
COMPONENTA

Componenta Corporation Interim report

1 January - 30 September 2007

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Review period in brief

(* taking into account impact of business operations sold in 2007)

- Comparable net sales grew * 9.5% to MEUR 471.8 (MEUR 444.9).
- Comparable operating profit improved * MEUR 3.4 to MEUR 30.6 (MEUR 29.6).
- Profit after financial items was MEUR 13.1 (MEUR 16.5).
- Operating profit of Karkkila and Heerlen Furan foundries improved considerably during review period.
- Döktas' operating profit weakened significantly due to low sales of the unit's aluminium wheels.
- Net financial costs increased considerably due to the strengthening of the Turkish lira and rising interest rates.
- The integration of Döktas has progressed according to plan. Some of the synergy benefits will be obtained this year. The strengthening of the Turkish lira will reduce the impact of the synergies this year.
- Consolidating of the Componenta Åmal and Componenta Främmestad machine shops in Sweden is progressing according to plan.

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Income statement

MEUR	pro forma		pro forma
	2007	2006	2006
	1 - 9	1 - 9	1 - 12
Net sales	471.8	444.9	602.3
Operating profit before one-time items	30.6	29.6	40.4
Financial income and expenses	-17.6	-13.1	-18.8
Result after financial items (before one-time items)	13.1	16.5	21.7
One-time items	12.0	0.0	13.8
Result after financial items	25.0	15.4	35.5
Net result	23.1	10.6	27.2
Earnings per share, EUR (excluding one-time items)	0.86	1.10	1.56
Earnings per share, EUR	2.19	1.10	2.80

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Income statement Q3

MEUR	pro forma	
	2007	2006
	6 - 9	6 - 9
Net sales	143.2	136.4
Operating profit before one-time items	5.3	4.9
Financial income and expenses	-7.0	-3.8
Result after financial items (before one-time items)	-1.7	1.1
One-time items	-0.9	0.0
Result after financial items	-2.7	1.1
Net result	-2.1	-0.1
Earnings per share, EUR (excluding one-time items)	-0.13	-0.01
Earnings per share, EUR	-0.19	-0.01

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Key Ratios

	30.9.2007	30.9.2006	31.12.2006
Equity ratio, % (preferred capital note in equity)	32.2	32.5	32.5
Return on equity, %	34.7	7.3	*) 6.0
Return on equity, % (excluding one-time items)	14.3	-	*) 19.0
Return on investment, %	15.7	8.0	*) 6.6
Return on investment, % (excluding one-time items)	11.4	-	*) 11.4
Net interest bearing debt, MEUR (preferred capital note in equity)	209.0	101.1	186.9
Net gearing, % (preferred capital note in equity)	135.0	113.8	123.1
Order book, MEUR	125.0	*) 100.7	*) 95.4
Investments in non-current assets	55.2	10.4	123.6
Average number of personnel	4,210	*) 4,088	*) 4,316

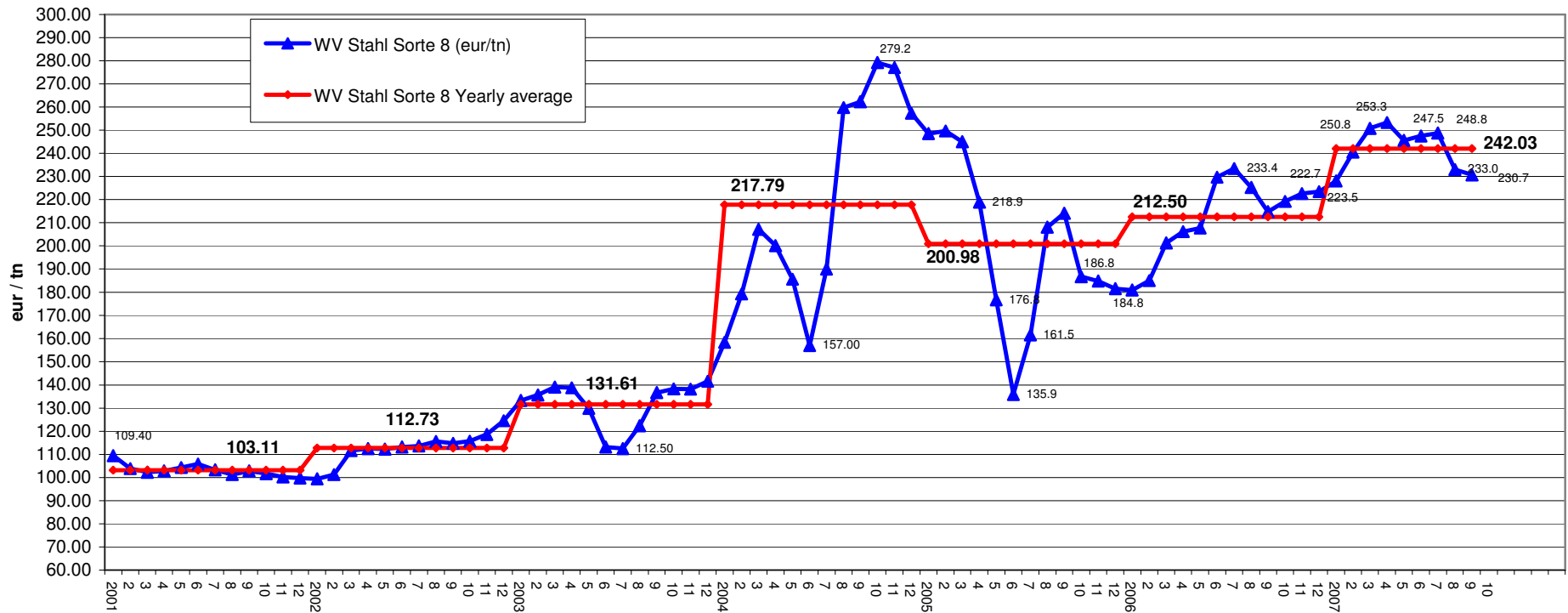
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Cash flow

MEUR	2007	2006	2006
	1 - 9	1 - 9	1 - 12
Cash flow before financing and income taxes	32.9	24.5	33.7
Cash flow from operations	14.8	18.7	26.2
Cash flow from investing activities	-31.5	-5.3	-104.2
Cash flow from financing activities	12.0	-8.6	88.1
Increase (+)/ decrease(-) in cash and bank accounts	-4.7	4.8	10.0

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



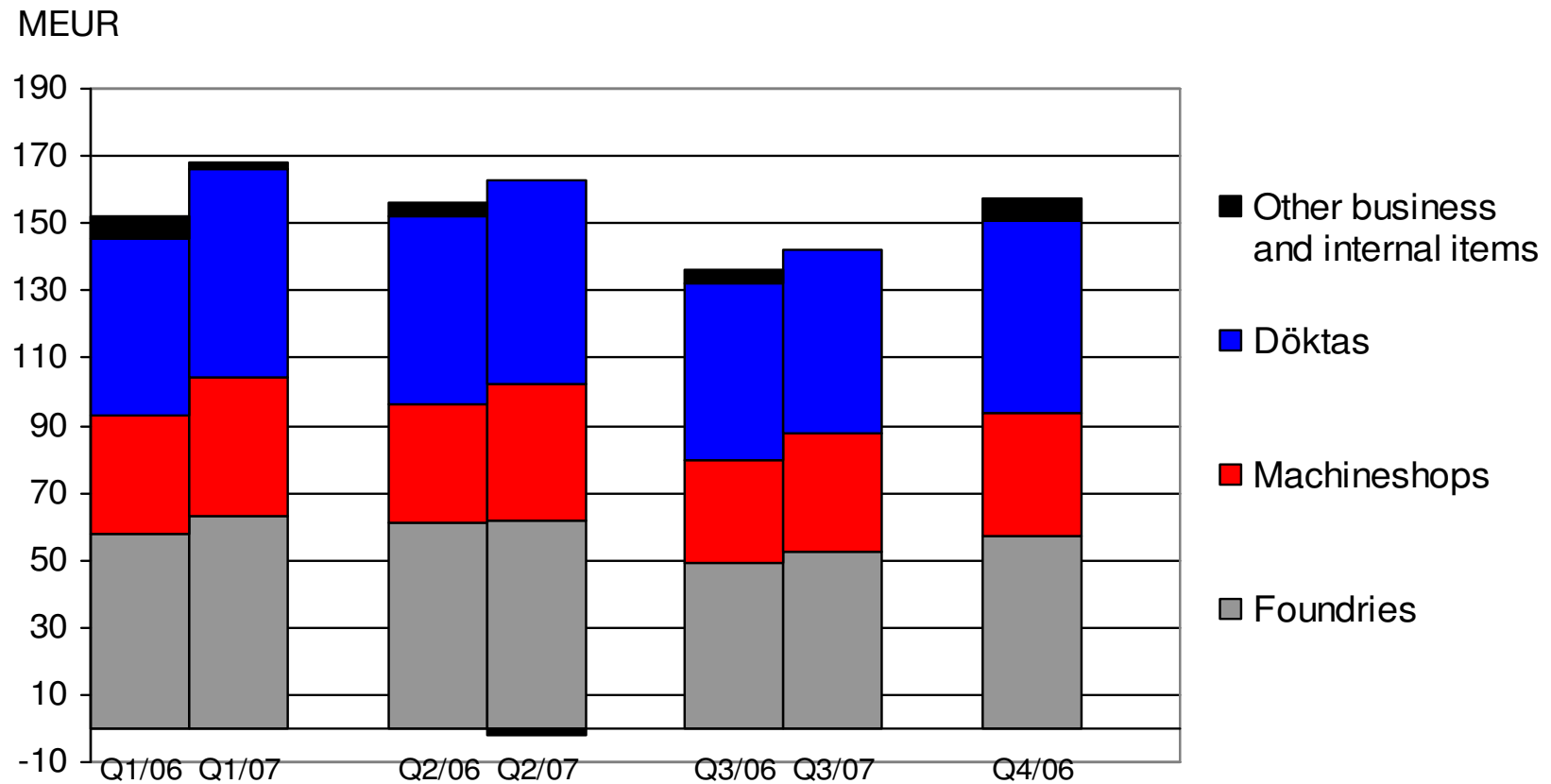
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Net sales and order book

- Comparable development in net sales by customer sector:
 - Off-road +7 %
 - Heavy trucks +9 %
 - Cars and light trucks +7 %
 - Power and transmission +18 %
 - Machine building +8 %
- Componenta's order book stood at MEUR 125.0 (MEUR 100.7) at the end of September.

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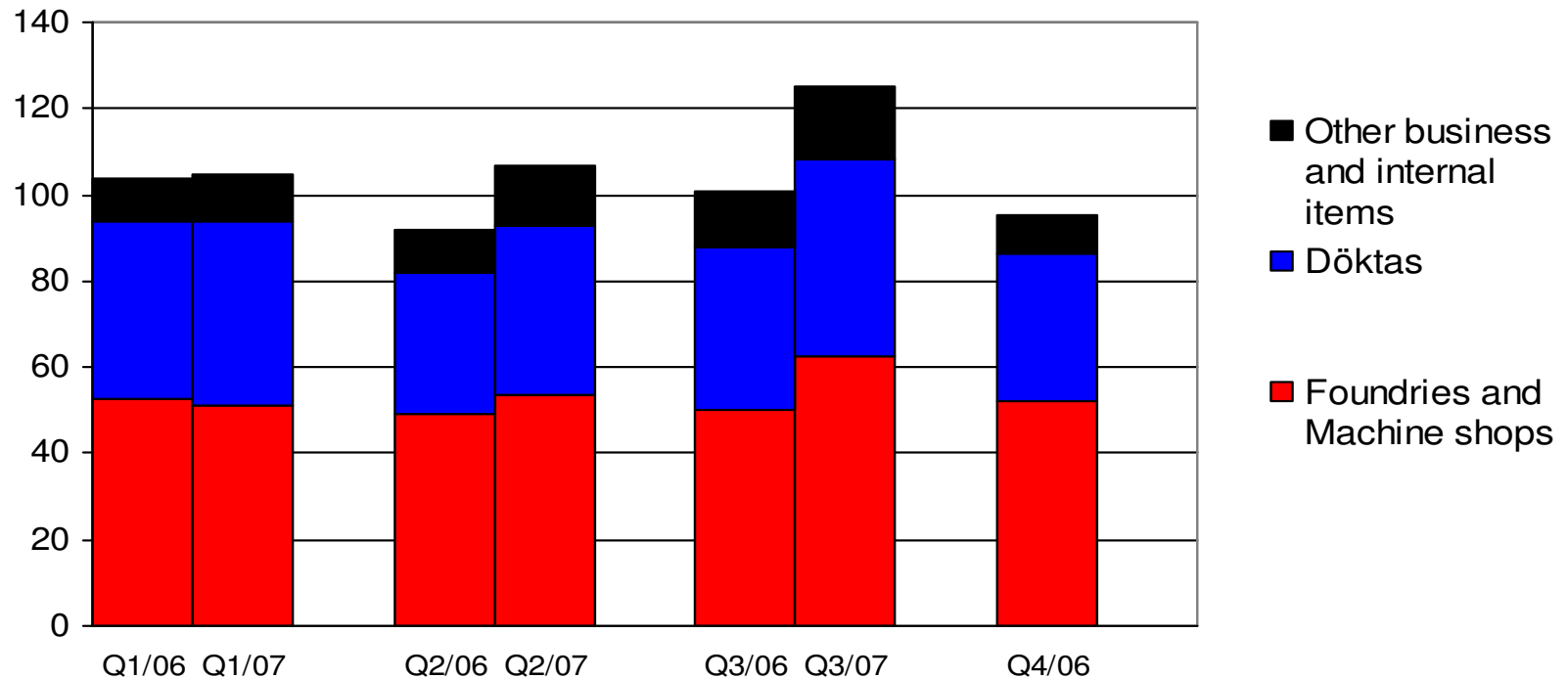
Net sales



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Order book

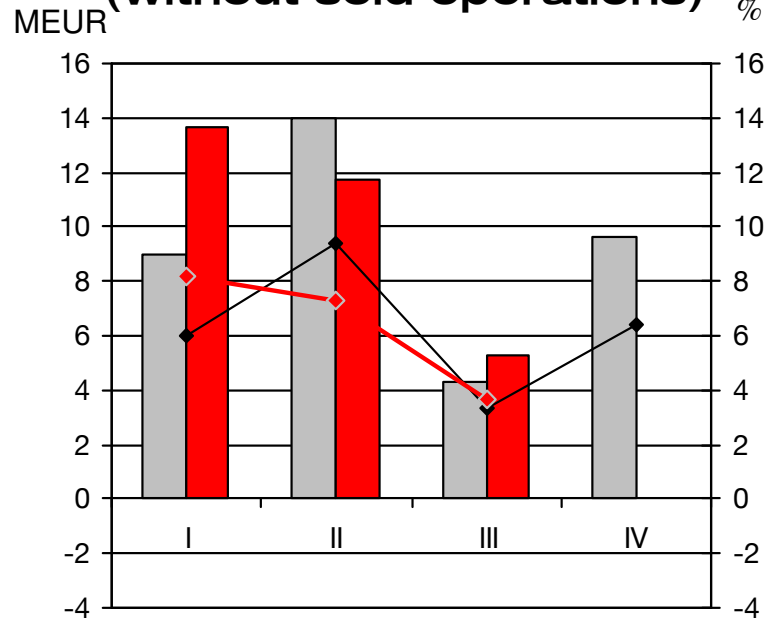
MEUR



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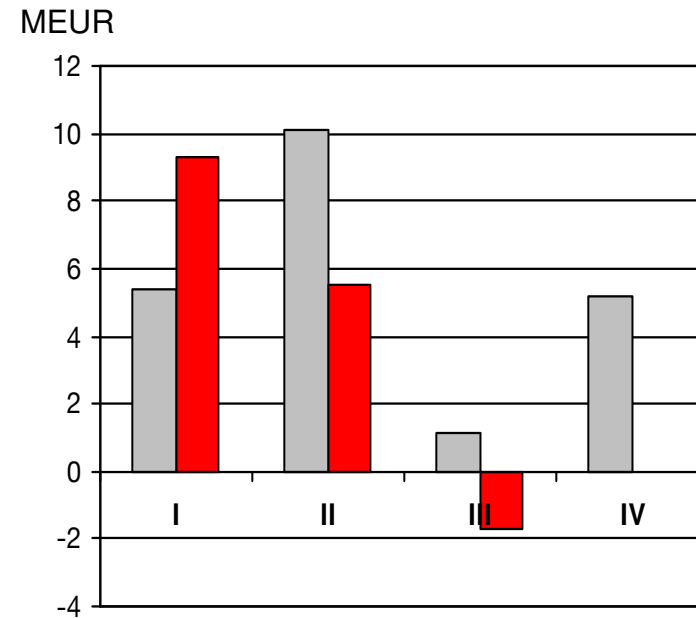
Operating profit and result after financial items before one-time items

Comparable operating profit
(without sold operations)



■ 2006 (pro forma) ■ 2007
—◆— 2006 % —◆— 2007 %

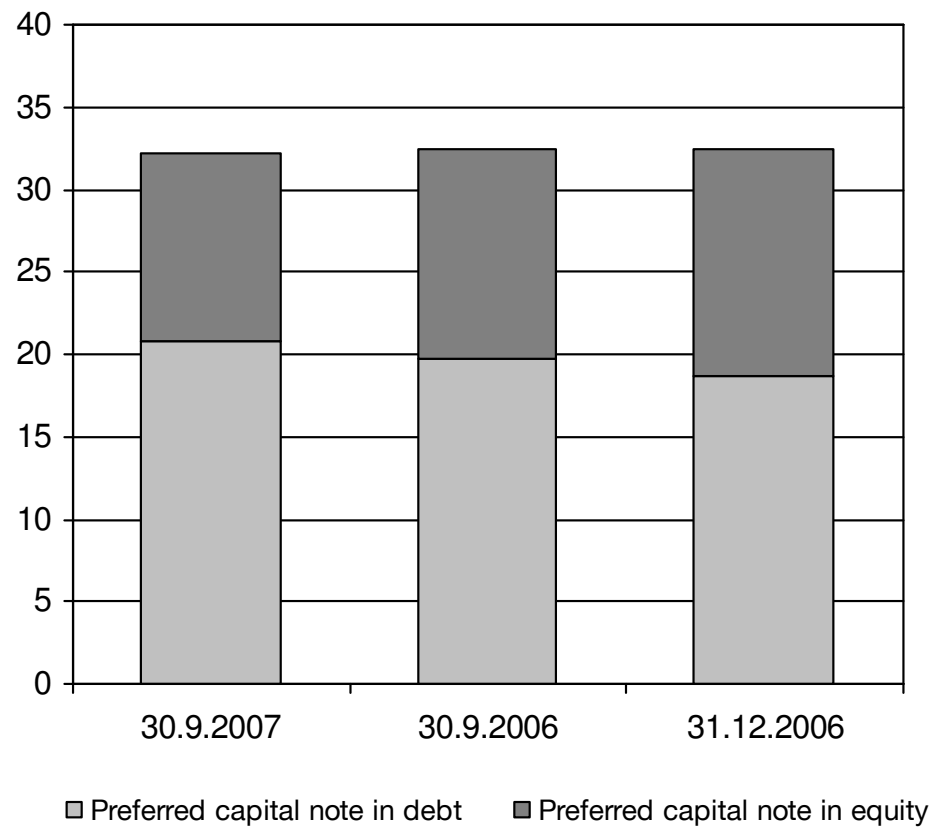
Profit after financial items



■ 2006 (pro forma) ■ 2007

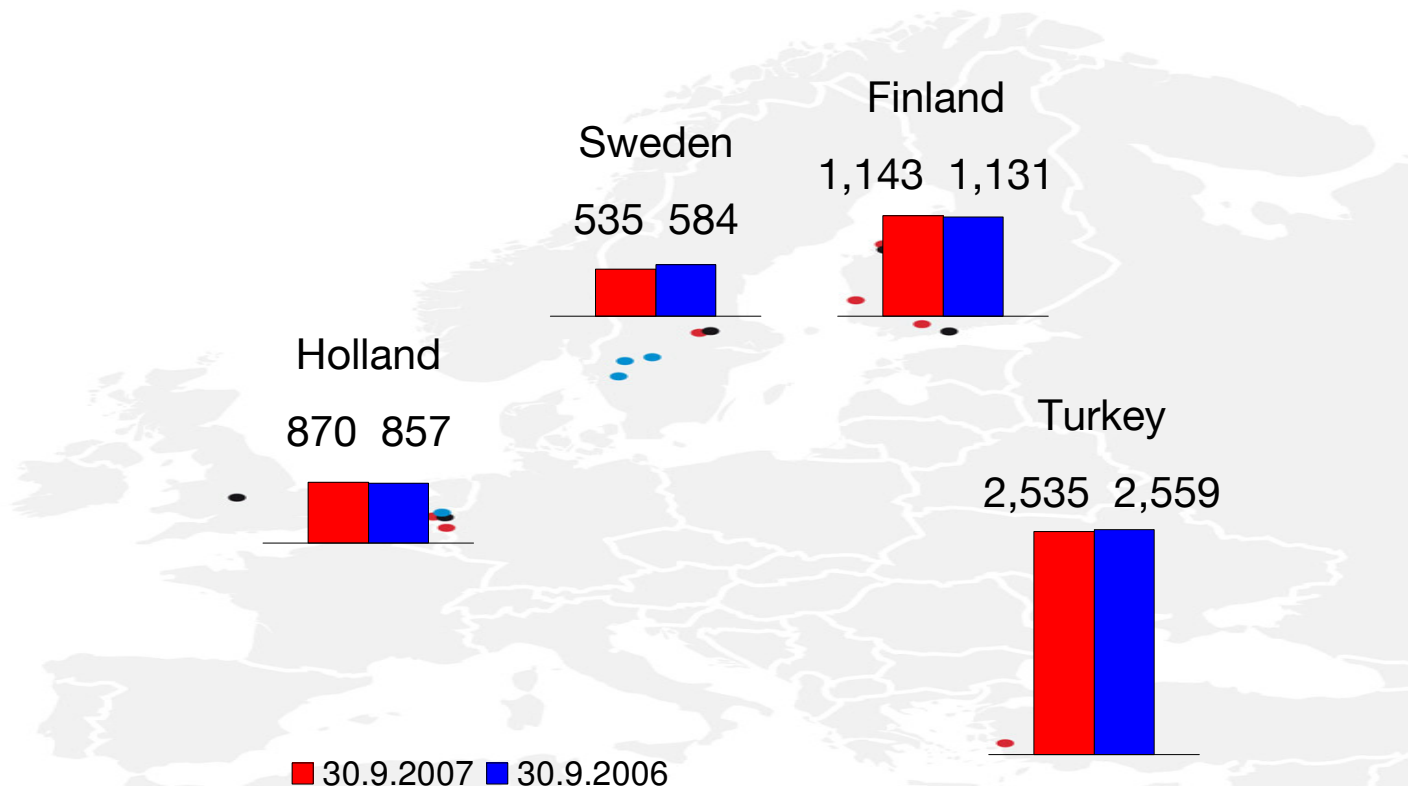
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Equity ratio, %



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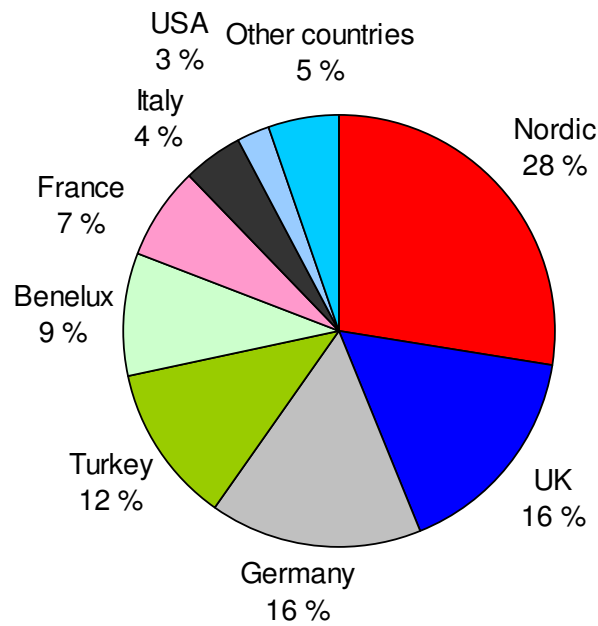
Personnel by country including leased personnel



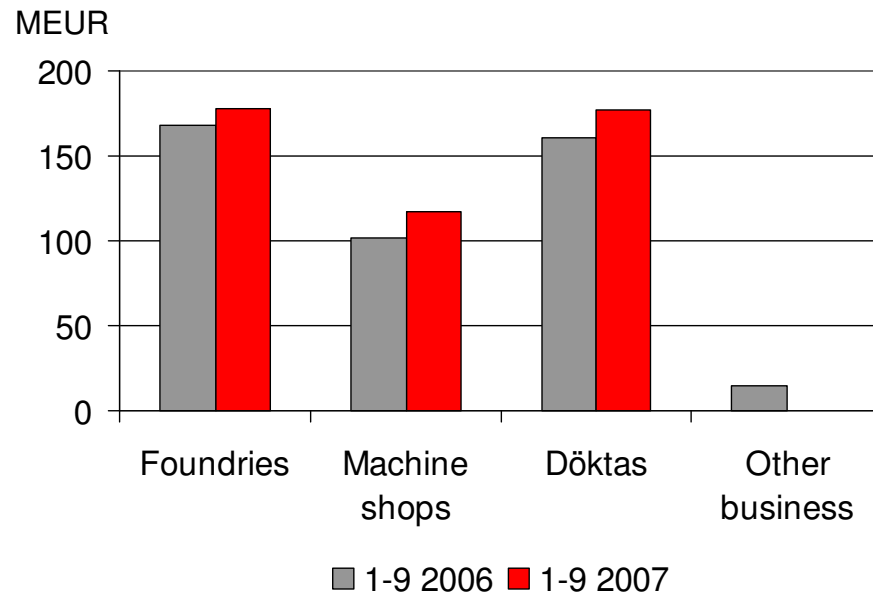
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Division of sales

Sales by market area



Sales by business division



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Sales to customer industries



Off-road

Heavy trucks

Automotive

**Diesel &
Wind**

**Machine
building**

37 % (37%)

26% (26 %)

17% (18%)

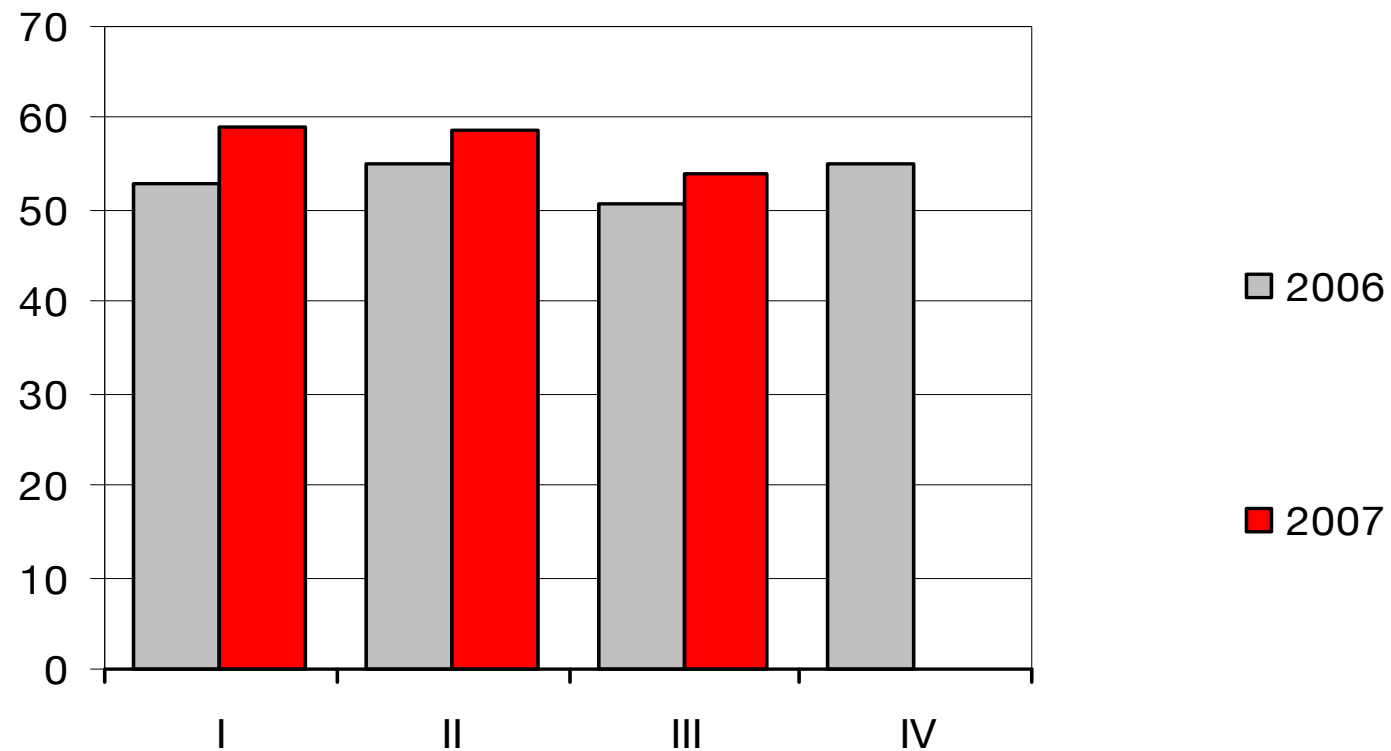
9% (8%)

11% (11%)

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Sales to off-road industry

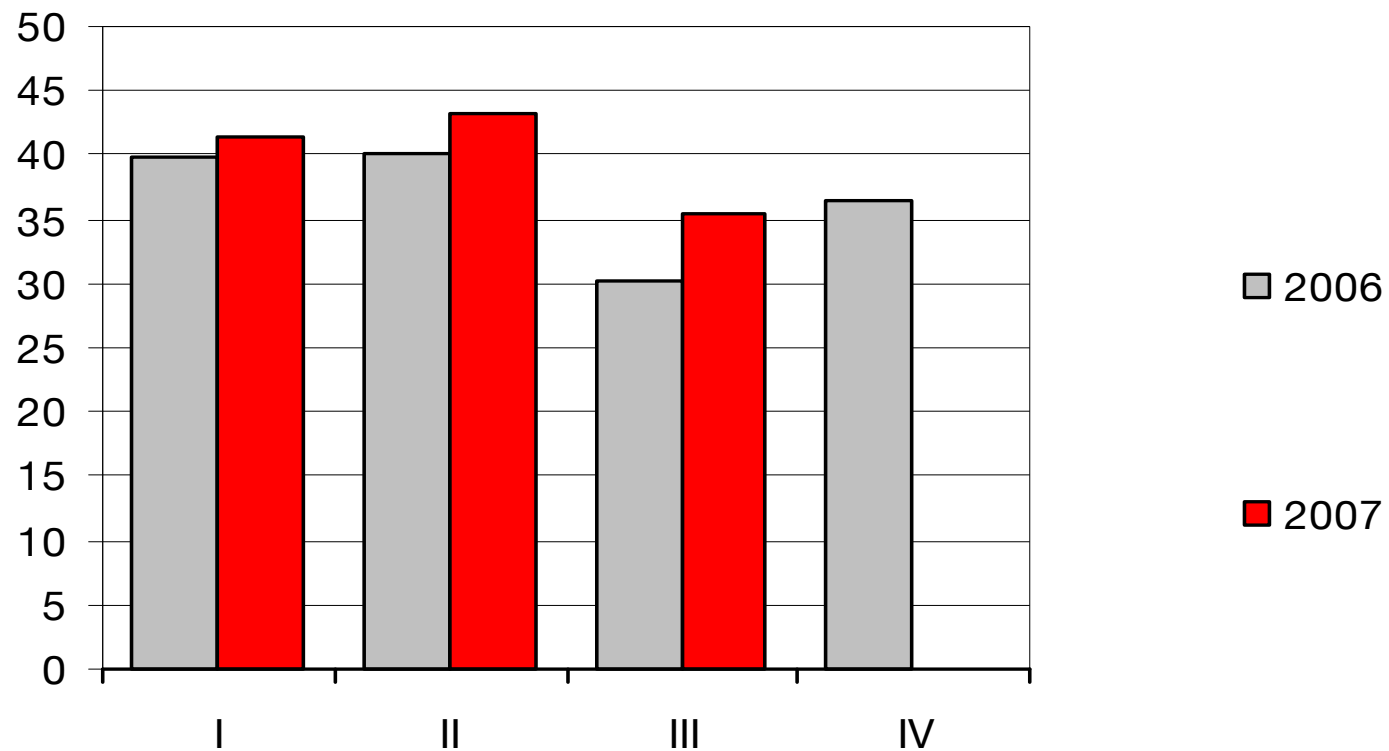
MEUR



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Sales to heavy truck industry

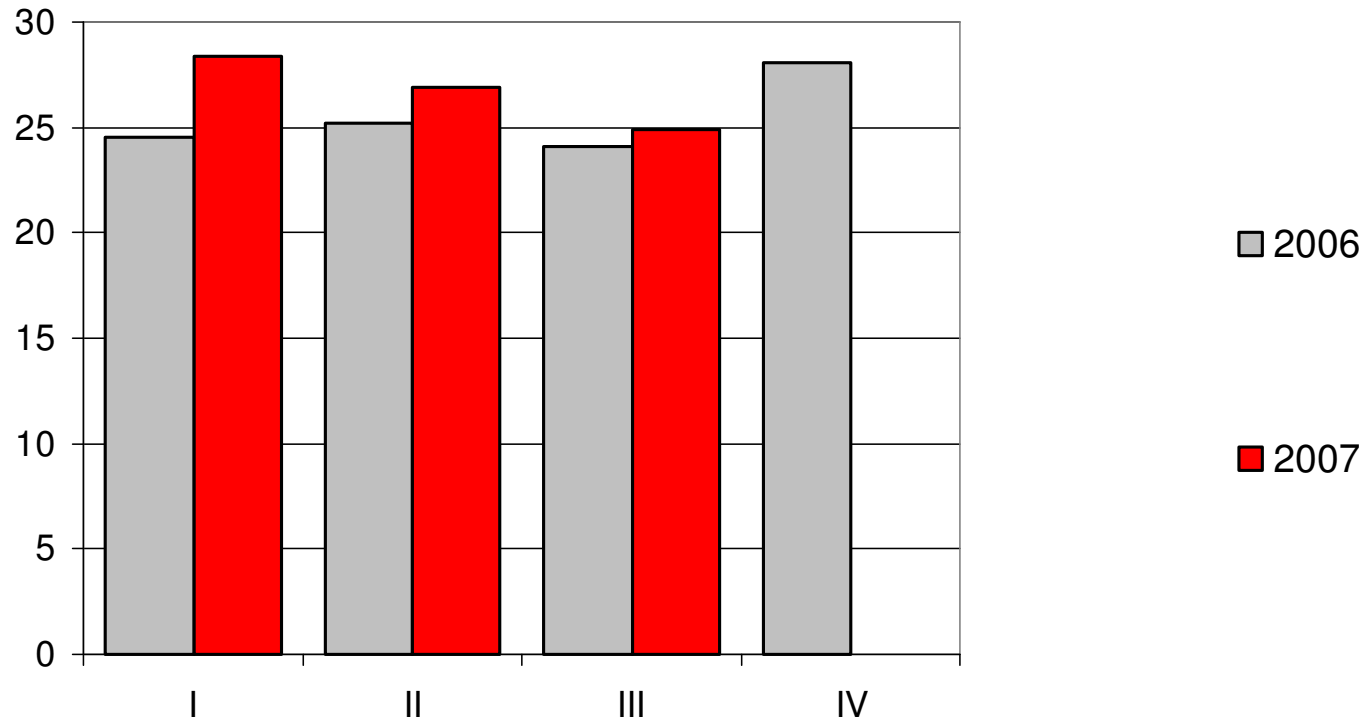
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Sales to light vehicle industry

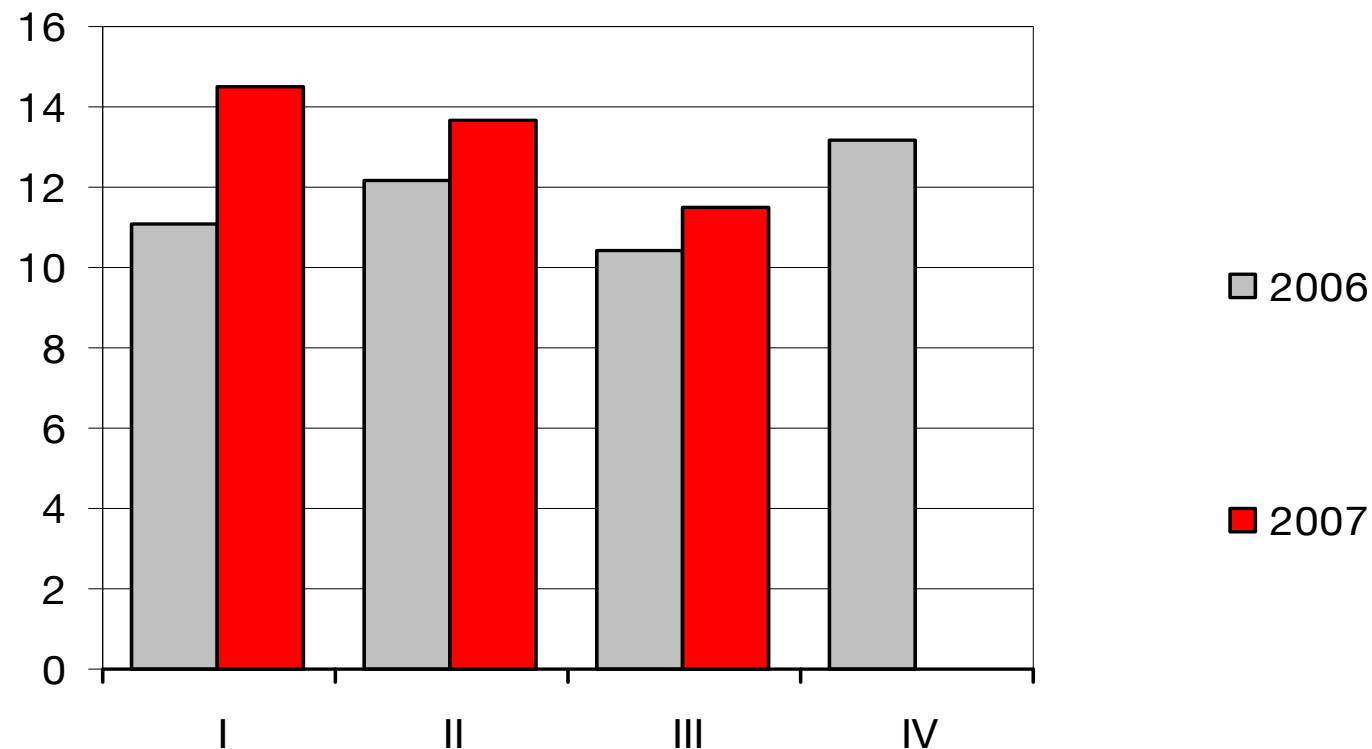
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Sales to power and transmission industry

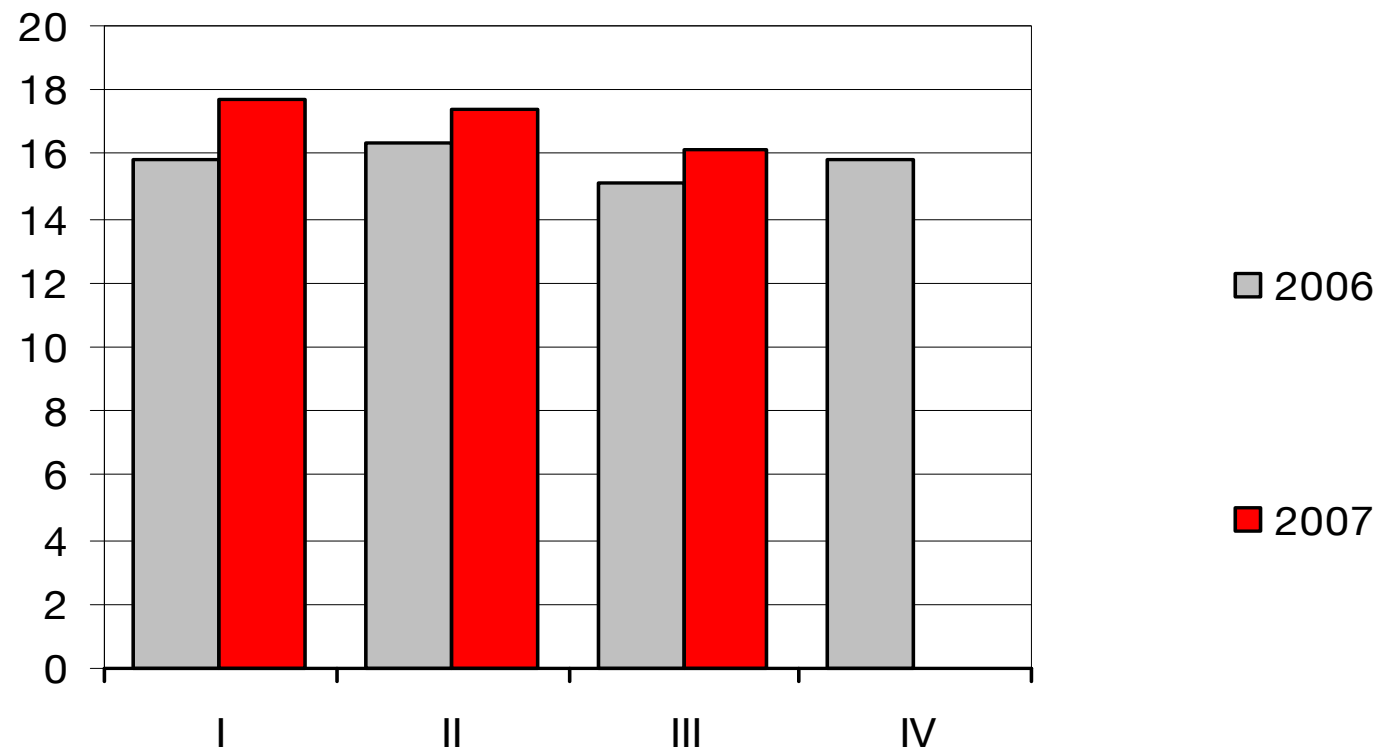
MEUR



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Sales to machine building industry

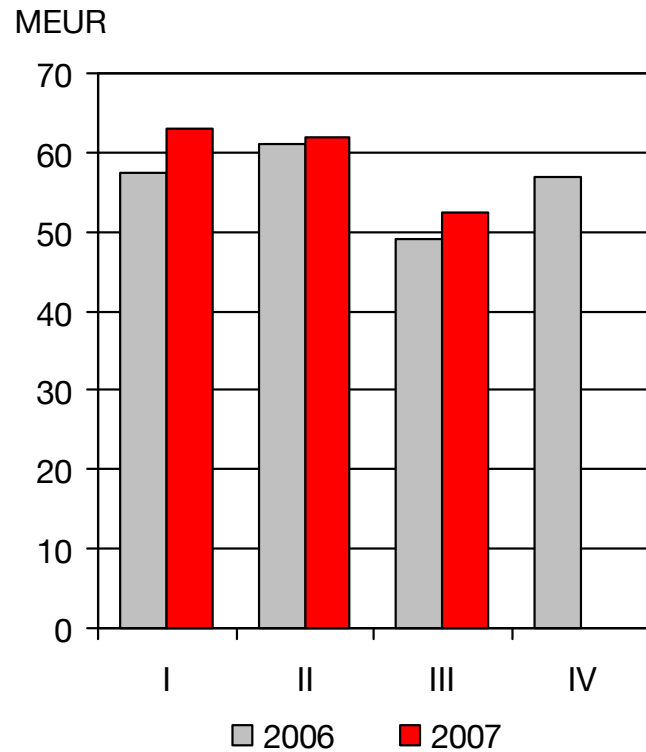
MEUR



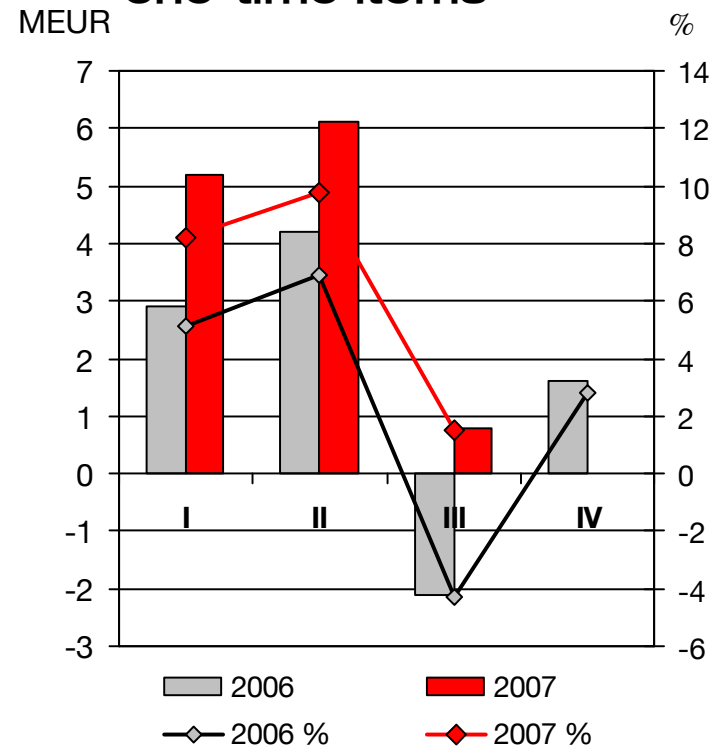
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Foundries

Net sales



Operating profit before one-time items



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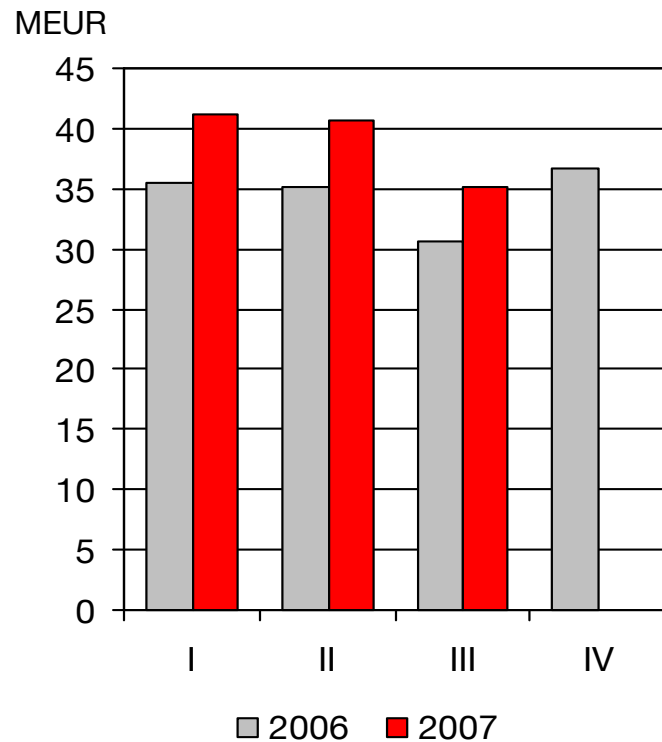
Performance of Foundry division

- The division contains the Group's foundries in Pori, Karkkila, Pietarsaari, Iisalmi, Weert and Heerlen.
- Net sales were MEUR 177.5 (MEUR 167.8) and operating profit MEUR 12.0, 6.8% of net sales (MEUR 5.1, 3.0%).
- The operating results of the Karkkila and Heerlen Furan foundries improved significantly during the first nine months.
- Operating profit improved from the previous year as a result of higher volumes and enhanced efficiency in operations.

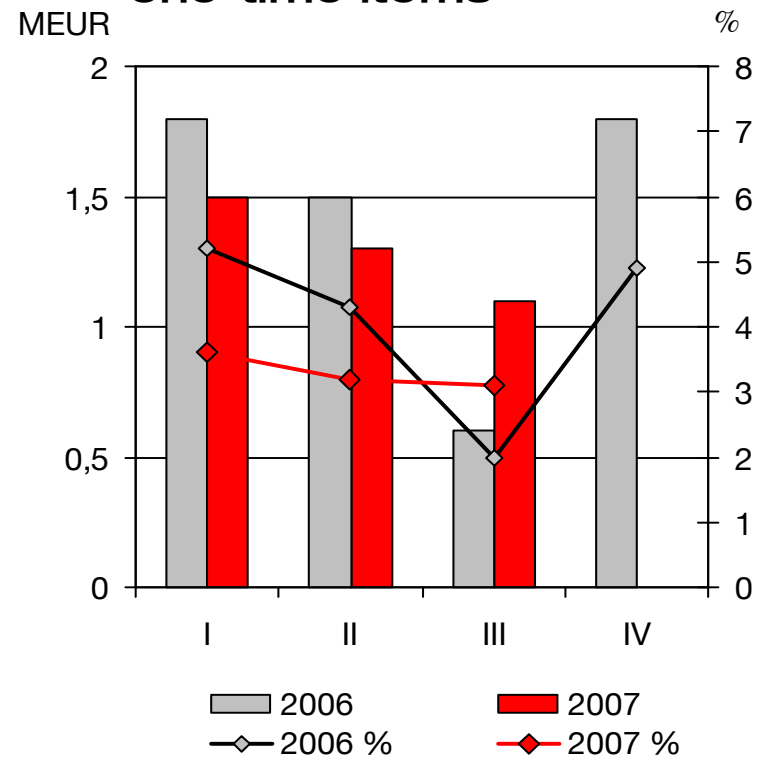
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Machine shops

Net sales



Operating profit before one-time items



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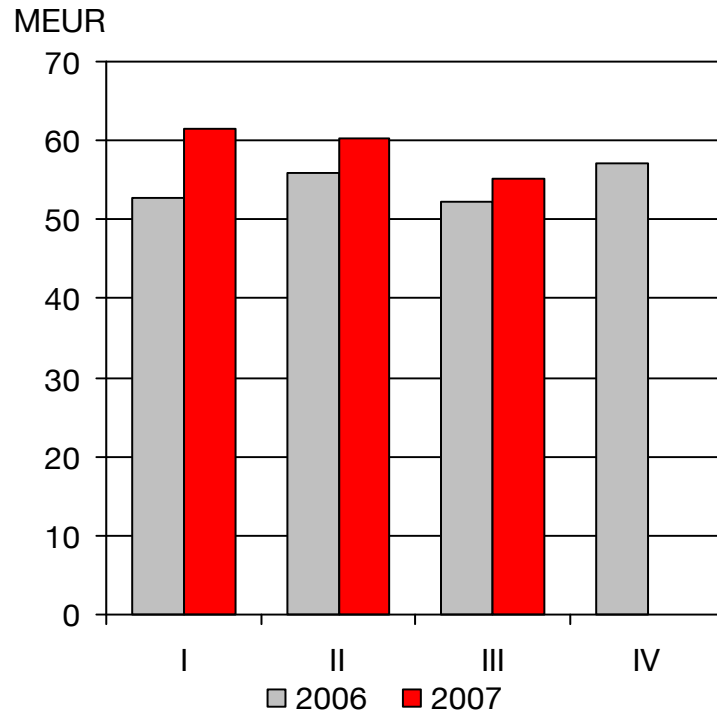
Performance of Machine Shops division

- The division contains the Främmestad and Åmål machine shops in Sweden, the machine shops in Pietarsaari and Lempäälä in Finland, and the machine shop operations in the Netherlands.
- Net sales in January – September totalled MEUR 116.9 (MEUR 101.3) and operating profit was MEUR 3.9, 3.3% of net sales (MEUR 4.0, 4.0%).
- In June Componenta decided to consolidate the operations of the Componenta Åmål machine shop with Componenta Främmestad in Sweden. The operations are being consolidated during 2007.
 - During the first quarter a provision of MEUR 4.7 was recorded in one-time costs, in preparation for the financial impact of the consolidation.
 - Consolidating of operations is expected to improve the combined result of the units by about MEUR 2 a year as from 2008.

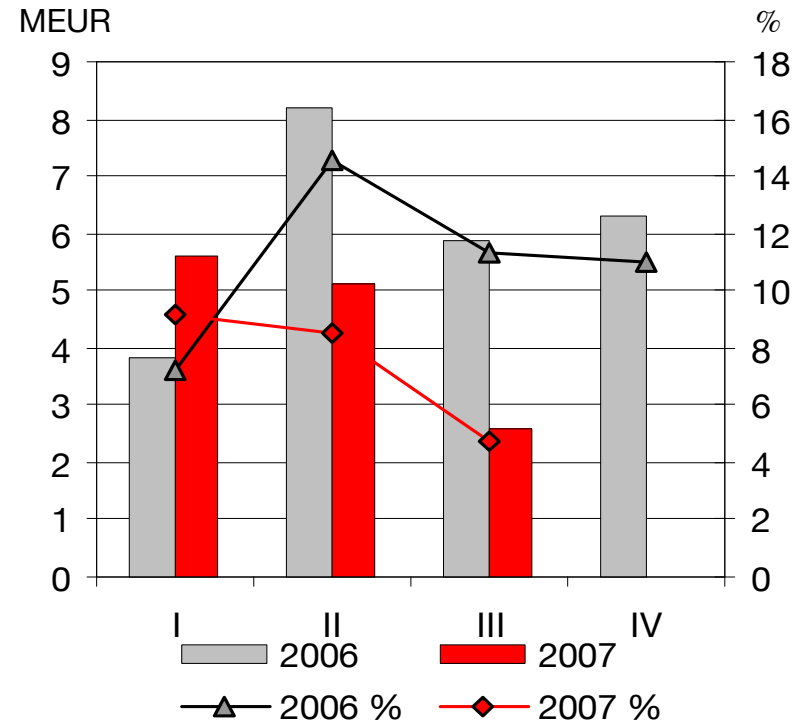
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Döktas

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 176.9 (MEUR 160.9) and operating profit of MEUR 13.3, 7.5% of net sales (MEUR 17.9, 11.1%).
- The unit's operating profit declined considerably due to low sales of Döktas' aluminium wheels
- The appreciable strengthening of the Turkish lira during 2007 has weakened Döktas's operating profit
- The Döktas unit in Orhangazi making cast components had net sales of MEUR 119.1 (MEUR 106.4) and operating profit of MEUR 9.7, 8.1% of net sales (MEUR 10.8, 10.1%).
- The Döktas unit in Manisa making aluminium components had net sales of MEUR 57.8 (MEUR 54.6) and operating profit of MEUR 3.6, 6.2% of net sales (MEUR 6.8, 12.5%).

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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 Componenta UK sales company (formerly Sherbrook), 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 in January – September, excluding one-time items, of MEUR 1.4 (MEUR 2.6).
- The name of sales company Sherbrook has been changed to Componenta UK and at the same time it was decided to terminate sales of non-group-company products. The costs arising from this termination (MEUR 0.9) have been recorded under one-time items in the result for the third quarter.

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Prospects Q4/2007

- 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 is good in 2007. Rising interest rates and unfavourable developments in exchange rates in Europe may weaken prospects for next 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 considerably in 2007.

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Prospects Q4/2007

- Componenta's order book, MEUR 125.0 (MEUR 100.7), increased significantly during the third quarter compared to the corresponding period in the previous year.
- Net sales in 2007 are expected to increase and the operating profit to improve compared to the corresponding pro forma figures for 2006. It is estimated that Componenta's financial costs will increase due to the strengthening of the Turkish lira and rising interest rates. The 2007 profit after financial items, excluding one-time items, is expected to be about MEUR 20.