

COMPONENTA

Componenta Corporation

Interim Report

1 January – 30 September 2008

Review period in brief

- Net sales in the review period were MEUR 556.1 (MEUR 471.8). Comparable net sales grew 19.3%.
- Operating profit excluding one-time items was MEUR 53.9 (MEUR 26.2).
- Result after financial items excluding one-time items was MEUR 35.3 (MEUR 11.8).
- Result for the period was MEUR 26.5 (MEUR 22.9).
- Basic earnings per share excluding one-time items were EUR 2.35 (EUR 0.76).
- The consolidated operating profit improved from the previous year. The operating profit of all the divisions improved from the previous year. Factors contributing to the result were encouraging developments in product volumes and greater efficiency in business operations.
- At the end of the review period the Group had MEUR 80 in unused long-term credit facilities. In addition during the period the Group signed an agreement with Componenta's Finnish pension companies on taking long-term pension loans totalling MEUR 20.

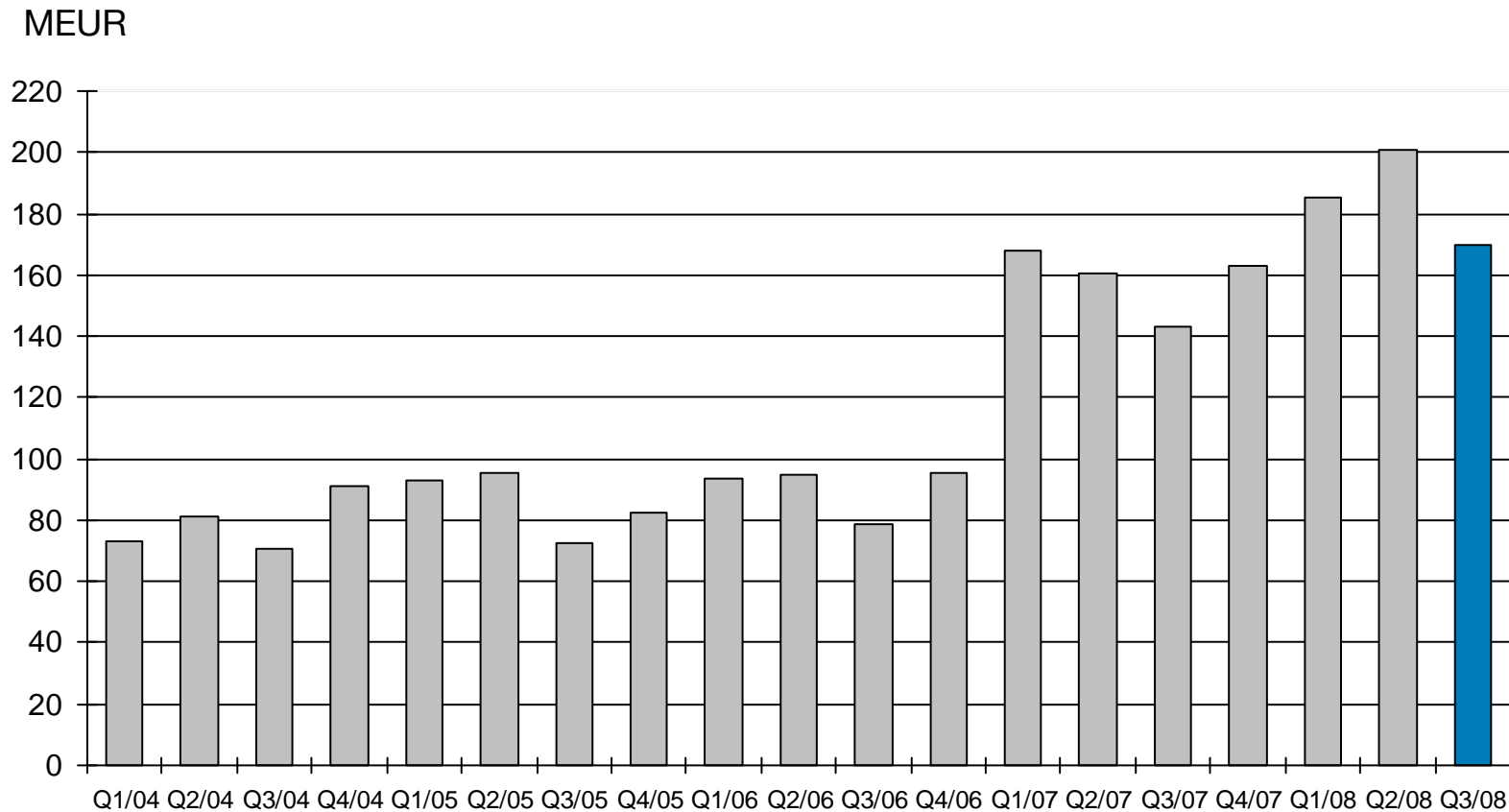
Income statement

| MEUR | 2008 | 2007 | 2007 |
|---|-------|-------|--------|
| | 1 - 9 | 1 - 9 | 1 - 12 |
| Net sales | 556.1 | 471.8 | 634.7 |
| Operating profit excluding one-time items | 53.9 | 26.2 | 34.9 |
| Financial income and expenses | -18.7 | -14.4 | -20.0 |
| Result after financial items excluding one-time items | 35.3 | 11.8 | 14.9 |
| One-time items | -0.4 | 12.0 | 7.8 |
| Result after financial items | 34.9 | 23.8 | 22.7 |
| Net profit excluding one-time items | 26.8 | 8.8 | 11.4 |
| Net profit | 26.5 | 22.9 | 21.6 |
| Earnings per share, EUR, excluding one-time items | 2.35 | 0.76 | 1.03 |
| Earnings per share, EUR | 2.32 | 2.10 | 1.97 |

Income statement Q3

| MEUR | 2008 | 2007 |
|---|-------|-------|
| | 7 - 9 | 7 - 9 |
| Net sales | 170.1 | 143.2 |
| Operating profit excluding one-time items | 7.7 | 3.3 |
| Financial income and expenses | -5.9 | -5.5 |
| Result after financial items excluding one-time items | 1.7 | -2.1 |
| One-time items | -0.5 | -0.9 |
| Result after financial items | 1.3 | -3.1 |
| Net profit excluding one-time items | 1.8 | -1.9 |
| Net profit | 1.4 | -2.5 |
| Earnings per share, EUR, excluding one-time items | 0.14 | -0.17 |
| Earnings per share, EUR | 0.11 | -0.23 |

Quarterly development of net sales 2004 – Q3/2008



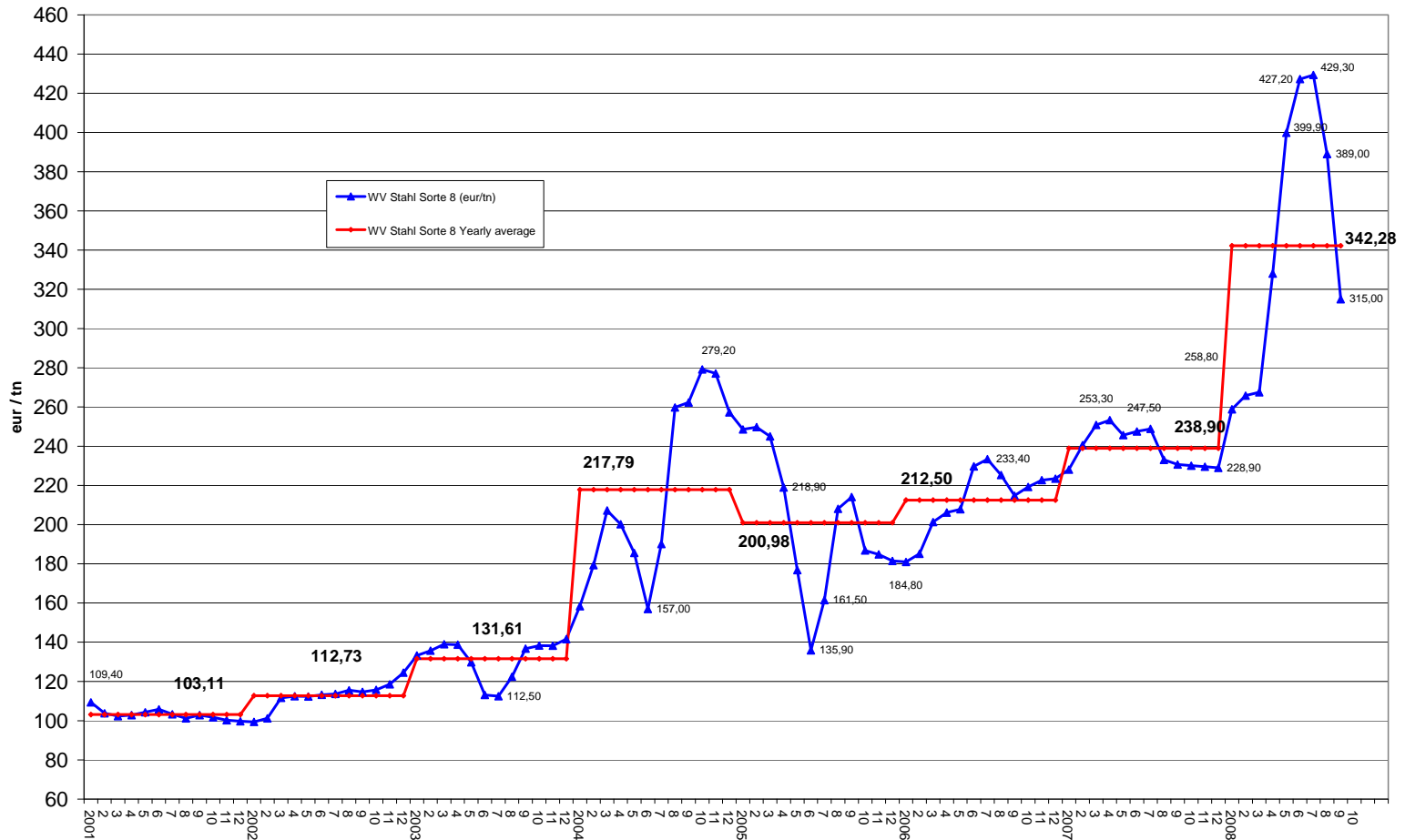
Key ratios

| MEUR | 30.9.2008 | 30.9.2007 | 31.12.2007 |
|---|-----------|-----------|------------|
| Equity ratio, % (Preferred capital notes in equity) | 32.7 | 31.6 | 31.4 |
| Return on equity, % | 34.7 | 32.9 | 23.0 |
| Return on equity, % (excluding one-time items) | 35.1 | 12.7 | 12.1 |
| Return on investment, % | 19.7 | 14.9 | 11.9 |
| Return on investment, % (excluding one-time items) | 19.9 | 9.8 | 9.8 |
| Net interest bearing debt, MEUR (Preferred capital notes in equity) | 204.2 | 209.0 | 187,4 |
| Net gearing, % (Preferred capital notes in equity) | 121.6 | 134.2 | 120.2 |
| Order book, MEUR | 123.2 | 125.0 | 129.0 |
| Investments in production facilities, MEUR | 31.9 | 15.0 | 23.6 |
| Personnel at the end of period (incl. leased personnel) | 5,311 | 5,083 | 5,064 |

Cash flow

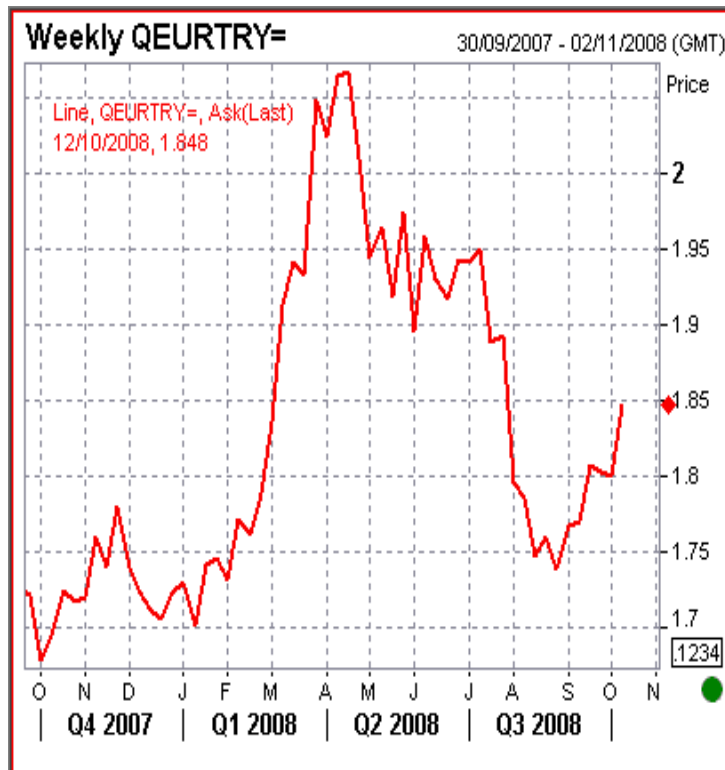
| MEUR | 2008 1 - 9 | 2007 1 - 9 | 2007 1 - 12 |
|--|---------------|---------------|----------------|
| Cash flow from operations before change in net working capital, financing and income taxes | 70.4 | 39.7 | 57.5 |
| Change in net working capital | -21.7 | -10.0 | 11.0 |
| Cash flow from operations before financing and income taxes | 48.7 | 29.7 | 68.5 |
| Cash flow from operations | 23.9 | 14.8 | 42.6 |
| Cash flow from investment activities | -30.0 | -31.5 | -38.6 |
| Cash flow from financing activities | -15.0 | 12.0 | 7.2 |
| Change in liquid assets | -21.1 | -4.7 | 11.2 |

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

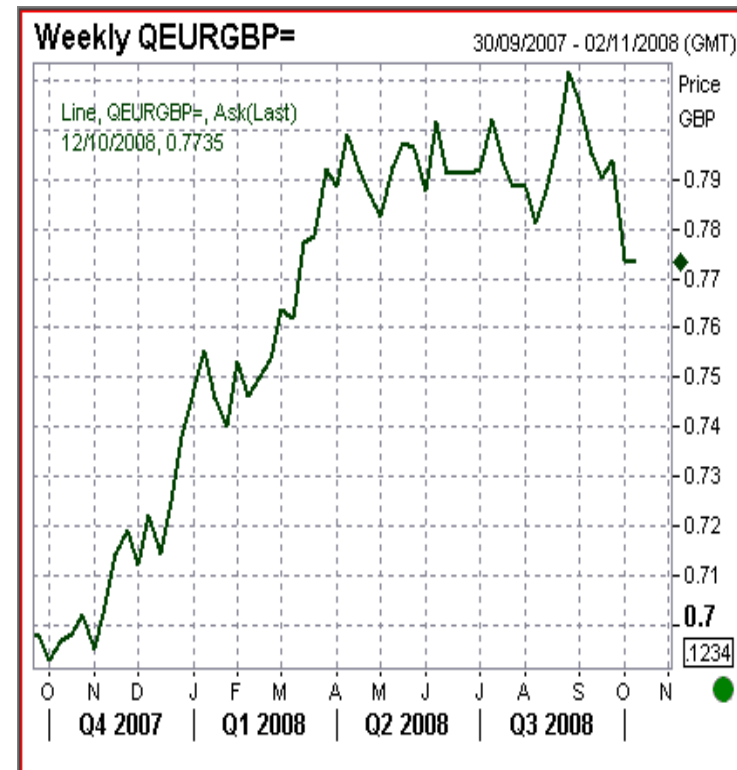


Development in exchange rates

Turkish lira

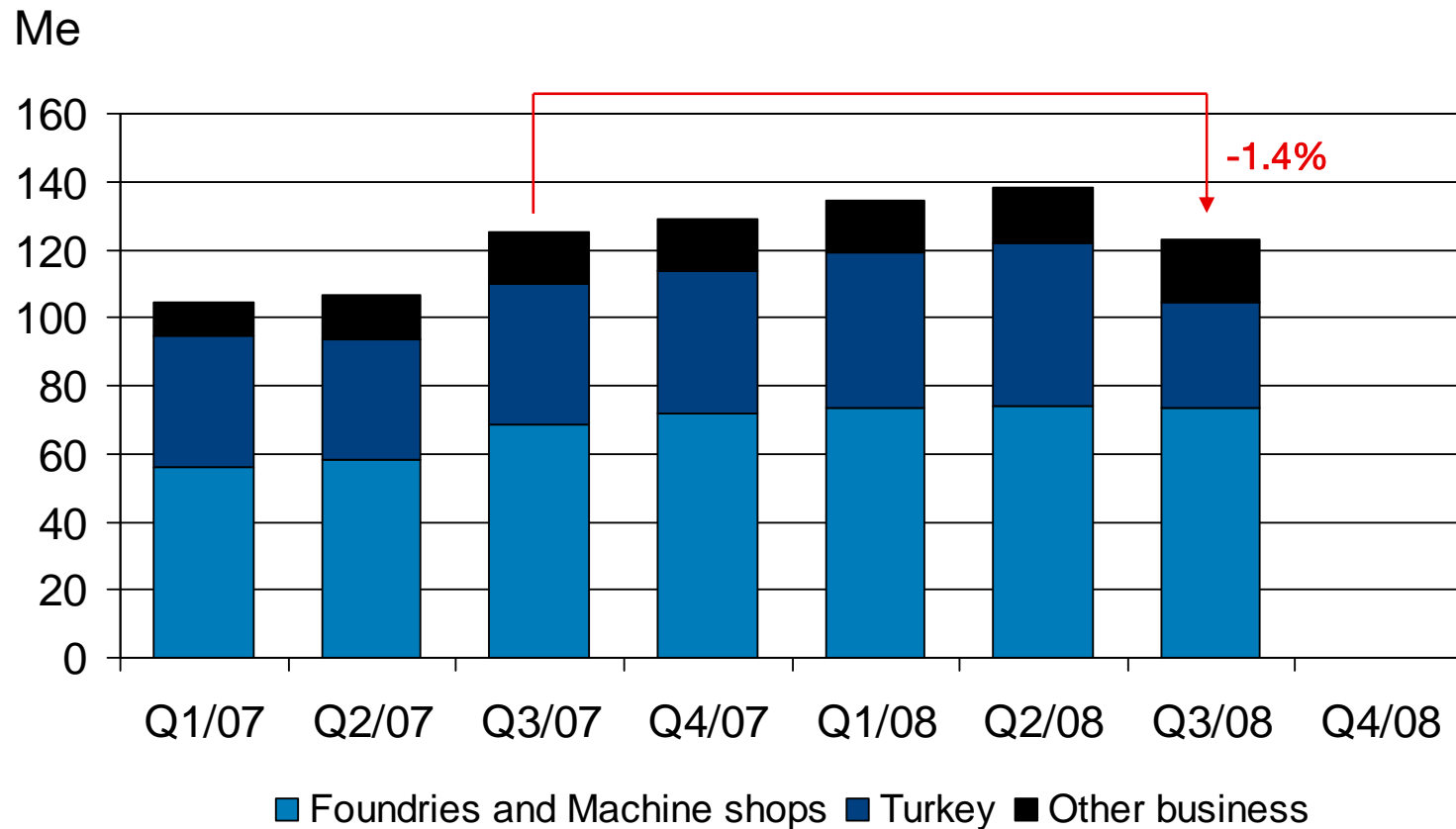


Great Britain pound



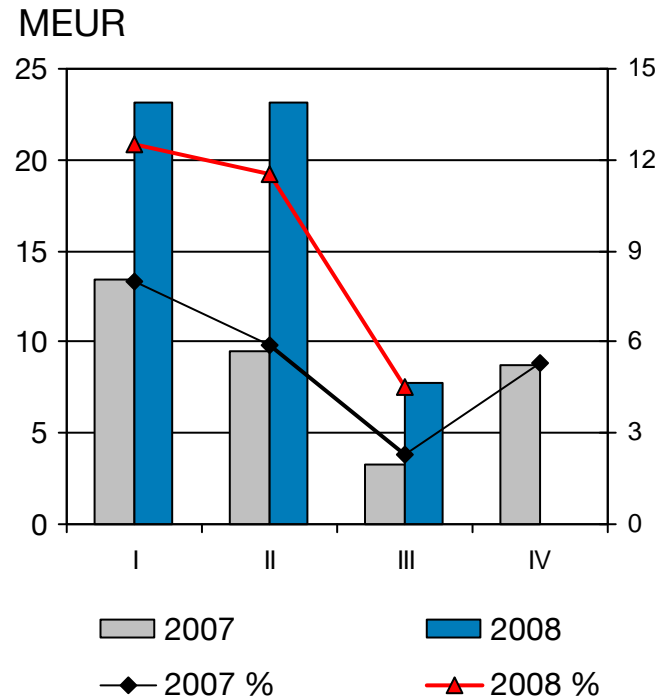
Source: Reuters

Order book quarterly

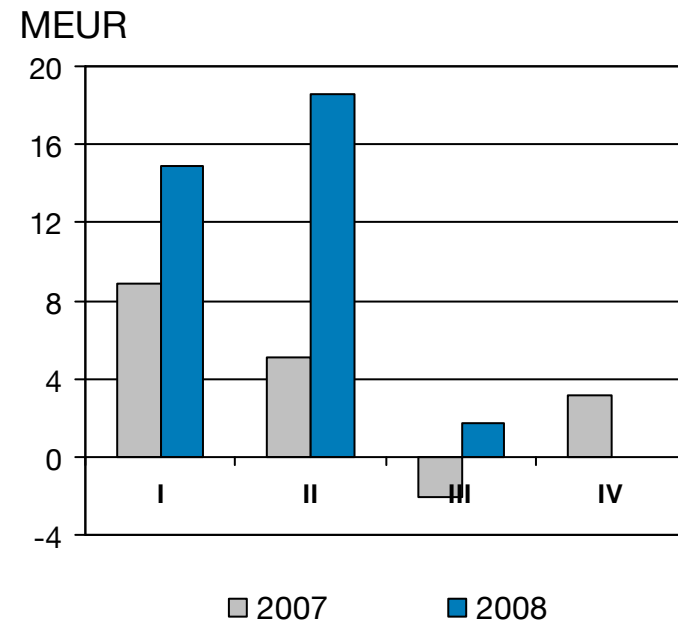


Quarterly operating profit and result after financial items excluding one-time items

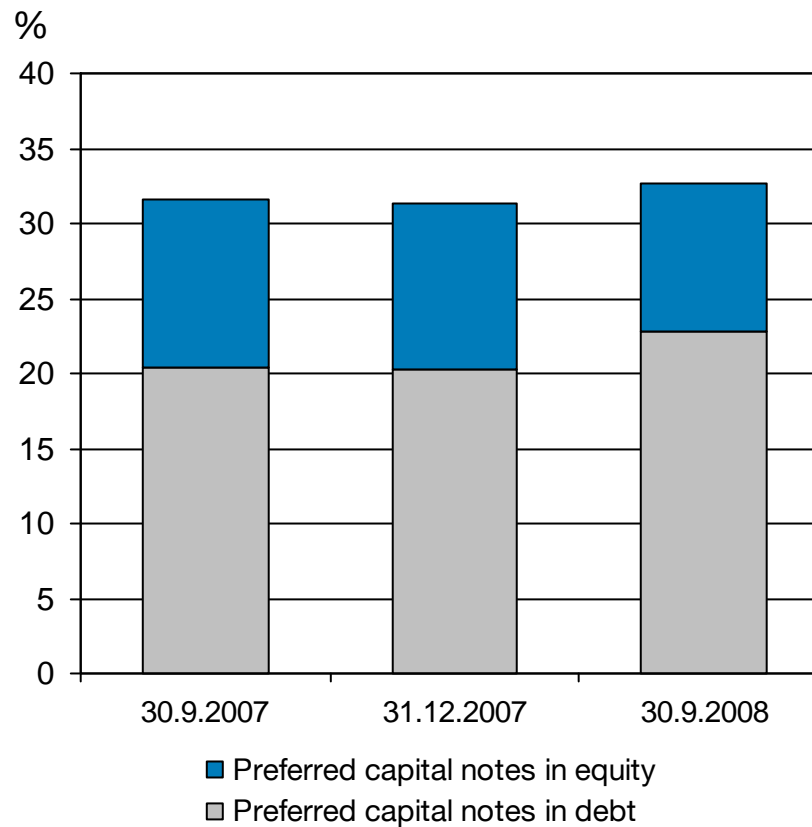
Operating profit
excluding one-time items



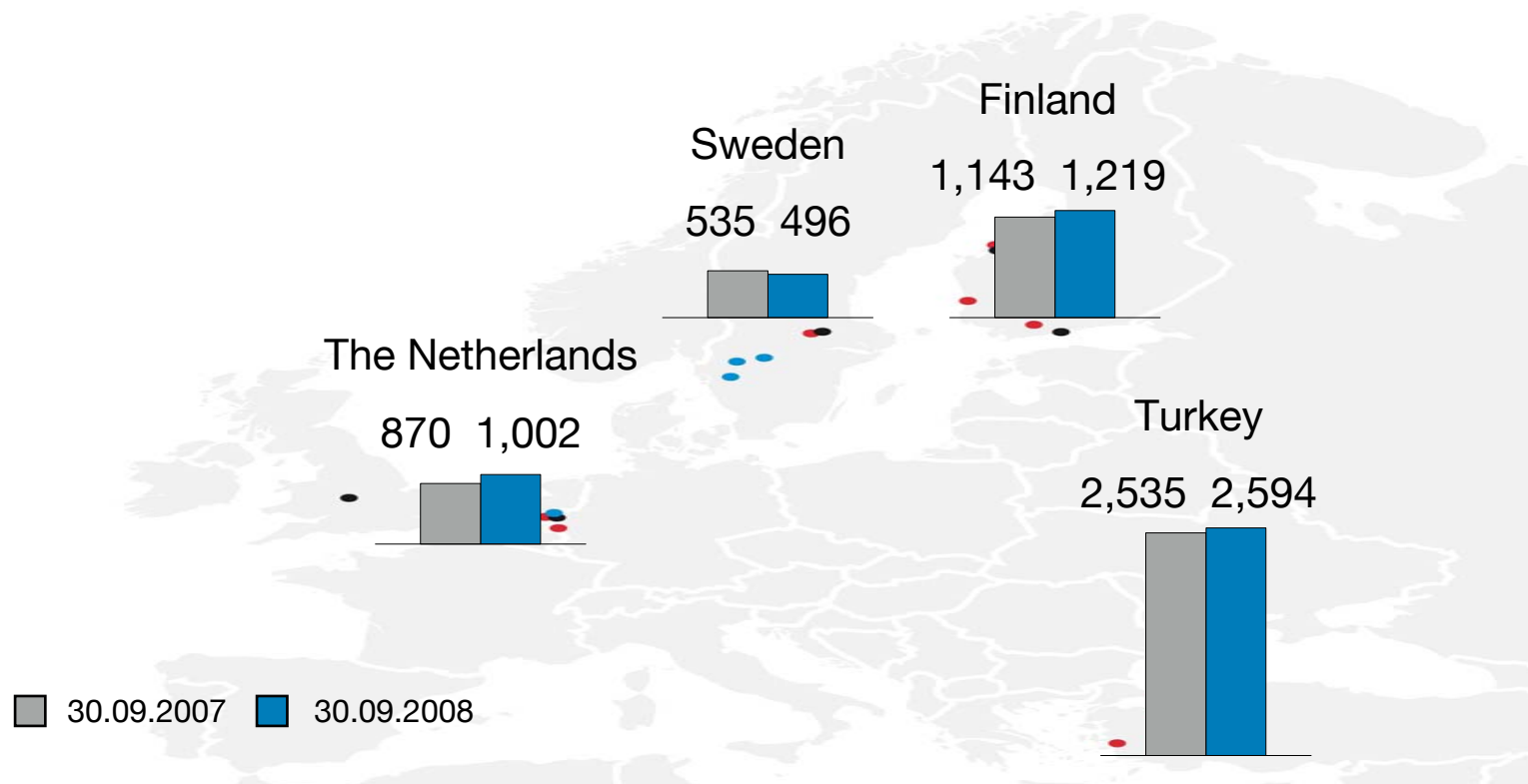
Result after financial items
excluding one-time items



Equity ratio, %

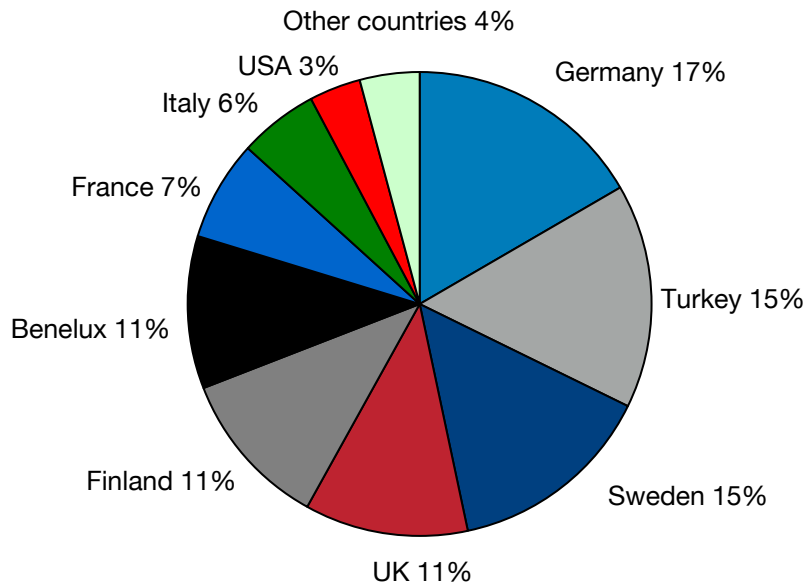


Personnel by country including leased personnel

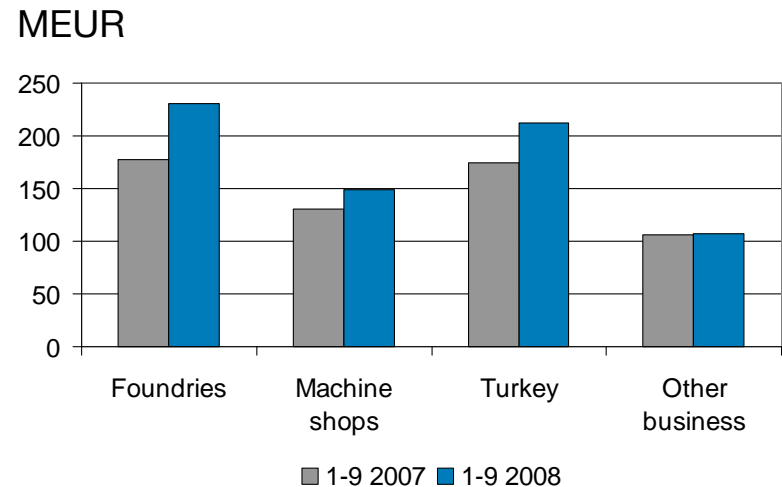


Distribution of net sales

Net sales by market area Q3/2008



Net sales by division
excluding internal and one-time items



Comparable sales to customer industries



Off-road

35% (37%)



Heavy trucks

28% (26%)



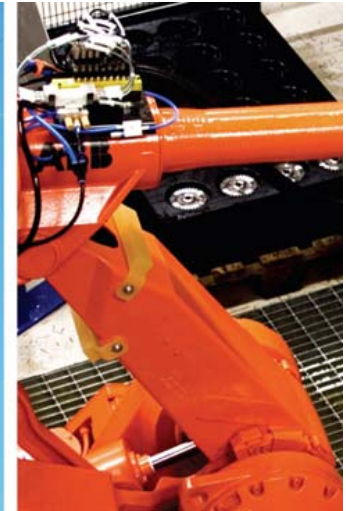
Automotive

16% (17%)



Diesel & wind

6% (5%)

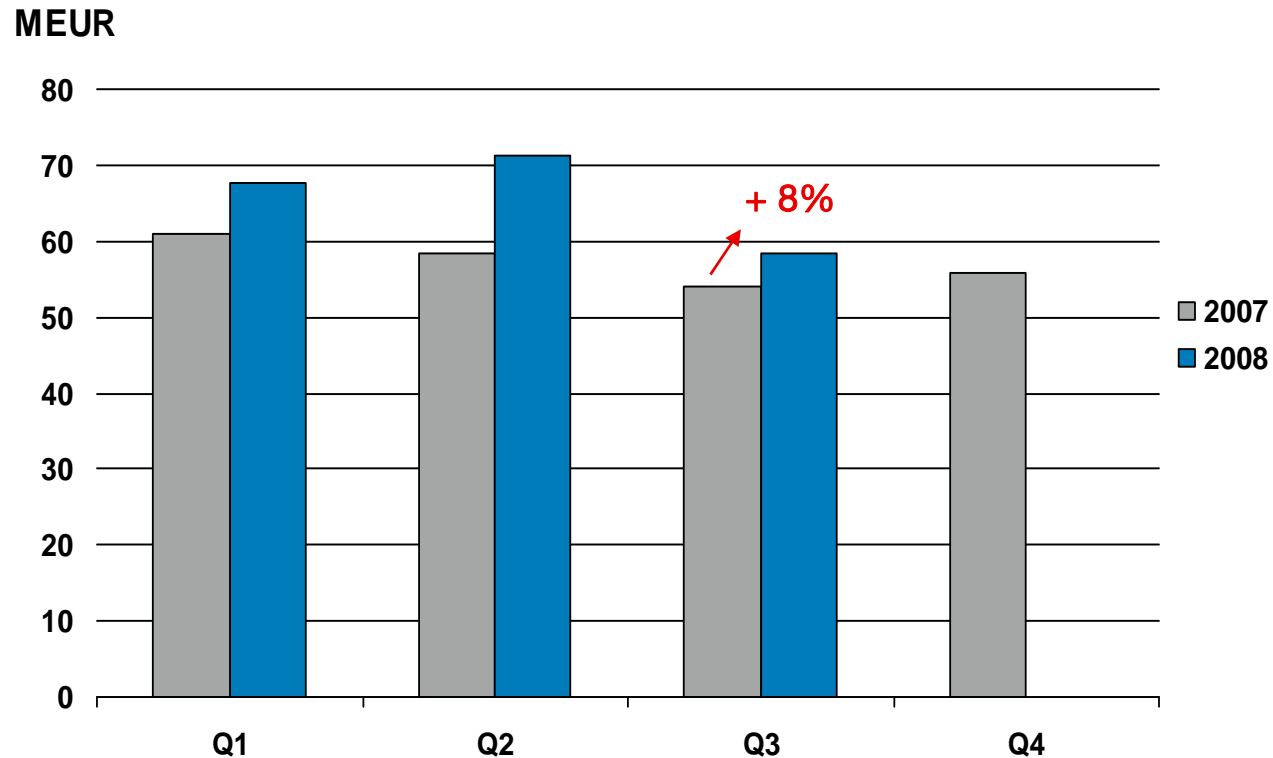


Machine building

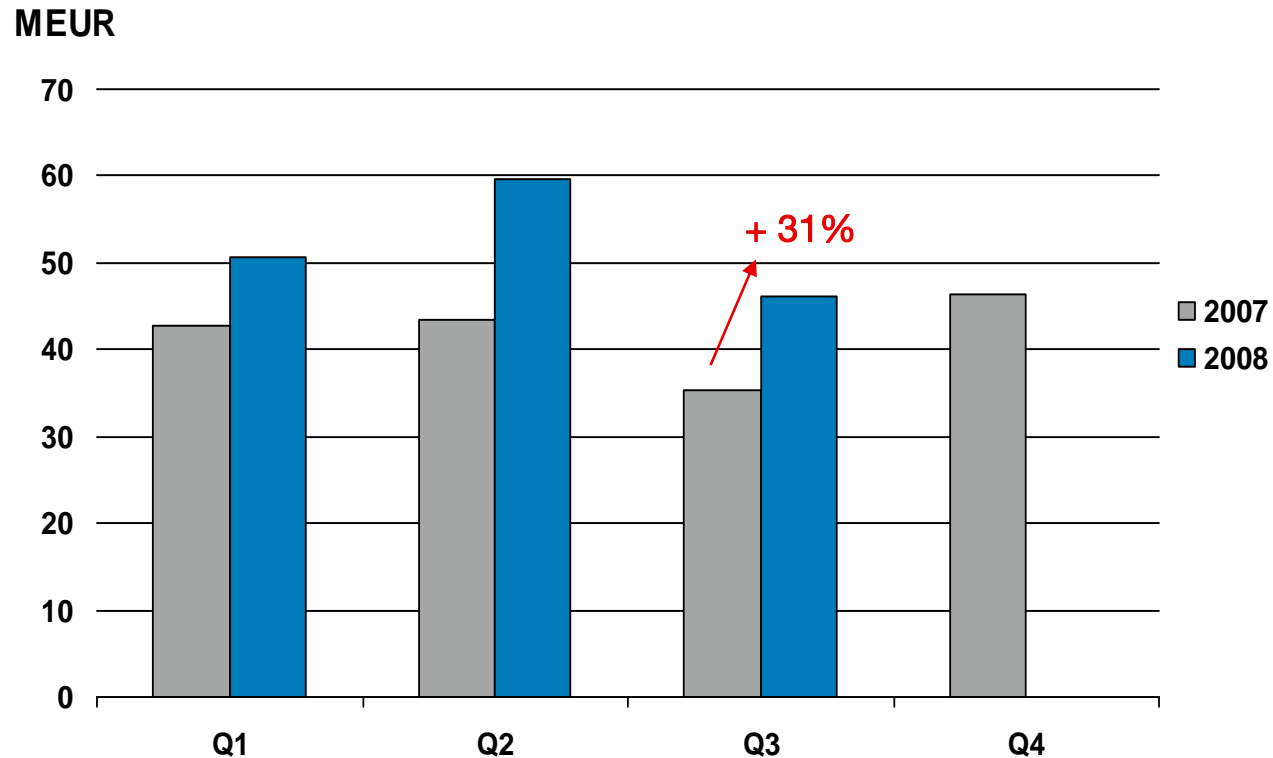
14% (14%)

Note: Other sales 1% (1%)

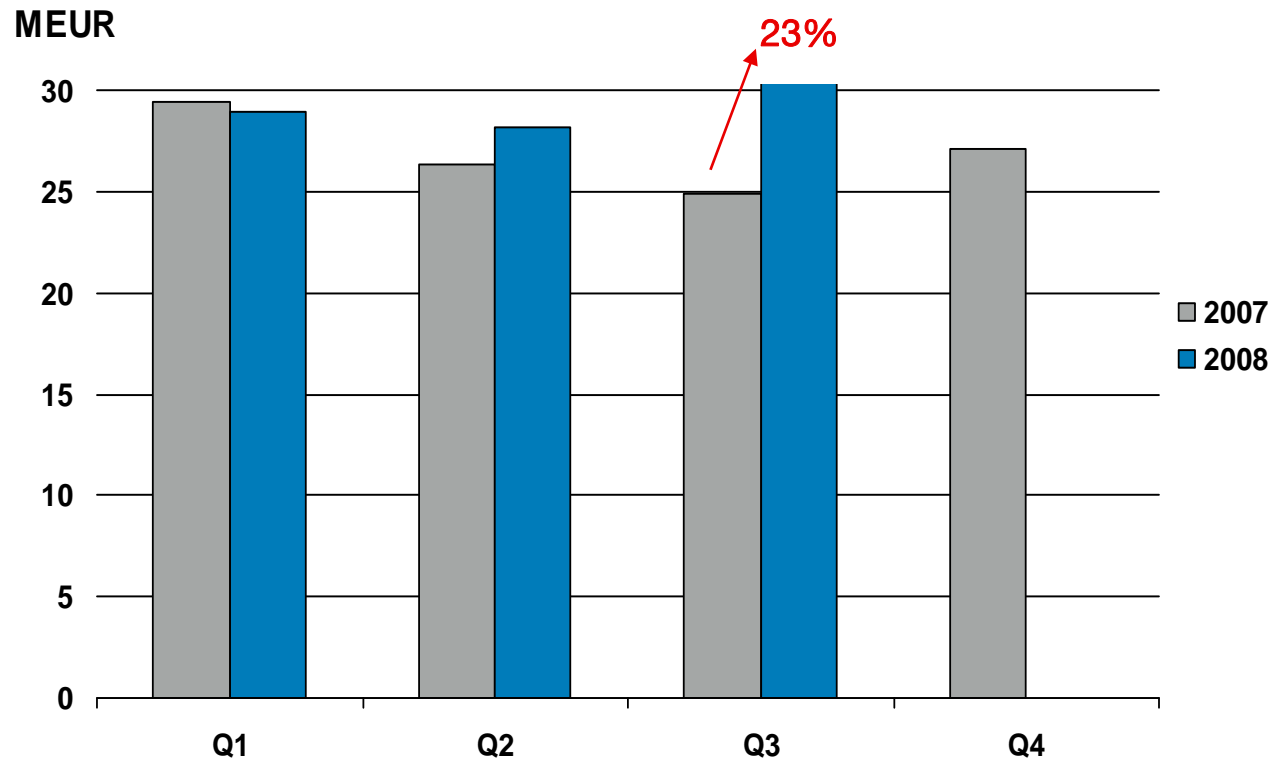
Comparable sales to off-road industry quarterly



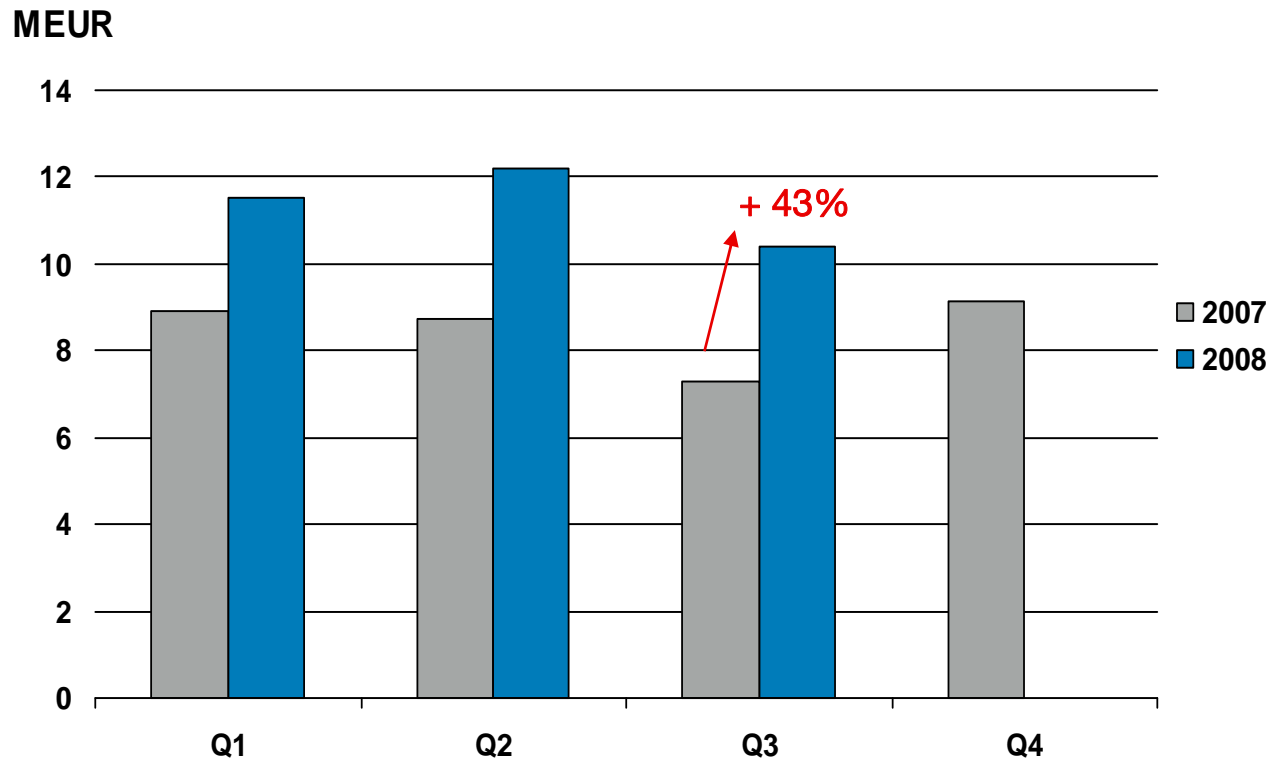
Comparable sales to heavy trucks industry quarterly



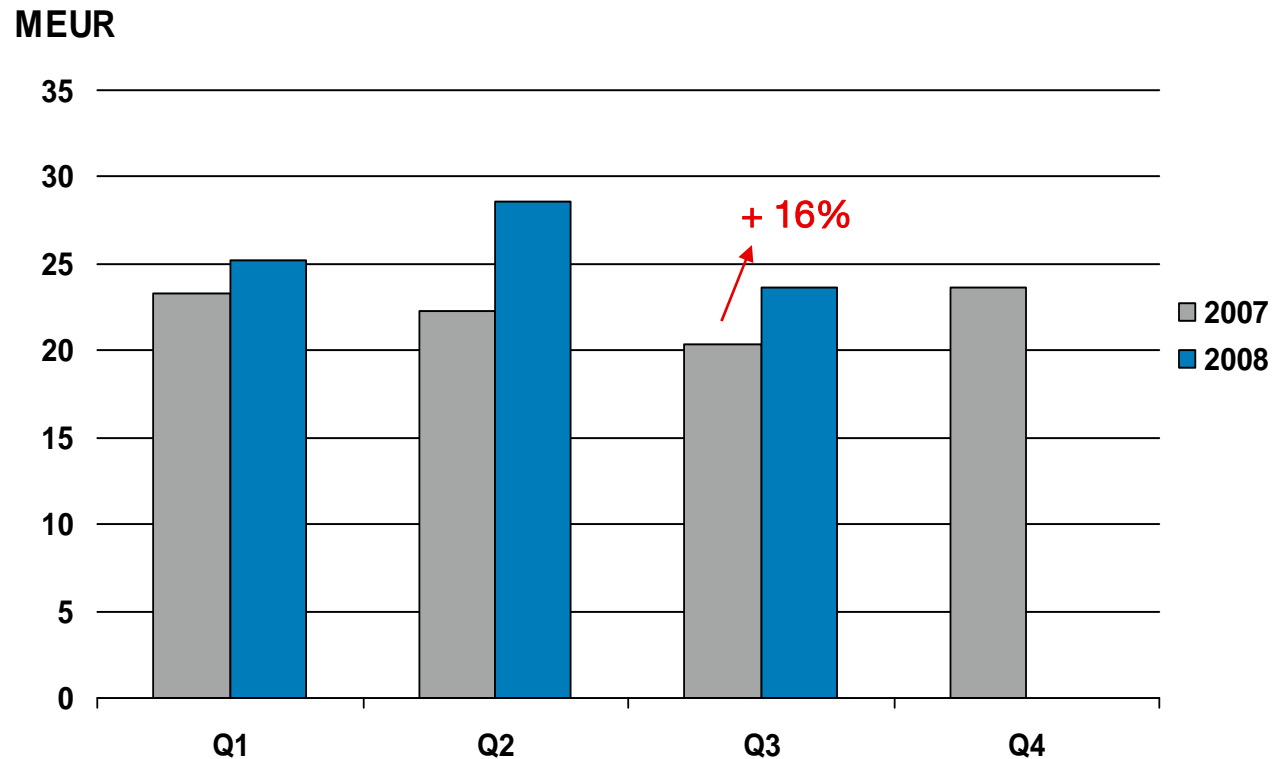
Comparable sales to automotive industry quarterly



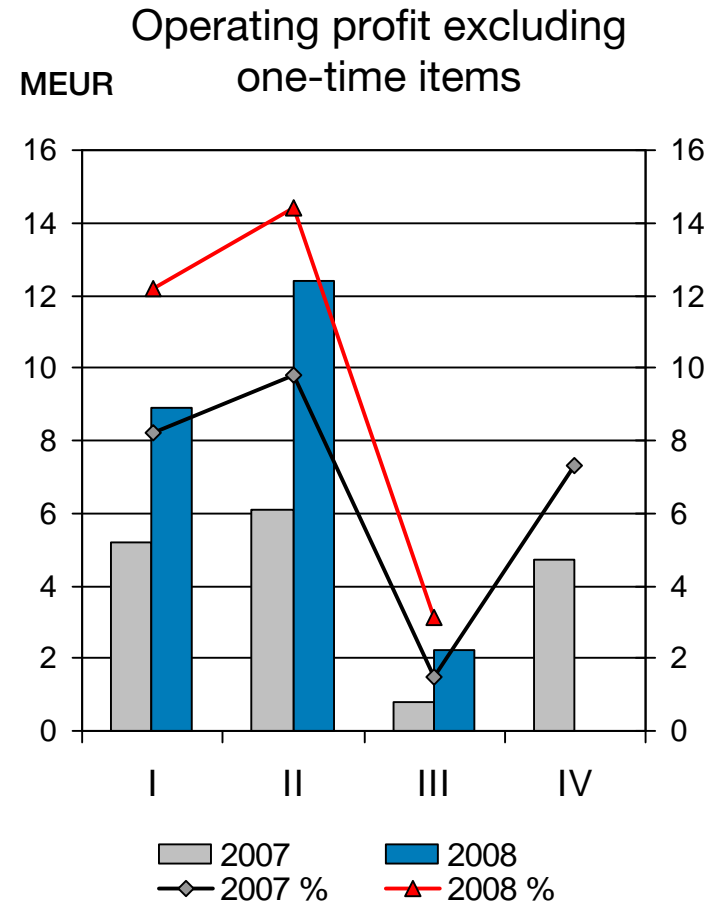
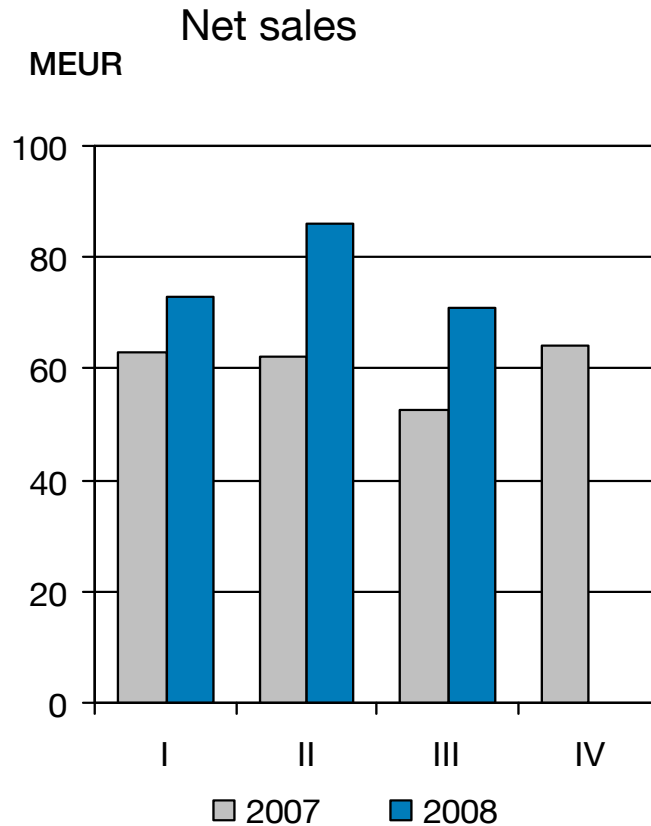
Comparable sales to diesel & wind industry quarterly



Comparable sales to machine building industry quarterly



Foundries division

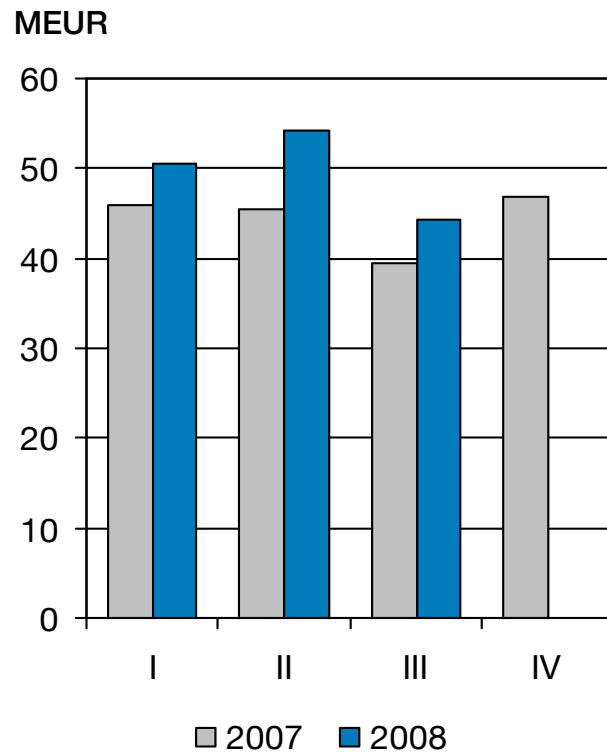


Performance of Foundries division

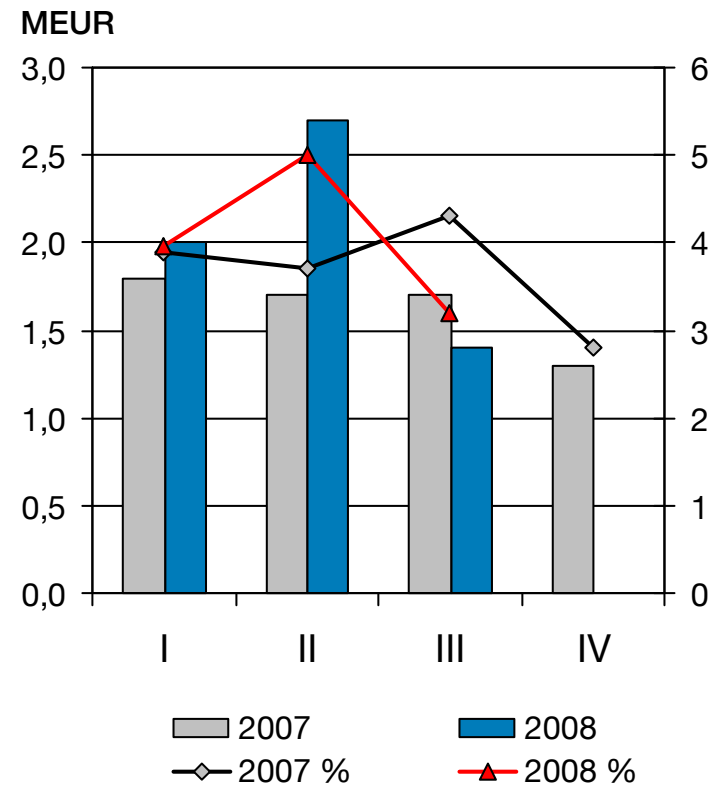
- The division contains the foundries in Karkkila, Pori, Pietarsaari and Iisalmi in Finland and in Weert and Heerlen in the Netherlands.
- Net sales in the review period totalled MEUR 230.3 (MEUR 177.5) and operating profit was MEUR 23.6 or 10.2% of net sales (MEUR 12.1; 6.8%).
- Increased volumes and greater efficiency in its operations made a positive contribution to 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.
- Due to the sharp rise in raw material prices, Componenta introduced a new price compensation system during the review period, so that the impact of changes in raw material prices is updated on a monthly basis instead of the previous quarterly adjustments.
- Net sales in the third quarter were MEUR 71.1 (MEUR 52.4) and operating profit was MEUR 2.2, or 3.1% of net sales (MEUR 0.8; 1.5%).

Machine shops division

Net sales



Operating profit excluding one-time items

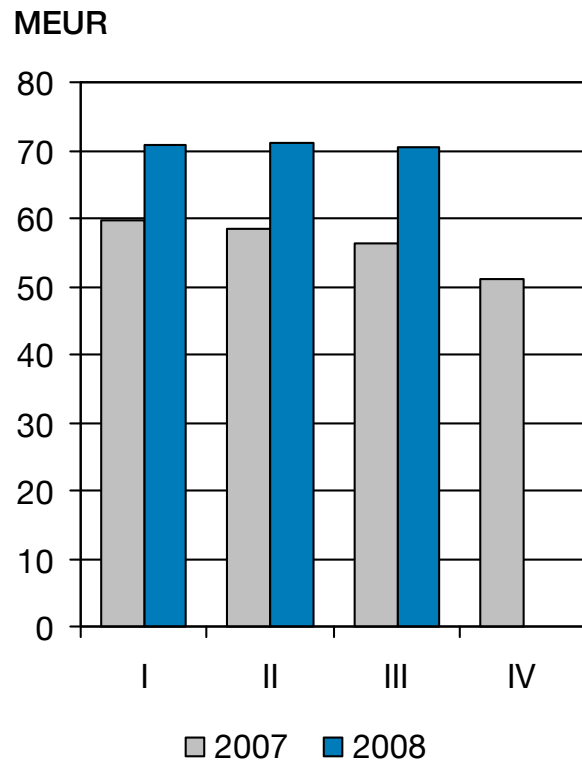


Performance of Machine shops division

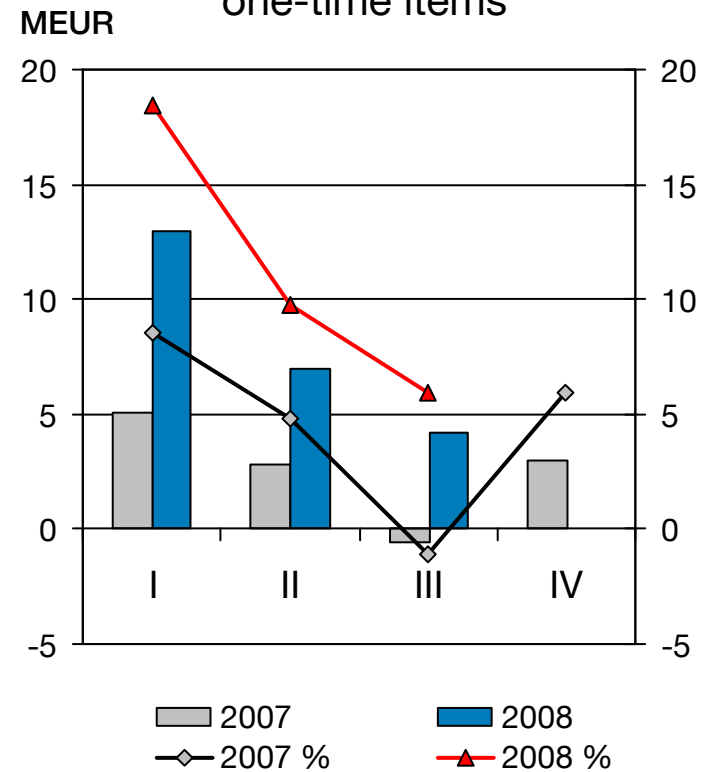
- The division contains the machine shops in Främmestad in Sweden, in Lempäälä and Pietarsaari in Finland, in Weert in the Netherlands and in Orhangazi in Turkey.
- The new machine shop at Orhangazi was completed during the summer and the unit moved its operations into the new premises during the third quarter.
- Net sales in the review period totalled MEUR 149.1 (MEUR 131.0) and operating profit was MEUR 6.0, or 4.0% of net sales (MEUR 5.2; 4.0%).
- Third quarter net sales were MEUR 44.3 (MEUR 39.4) and operating profit was MEUR 1.4, or 3.2% of net sales (MEUR 1.7; 4.3%)

Turkey division

Net sales

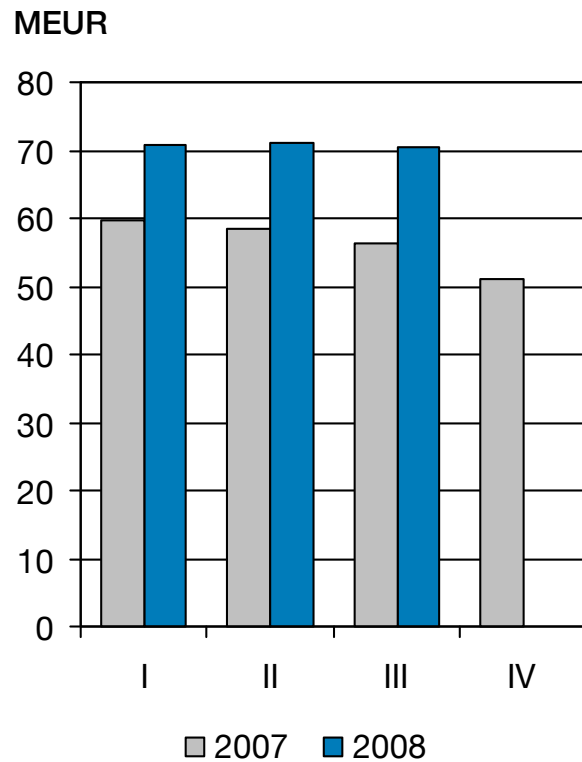


Operating profit excluding one-time items

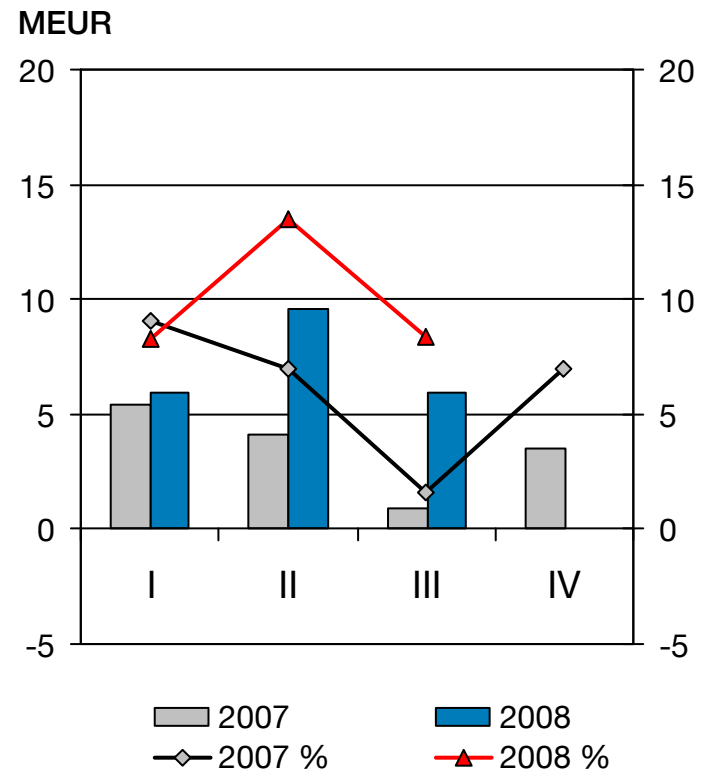


Turkey division

Net sales



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

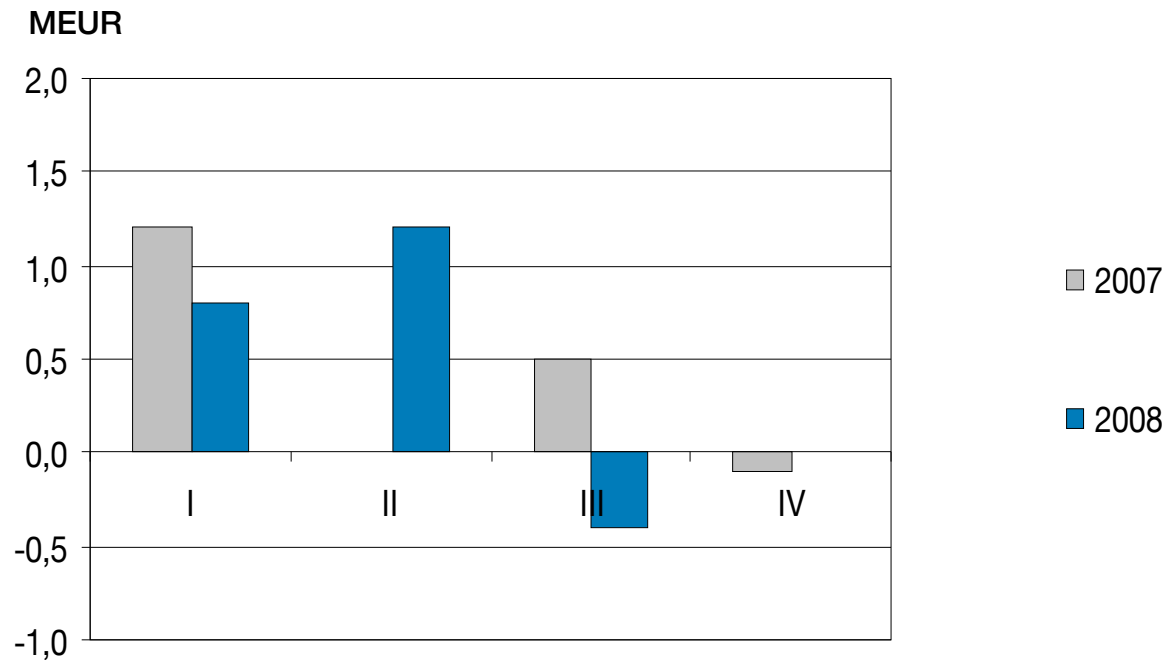


Performance of Turkey division

- The Turkey division comprises the iron foundry in Orhangazi and the aluminium foundry and machine shop in Manisa.
- Net sales in the review period totalled MEUR 212.3 (MEUR 174.7) and operating profit was MEUR 24.1, or 11.4% of net sales (MEUR 7.4; 4.2%).
- The main factors improving the division's operating profit for the period were the encouraging developments in product volumes and enhanced efficiency in operations.
- Changes in the value of the Turkish lira improved the operating profit in the first quarter by MEUR 7.1 and weakened the division's operating profit in the second and third quarters by MEUR 4.3.
- Third quarter net sales were MEUR 70.6 (MEUR 56.3) and operating profit was MEUR 4.2, or 5.9% of net sales (MEUR -0.6; -1.1%)

Other business

Operating profit excluding
internal and one-time items



Performance of Other business

- 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 recorded an operating profit in the review period, excluding one-time items, of MEUR 1.7 (MEUR 1.8).

Prospects for 2008

- Componenta's prospects for the remainder of 2008 are based on general external financial indicators, order forecasts given by customers, and on Componenta's order intake and order book.
- At the start of the fourth quarter of 2008, the demand outlook in most of the Group's customer sectors is uncertain due to the recent turbulence in the financial markets.
- The slow down in construction in the USA and Europe has reduced demand in the off-road sector. Demand for mining machinery remains at a good level. The recent fall in the prices of raw materials may weaken demand for mining machinery.
- Production volumes for heavy trucks in the final part of the year will be satisfactory. They are expected to take a downward turn during the first part of next year.
- The increased uncertainty in the financial markets has reduced demand in the automotive industry in Europe.
- The demand outlook in the diesel and wind power sectors and in the machine building industry remains good.

Measures being taken because of the change in the economic outlook

- The operations of Componenta's units are being adapted for lower demand in Turkey, the Netherlands, Sweden and Finland by reducing the use of leased employees during October and November by altogether 720 persons and by reducing the number of the company's own employees by altogether 170 through lay-offs and redundancies. In addition the use of external subcontractors will be reduced by an amount equal to the work of altogether 150 people.
- The investments in the new aluminium component factory in Manisa and in the melting furnace in Orhangazi have been halted for the time being.

Prospects for 2008 (cont.)

- Componenta's order book at the end of the third quarter of 2008 was similar to that at the same time in the previous year, i.e. MEUR 123 (125).
- Due to the high raw material prices, the amount of working capital has increased by altogether MEUR 22 since the beginning of the year. The sharp fall in raw material prices during the summer will release considerable amounts of equity from working capital during the final part of the year.
- Integrating the operations in Turkey with Componenta's other operations and enhancing the performance of the Turkish business units have had a positive impact on the Group's operating profit in 2008.
- Componenta Group's 2008 net sales and result after financial items, excluding one-time items, are expected to show a considerable improvement on the corresponding figures for 2007.