
Comparable sales to heavy truck industry quarterly



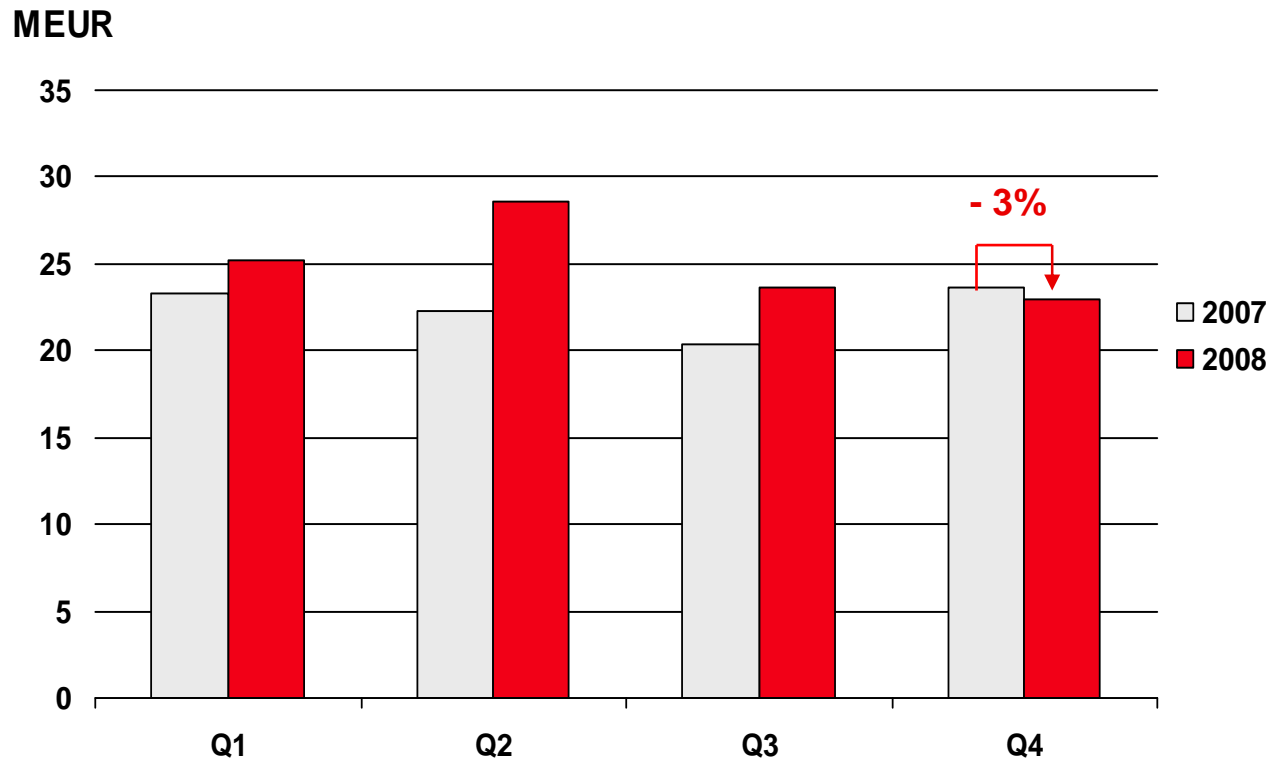
Comparable sales to automotive industry quarterly



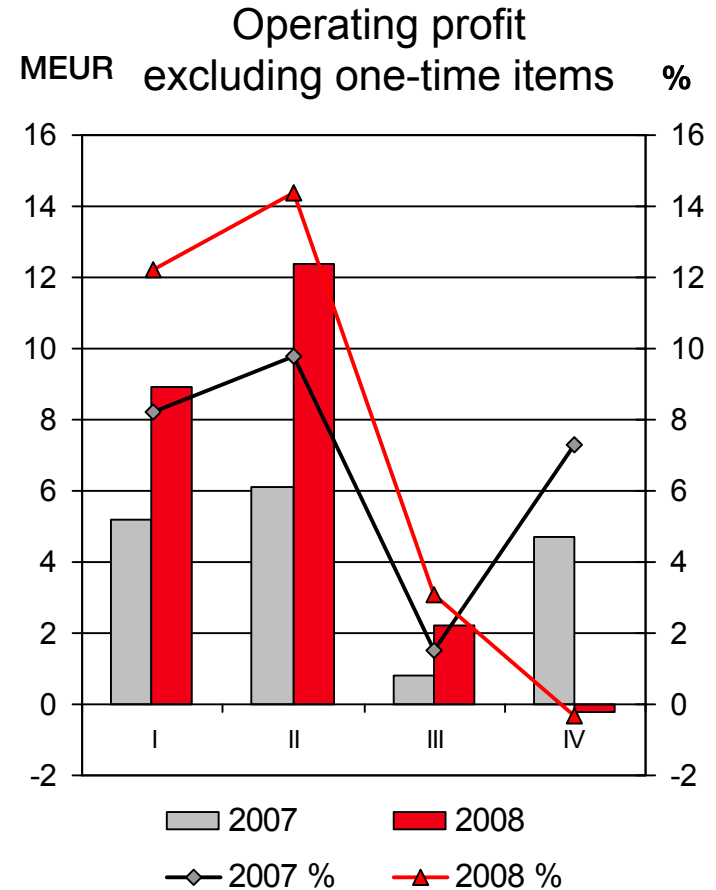
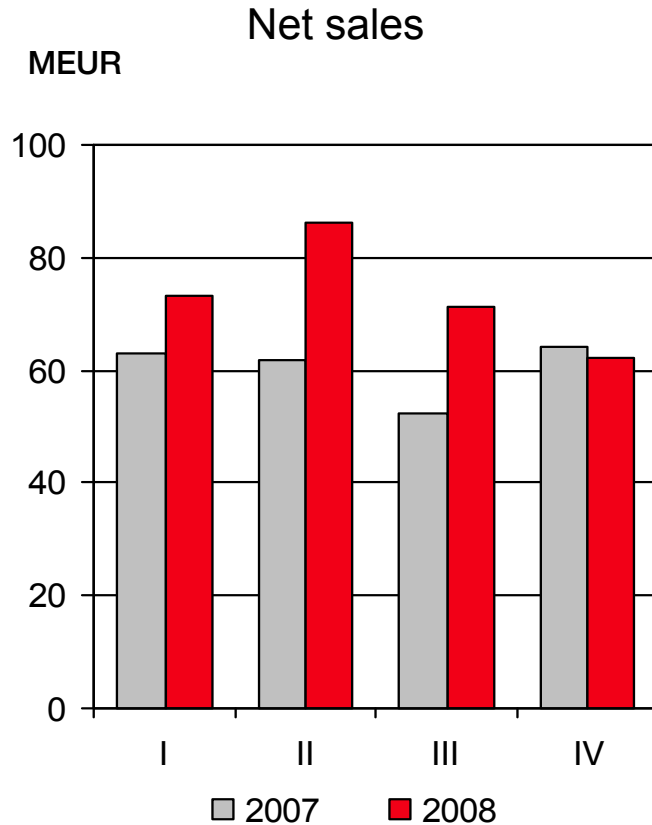
Comparable sales to diesel & wind industries quarterly



Comparable sales to machine building industry quarterly



Foundries division

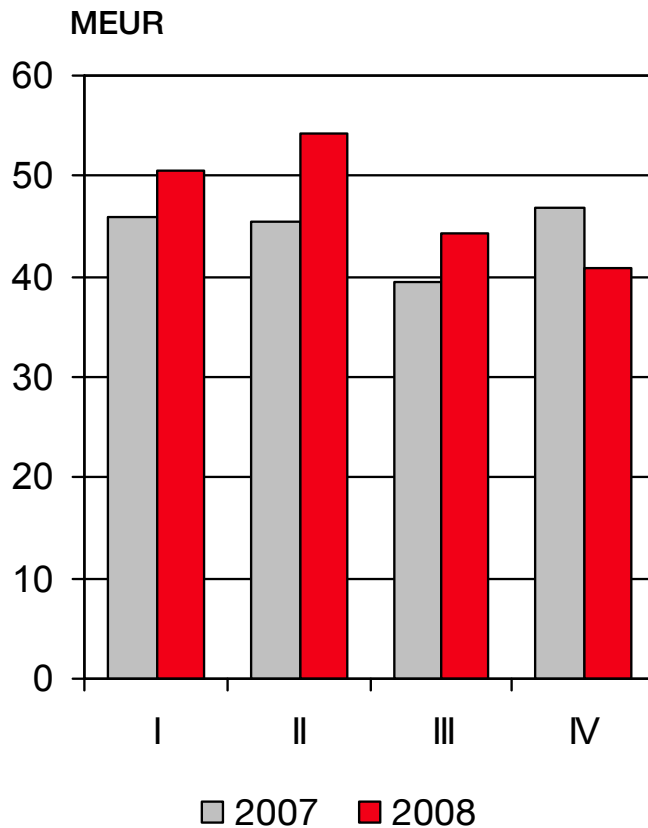


Performance of the Foundries division

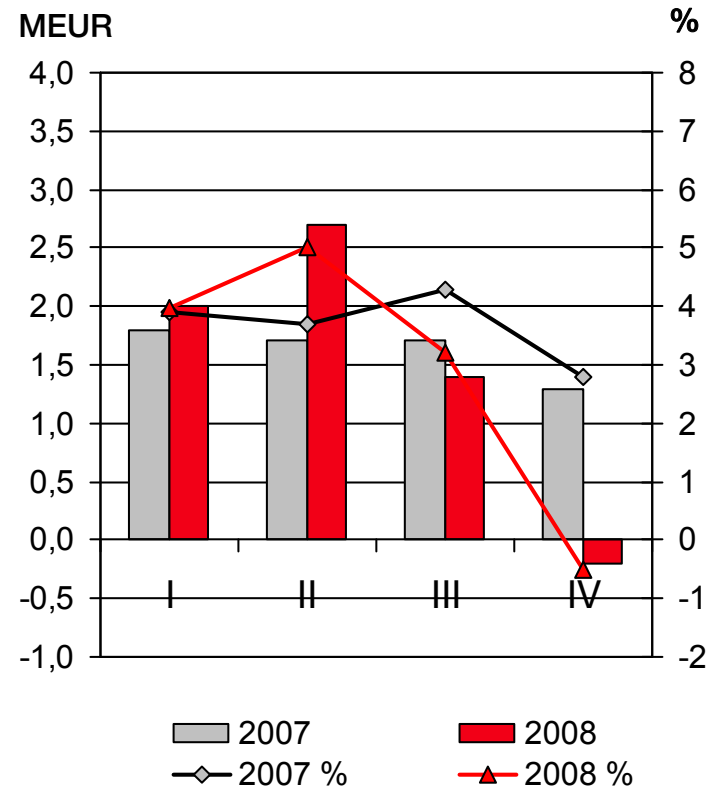
- The division contains the Group's foundries in Karkkila, Pori, Pietarsaari and Iisalmi in Finland, and in Weert and Heerlen in the Netherlands.
- Net sales in 2008 were MEUR 292.6 (241.7) and operating profit MEUR 23.3 or 8.0% of net sales (MEUR 16.7; 6.9%).
- Higher volumes and greater efficiency in operations contributed positively to the improvement in the division's operating profit.
- Capacity at the Iisalmi foundry was raised to meet growing demand for wind power components and capacity at the Karkkila foundry was increased for the needs of the production being transferred from Metso's foundry in Jyväskylä. Both investments were mainly carried out during the third quarter.
- Because of the sharp increases in raw material prices, during the year Componenta introduced a new price compensation system, so that the impact of changes in raw material prices is updated on a monthly instead of a quarterly basis as before.
- Fourth quarter net sales were MEUR 62.3 (64.2) and operating result was MEUR -0.2, or -0.3% of net sales (MEUR 4.7; 7.3%).

Machine shops division

Net sales



Operating profit excluding one-time items

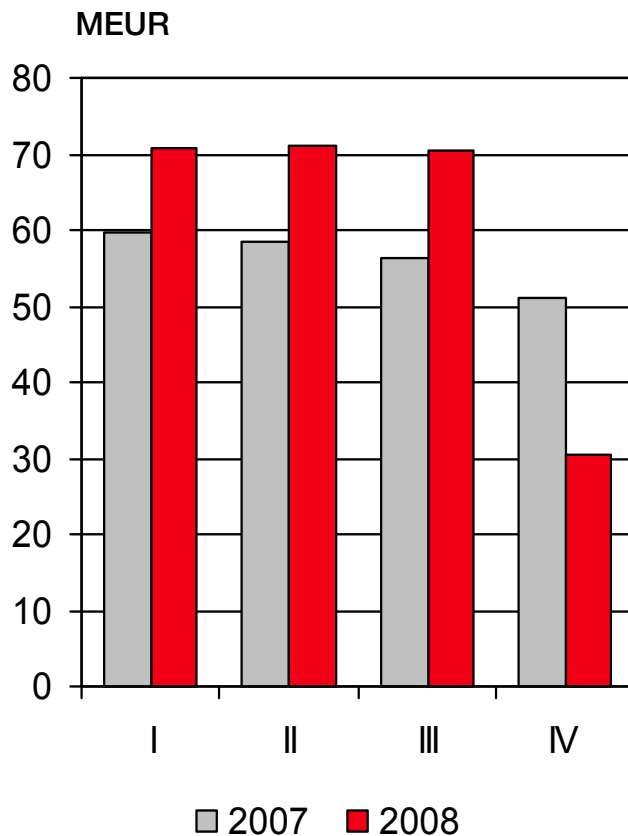


Performance of the Machine shops division

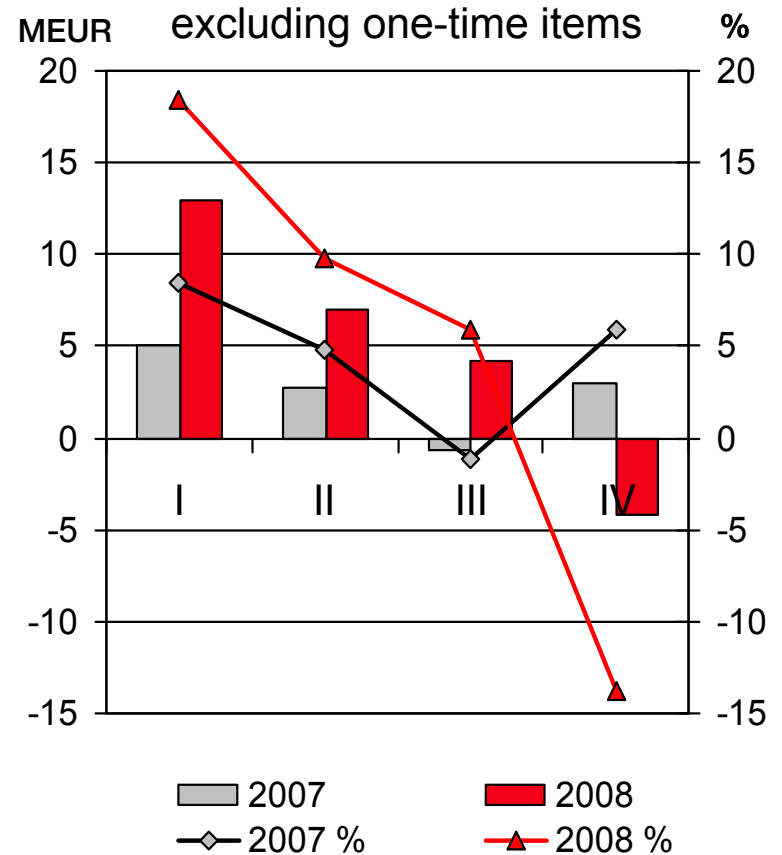
- The division comprises the machine shops in Främmestad, Sweden, in Lempäälä and Pietarsaari, Finland, in Orhangazi, Turkey and machine operations in Weert, the Netherlands.
- Net sales in 2008 were MEUR 189.9 (177.8) and operating profit MEUR 5.8, or 3.1% of net sales (MEUR 6.5; 3.7%).
- The new machine shop in Orhangazi was completed during the summer and the unit's operations moved into the new premises during the third quarter.
- Fourth quarter net sales were MEUR 40.8 (46.8) and operating result was MEUR -0.2, or -0.5 % of net sales (MEUR 1.3; 2.8%).

Turkey division

Net sales

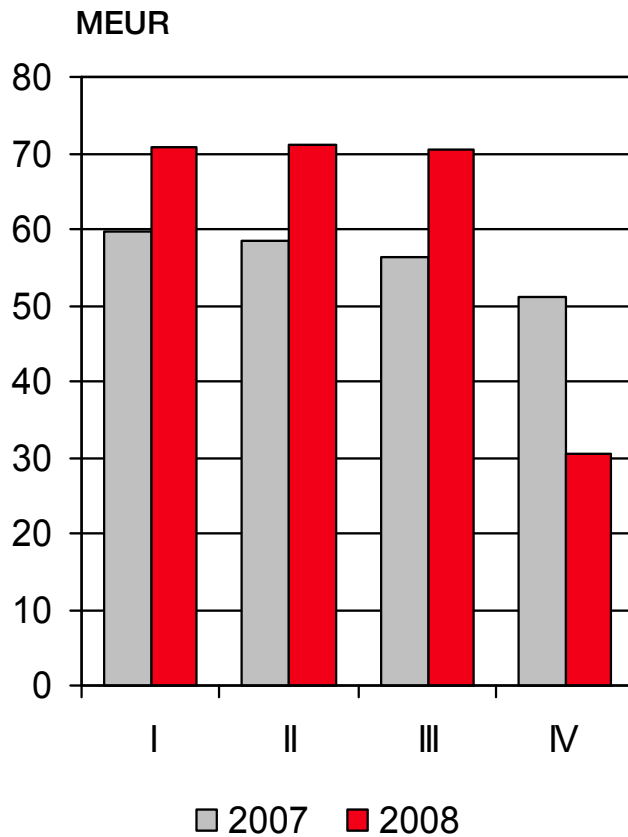


Operating profit

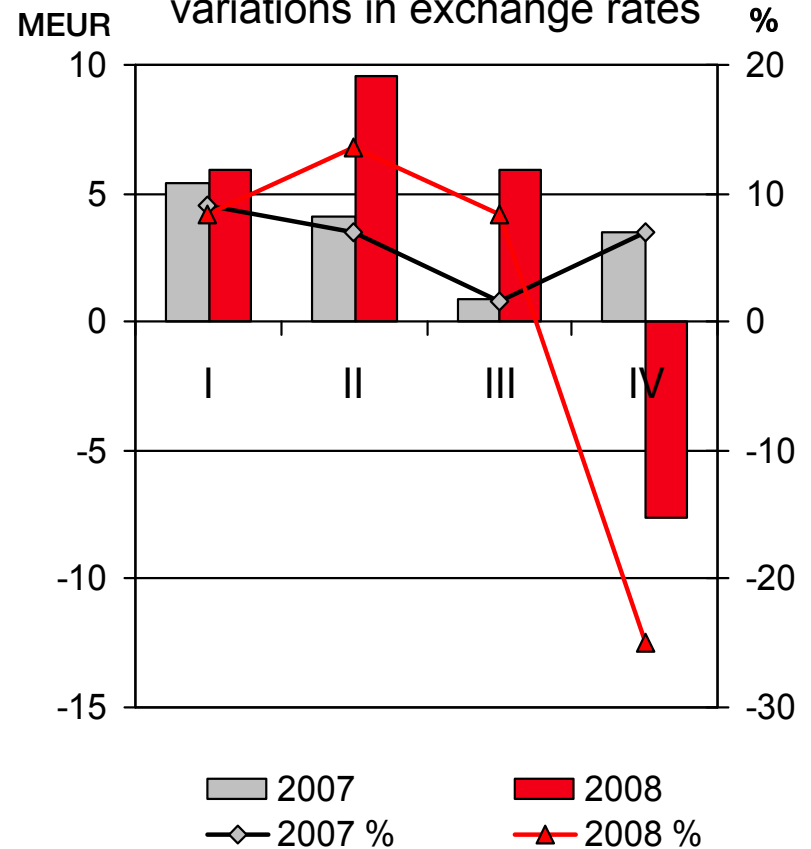


Turkey division (cont.)

Net sales



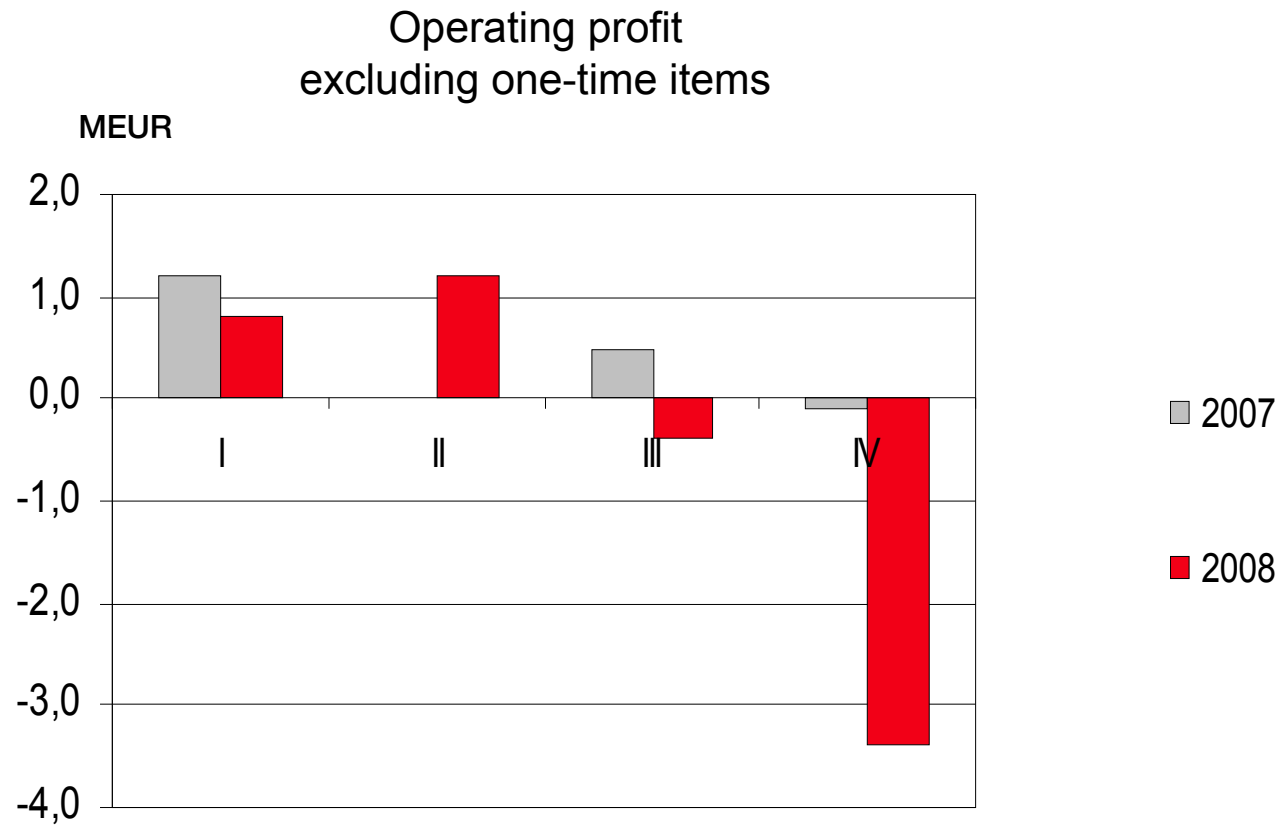
Operating profit excluding one-time items and variations in exchange rates



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 2008 were MEUR 242.7 (225.7) and operating profit was MEUR 19.9, corresponding to 8.2% of net sales (MEUR 10.4; 4.6%).
- The division's financial performance improved during the year mainly due to higher volumes and greater efficiency in operations.
- Changes in the value of the Turkish lira improved the operating profit in the first quarter by EUR 7.1 million, weakened it during the second and third quarters by EUR 4.3 million, and improved it again in the fourth quarter by EUR 3.4 million.
- Swift changes in raw material prices and costs related to the adaptation of number of personnel in the fourth quarter had an effect of approximately MEUR 5
- Fourth quarter net sales were MEUR 30.4 (51.0) and operating result was MEUR -4.2, or -13.8% of net sales (MEUR 3.0; 5.9%).

Other business



Performance of other business

- Other business comprises the Componenta Wirsbo forges in Sweden, the sales and logistics company Componenta UK in Great Britain, real estate companies and the Group's administrative functions.
- Other Business had an operating profit in 2008 excluding one-time items of MEUR -1.7 (1.6).

Prospects for 2009

- Componenta's prospects for 2009 are based on general external financial indicators, order forecasts given by customers, and on Componenta's order intake and order book.
- Demand prospects in most of the Group's customer sectors are uncertain at the beginning of 2009, due to the global economic recession.
- The slow down in construction in the USA and Europe has reduced demand in the off-road sector. Demand for mining machinery has taken a downward turn, due mainly to the recent fall in the prices of raw materials.
- Production volumes for heavy trucks are expected to decline significantly in 2009.
- The uncertainty in the financial markets and the economic recession have considerably cut demand in the automotive industry in Europe.
- The demand outlook in the diesel and wind power sectors remains good. Demand in the machine building industry is expected to fall.

Prospects for 2009 (cont.)

- Componenta's order book at the end of fourth quarter of 2008 stood at EUR 74 (129) million, more than 40% lower than at the same time in the previous year.
- Componenta has significantly decreased the use of leased personnel in the Netherlands and Turkey and decided upon lay-offs and redundancies in Sweden, Finland and Turkey. On the whole the combined effect of reduction of amount of leased personnel as well as lay-offs and redundancies is 1,600 people.
- Componenta Group's 2009 net sales are expected to fall 30% and the result after financial items, excluding one-time items, is expected to decline significantly from the 2008 figure.
- The Group's cash flow is expected to be clearly positive due to the major reduction in working capital and the low level of investments.