



# COMPONENTA

## **Componenta Corporation Interim report**

**1 January - 30 June 2007**

# COMPONENTA

## Review period in brief

- Comparable net sales grew 11.4% to MEUR 328.6 (MEUR 308.5)
- Operating profit excluding one-time items was MEUR 25.4 (MEUR 24.7)
- Profit after financial items was MEUR 14.8 (MEUR 15.4)
- Earnings per share was EUR 1.00 (EUR 1.18), including one-time items EUR 2.42.
- Operating profit of Karkkila foundry and Heerlen Furan foundry improved significantly during review period.
- Second quarter profit was MEUR 5.5 (MEUR 10.1). The profit was weakened especially by items due to developments in the Turkish lira and raw material prices.
- The consolidation in Sweden of the Componenta Åmål machine shop with the operations of Componenta Främmestad will take place in the second half of the year.
- Order book grew by 16% to MEUR 106.9 (MEUR 92.0).

# COMPONENTA

## Income statement

<b>MEUR</b>	<b>pro forma</b>		<b>pro forma</b>
	<b>2007</b>	<b>2006</b>	<b>2006</b>
	<b>1 - 6</b>	<b>1 - 6</b>	<b>1 - 12</b>
<b>Net sales</b>	<b>328.6</b>	<b>308.5</b>	<b>602.3</b>
<b>Operating profit before one-time items</b>	<b>25.4</b>	<b>24.7</b>	<b>40.4</b>
Financial income and expenses	-10.6	9.3	-18.8
<b>Result after financial items (before one-time items)</b>	<b>14.8</b>	<b>15.4</b>	<b>21.7</b>
One-time items	12.9	0.0	13.8
<b>Result after financial items</b>	<b>27.7</b>	<b>15.4</b>	<b>35.5</b>
<b>Net result</b>	<b>25.1</b>	<b>10.8</b>	<b>27.2</b>
<b>Earnings per share, EUR (excluding one-time items)</b>	<b>1.00</b>	<b>1.18</b>	<b>1.56</b>
<b>Earnings per share, EUR</b>	<b>2.42</b>	<b>1.18</b>	<b>2.80</b>

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## Income statement Q2

<b>MEUR</b>	<b>pro forma</b>	
	<b>2007</b>	<b>2006</b>
	<b>4 - 6</b>	<b>4 - 6</b>
<b>Net sales</b>	<b>160.7</b>	<b>156.2</b>
<b>Operating profit before one-time items</b>	<b>11.7</b>	<b>15.1</b>
Financial income and expenses	-6.2	-5.0
<b>Result after financial items (before one-time items)</b>	<b>5.5</b>	<b>10.1</b>
One-time items	0.0	0.0
<b>Result after financial items</b>	<b>5.5</b>	<b>10.1</b>
<b>Net result</b>	<b>4.3</b>	<b>6.7</b>
<b>Earnings per share, EUR (excluding one-time items)</b>	<b>0.41</b>	<b>0.70</b>
<b>Earnings per share, EUR</b>	<b>0.41</b>	<b>0.70</b>

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## Key Ratios

	30.6.2007	30.6.2006	31.12.2006
Equity ratio, % (preferred capital note in equity)	31.2	33.4	32.5
Return on equity, %	58.5	20.5	*) 33.9
Return on equity, % (excluding one-time items)	25.6	20.5	*) 19.0
Return on investment, %	21.2	12.9	*) 11.3
Return on investment, % (excluding one-time items)	14.2	12.9	*) 11.4
Net interest bearing debt, MEUR (preferred capital note in equity)	213.9	102.3	186.9
Net gearing, % (preferred capital note in equity)	140.3	113.6	123.1
Order book, MEUR	106.9	*) 92.0	*) 95.4
Investments in non-current assets	50.6	4.3	123.6
Average number of personnel	4 214	*) 4 046	*) 4 316

\*) pro forma

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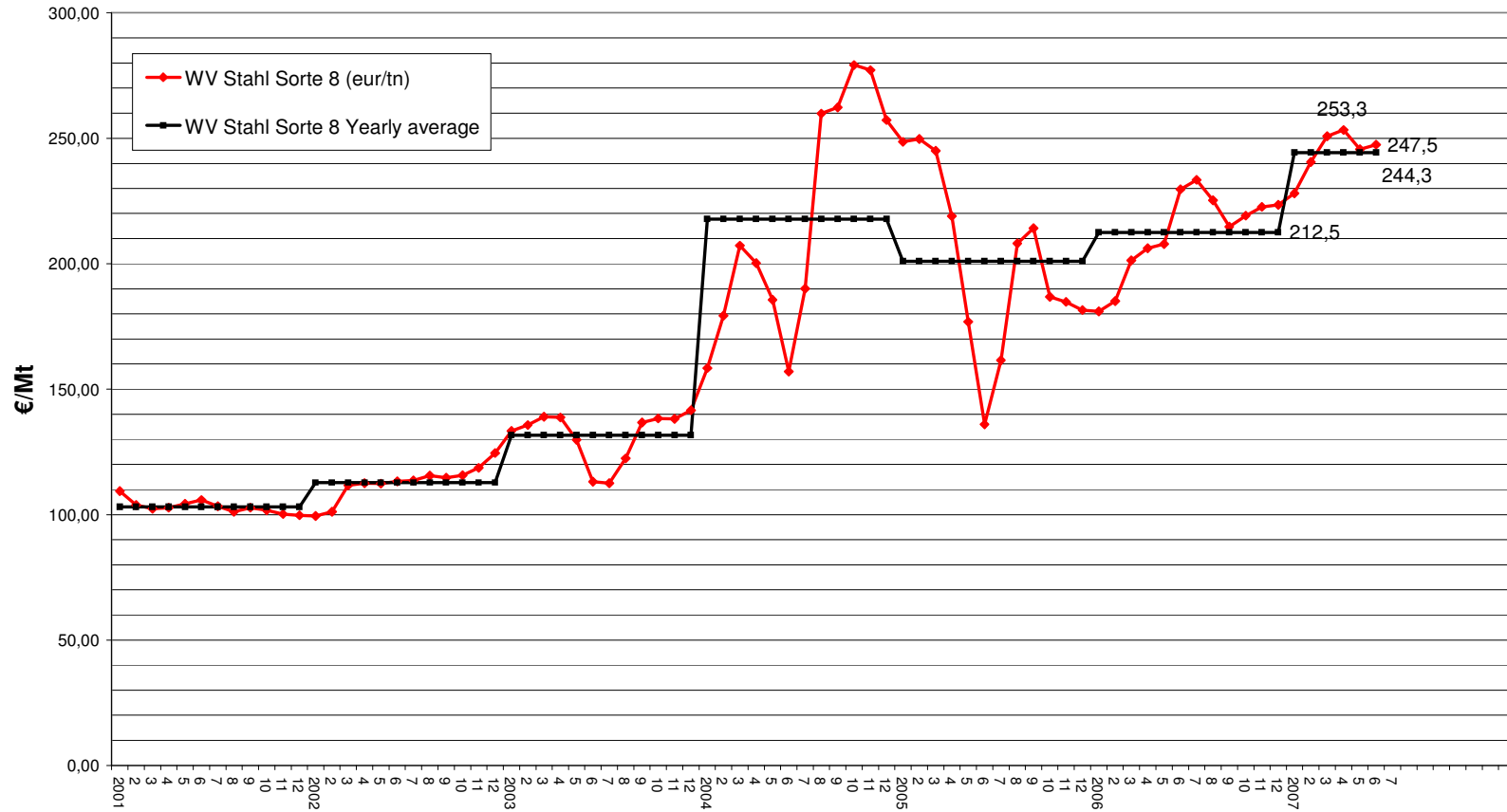
## Cash flow

<b>MEUR</b>	<b>2007</b>	<b>2006</b>	<b>2006</b>
	<b>1 - 6</b>	<b>1 - 6</b>	<b>1 - 12</b>
<b>Cash flow before changes in working capital</b>	<b>34.8</b>	<b>23.7</b>	<b>32.1</b>
Change in net working capital	-16.0	-7.4	1.6
<b>Cash flow before financing and income taxes</b>	<b>18.8</b>	<b>16.3</b>	<b>33.7</b>
<b>Cash flow from operations</b>	<b>6.1</b>	<b>11.8</b>	<b>26.2</b>
Capital expenditure in tangible and intangible assets	-10.5	-3.2	-7.0
Cash flow from investing activities (incl. Investments in subsidiaries)	-16.9	0.1	-97.2
<b>Cash flow from financing activities</b>	<b>19.2</b>	<b>-12.0</b>	<b>88.1</b>
<b>Increase (+)/ decrease(-) in cash and bank accounts</b>	<b>-2.0</b>	<b>-3.4</b>	<b>10.0</b>

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## Wvstahl Sorte 8 / package scrap (eur/tn) (Source: Wvstahl)

Updated 03.07.2007



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## Net sales and order book

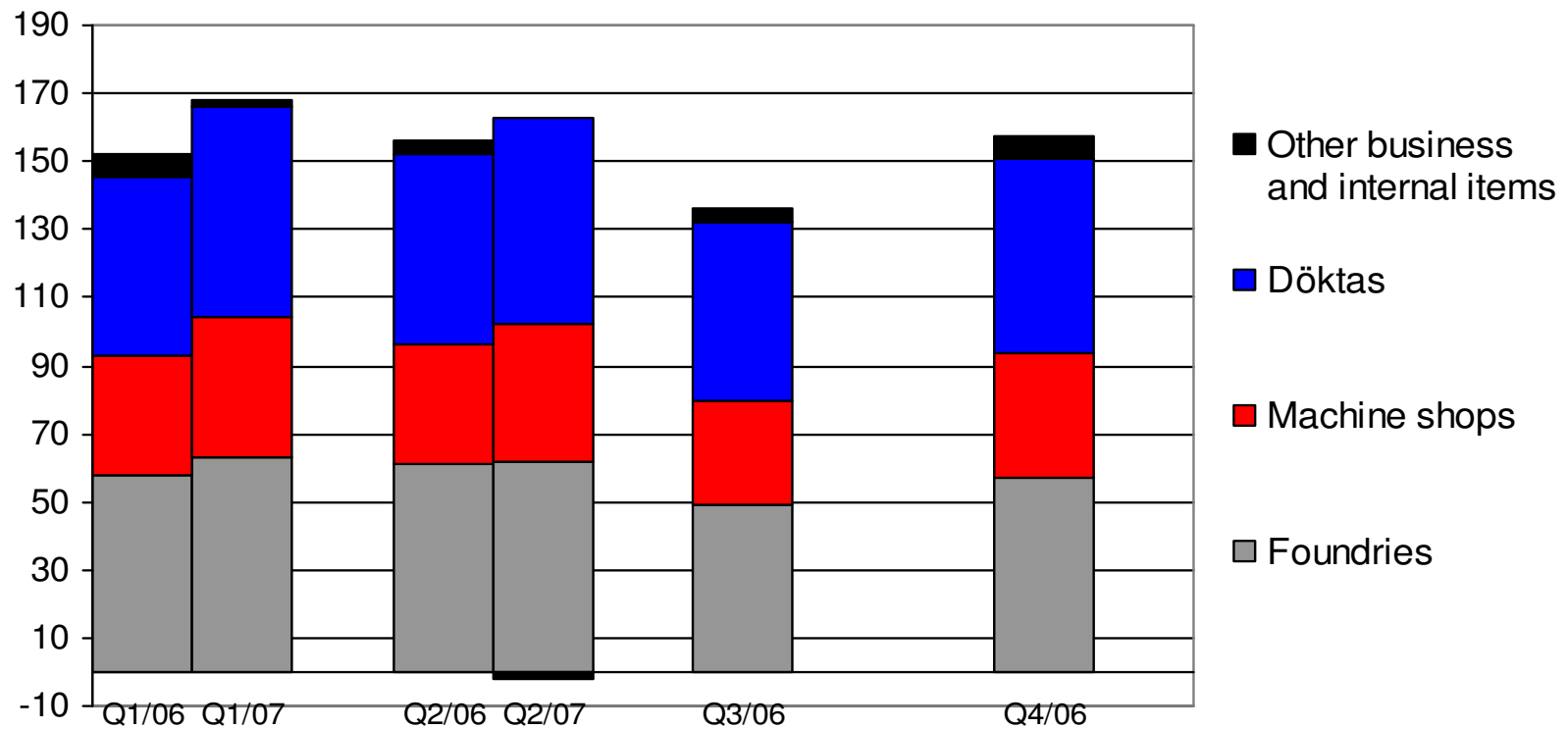
- Comparable development in net sales by customer sector:
  - Off-road manufacturers + 9%
  - Heavy truck industry + 6%
  - Car and light truck manufacturers +11%
  - Machine building + 9%
  - Power and transmission +21%
- Componenta's order book stood at MEUR 106.9 (MEUR 92.0) at the end of June.



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## Net sales

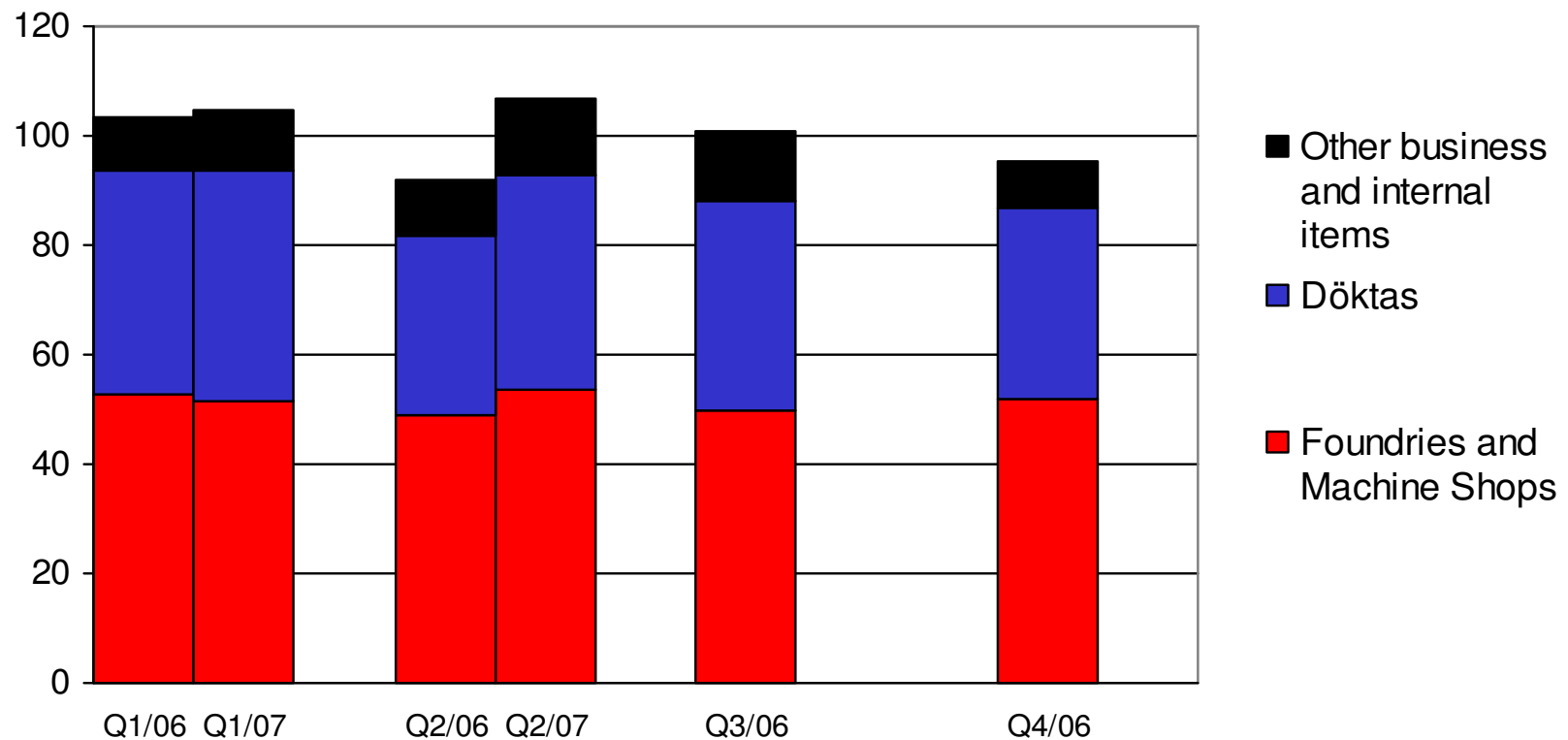
MEUR



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## Order book

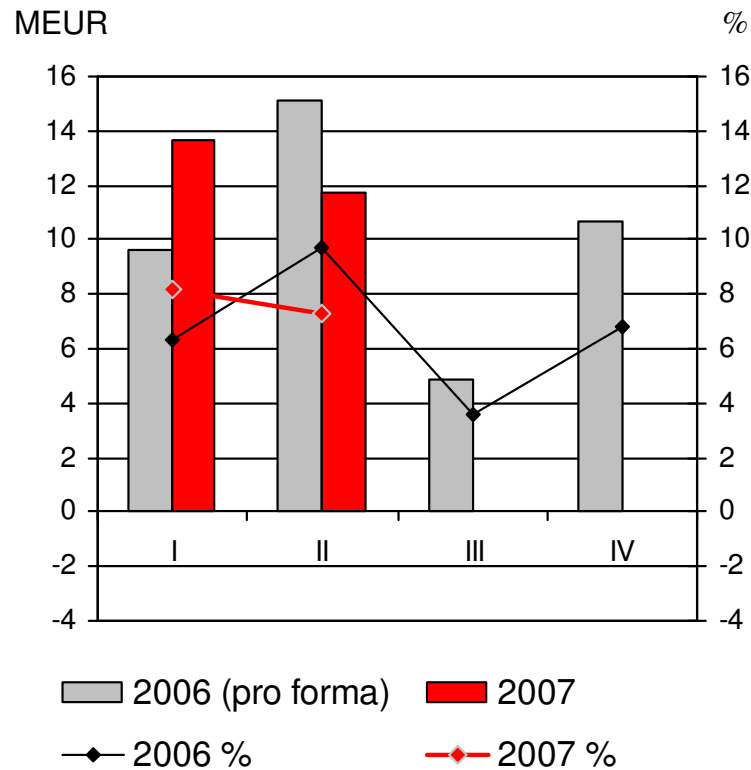
MEUR



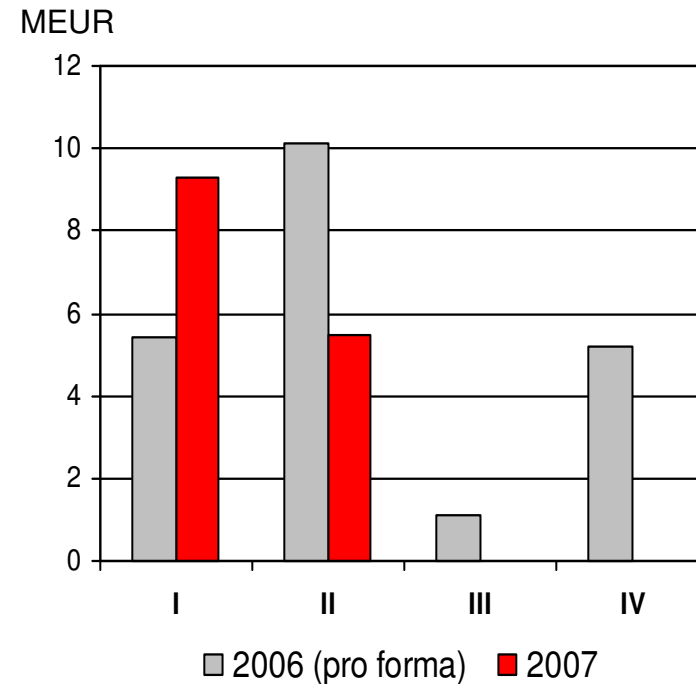
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## Operating profit and result after financial items before one-time items

### Operating profit

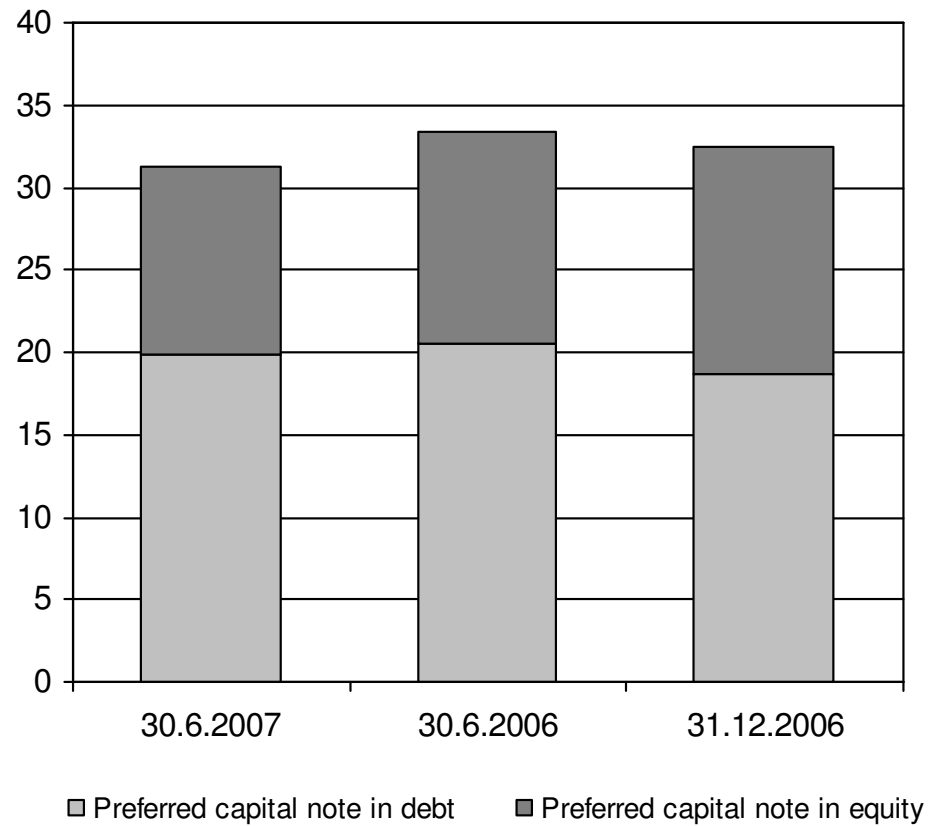


### Profit after financial items



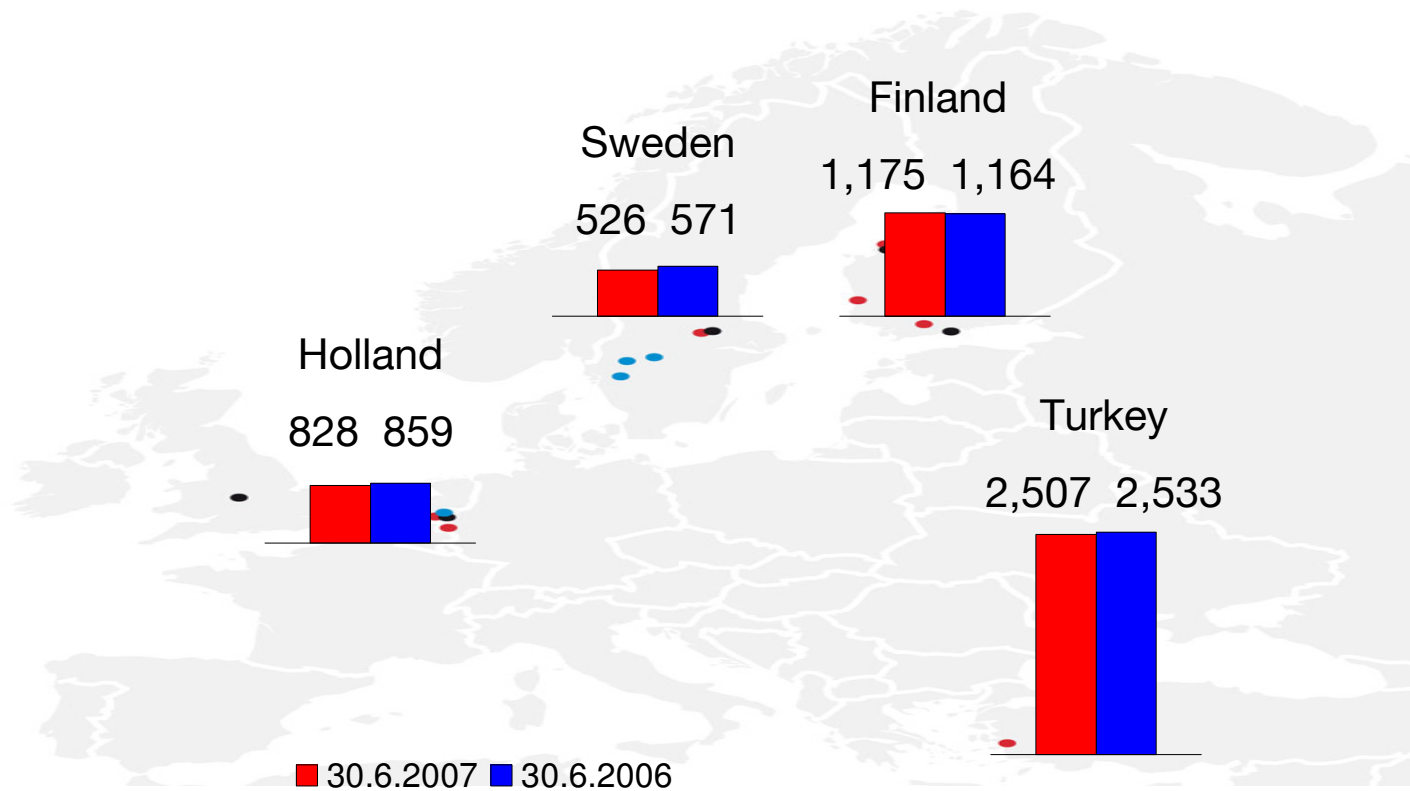
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## Equity ratio, %



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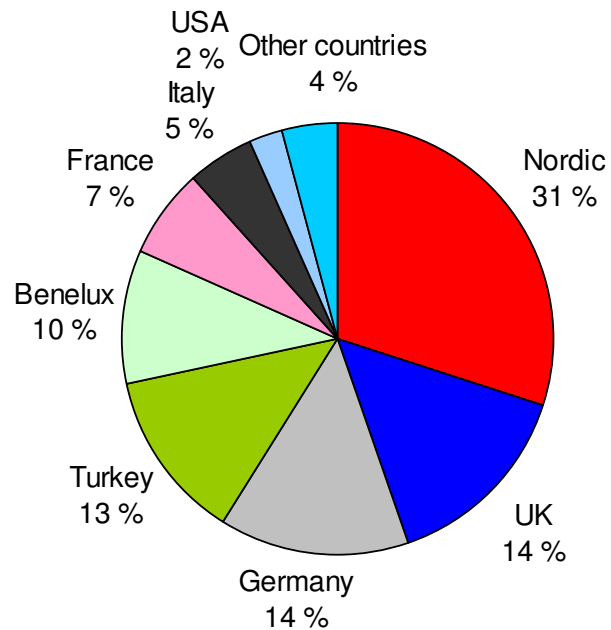
## Personnel by country including leased personnel



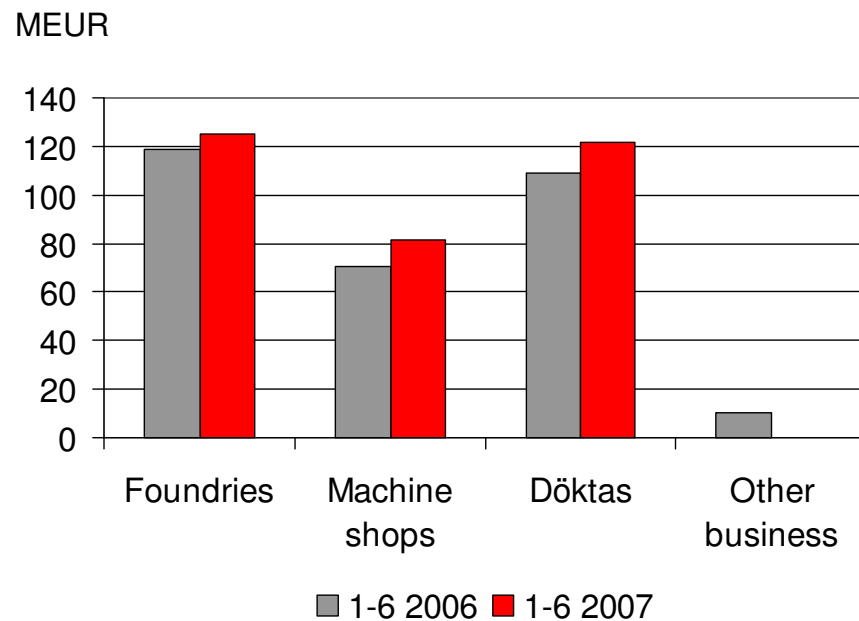
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## Division of sales

### Sales by market area



### Sales by division



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## Sales to customer industries



**Off-road**

**Heavy  
trucks**

**Light  
vehicles**

**Machine  
building**

**Power and  
transmission**

**36% (37%)**

**26% (27%)**

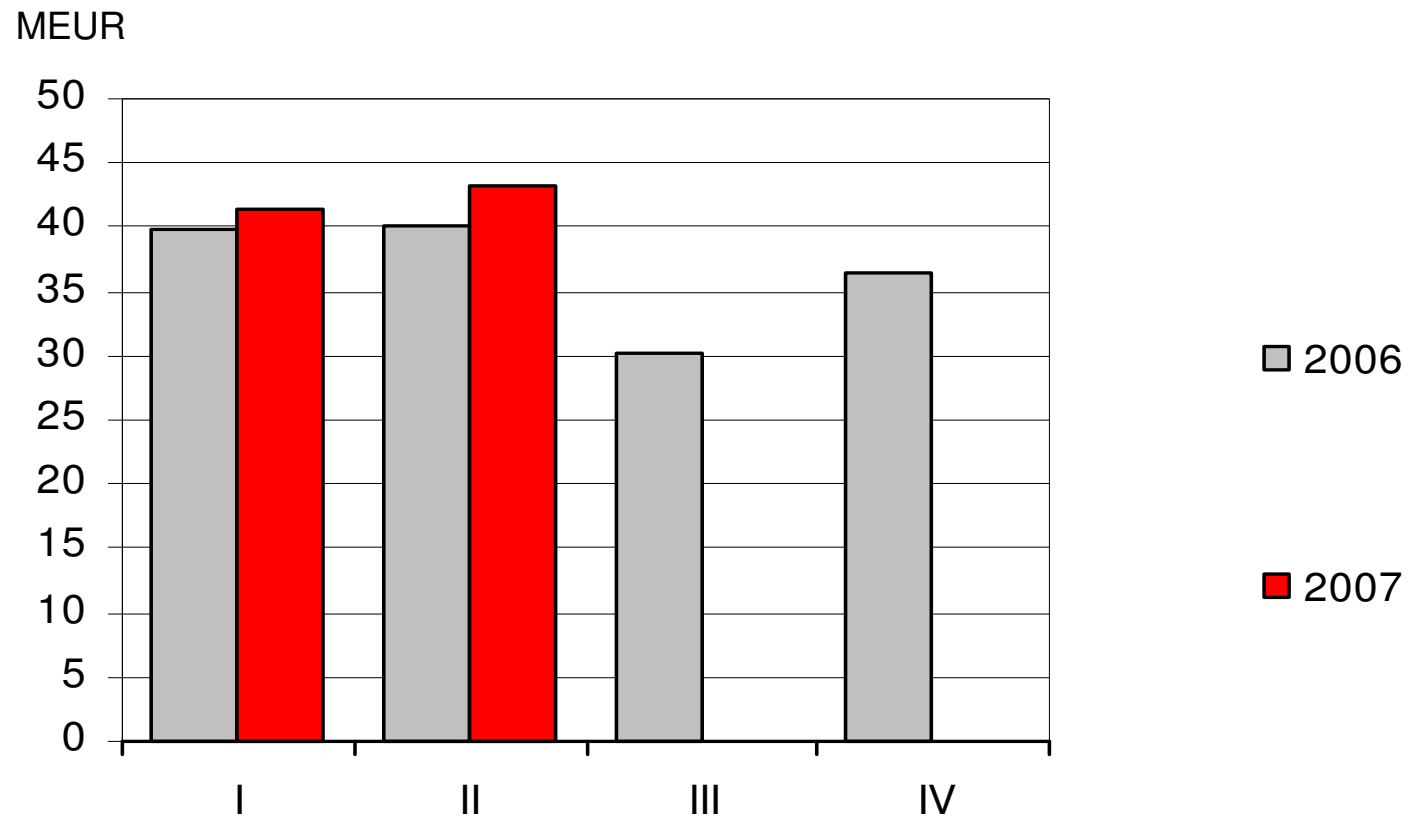
**17% (17%)**

**11% (11%)**

**9% (8%)**

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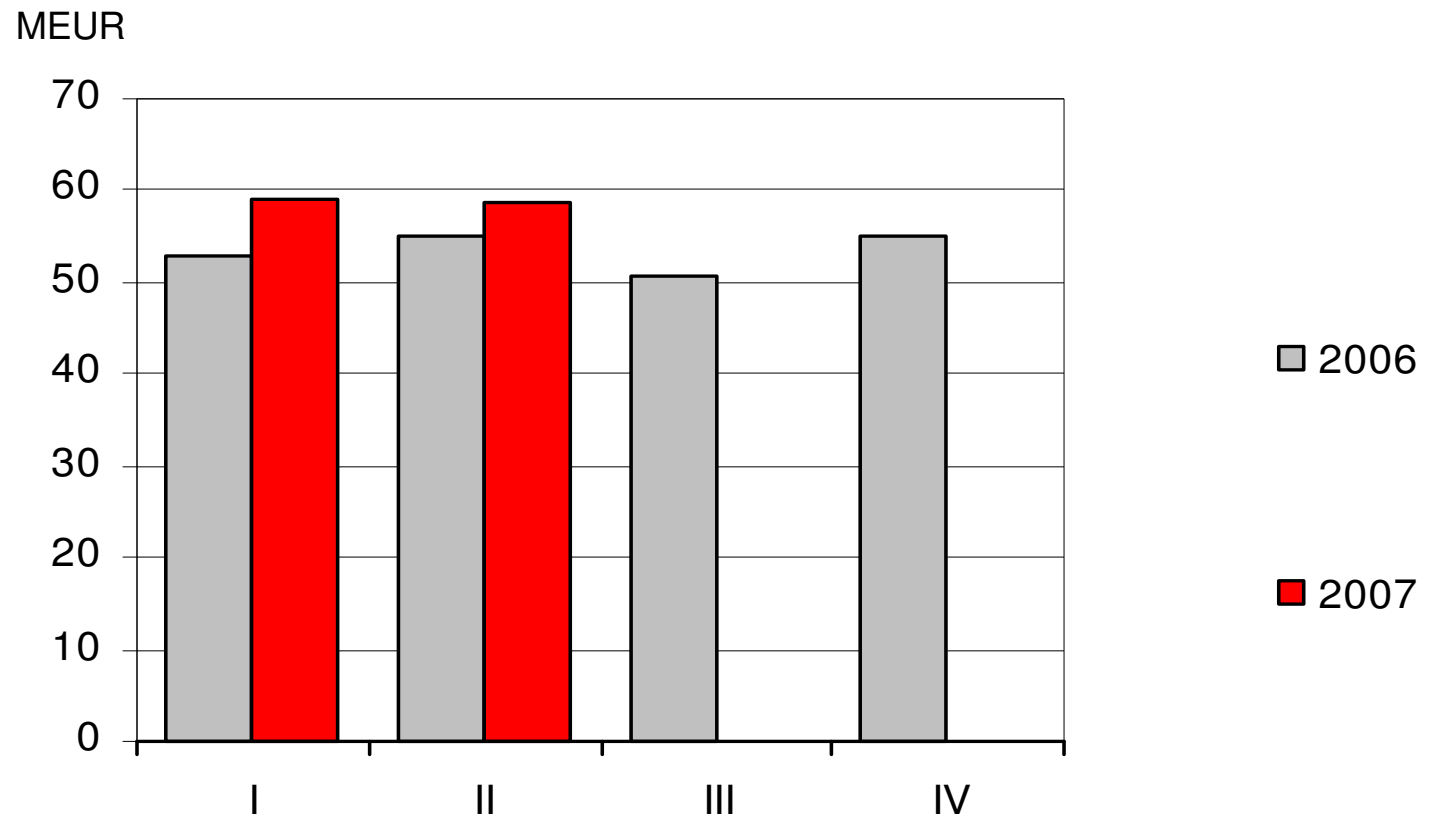
## Sales to heavy truck industry





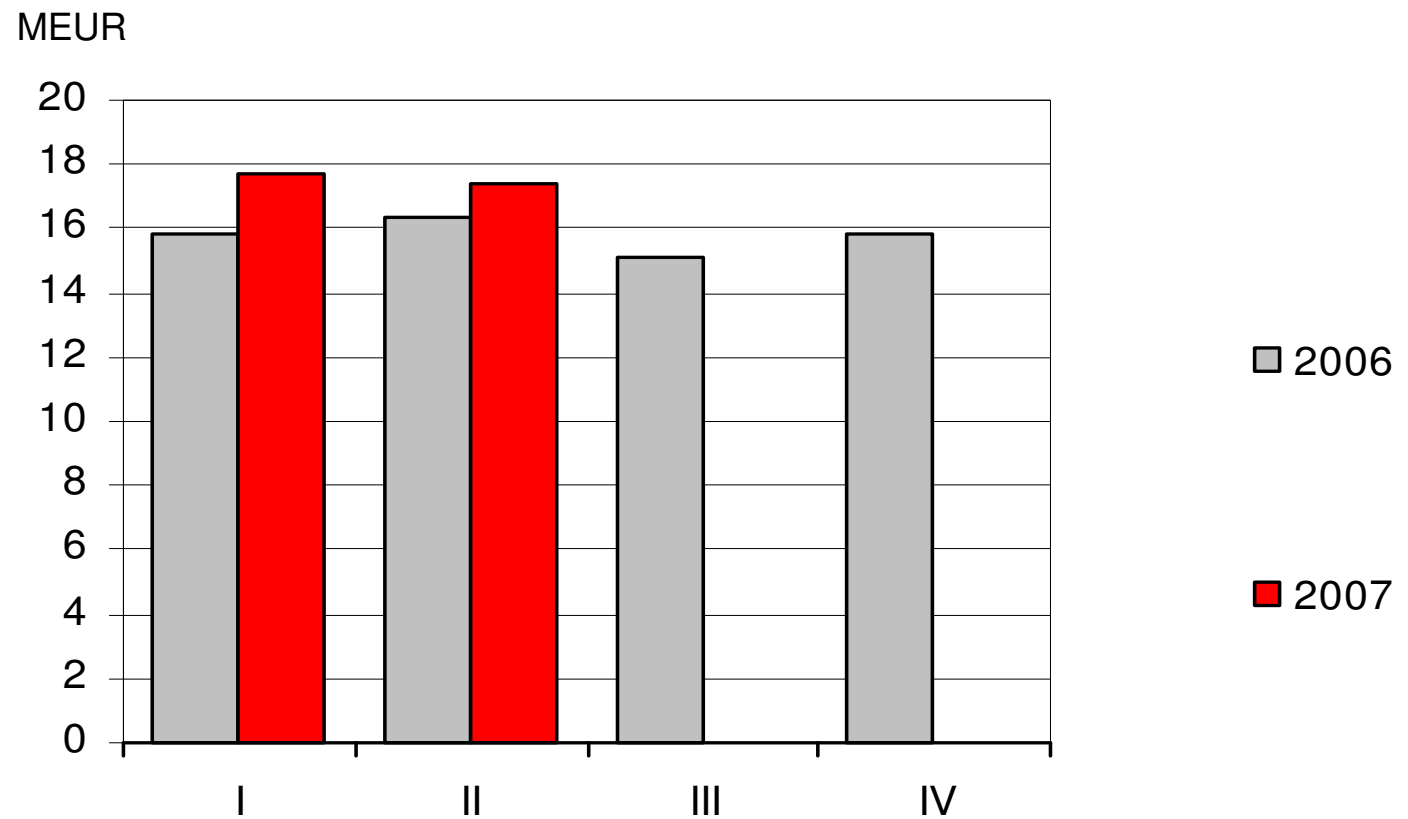
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## Sales to off-road industry



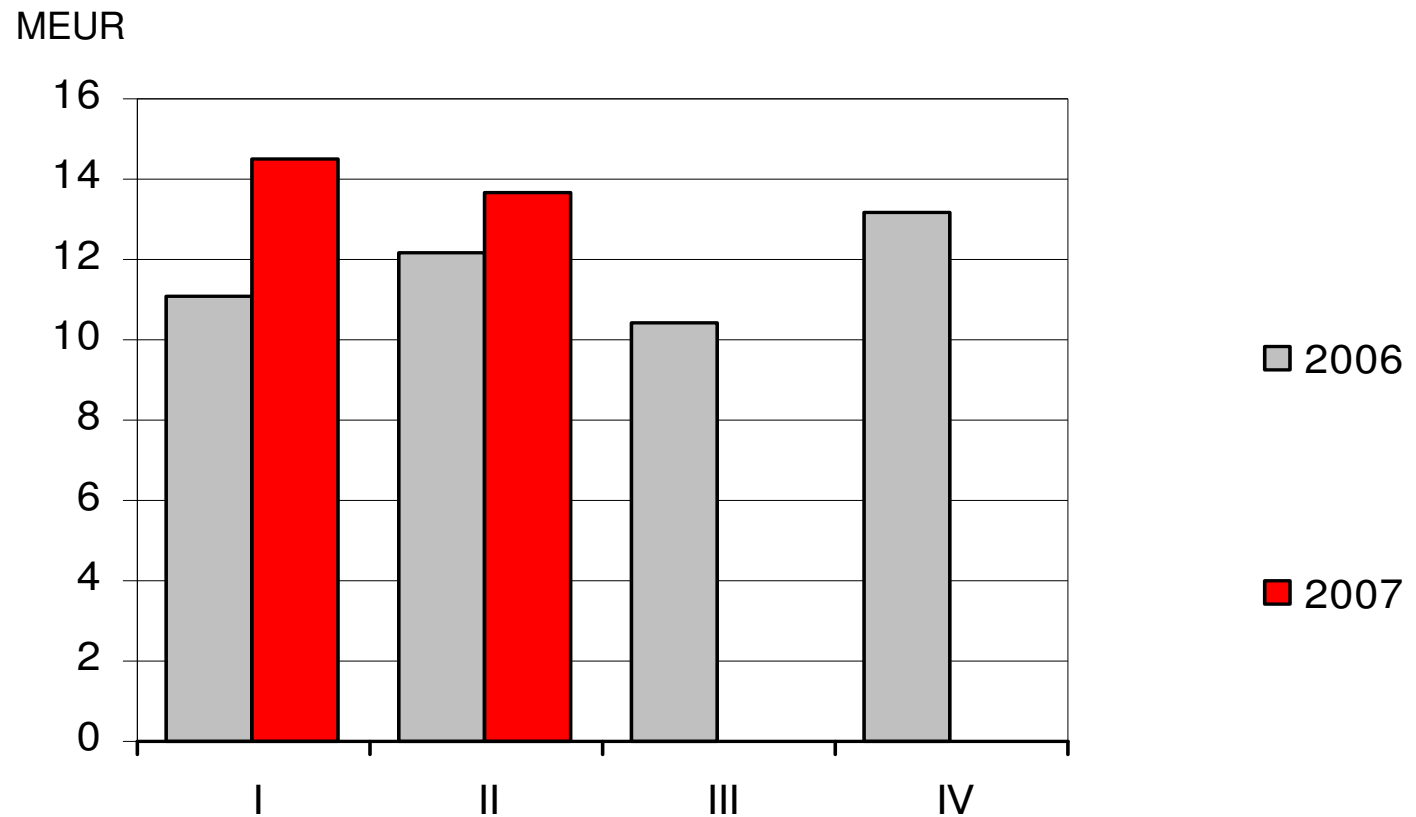
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## Sales to machine building industry



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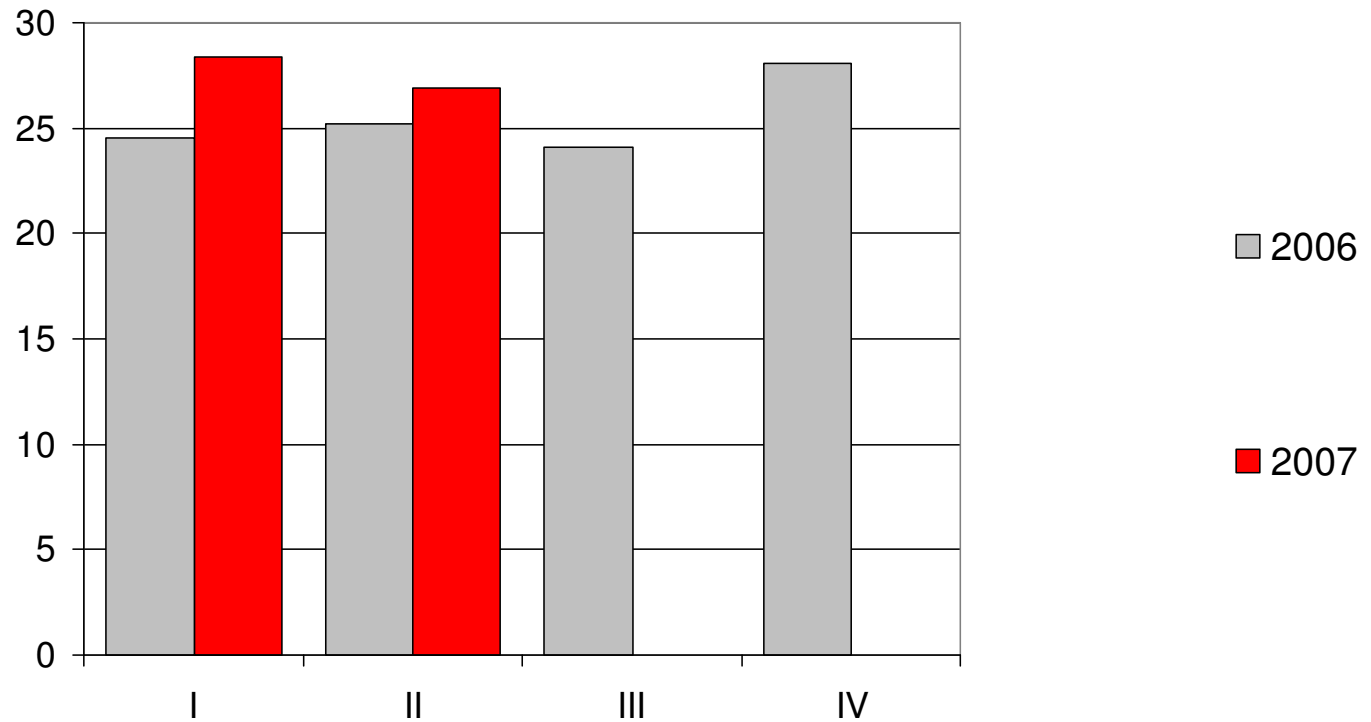
## Sales to power and transmission industry



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## Sales to light vehicle industry

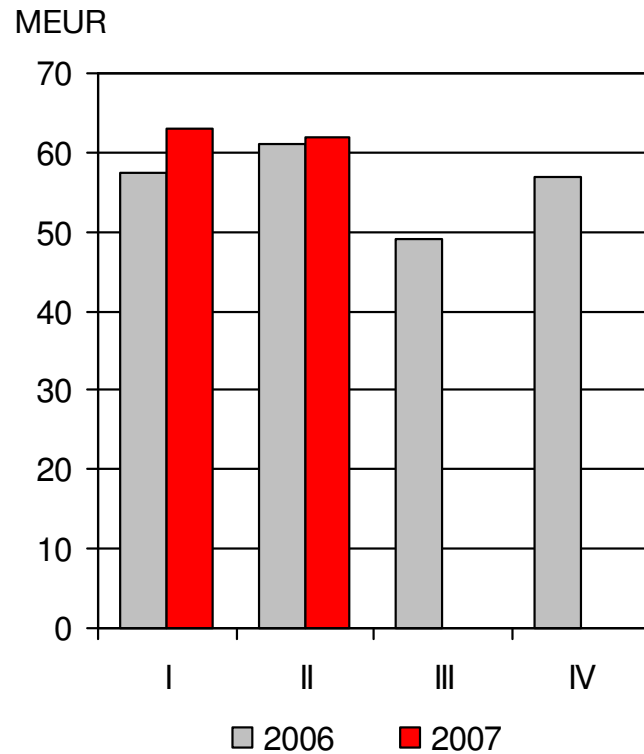
MEUR



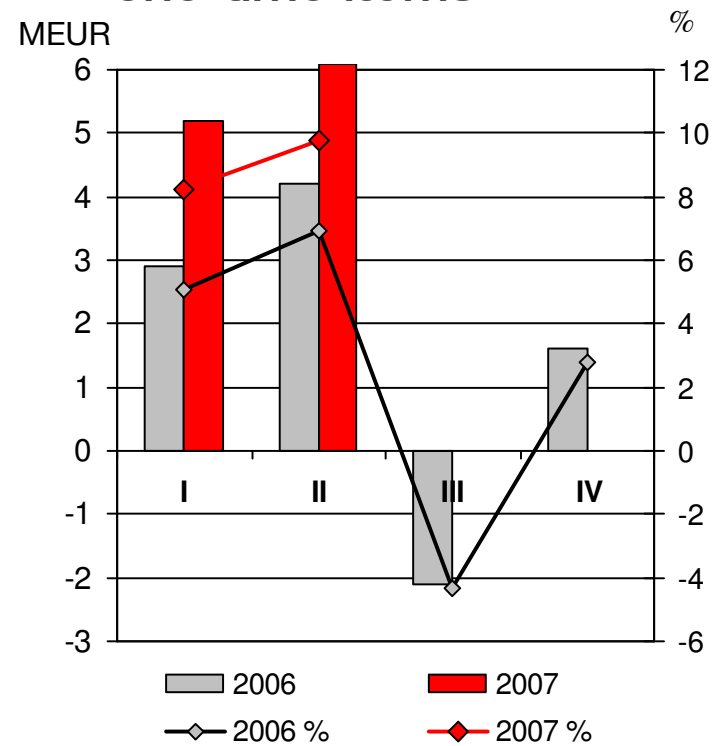
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## Foundries

### Net sales



### Operating profit before one-time items



# COMPONENTA

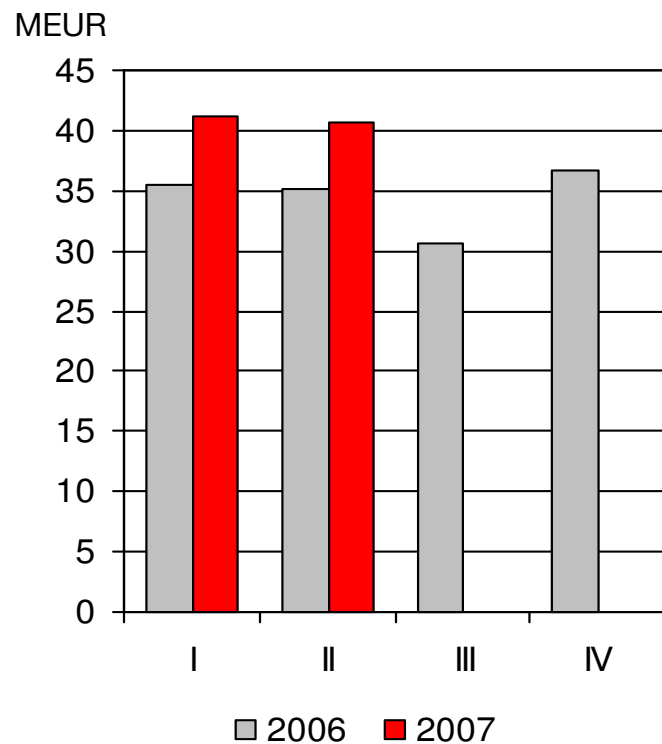
## Performance of Foundries division

- The division contains the Group's foundries in Pori, Karkkila, Pietarsaari, Iisalmi, Weert and Heerlen.
- Net sales were MEUR 125.1 (MEUR 118.7) and operating profit was MEUR 11.3, 9.0% of net sales (MEUR 7.1, 6.0%).
- The operating profit of the Karkkila and Heerlen Furan foundries improved considerably during the first half of the year.
- The division's operating result suffered from rising raw material prices. The rise in prices is mainly passed on to customer prices in the following quarter.
- Operating profit improved from the previous year as a result of higher volumes and enhanced efficiency in operations.

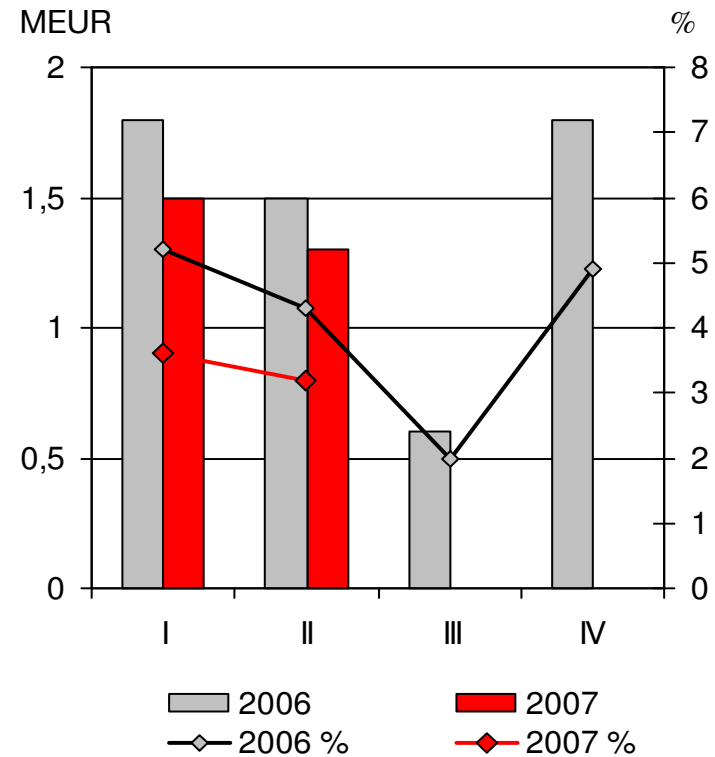
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## Machine shops

### Net sales



### Operating profit before one-time items



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## Performance of Machine shops division

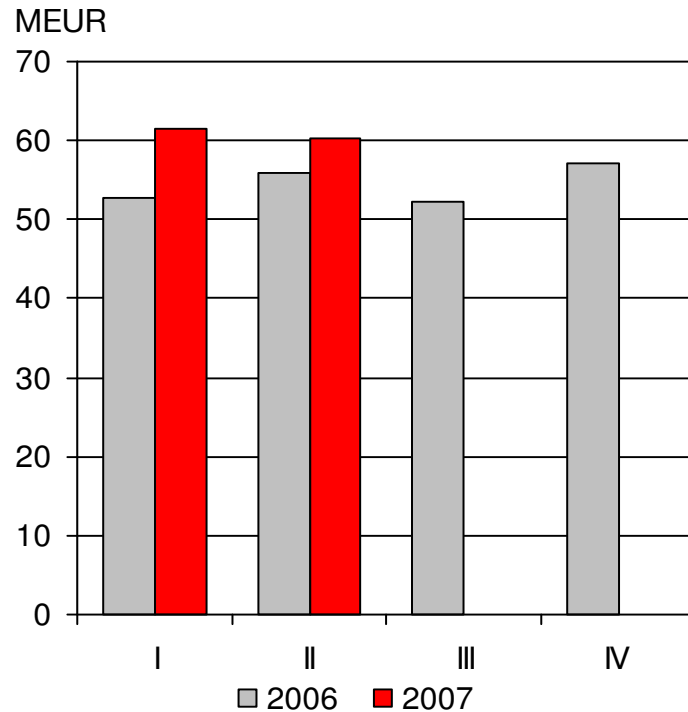
- The division contains the Främmestad and Åmål machine shops in Sweden, the machine shops in Pori, Pietarsaari and Lempäälä in Finland, and machine shop operations in the Netherlands.
- Net sales in January-June totaled MEUR 81.7 (MEUR 70.5) and operating profit was MEUR 2.8, 3.4% of net sales (MEUR 3.4, 4.8%).
- In June Componenta completed the negotiations with trade unions that started on 21 March concerning the proposal to consolidate the operations of the Componenta Åmål machine shop with Componenta Främmestad in Sweden. The consolidation will take place during 2007.
  - A provision of MEUR 4.7 was recorded in one-time costs for the previous quarter (Q1) for the financial impact of the consolidation.
  - All employees at the Componenta Åmål machine shop are being offered a job at Componenta Främmestad under their current employment terms. The Åmål machine shop employed 65 people when negotiations were started in March 2007. At the moment about half this number is still working there.
  - Consolidating operations is expected to improve the combined result of the units by MEUR 2 as from 2008.



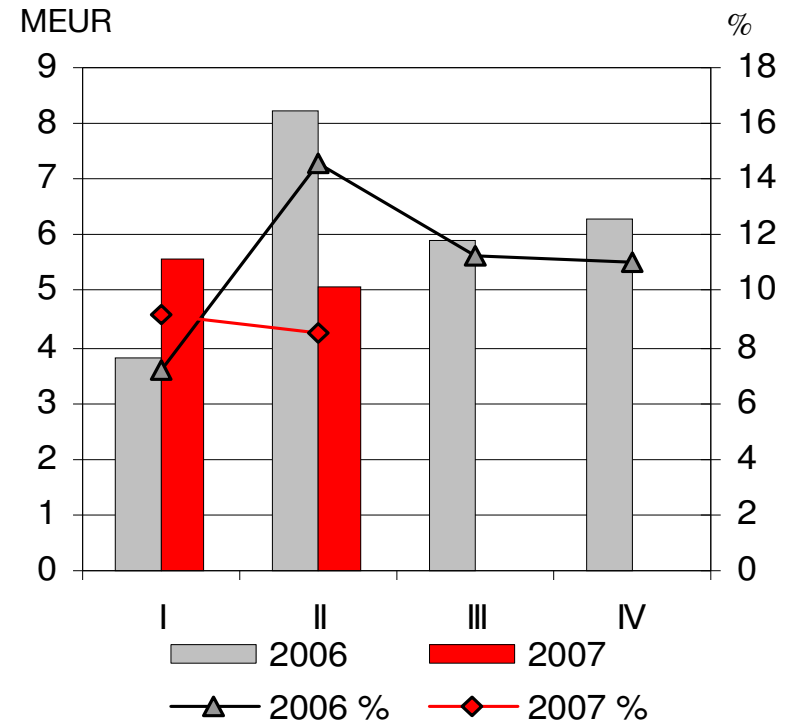
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## Döktas

### Net sales



### Operating profit before one-time items



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## Performance of Döktas

- The division comprises the iron foundry and machine shop in Orhangazi and the aluminium foundry and machine shop in Manisa.
- Döktas had net sales of MEUR 121.7 (MEUR 108.8) and operating profit of MEUR 10.7, 8.8% of net sales (MEUR 12.0, 11.0%). The operating profit in the previous year was exceptionally high due to favourable developments in exchange rates.
- The division's result in the second quarter suffered from the rise in raw material prices, unfavourable developments in exchange rates, and exceptionally weak sales of aluminium wheels.
- The Döktas unit in Orhangazi manufacturing cast components had net sales of MEUR 82.4 (MEUR 72.7) and operating profit of MEUR 8.1, 9.8% of net sales (MEUR 8.2, 11.2%).
- The Döktas unit in Manisa making aluminium components had net sales of MEUR 39.3 (MEUR 36.1) and operating profit of MEUR 2.6, 6.7% of net sales (MEUR 3.7, 10.2%).

# COMPONENTA

## Other Business

Operating profit before one-time items



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## Performance of Other Business

- Other Business comprises the service companies, the Componenta Wirsbo forges, the Sherbrook sales company, Componenta Pistons, elimination of intra-group items, the business of Componenta Albin that has been divested, and the Group's share of the figures for associated company Ulefos NV that has been divested.
- Other Business had an operating profit excluding one-time items in January-June of MEUR 0.6 (MEUR 2.2).
- The divestments (Ulefos NV and Albin) and the one-time elimination of intra-group margin (Döktas and Sherbrook) affected the operating profit of Other Business.

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## Prospects Q3/2007

- Componenta's prospects in 2007 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 the Group's customer sectors looks good in the first half of 2007. Rising interest rates and unfavourable developments in exchange rates in Europe may weaken prospects during the year.
- Combining the operations of Componenta and Döktas is expected to achieve synergy benefits of MEUR 10 by the end of 2008. Some of the synergies are expected to improve the result for this year.
- The operating results for the Karkkila and Heerlen units are expected to improve in 2007.

# COMPONENTA

## Prospects Q3/2007

- Componenta's order book was at a higher level at the end of the second quarter in 2007 than at the same time in the previous year.
- Net sales in 2007 are expected to increase and the result after financial items, excluding one-time items, to improve on the corresponding pro forma figures for 2006.