

# **Componenta Corporation Interim Report**

**1 January - 31 March 2003**

## Income statement

<i>MEUR</i>	2003 1 -3	2002 1 -3	2002 1-12
Net sales	46.3	47.1	180.8
<i>Change in net sales, %</i>	-1.7	-16.3	-6.7
Other operating income	0.1	0.1	3.1
Share of result of associated companies	-0.2	-0.4	0.2
Operating expenses	41.6	42.9	167.7
Depreciation and write-down of non-current assets	3.0	2.9	9.4
Operating profit	1.6	1.1	7.0
<i>Operating profit, %</i>	3.4	2.2	3.9
Financial income and expenses	-2.1	-2.1	-9.1
Result after financial items	-0.5	-1.0	-2.1
Net result	-0.4	-0.6	1.0

## Operating profit by business group

<i>MEUR</i>	2003 1 - 3	2002 1 - 3	2002 1-12
Cast and Other Components	2.1	1.4	5.8
Other Business	-0.5	-0.3	1.2
Total	1.6	1.1	7.0

## Key ratios

	31.3. 2003	31.3. 2002	31.12. 2002
Equity ratio, %, preferred capital notes in equity	29.3	30.1	31.4
Return on equity, %	-4.1	-5.7	2.5
Invested capital, MEUR	186.1	190.3	187.8
Return on investments, %	4.0	3.0	4.4
Net interest bearing debt, preferred capital notes in equity, MEUR	120.0	120.2	116.5
Net gearing, %, preferred capital notes in equity	188.3	179.1	170.5
Order book, MEUR	27.1	28.2	24.9
Investments in non-current assets, MEUR	0.3	2.1	9.8
Investments in production facilities, MEUR	0.3	1.0	7.9
EPS, EUR	-0.04	-0.06	0.11
Equity/share, EUR	3.76	3.79	3.92
Number of personnel, average	1,597	1,729	1,705
Number of personnel at the end of the period	1,626	1,748	1,616

# Cash Flow

MEUR	1.1.-31.3.2003	1.1.-31.3.2002	1.1.-31.12.2002
<b>Cash flow from operations</b>			
Profit/loss before extraordinary items	-0,5	-1.0	-2.1
Depreciation, amortization and write-down	3,0	2.9	9.4
Net financial income and expenses	2,1	1.5	9.1
Other income and expenses, adjustments to cash flow	1,7	2.0	-3.5
Change in net working capital	-2,5	-3.8	1.6
<b>Cash flow from operations before financing and income taxes</b>	<b>3,8</b>	<b>1.6</b>	<b>14.4</b>
Net financial income and expenses	-3,6	-2.1	-7.9
Income taxes	0,0	0.0	0.0
<b>Cash flow from operations</b>	<b>0,2</b>	<b>-0.5</b>	<b>6.5</b>
<b>Cash flow from investing activities</b>			
Capital expenditure in tangible and intangible assets	-0,3	-1.0	-7.0
Proceeds from tangible and intangible assets	0,0	0.6	3.6
Other investments and loans granted	0,0	-1.2	-2.4
Proceeds from other investments and repayments of loan receivables	0,1	0.0	0.0
<b>Cash flow from investing activities</b>	<b>-0,2</b>	<b>-1.7</b>	<b>-5.7</b>
<b>Cash flow from financing activities</b>			
Dividends paid	-1,0	-1.4	-1.4
Share issue	-	-	-
Draw-down (+)/ repayment (-) of preferred capital note	-3,1	-2.6	-2.6
Draw-down (+)/ repayment (-) of current loans	15,7	12.0	9.5
Draw-down (+)/ repayment (-) of non-current loans	-12,3	-6.0	-5.0
<b>Cash flow from financing activities</b>	<b>-0,6</b>	<b>1.9</b>	<b>0.4</b>
<b>Increase (+)/ decrease(-) in cash and bank accounts</b>	<b>-0,6</b>	<b>-0.3</b>	<b>1.2</b>

## Review period in brief

- Operating profit and result rose from previous year
- Net sales MEUR 46.3 (MEUR 47.1); decline nearly 2%
- Operating profit MEUR 1.6 (MEUR 1.1)
- Result after financial items MEUR -0.5 (MEUR -1.0)
- Consolidated net result MEUR -0.4 (MEUR -0.6)
- Earnings per share EUR -0.04 (EUR -0.06)

## Review period in brief

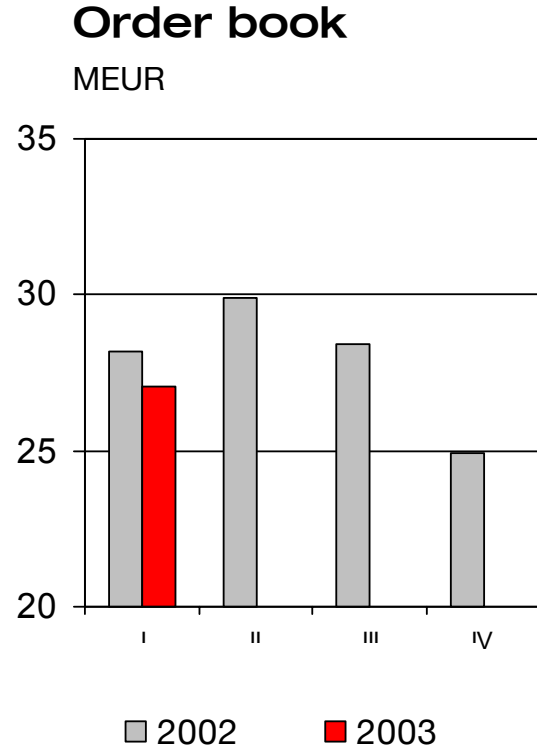
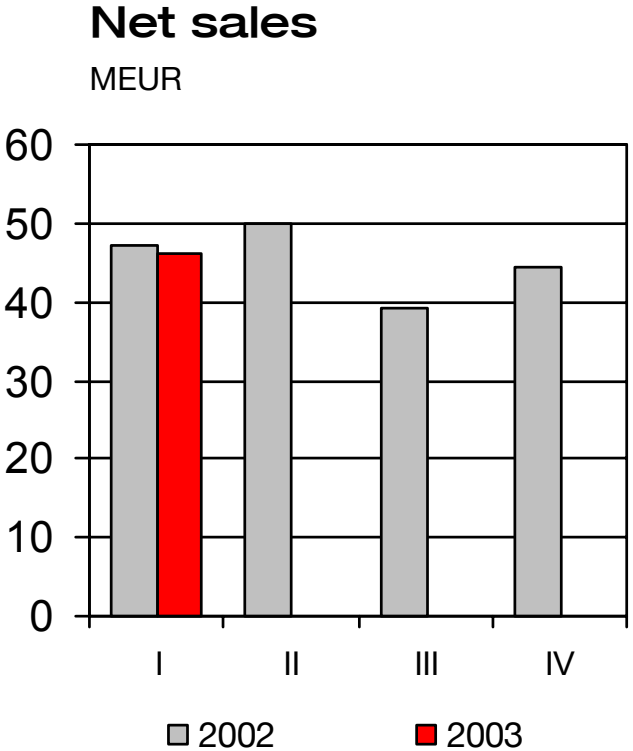
- Result improved thanks to restructuring programme
- Rise in global market prices for raw materials (steel scrap) weakened result
- Notice of possible redundancy to some personnel at Främmestad unit, due to loss of products as customers change production strategies; impact on volumes not until 2004

## Development of Customer Industries

- Q1 deliveries to Componenta's customer sectors fell on same period in previous year; slight increase from Q4/2002 (4%)
- Demand for heavy trucks and output in Europe remained at satisfactory level in first part of 2003
- Demand from machine building industry remained weak
- Investment decisions on wind turbine generator projects stopped because of uncertain economic situation
- Off-road performance remained at good level Q1

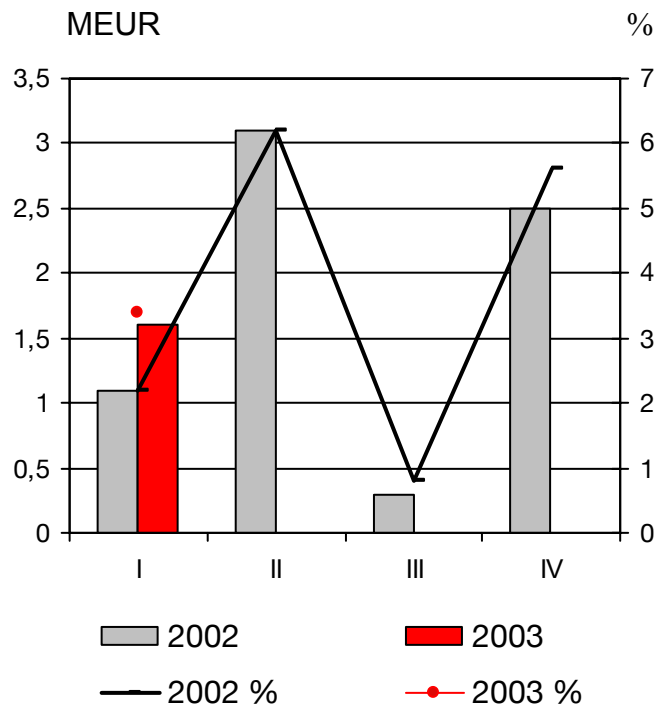


# Net sales and order book

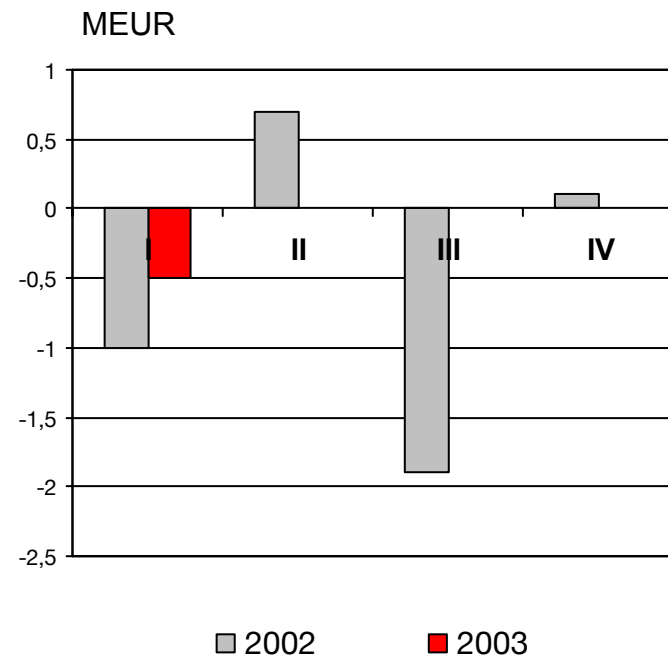


# Operating profit and result after financial items

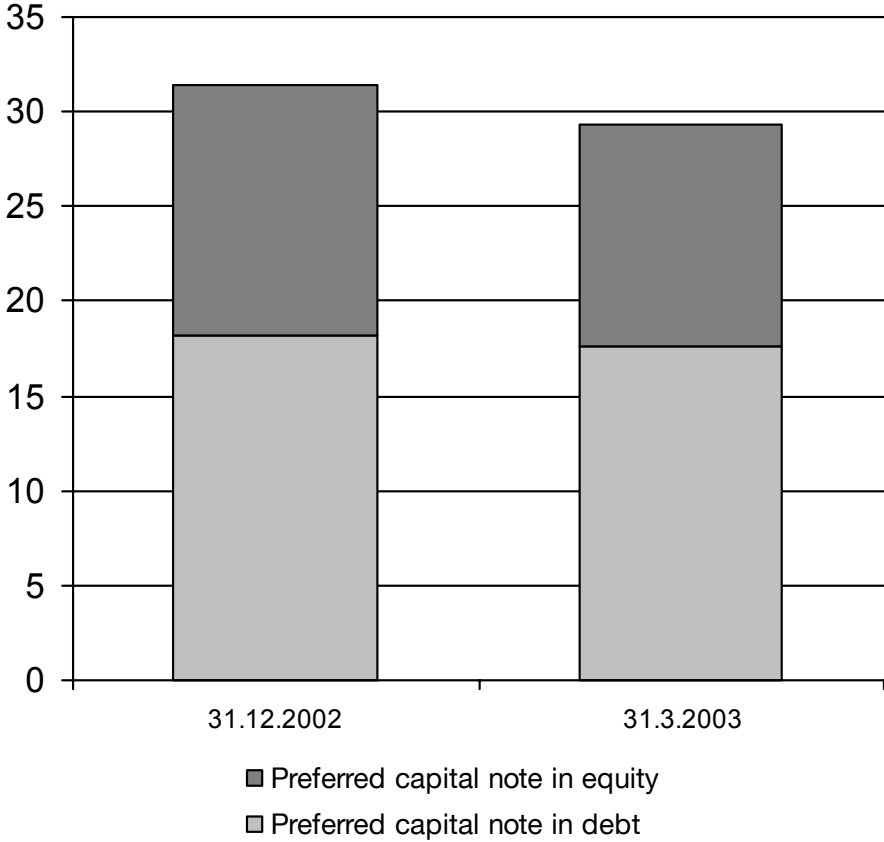
## Operating profit/loss



## Profit/loss after financial items

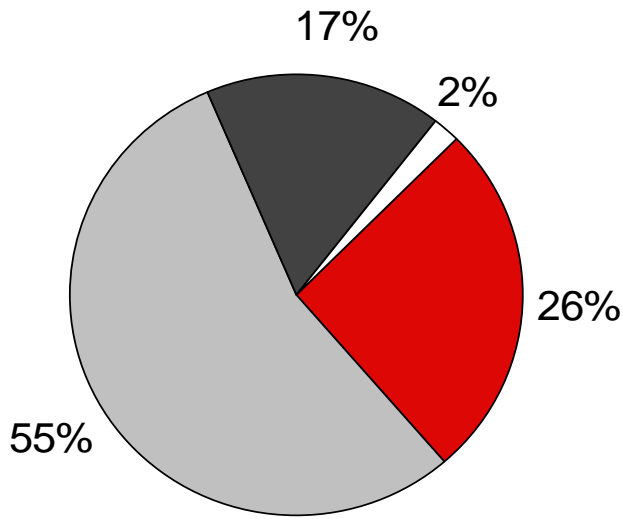


# Equity ratio, %



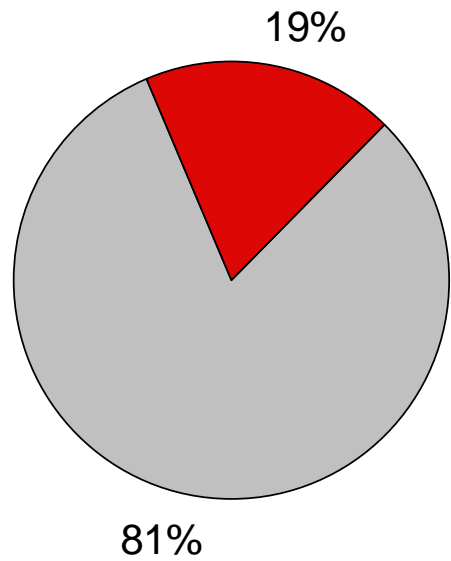
# Division of sales

## Sales by market area



- Finland
- Other Scandinavia
- Central Europe
- Other countries

## Sales by business group



- Cast and other components
- Other operations

## Sales to customer industries



**Heavy trucks**

**Power and transmission**

**Machine building**

**Off-road**

**Others**

**57% (55%)**

**13% (14%)**

**13% (15%)**

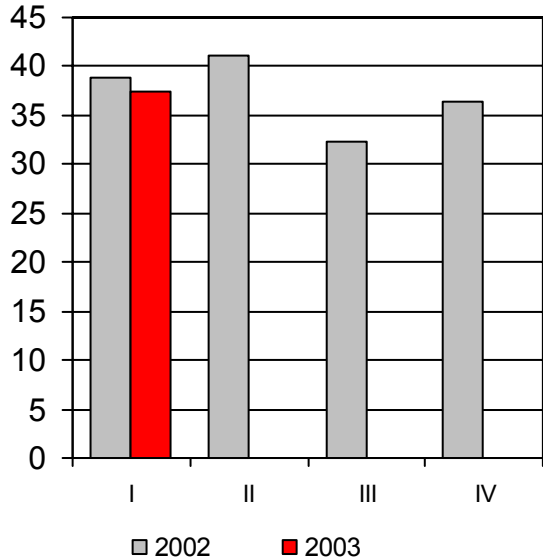
**14% (12%)**

**3% (4%)**

# Cast and Other Components

## Net sales

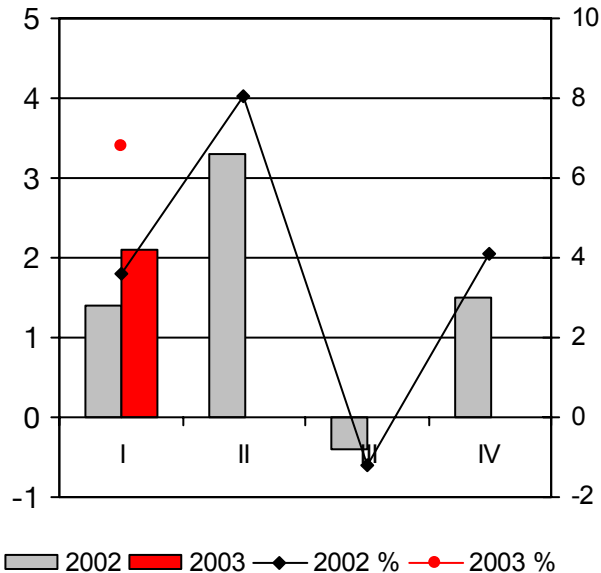
MEUR



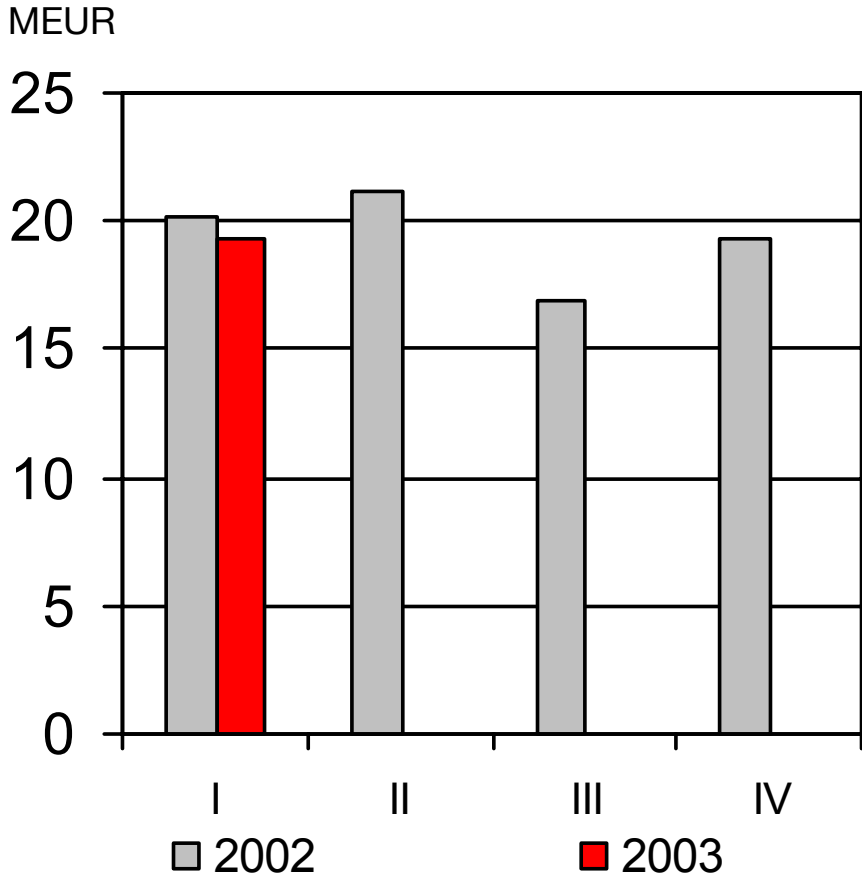
## Operating profit

MEUR

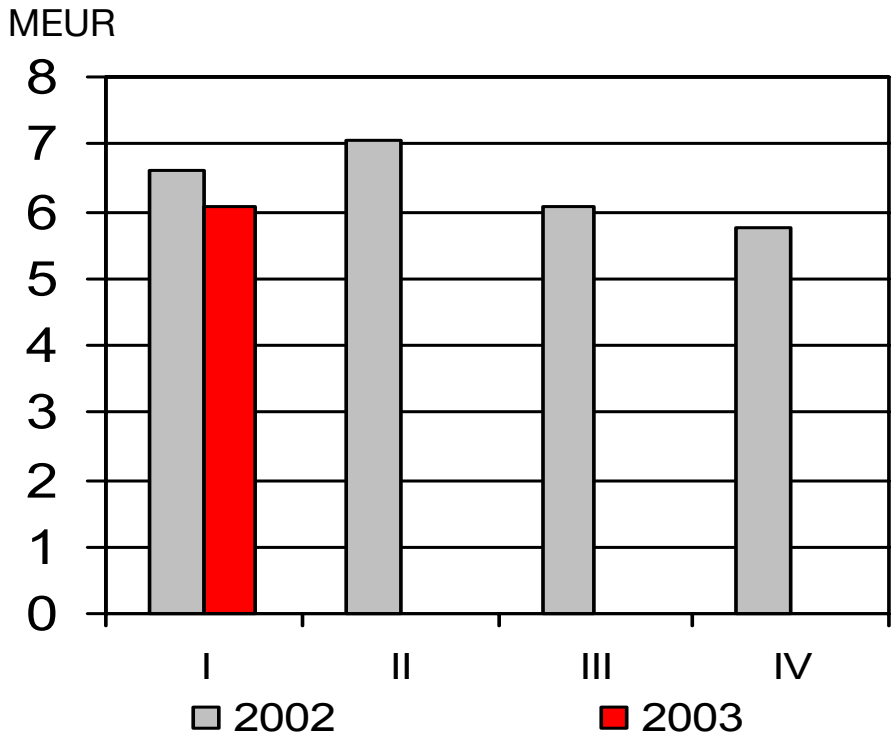
%



# Cast and Other Components, sales to heavy truck industry

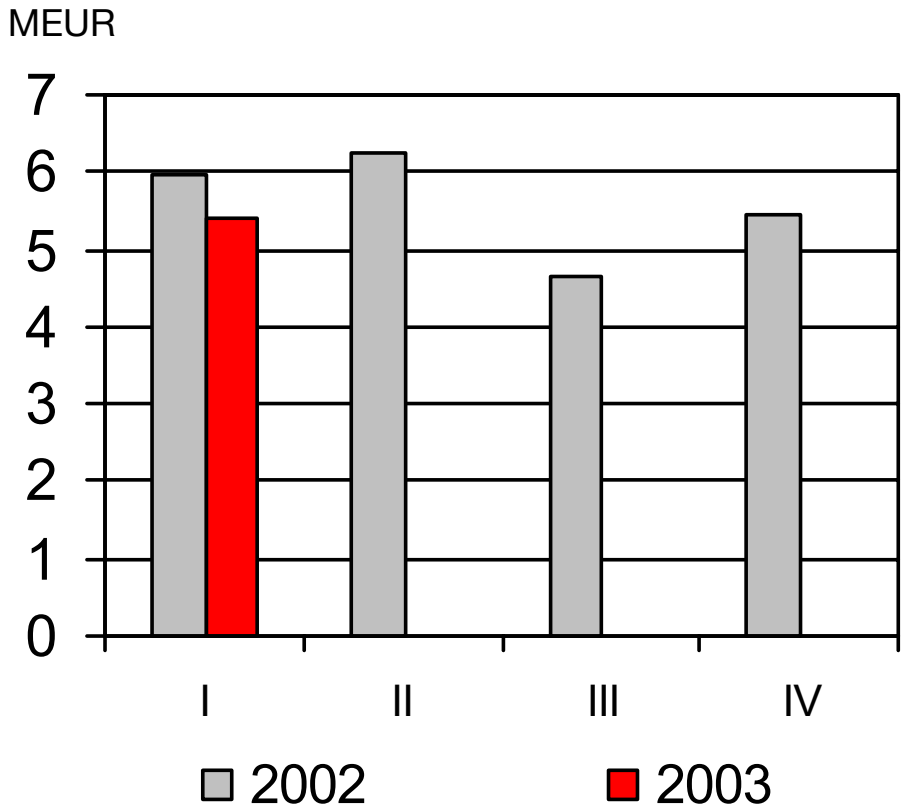


# Cast and Other Components, sales to power and transmission industry

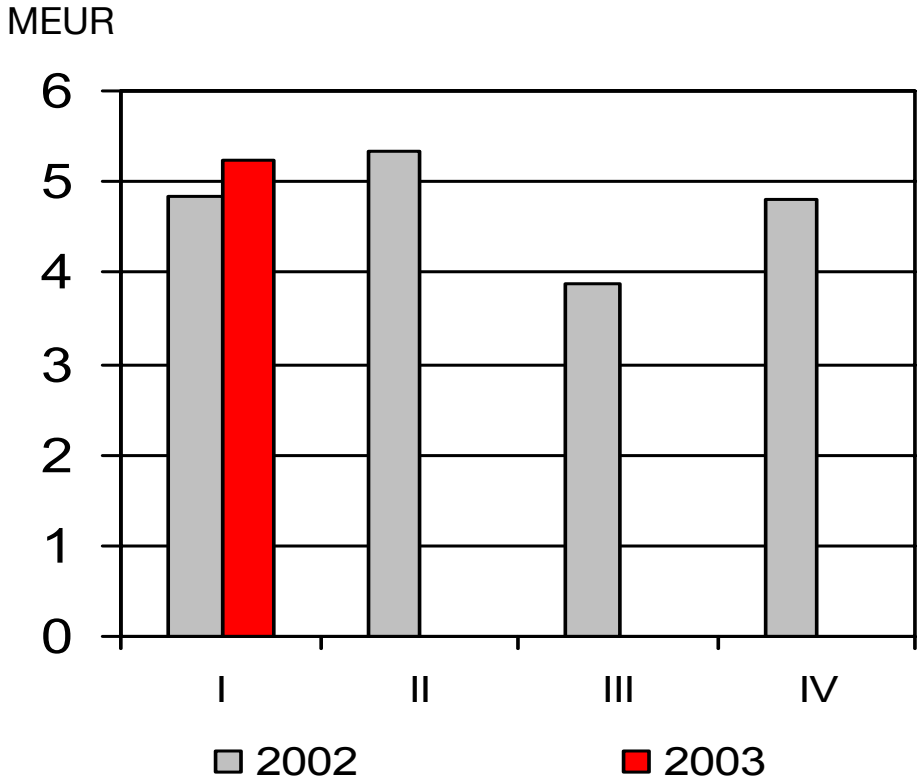




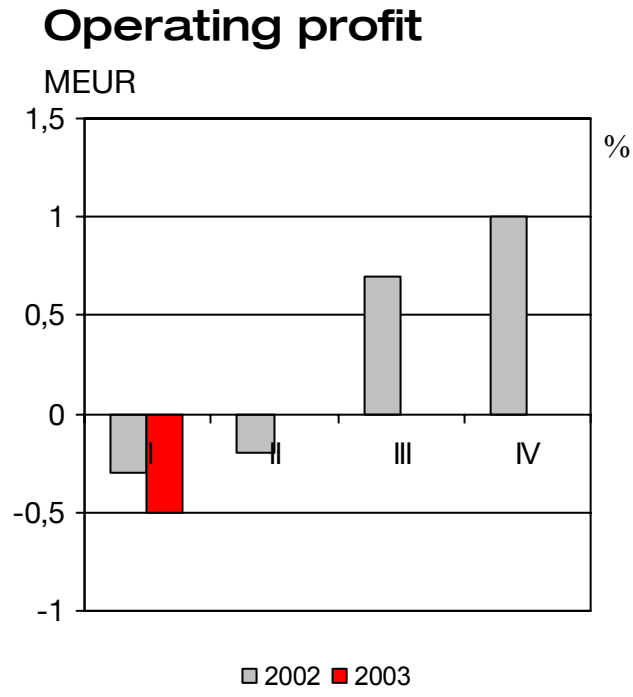
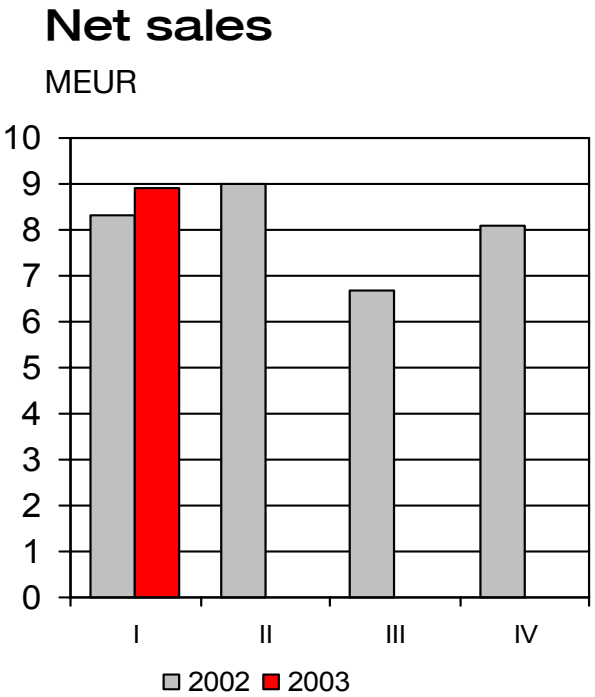
# Cast and Other Components, sales to machine building industry



# Cast and Other Components, sales to off-road industry



# Other operations



## Other operations and associated companies

- Sales by Group's forges increased from corresponding period in previous year; result improved from Q4/02
- Share of results of associated companies MEUR -0.2 (MEUR -0.4); improved result at Keycast and exchange rate gains at Ulefos improved result

## Prospects Q2/2003

- Duration of Iraq crisis and way it is resolved will have impact on economic recovery
- Manufacturers expected to continue to postpone investment decisions of machinery and equipment
- Demand for components for heavy truck industry should remain satisfactory; economic uncertainty may, however, also have impact on demand for heavy truck components
- Deliveries of wind turbine generator components improve in Q2/03
- Recovery in machine building industry probably further delayed; demand thought to have stopped falling
- Off-road positive performance should continue

## Prospects Q2/2003

- Decision on final price for SEW-Componenta may differ from what expected/recorded
- Restructuring programme will make cost structure lighter than previous year
- Q2/03 net sales expected to be lower than Q2/02
- Result after financial items should be positive in Q2/03