

# COMPONENTA

**Componenta Corporation**

**Interim Report**

**1 January – 31 March 2008**

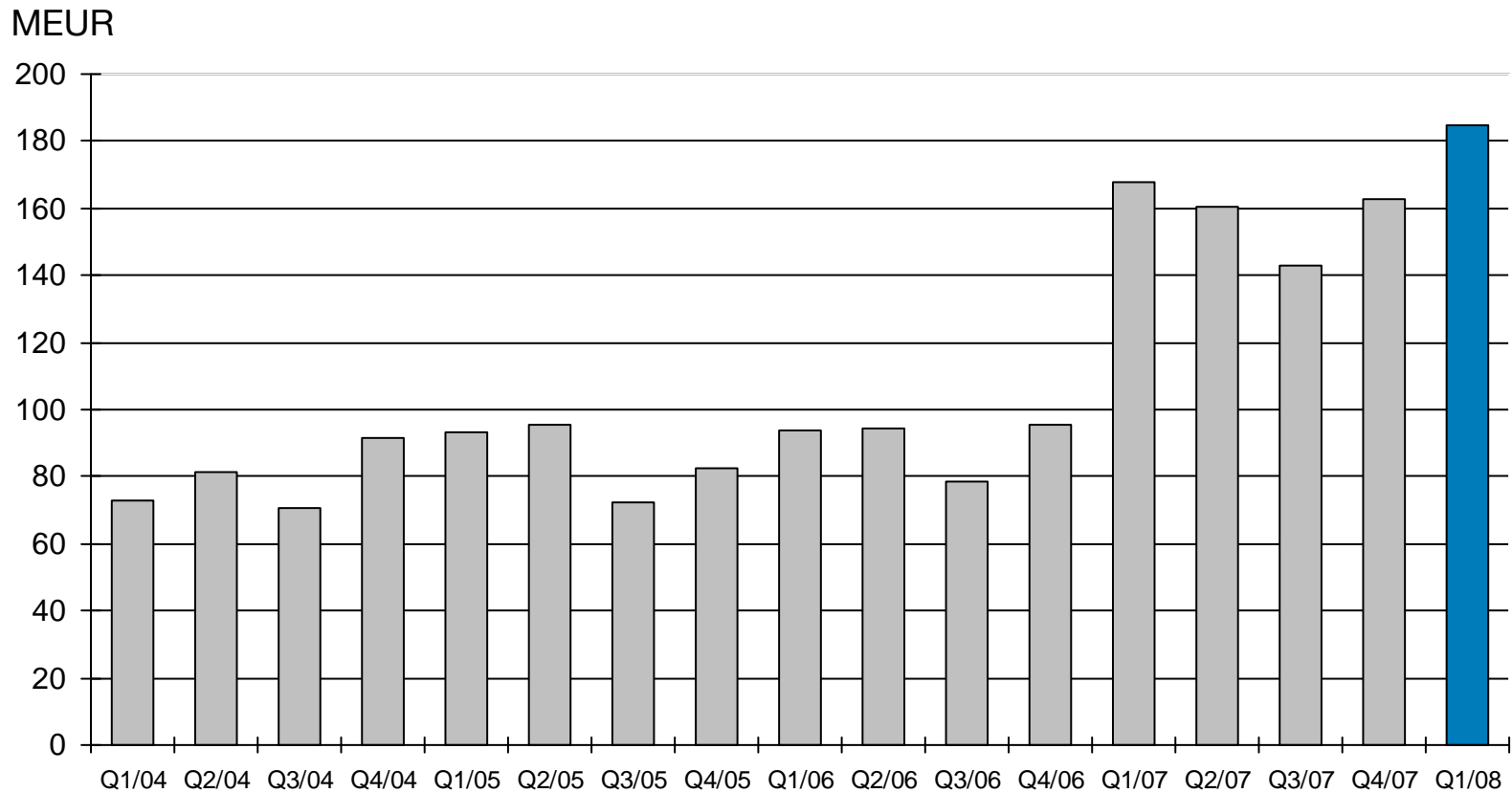
## Income statement

MEUR	2008	2007	2007
	1 – 3	1 – 3	1 – 12
Net sales	185.0	167.9	634.7
Operating profit excluding one-time items	23.1	13.4	34.9
Financial income and expenses	-8.2	-4.5	-20.0
Result after financial items (excluding one-time items)	14.9	8.9	14.9
One-time items	0.0	12.9	7.8
Result after financial items	14.9	21.8	22.7
Net result	11.1	21.4	21.6
Earnings per share, EUR (excluding one-time items)	0.96	0.57	1.01
Earnings per share, EUR	0.96	2.03	1.97

## Q1 2008 in brief

- Net sales in the review period were MEUR 185.0 (MEUR 167.9). Comparable net sales grew 14.1%.
- Operating profit excluding one-time items was MEUR 23.1 (MEUR 13.4).
- Result after financial items excluding one-time items was MEUR 14.9 (MEUR 8.9).
- Net result for the period was MEUR 11.1 (MEUR 21.4).
- Basic earnings per share were EUR 0.96 (EUR 2.03) and corresponding earnings excluding one-time items were EUR 0.96 (EUR 0.57).
- The consolidated operating profit improved from the previous year due to changes in the exchange rate for the Turkish lira, encouraging developments in production volumes, and enhanced efficiency in business operations. On the other hand, the significant weakening of the Turkish lira against the euro towards the end of the review period also resulted in a rise in net financing costs due to exchange rate losses on loans.

## Group quarterly net sales 2004 – Q1 2008



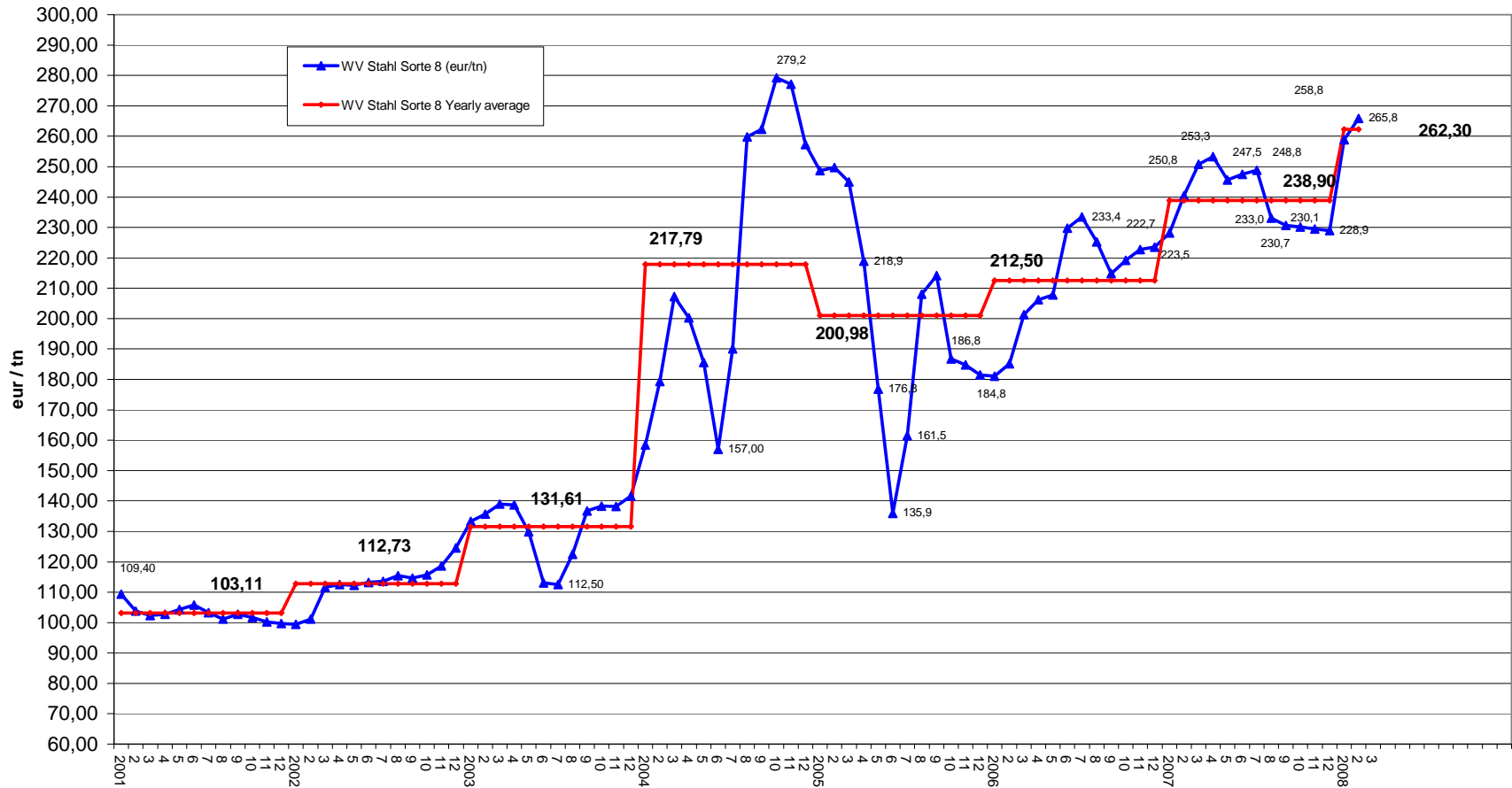
## Key Ratios

Me	31.3.2008	31.3.2007	31.12.2007
Equity ratio, % (Preferred capital note in equity)	27.0	28.9	31.4
Return on equity, %	48.2	100.0	23.0
Return on equity, % (excluding one-time items)	48.2	31.0	12.1
Return on investment, %	25.4	29.3	11.9
Return on investment, % (excluding one-time items)	25.4	15.5	9.8
Net interest bearing debt, MEUR (Preferred capital note in equity)	191.6	210.7	187.4
Net gearing, % (Preferred capital note in equity)	140.4	146.4	120.2
Order book, MEUR	134.6	104.7	129.0
Investments in production facilities, MEUR	10.5	3.8	23.6
Personnel at the end of 2007 (including leased personnel)	5 213	5 052	5 064

## Cash flow

Me	2008 1 - 3	2007 1 - 3	2007 1 - 12
Cash flow from operations before financing and income taxes	25.7	4.1	68.5
Cash flow from operations	17.6	-0.3	42.6
Cash flow from investing activities	-9.3	-19.2	-38.6
Cash flow from financing activities	4.1	24.2	7.2
Change in liquid assets	12.4	4.8	11.2

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



## Variation in exchange rates

Turkish lira

Great Britain pound

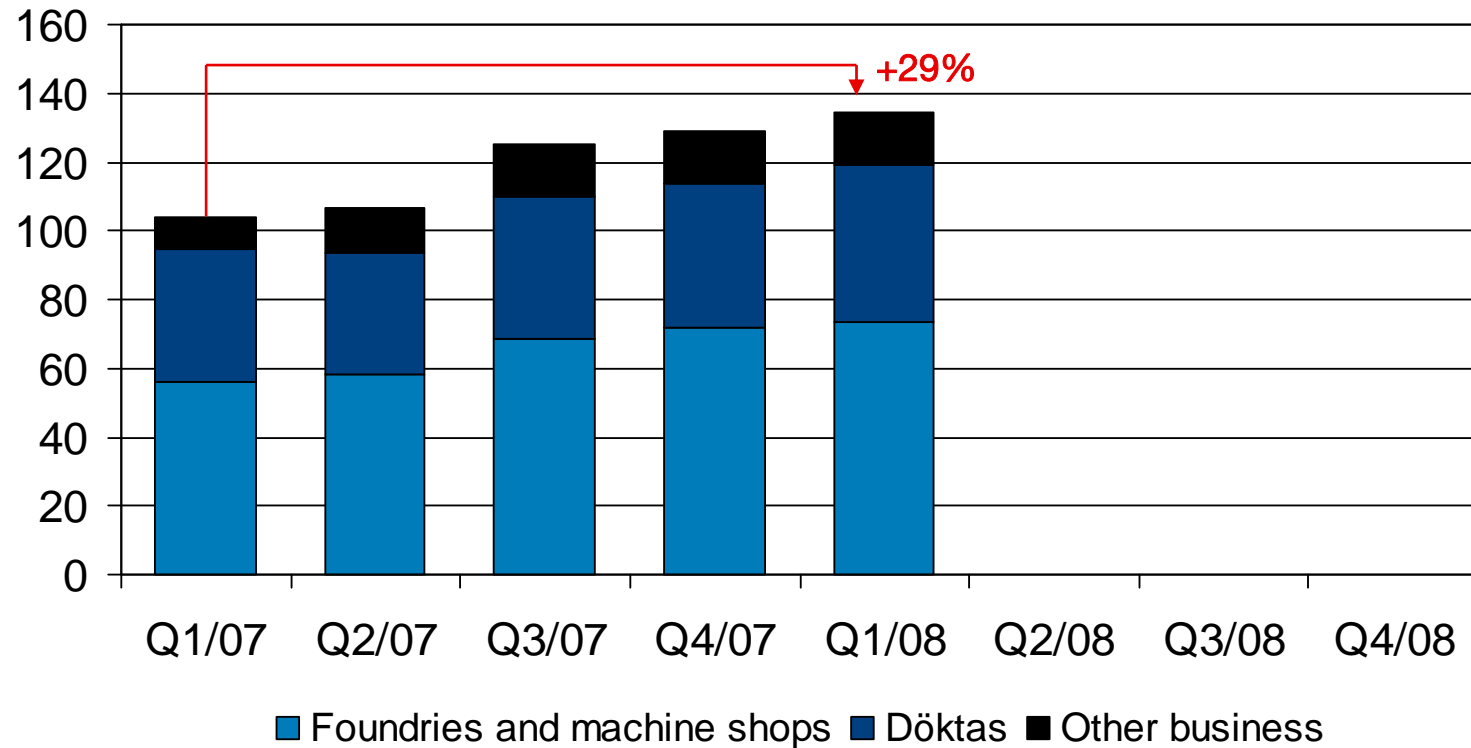


Source: Reuters



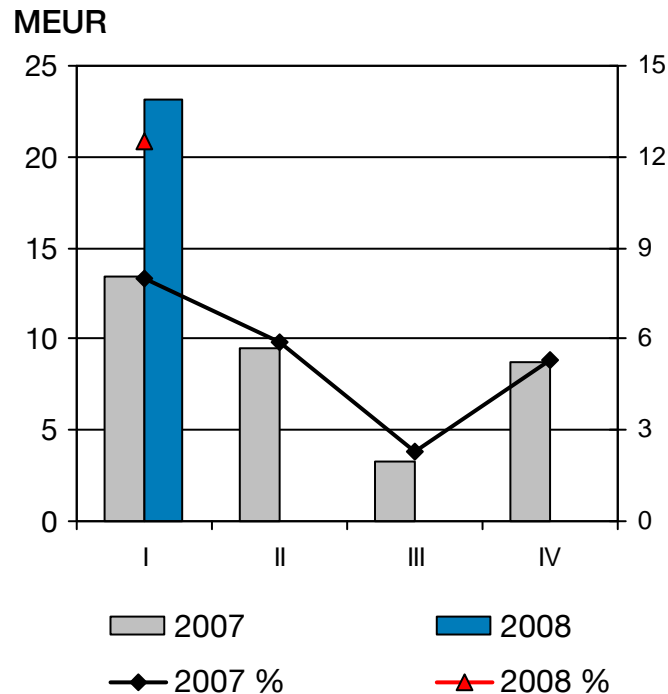
## Order book quarterly

MEUR

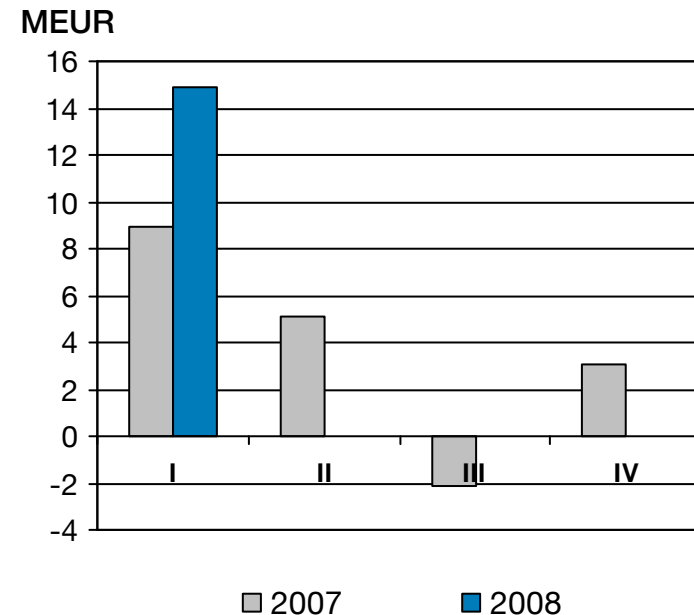


## Operating profit and result after financial items excluding one-time items quarterly

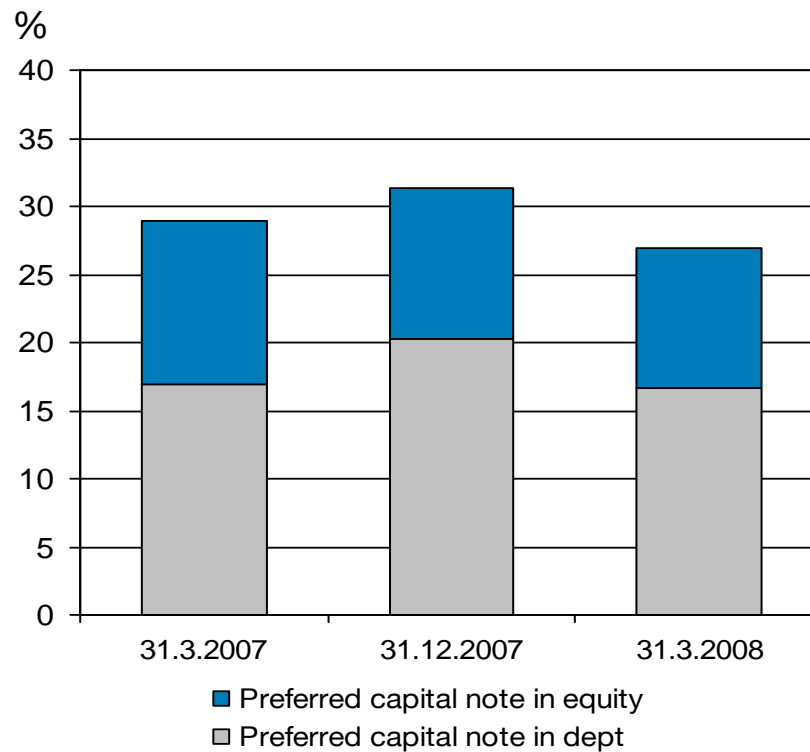
Operating profit  
excluding one-time items



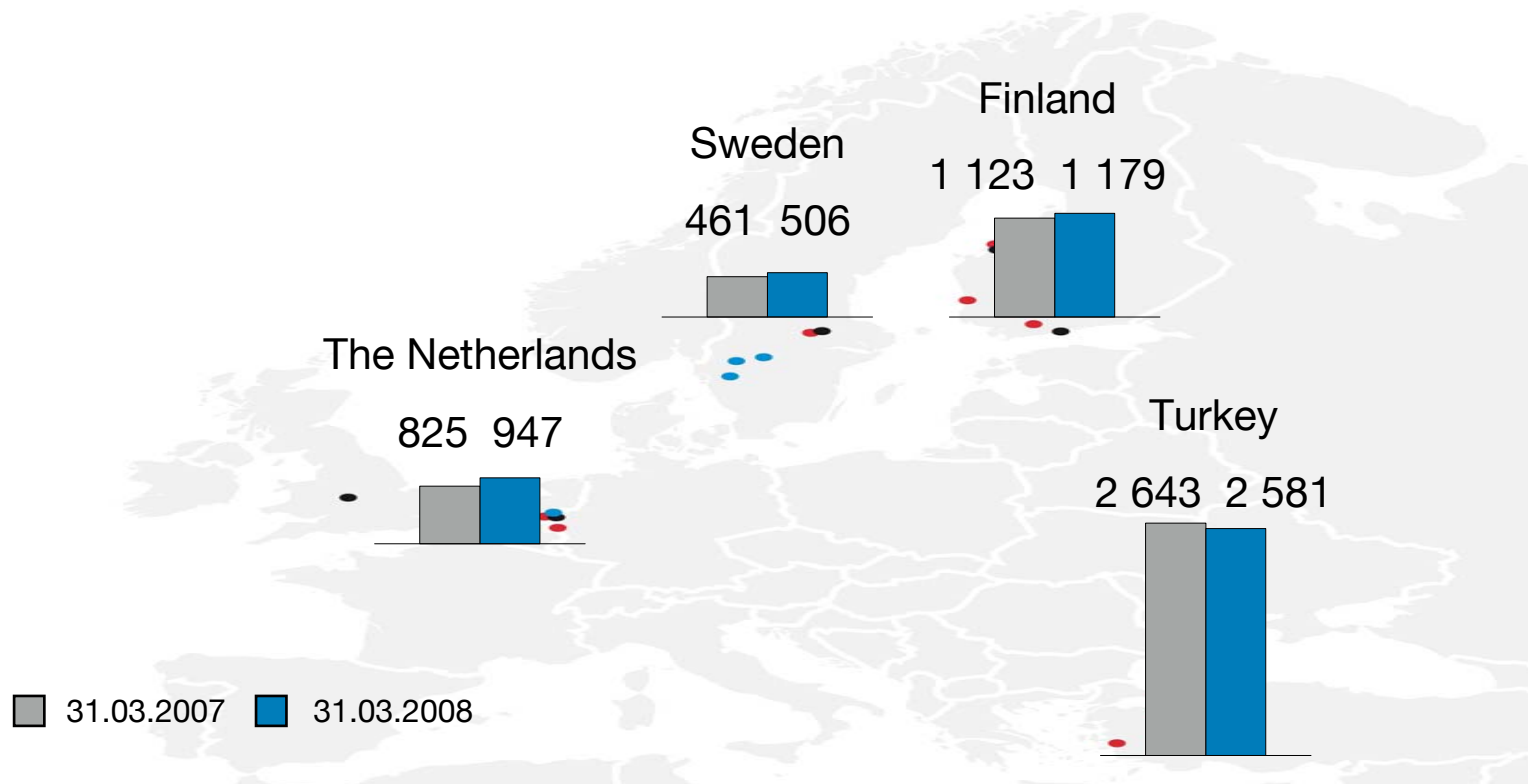
Result after financial items  
excluding one-time items



## Equity ratio, %

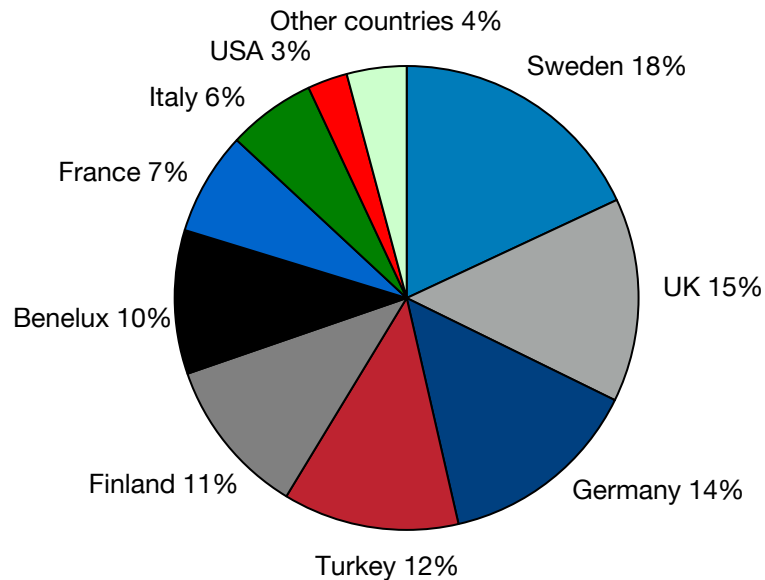


## Personnel by country including leased personnel



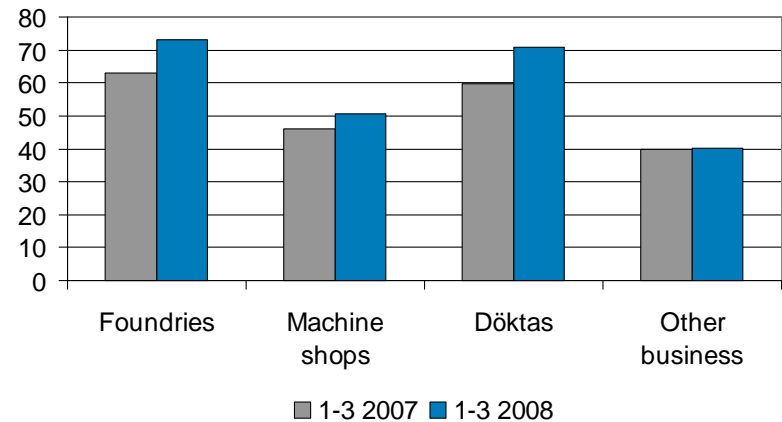
## Division of sales

Sales by market area Q1/2008



Sales by business division  
excluding internal and one-time items

MEUR



## Comparable sales to customer industries



Off-road

36% (36%)



Heavy trucks

27% (26%)



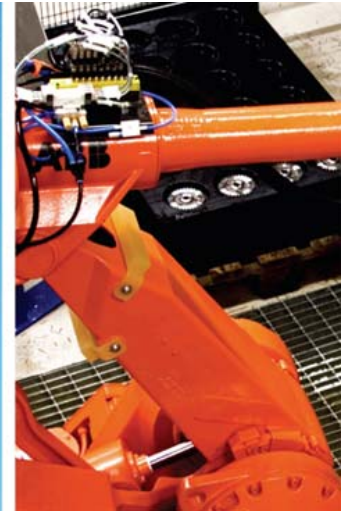
Automotive

16% (17%)



Diesel & Wind

6% (6%)

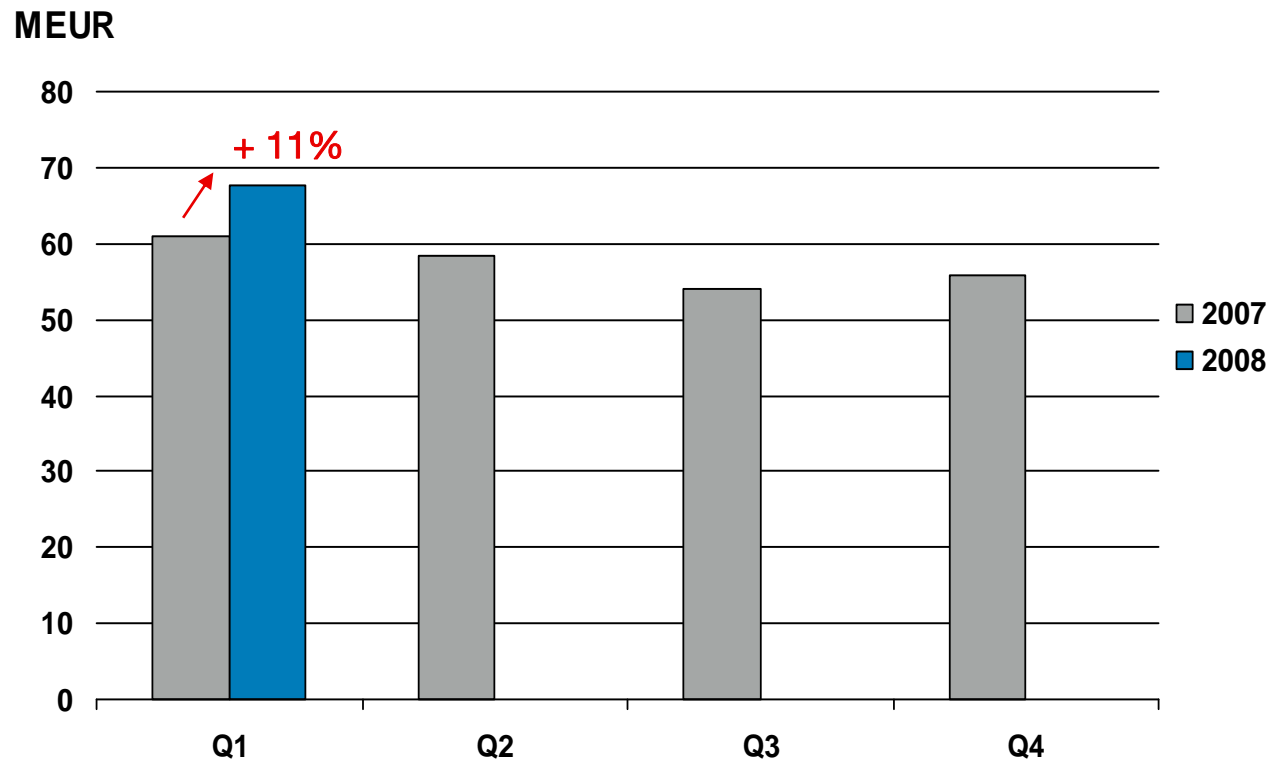


Machine building

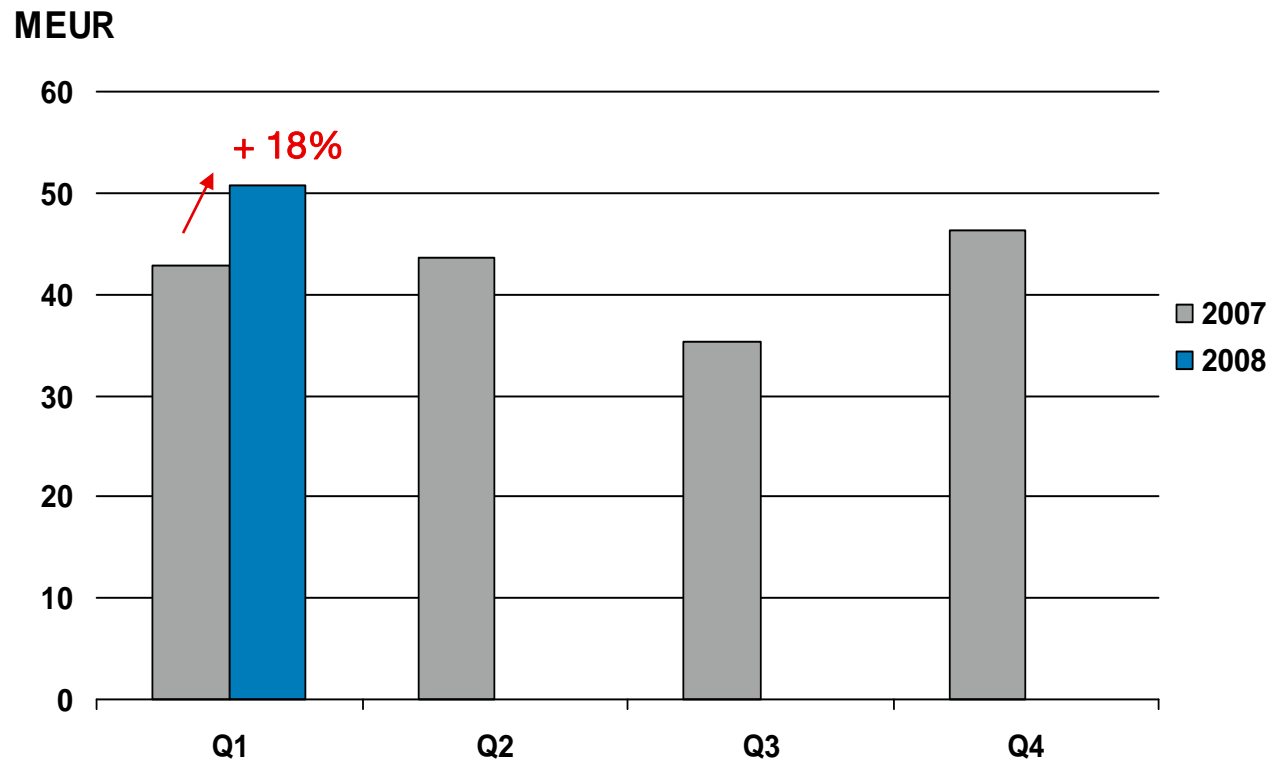
14% (14%)

Note: Other sales 1% (1%)

## Comparable sales to off-road industry quarterly

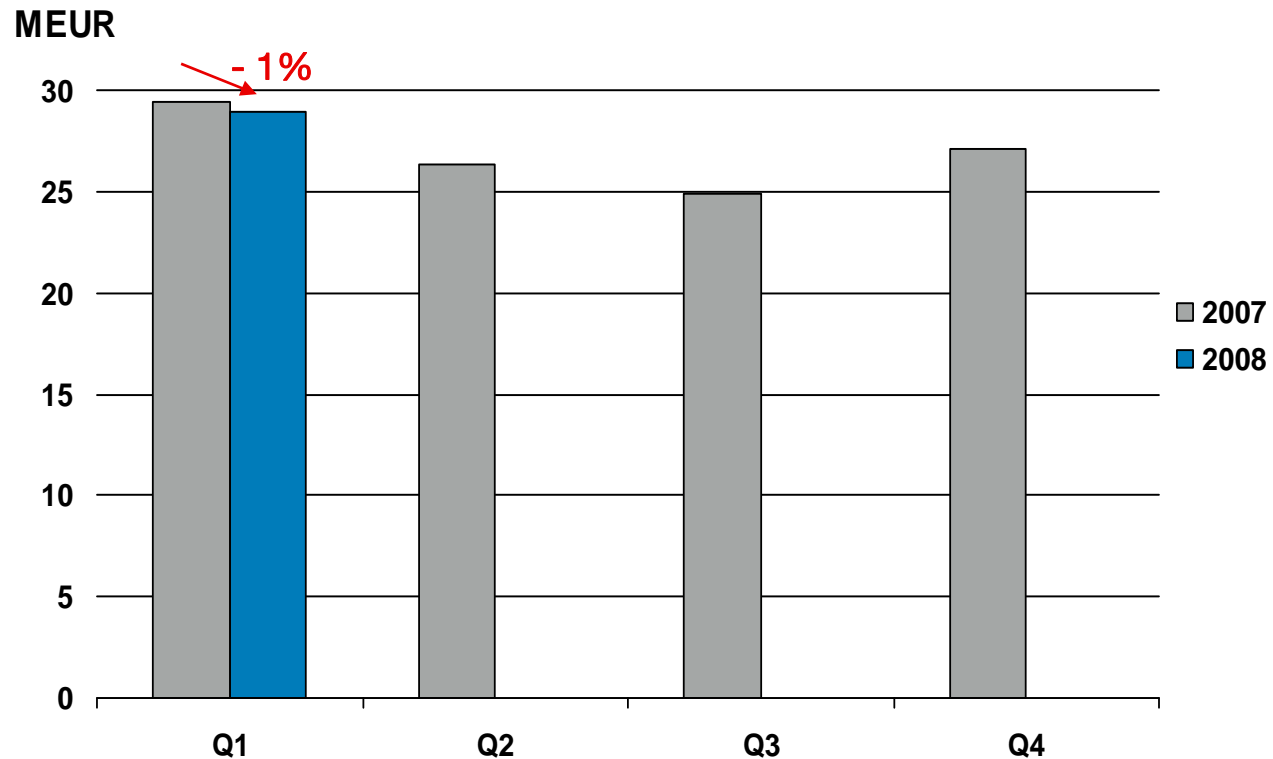


## Comparable sales to heavy trucks industry quarterly

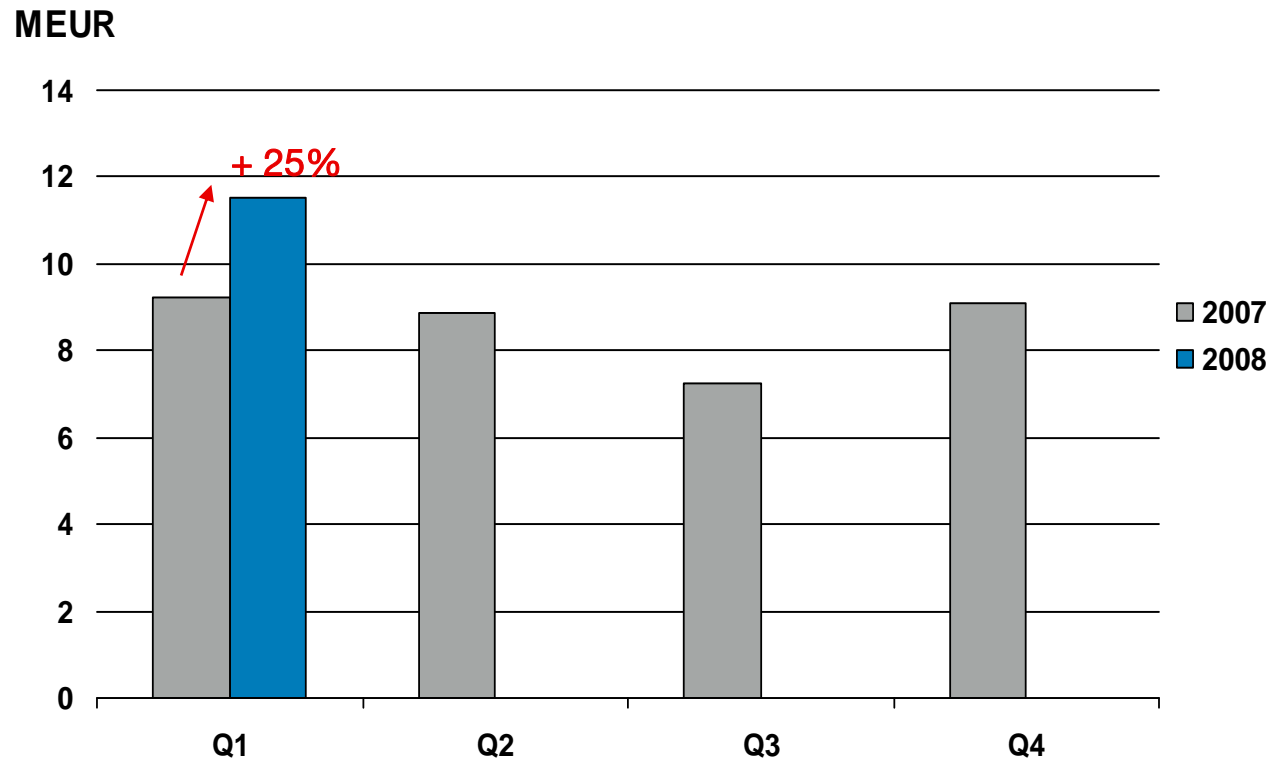




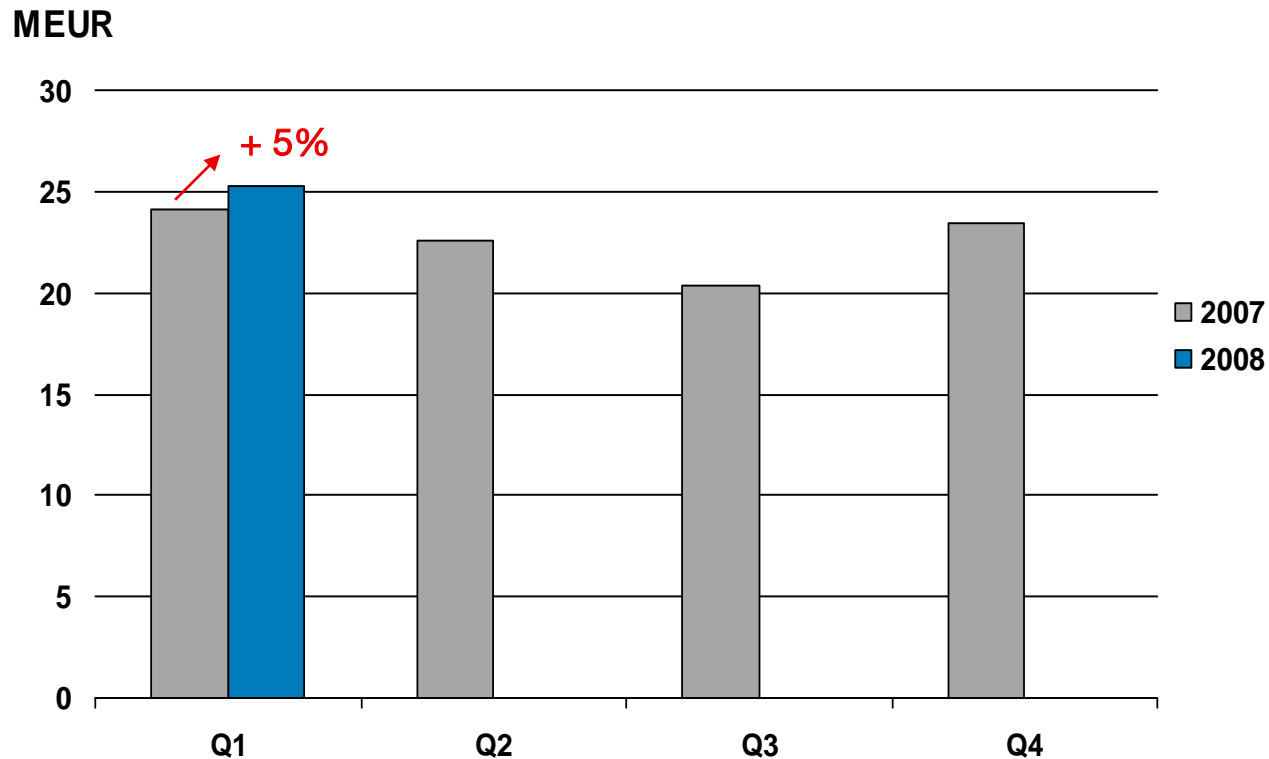
## Comparable sales to automotive industry quarterly



## Comparable sales to diesel & wind industry quarterly

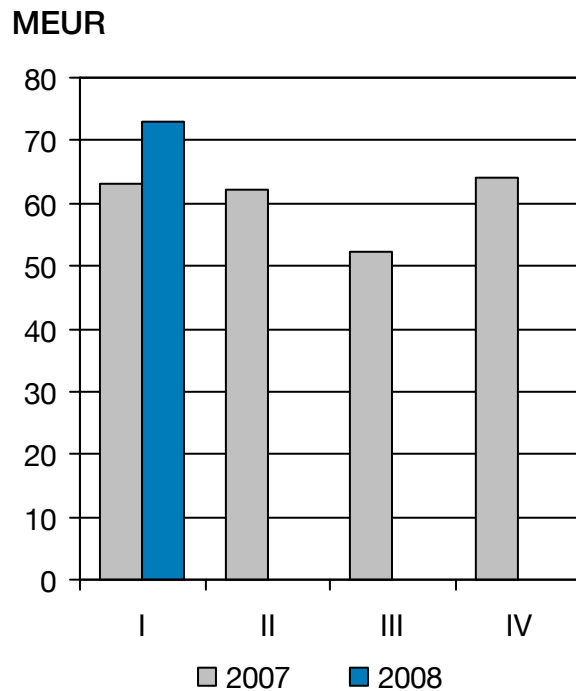


## Comparable sales to machine building industry quarterly

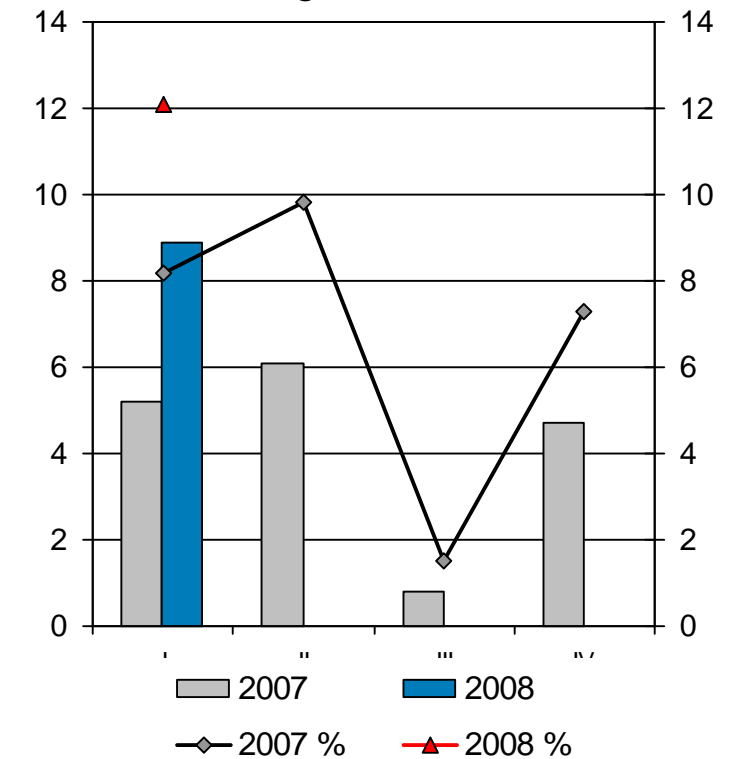


## Foundries division

Net sales



Operating profit  
MEUR excluding one-time items

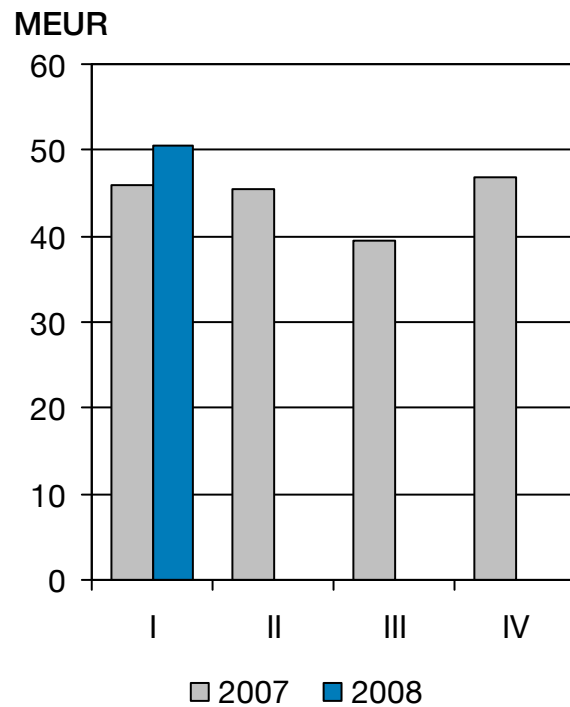


## Performance of Foundries division in Q1/2008

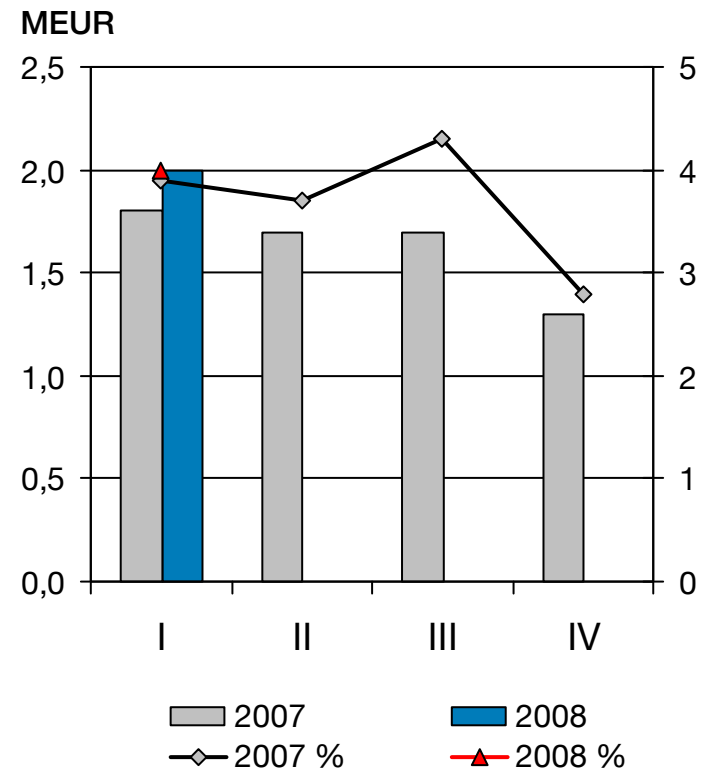
- The division contains the foundries in Karkkila, Pori, Pietarsaari and Iisalmi in Finland and in Weert and Heerlen in the Netherlands.
- Net sales in the first quarter totalled MEUR 73.1 (MEUR 63.1) and operating profit MEUR 8.9 or 12.1% of net sales (MEUR 5.2; 8.2%)
- The division's operating profit improved from the previous year mainly due to higher volumes and enhanced efficiency in operations.
- Rising raw material prices weakened the operating profit in the review period.

## Machine shops division

Net sales



Operating profit excluding one-time items

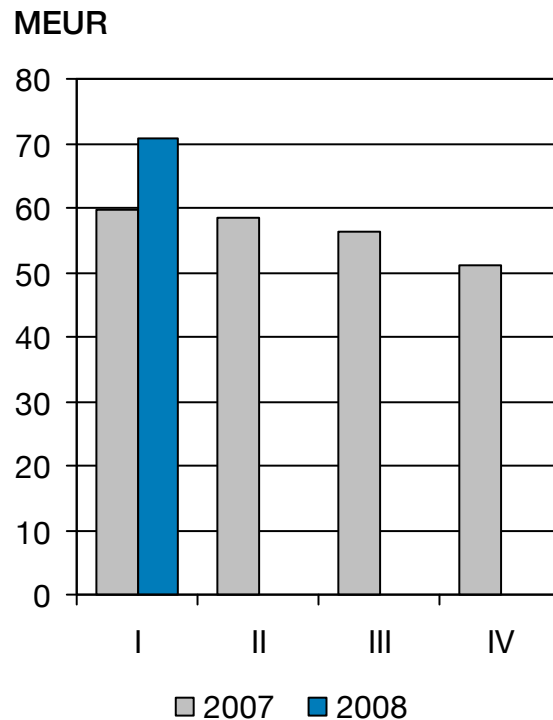


## Performance of Machine shops division in Q1/2008

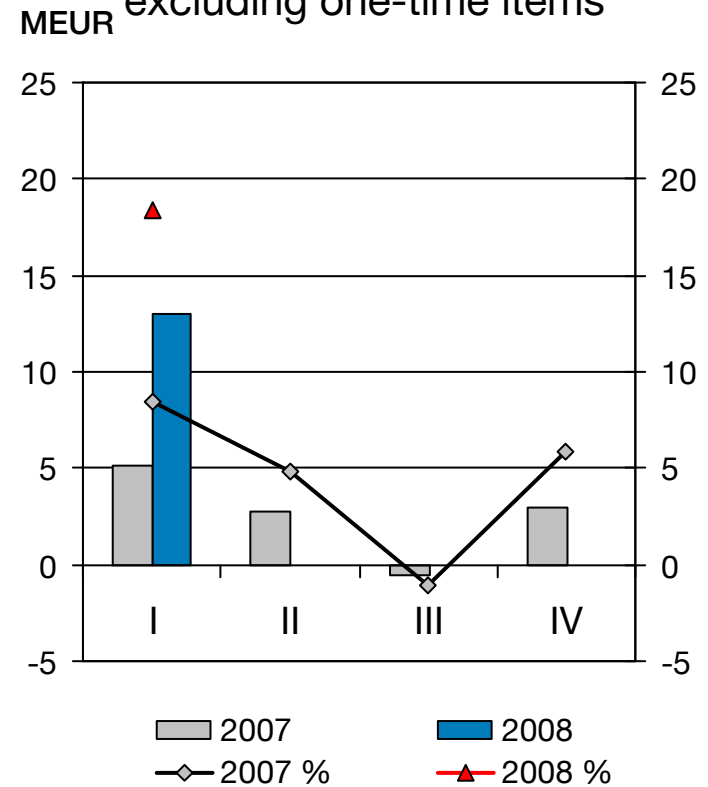
- The division contains the machine shops in Främmestad in Sweden, in Lempäälä and Pietarsaari in Finland, in Weert in the Netherlands and in Orhangazi in Turkey.
- Net sales in the first quarter totalled MEUR 50.5 (MEUR 46.0) and operating profit MEUR 2.0 or 4.0% of net sales (MEUR 1.8; 3.9%).
- The operations of Componenta Pistons and the Orhangazi machine shop have been included in the figures for the Machine Shops division as from the beginning of 2008.

## Döktas division

Net sales



Operating profit  
excluding one-time items



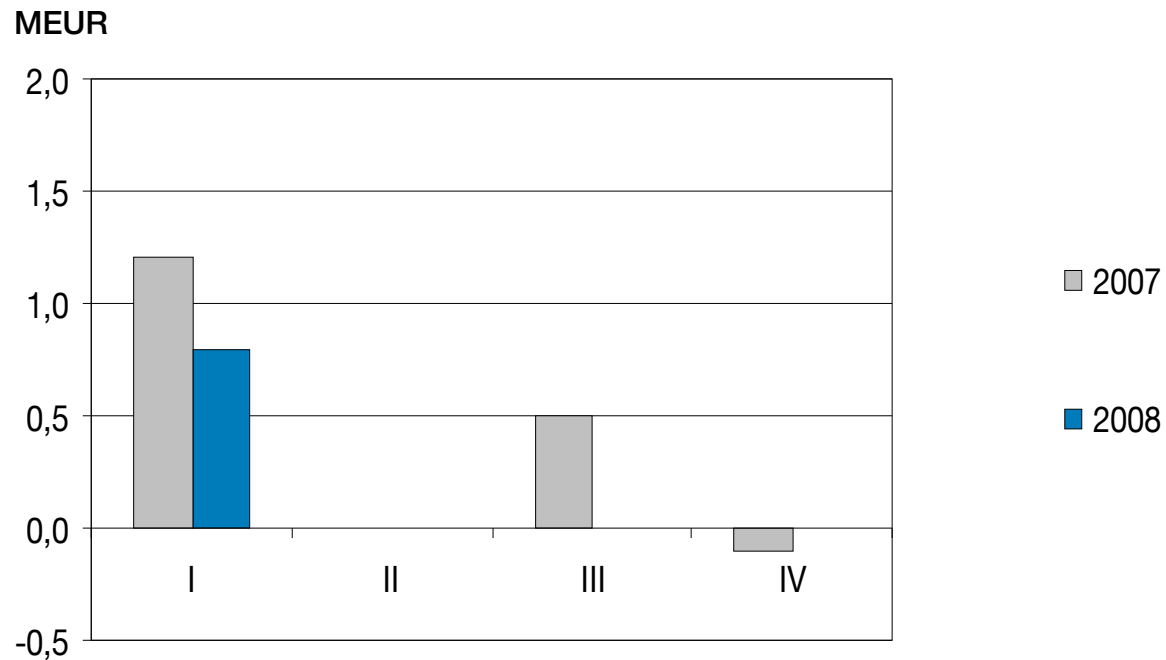


## Performance of Döktas division in Q1/2008

- The Döktas division comprises the iron foundry in Orhangazi and the aluminium foundry and machine shop in Manisa in Turkey.
- Net sales in the first quarter totalled MEUR 70.7 (MEUR 59.8) and operating profit MEUR 13.0, or 18.4% of net sales (MEUR 5.1; 8.5%).
- The division's operating profit increased considerably during the review period due to the weakening of the Turkish lira and higher efficiency in business operations.
- The change in exchange rates contributed MEUR 6.6 to the operating profit during the review period.

## Other business

Operating profit excluding internal items and excluding one-time items



## Performance of Other business in Q1/2008

- Other Business comprises the Componenta Wirsbo forges, the sales and logistics company Componenta UK, real estate companies and the Group's administrative functions.
- Other Business had an operating profit excluding one-time items in the review period of MEUR 0.8 (MEUR 1.2).

## Major ongoing investments to increase capacity and improve efficiency

### Orhangazi machine shop

- New building (3 MEUR) and investments in machinery to double the current machining capacity to 200,000 h/year (6 MEUR)

### Orhangazi foundry

- Increasing capacity by 40,000 ton to 180,000 ton/year by investing in melting, core and fettling shops to remove "bottle necks"
- After the renovation the biggest moulding line in the foundry is the most modern in Europe

### Karkkila foundry

- Enhancing of capacity by 8,000 ton to 35,000 ton/year by investments in shot blasting, new painting shop and fettling shop (4 MEUR)

### Suomivalimo foundry

- Growing the production capacity by 7,000 ton to 17,000 ton/year by investing in new melting furnace and modifications in moulding, shot blasting and model stock (6 MEUR)

## Prospects for 2008

- Componenta's prospects for 2008 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 all the Group's customer sectors is good at the beginning of the second quarter of 2008. Componenta's order book at the beginning of the second quarter of 2008 was 29% higher than at the corresponding time in the previous year. Global uncertainty in the financial market and unfavourable developments in currency exchange rates may weaken Componenta's prospects during the rest of the year.
- Combining the operations of Componenta and Döktas and enhancing the operations of the business units are expected to have a positive impact on the Group's operating profit in 2008.
- Componenta Group's 2008 net sales are forecast to rise and the result after financial items, excluding one-time items, should improve on the corresponding figures for 2007.