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Componenta Corporation's Financial Statements 1 January – 31 December 2008

- Componenta Group had net sales in 2008 of MEUR 681.4 (MEUR 634.7).
- Operating profit excluding one-time items was MEUR 47.9 (MEUR 34.9) and result after financial items, excluding one-time items, was MEUR 19.2 (MEUR 14.9).
- Fourth quarter net sales totalled MEUR 125.3 (MEUR 162.9), operating profit excluding one-time items was MEUR -6.0 (MEUR 8.8) and result after financial items excluding one-time items was MEUR -16.1 (MEUR 3.1).
- Earnings per share, excluding one-time items, were EUR 1.28 (EUR 1.01). Componenta's basic earnings per share in 2008 were EUR 1.24 (EUR 1.97).
- The Board of Directors proposes to the Annual General Meeting of Shareholders that a dividend of EUR 0.50 per share be paid for 2008.

Events in 2008 in brief

On 28 January 2008 Componenta signed an agreement with Metso Foundries Jyväskylä Oy to transfer the technology for production on Metso's automated moulding line to Componenta. Metso Foundries Jyväskylä Oy terminated production on this line on 30 September 2008. The signed cooperation agreement enabled deliveries of castings to Metso's customers to continue uninterrupted during and after the transition stage.

Componenta changed its pricing system in consequence of rising raw material costs. The prices of main raw materials such as recycled metal and pig iron produced from iron ore rose by more than 100 % between the end of 2007 and June 2008. Because of this, Componenta introduced a price compensation system at the end of June, so that the impact of changes in raw material prices is updated monthly instead of quarterly as in the past.

In consequence of the turbulence in the finance markets, demand for Componenta's products began to slow down in late September and early October. On 14 October 2008 Componenta announced that it was beginning to adapt the operations of its units to lower demand in Turkey, the Netherlands, Sweden and Finland by reducing the use of contract labour during October and November by altogether 720 persons and by reducing the number of its own personnel by a total of 170 persons through layoffs and redundancies. The company also reduced its use of external subcontractors by an amount corresponding to the work input of 150 people.

Componenta commissioned the Group's new machine shop in Orhangazi, Turkey on 21 October 2008. In addition to the EUR 3 million investment in the building, a further EUR 2 million was invested in machinery and equipment in 2008.

As the global financial crisis turned into an economic recession, the markets weakened significantly in several of Componenta's customer sectors. As a result, Componenta announced on 15 December 2008 that it was continuing measures that it had started earlier by reducing production temporarily in line with reduced demand. Componenta sharply reduced the use of labour in the Netherlands and Turkey and increased the number of people laid off and made redundant from the figures announced in October in Sweden, Finland and Turkey. The reductions of leased employees, layoffs and redundancies amounted in total to 1,600 people, and in addition the amount of subcontracting was reduced by an amount corresponding to the work input of 200 people.

On 18 December 2008 the Court of First Instance (CFI) of the European Communities reversed the decision made by the European Commission on 20 October 2005, in which the Commission stated that the city of Karkkila had given Componenta state aid contrary to the EU Treaty totalling some EUR 2.4 million in connection with a share purchase transaction.

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Net sales and order book

The Group's net sales in 2008 totalled EUR 681.4 (634.7) million. Comparable growth in net sales was 8.3%. The Group's net sales declined in the fourth quarter 23.1% to EUR 125.3 (162.9) million.

Foundries division sales in 2008 increased 21.1% from the previous year to EUR 292.6 (241.7) million.

Sales of the Machine shops division in 2008 rose 6.8% from the previous year to EUR 189.9 (177.8) million.

Sales of the Turkey division in 2008 increased 7.5 % from the previous year to EUR 242.7 (225.7) million.

The Group's order book at the end of 2008 stood at EUR 73.6 (129.0) million. The Foundries and Machine shops divisions had a combined order book at the end of 2008 of EUR 48.6 (72.1) million. Showing the order books for the divisions separately is not justified due to the nature of Componenta's supply chain. The order book of the Turkey division at the end of 2008 stood at EUR 17.9 (41.9) million.

Componenta's net sales in 2008 by customer sector were as follows: off-road 35% (36%), heavy truck industry 28% (27%), automotive 14% (17%), diesel & wind 7% (5%), machine building 15% (14%) and other sales 1% (1%).

Componenta's net sales in 2008 by geographical area were as follows: Nordic countries 30% (29%), other European countries 65% (66%) and other countries 5% (5%).

Result

Componenta's 2008 financial statements have been prepared in accordance with international financial reporting standards (IFRS). The exchange rate differences for trade payables and trade receivables and related hedging items, which were previously presented under financial items, are presented in the relevant item under other operating income in the operating profit. These exchange rate differences totalled EUR -3.2 million in 2007 and the figures for comparison have been adjusted to bring them in line with the new form of presentation. The adjustment has no impact on the 2007 result after financial items or on the Group's equity on 31 December 2007. In other respects Componenta has applied the same accounting principles when preparing the 2008 financial statements as in the 2007 financial statements.

The consolidated operating profit for the financial year, excluding one-time items, was EUR 47.9 (34.9) million. The operating results of the Foundries and Turkey divisions increased considerably from the previous year mainly in consequence of higher volumes and greater efficiency in operations. The operating profit of the Machine shops division weakened slightly from the previous year, mainly due to difficulties in cost adaptation.

The Group's net financial costs for the period totalled EUR -28.7 (-20.0) million. Net financial costs rose EUR 8.7 million from the previous year mainly due to exchange rate differences on loans and higher interest expenses.

The Group's result after financial items excluding one-time items was EUR 19.2 (14.9) million. The Group's one-time items in the period were EUR -0.6 (7.8) million.

Income taxes, calculated from the profit for the period, totalled EUR -4.6 (-1.1) million. Deferred tax receivables have been recorded in the balance sheet, and it is estimated that these can be utilized in Finland and Sweden during the next 4 – 6 years.

Componenta's net result for the period, excluding one-time items, was EUR 14.4 (11.4) million and the corresponding figure including one-time items was EUR 13.9 (21.6) million.

The basic earnings per share, excluding one-time items, were EUR 1.28 (1.01) and the corresponding figure including one-time items was EUR 1.24 (1.97).

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Capital invested in the company at the end of the year was EUR 341.5 (370.9) million. The return on investment excluding one-time items was 13.7% (9.8%) and the return on equity excluding one-time items was 14.9% (12.1%).

The fourth quarter operating profit, excluding one-time items, was EUR -6.0 (8.8) million and the result after financial items, excluding one-time items, was EUR -16.1 (3.1) million. Factors affecting the result were the decline in net sales by 23.1 %, the exceptional items caused by the exceptionally sharp and rapid fall in raw material prices, and the exceptional items arising from adjusting the number of personnel. The total amount of the exceptional items is estimated at approximately EUR 7 million.

Componenta's key financial indicators, including one-time items, during the past three years were as follows:

	2006	2007	2008
Net sales, MEUR	362.1	634.7	681.4
Operating profit, MEUR	14.5	42.7	47.3
Operating profit, %	4.0	6.7	6.9
Return on equity, %	5.9	23.0	14.5
Equity ratio, %	19.2	20.3	16.4

Financing

At the end of the year Componenta Corporation had outstanding capital notes and convertible notes with a combined value of EUR 51.3 million, as defined in IFRS. In March the Group repaid EUR 3.2 million, or 10%, of the principal of the preferred capital notes issued in 2002, in accordance with the terms of the notes. In addition, in July the Group repaid in full the capital notes issued in 2004 with their capitalized interest, EUR 2.1 million. During 2008, 16 of Componenta's convertible capital notes were converted into shares. As a result, the number of Componenta shares increased by 3,200 and the shareholders' equity in the IFRS balance sheet rose by EUR 30,800. At the end of 2008 the outstanding unconverted capital notes and convertible notes entitled holders to subscribe to 3,165,000 shares.

In October Componenta drew down long-term pension loans from Finnish pension companies totalling EUR 20.0 million. At the end of the year the Group had unused credit facilities of EUR 63.0 million. The Group also has a EUR 150.0 million commercial paper programme. The Group's interest-bearing net debt, excluding the outstanding capital notes of EUR 51.3 million, stood at EUR 211.2 (187.4) million. The company's net debt as a proportion of shareholders' equity, including the capital notes in shareholders' equity, was 168.9% (120.2%).

Componenta is making more efficient use of capital with a programme to sell its trade receivables. Under this arrangement, some of the trade receivables are sold without any right of recourse. By the end of the period the company had sold trade receivables totalling EUR 49.0 (43.5) million.

Componenta's net cash flow from operations in 2008 was EUR 29.4 (42.6) million, and of this the change in net working capital was EUR -4.2 (11.0) million. The cash flow from investment was EUR -40.6 (-38.6) million, which includes the cash flow from the Group's production investments and the cash flow from shares sold and purchased and from fixed assets sold.

At the end of the review period the Group's equity ratio was 16.4% (20.3%). The equity ratio declined from the previous year mainly due to the negative change in the translation difference of some EUR 29 million for the Turkish subsidiary, which in turn was in consequence of the major weakening of the Turkish lira against the euro. The Group's shareholders' equity on 31 December 2008, including the capital notes in shareholders' equity, as a proportion of the balance sheet total was 27.8% (31.4%).

Loans, commitments and contingent liabilities given by the company to Group companies classified as related parties on 31 December 2008 totalled EUR 150.2 (126.4) million. Loans, commitments and

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contingent liabilities given by the company to private persons classified as related parties on 31 December 2008 totalled EUR 0.2 (0.3) million.

Performance of business divisions

Componenta amended its reporting structure on 1 January 2008, when two units were transferred to the Machine shops division, Componenta Pistons from the Other business division and the Orhangazi machine shop operations from the Turkey division. All figures for comparison for the divisions for 2007 have been adjusted to bring them in line with the new reporting structure.

Foundries

The Foundries division comprises the Group's foundries in Karkkila, Pori, Pietarsaari and Iisalmi in Finland, and the foundries in Weert and Heerlen in the Netherlands.

The division had net sales in 2008 of EUR 292.6 (241.7) million and an operating profit of EUR 23.3 million, corresponding to 8.0% of net sales (EUR 16.7 million, 6.9%). The division's operating profit improved from the previous year mainly as a result of higher volumes and enhanced efficiency in operations. In consequence of the sharp increases in raw material prices, in summer 2008 Componenta introduced a new price compensation system, so that the impact of changes in raw material prices is updated closer to the event, on a monthly basis instead of quarterly as before.

Capacity at the Iisalmi foundry was raised to meet the growing demand for wind power components and capacity was increased at the Karkkila foundry for the needs of the production being transferred from Metso's foundry in Jyväskylä. Both investments were mainly carried out during the third quarter.

The division had fourth quarter net sales of EUR 62.3 (64.2) million and an operating profit of EUR -0.2 (4.7) million. The operating profit was weakened by the exceptionally rapid and sharp fall in raw material prices combined with a sharp reduction in delivery volumes and the costs arising from adjusting the number of personnel.

Machine shops

The Machine shops division comprises the Främmestad machine shop in Sweden, the machine shops in Lempäälä and Pietarsaari in Finland, the machine shop operations in Weert in the Netherlands, and the machine shop in Orhangazi, Turkey.

The division had net sales in 2008 of EUR 189.9 (177.8) million and operating profit of EUR 5.8 million, corresponding to 3.1% of net sales (EUR 6.5 million, 3.7%). The division's operating profit declined mainly because of the costs arising from the measures to adapt operations. The new machine shop in Orhangazi was completed during the summer and the unit's operations moved into the new premises during the third quarter.

The division's net sales in the final quarter totalled EUR 40.8 (46.8) million and the operating profit was EUR -0.2 (1.3) million. The operating profit weakened mainly because of the costs arising from the adjusting the number of personnel in Sweden.

Turkey

The Turkey division comprises the iron foundry in Orhangazi and the aluminium foundry and production unit for aluminium wheels in Manisa.

The division had net sales in 2008 of EUR 242.7 (225.7) million and operating profit of EUR 19.9 million, corresponding to 8.2% of net sales (EUR 10.4 million, 4.6%). Main factors that improved the division's financial performance from the previous year were increasing volumes, higher efficiency in its business

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operations, and the decline in the value of the Turkish lira against the euro. During the year the Turkey division introduced the same price compensation system for raw materials as the Foundries division.

Changes in the value of the Turkish lira against the euro improved the operating profit of the Turkey division in the first quarter by EUR 7.1 million, weakened it during the second and third quarters by altogether EUR 4.3 million, and improved it again in the fourth quarter by EUR 3.4 million.

The division's fourth quarter net sales totalled EUR 30.4 (51.0) million and the operating profit was EUR -4.2 (3.0) million. The operating profit was weakened by the exceptionally rapid and sharp fall in raw material prices combined with a sharp reduction in delivery volumes and the costs arising from adjusting the number of personnel.

The Orhangazi iron foundry had net sales in 2008 of EUR 173.7 (149.6) million and operating profit of EUR 12.5 (7.4) million. Net sales of the Manisa business units in 2008 totalled EUR 69.0 (76.1) million and operating profit was EUR 7.5 (2.9) million.

Other business

Other business comprises the Componenta Wirsbo forges in Sweden, the sales and logistics company Componenta UK in Great Britain, real estate companies and the Group's administrative functions.

Other business had net sales in 2008 of EUR 130.1 (145.5) million and an operating profit excluding one-time items of EUR -1.7 (1.6) million. The order book at the end of 2008 stood at EUR 7.1 (15.0) million. Net sales of the Componenta Wirsbo forges fell and the operating profit declined from the previous year. Likewise the net sales of sales and logistics company Componenta UK fell and the operating profit declined from the previous year.

Other business had fourth quarter net sales of EUR 22.8 (39.1) million and an operating profit excluding one-time items of EUR -3.4 (-0.1) million. The operating profit was weakened by the exceptionally rapid and sharp fall in raw material prices combined with a sharp reduction in delivery volumes and the costs arising from adjusting the number of personnel.

Shares and share capital

The shares of Componenta Corporation are quoted on the NASDAQ OMX Helsinki. At the end of 2008 the company had a total of 10,945,698 (10,942,498) shares. At the end of the period the company's share capital stood at EUR 21.9 (21.9) million. On 31 December 2008 the quoted price of Componenta Corporation shares stood at EUR 4.75 (8.37). The average price during the year was EUR 8.34, the lowest quoted price was EUR 4.62 and the highest EUR 11.76. At the end of the year the share capital had a market capitalization of EUR 52.0 (91.6) million and the volume of shares traded during the period was equivalent to 32% (52%) of the share stock. The company has one share series.

The Annual General Meeting of Shareholders (AGM) on 25 February 2008 decided, in accordance with the proposal of the Board of Directors, to pay a dividend of EUR 0.50 per share for 2007.

On 16 January 2008 Componenta received notification from Etra Invest Oy that the share of the voting rights and share capital carried by the shares in Componenta Corporation under its control had risen above the 25% limit in a share transaction on 16 January 2008. In addition, Etra Invest Oy informed Componenta that it had raised its share of the voting rights and share capital of Componenta Corporation to more than 30% in a share transaction on 14 August 2008.

During the period 1,200 new Componenta Corporation shares were subscribed with 6 capital notes from the convertible capital notes issued by Componenta Corporation in 2006. As a result of the conversion, the share capital of Componenta Corporation rose by altogether EUR 2,400 and the invested non-restricted equity fund by EUR 8,400.

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A total of 2,000 new Componenta Corporation shares were subscribed with 10 capital notes from the convertible capital notes issued by Componenta Corporation in 2005. As a result of the conversion the share capital of Componenta Corporation rose by altogether EUR 4,000 and the share premium account by EUR 16,000.

Board authorizations

The AGM on 25 February 2008 authorized the Board of Directors to decide to purchase a maximum of 1,000,000 of the Company's own shares using the Company's unrestricted shareholders' equity. The shares shall be purchased in public trading, for which reason they will be purchased other than in proportion to the holdings of shareholders. The purchase price shall be based on the market price for Componenta shares in public trading. The shares shall be purchased on the Helsinki Exchange and in accordance with its rules and regulations.

The Board of Directors may not implement the authorization to purchase the Company's own shares if after the purchase the Company or its subsidiary would possess or hold in pledge altogether more than 10 per cent of all the Company's shares. The authorization does not exclude the right of the Board of Directors to decide on a direct purchase of shares. The authorization is valid for a period of 18 months from the date of the decision of the AGM.

The AGM on 26 February 2007 authorized the Board to decide to issue shares and grant option rights and other special rights with an entitlement to shares under the following terms and conditions: Under the authorization the Board may decide to issue shares and grant option rights and other special rights as defined in chapter 10, section 1 of the Finnish Companies Act, such that a maximum of 2,000,000 shares are issued under the authorization. The authorization does not exclude the right of the Board of Directors to decide on a direct issue of shares. The authorization is valid for a period of five years from the date of the decision of the AGM.

The Board of Directors has not exercised either of these authorizations.

Share-based incentive scheme

The share-based incentive scheme is based on the decision taken on 3 April 2007 by the Board of Directors of Componenta Corporation. The scheme comprises three one-year earnings periods, which are the calendar years 2007, 2008 and 2009. The bonuses are paid in 2008, 2009 and 2010 partly in company shares and partly in cash. The part to be paid in cash covers the tax and similar charges arising from the bonus. There is a ban on selling the shares for two years after the end of the earnings period.

Any yield from the incentive scheme is based on the Group's profit after financial items and the Group's return on investment. At the end of 2008 the target group contained 40 people. If the targets set for the scheme are met in full, the scheme will pay a bonus of a maximum of 132,000 instead of 180,000 Componenta Corporation shares. For the 2008 earnings period the Board decided to allocate altogether 12,100 Componenta Corporation shares that includes 1,905 shares of the 2007 allocation. The president and CEO will account 3,300 of these shares and other key personnel altogether totally 8,800 shares. The scheme had an impact before taxes on the result in 2008 of EUR 0.1 million.

Investments

Componenta's investments in production facilities during the year totalled EUR 42.3 (23.6) million, and finance lease investments accounted for EUR 4.3 (1.6) million of this. The net cash flow from investments was EUR -40.6 (-38.6) million. This figure includes EUR 1.3 million used during the review period to purchase shares of Componenta Dökümcülük Ticaret Ve Sanayi A.S. on the Istanbul Stock Exchange. At the end of 2008 Componenta owned 93.57% of the shares of Componenta Dökümcülük Ticaret Ve Sanayi A.S.

Board of Directors and Management

The Annual General Meeting elects each year Componenta Corporation's Board of Directors, which according to the Articles of Association consists of 3 - 7 members. The term of office of the Board of Directors expires at the close of the following Annual General Meeting. The Board of Directors elects from its members a chairman and vice-chairman.

The tasks and duties of the Board of Directors are laid down primarily in the Articles of Association and the Finnish Companies Act. The Board has drawn up written Rules of Procedure which define the tasks and operating principles of the Board. According to these Rules of Procedure, the Board's tasks include all matters that have a far-reaching impact on the operations of Componenta Group. These include confirming the strategic guidelines, the annual budget and operational plans, and deciding on major corporate restructuring and capital expenditure. The Board assessed its activities under the leadership of its chairman in December 2008.

The Board met 10 times in 2008. The average attendance rate of Board members at meetings was 96%.

Componenta's Annual General Meeting of Shareholders on 25 February 2008 elected the following to the Board of Directors: Heikki Bergholm, Heikki Lehtonen, Juhani Mäkinen, Marjo Raitavuo and Matti Tikkakoski. The Board held its organization meeting after the AGM and elected Heikki Bergholm as its Chairman and Juhani Mäkinen as its Vice Chairman.

The Board appoints the President and CEO and decides on the President's remuneration and other benefits. The functions and duties of the President are defined in the Companies Act. In addition to these, the duties of the President of Componenta Corporation include:

- managing and developing Componenta Group's business in accordance with the instructions given by the Board of Directors,
- presenting matters for consideration at meetings of the Board of Directors
- implementing the decisions of the Board of Directors.

Componenta's President and CEO is Heikki Lehtonen.

At the end of the year the corporate executive team of Componenta Corporation comprised the following: President and CEO Heikki Lehtonen; Yaylalý Günay, Senior Vice President, Investments; Hakan Göral, Senior Vice President, Turkey division; CFO Mika Hassinen; Olli Karhunen, Senior Vice President, Foundries division; Timo Laitinen, Senior Vice President, Sales and Product Development; Jari Leino, Sales Director, Heavy Trucks; Anu Mankki, Senior Vice President, Human Resources; Tapio Rantala, Director, Business Development; Michael Sjöberg, Senior Vice President, Machine shops division, and Communications Director Pirjo Aarniovuori.

Personnel

The average number of Group personnel during 2008 was 5,080 (5,094) including 788 (888) leased employees. The number of Group personnel at the end of 2008 was 4,163 (5,064), which includes 194 (906) contract employees. At the end of the year 45% of the Group's personnel were in Turkey, 26% in Finland, 18% in the Netherlands and 11% in Sweden.

Environment

Componenta is committed to continuous improvement and to reducing the environmental impact of its production processes. The objectives of the Group's environmental policy are to reduce consumption of energy and raw materials, restrict particle and VOC emissions, and reduce environmental noise from its operations. It also aims to increase the sorting of waste and reduce the amount of waste that cannot be reused.

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One of the most significant environmental aspects for Componenta Group is the use of energy. In 2008 the Group used 795 GWh (814 GWh) of energy. Most of the energy used, 68% (68%) was electricity. The foundries consume more than 90% of all the energy, for especially the melting processes at the foundries utilise much energy. In 2008 energy consumption at Componenta Group foundries in proportion to output was the same as in the previous year.

Componenta will publish its 2008 sustainability report during spring 2009.

Research and development

At the end of 2008 86 people worked in research and development at Componenta, which corresponds to two per cent of the company's total personnel. Componenta's R&D expenses in 2008 totalled EUR 2.6 (2.3) million, corresponding to 0.4% (0.4%) of the Group's total net sales.

Risks

Fluctuations in the prices of Componenta Group's main raw material, recycled metal, affect the sales margins on the Group's products. When the price of recycled metal rises, the increase in the price of the raw materials is passed on to the products supplied to customers after a certain delay, so price increases in recycled metal reduce the sales margin temporarily. When prices of recycled metal go down, the Group's margins correspondingly improve.

The electricity consumption of the Group's foundries and machine shops creates a spot price risk for the purchased electricity, so the Group purchases electricity price forwards to hedge against the impact of electricity prices on the financial performance. The target hedging level for the forecast electricity consumption by the Group's production plants is 90% for the next 12 months, 60% for the following year and 40% for the third year. Trading in electricity price forwards has been outsourced. The Group aims to pass on the increase in the price of electricity to customers with a separate electricity surcharge.

Appropriate insurance has been taken against risks associated with assets and interruption of operations and to minimize indemnity.

The financial risks relating to Componenta Group's business operations are managed in accordance with the treasury policy approved by the Board of Directors. The objective is to protect the Group against unfavourable changes in the finance markets and to secure the Group's financial performance and financial position. Management of financial risks takes place in the corporate treasury function.

Translating the shareholders' equity of Componenta Turkey into euros creates a significant translation risk for the Group. Changes in the value of the US dollar, the GB pound and the euro in relation to the Turkish lira have an impact on the company's operating profit and profit after financial items in the short term.

During the year Componenta's Board of Directors approved a revised version of the treasury policy, which was further revised towards the end of the year in relation to the Turkish lira. According to the policy, the currency risk is divided into the transaction risk resulting from foreign currency denominated income and expenses and the translation risk resulting from foreign currency denominated equity investments and the profit or loss on these.

The transaction position is formed by foreign currency-denominated sales receivables and trade payables in the balance sheet where changes in these affect the operating profit. Foreign currency-denominated cash and cash in bank are processed separately from this position, as are the Group's internal and external foreign currency loans, for which the impact on the result arising from changes in exchange rates is entered under financial income and expenses. The degree of hedging for both transaction positions is set at 90-110%. For Componenta Turkey, however, the net value is calculated after setting foreign currency-denominated sales receivables in the balance sheet against foreign currency-denominated debt, taking advantage of the natural hedging relationship. If the total sums of the foreign currency-denominated

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balance sheet items in Turkey differ from each other, the degree of hedging shall be decided by the president and CEO up to EUR 20 million.

The translation position is determined from the shareholder's equity and retained earnings of non-Finnish subsidiary and associated companies for whom the operating currency is not the euro. In accordance with the treasury policy, the translation position is hedged at the discretion of the Group's President and CEO 0-100%.

The Group has no significant concentration of risk for receivables. The Group recognized no major credit losses in 2008.

The company's financial agreements contain normal clauses according to which the company's loans may fall due for payment before the maturity date if control of the company changes in consequence of a public purchase offer. The company is not party to any other significant contracts that will come into force, that can be amended or that can cease to be valid if control of the company changes in consequence of a public purchase offer.

Events after end of period

No significant events for the company have occurred after the end of the period.

Dividend proposal

The distributable equity of the parent company on 31 December 2008 amounted to EUR 48.8 million, of which the profit for the financial year was EUR 24.0 million. The Board of Directors proposes to the Annual General Meeting of Shareholders that a dividend of EUR 0.50 per share be paid for 2008, altogether EUR 5.5 million, and EUR 43.3 million be retained in the shareholders' capital. No significant changes have taken place in the company's financial position after the end of the year. The company's liquidity is strong, and in the opinion of the Board of Directors the proposed distribution of profit does not put the company's solvency at risk.

Annual General Meeting

The Annual General Meeting of Componenta Corporation will be held on 23 February 2009 at 11.00 am Finnish time.

The Board of Directors proposes to the AGM that the Board be authorized to decide on purchasing the Company's own shares using the Company's unrestricted shareholders' equity. It is proposed that the authorization be for a maximum of 1,000,000 own shares.

Publication of Annual Report

Componenta Corporation will publish its 2008 Annual Report in week 7, 2009.

Prospects

Componenta's prospects for 2009 are based on general external financial indicators, order forecasts given by customers, and on Componenta's order intake and order book.

Demand prospects in many of the Group's customer sectors are uncertain at the beginning of 2009, due to the recent global economic recession.

The slow down in construction in the USA and Europe has reduced demand in the off-road sector. Demand for mining machinery has taken a downward turn, mainly due to the recent fall in the prices of raw materials.

Production volumes for heavy trucks are expected to decline significantly in 2009.

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The uncertainty in the financial markets and the economic recession have considerably cut demand in the automotive industry in Europe.

The demand outlook in the diesel and wind sectors remains good. Demand in the machine building industry is expected to fall.

Componenta's order book at the end of fourth quarter of 2008 stood at EUR 74 (129.0) million, more than 40% lower than at the same time in the previous year.

Componenta has sharply reduced the use of leased employees in the Netherlands and Turkey and made decisions on layoffs and redundancies in Sweden, Finland and Turkey. Total effect of reductions of leased employees, layoffs and redundancies amount to 1,600 people.

Componenta Group's 2009 net sales are expected to fall 30% and the result after financial items, excluding one-time items, is expected to decline significantly from the 2008 figure. The Group's cash flow is expected to be clearly positive due to the major reduction in working capital and the low level of investments.

Financial statements tables

Income statement

MEUR	1.1.- 31.12.2008	1.1.- 31.12.2007	1.10.- 31.12.2008	1.10.- 31.12.2007
Net sales	681.4	634.7	125.3	162.9
Other operating income	8.3	17.8	3.9	0.3
Operating expenses	-618.9	-583.3	-129.8	-151.7
Depreciation, amortization and write-down	-23.9	-26.6	-6.0	-7.0
Share of the associated companies' result	0.2	0.1	0.2	0.0
Operating profit	47.3	42.7	-6.2	4.5
<i>% of net sales</i>	<i>6.9</i>	<i>6.7</i>	<i>-5.0</i>	<i>2.8</i>
Financial income and expenses	-28.7	-20.0	-10.1	-5.6
Result after financial items	18.6	22.7	-16.3	-1.1
<i>% of net sales</i>	<i>2.7</i>	<i>3.6</i>	<i>-13.0</i>	<i>-0.7</i>
Income taxes	-4.6	-1.1	3.7	0.1
Net profit	13.9	21.6	-12.6	-1.0
Allocation of net profit for the period				
To equity holders of the parent	13.5	20.9	-11.8	-0.9
To minority interest	0.4	0.7	-0.8	-0.1
	13.9	21.6	-12.6	-1.0
Earning per share calculated on the profit attributable to equity holders of the parent				
Earnings per share, EUR	1.24	1.97	-1.08	-0.09
Earnings per share with dilution, EUR	1.04	1.61	-0.81	-0.04

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Income statement excluding one-time items

MEUR	1.1.- 31.12.2008	1.1.- 31.12.2007	1.10.- 31.12.2008	1.10.- 31.12.2007
Net sales	681.4	634.7	125.3	162.9
Other operating income	8.3	-1.5	3.9	0.4
Operating expenses	-618.2	-574.0	-129.5	-148.1
Depreciation, amortization and write-down	-23.9	-24.4	-6.0	-6.4
Share of the associated companies' result	0.2	0.1	0.2	0.0
Operating profit	47.9	34.9	-6.0	8.8
<i>% of net sales</i>	<i>7.0</i>	<i>6.0</i>	<i>-4.8</i>	<i>5.4</i>
Financial income and expenses	-28.7	-20.0	-10.1	-5.7
Result after financial items	19.2	14.9	-16.1	3.1
<i>% of net sales</i>	<i>2.8</i>	<i>2.4</i>	<i>-12.8</i>	<i>1.9</i>
Income taxes	-4.8	-3.5	3.6	-0.5
Net profit	14.4	11.4	-12.4	2.6
Allocation of net profit for the period				
To equity holders of the parent	14.0	10.7	-11.7	2.6
To minority interest	0.4	0.7	-0.8	-0.1
	14.4	11.4	-12.4	2.6
Earning per share calculated on the profit attributable to equity holders of the parent				
Earnings per share, EUR	1.28	1.01	-1.07	0.25

The 2007 comparison data has been adjusted by transferring exchange rate differences of sales and purchases and the corresponding hedging results from financial income and expenses to other operating income. In 1.1.-31.12.2007 exchange rate differences were -3.2 MEUR and 1.10.-31.12.2007 -0.1 MEUR.

Balance sheet

MEUR	31.12.2008	31.12.2007
Assets		
Non-current assets		
Intangible assets	4.6	2.4
Goodwill	31.7	40.8
Investment properties	1.8	1.8
Tangible assets	237.9	244.9
Investment in associates	0.9	0.9
Receivables	4.4	4.9
Other investments	0.4	0.3
Deferred tax assets	10.6	9.4
Total non-current assets	292.4	305.5
Current assets		
Inventories	83.8	82.5
Receivables	66.7	81.7
Tax receivables	2.3	0.2
Cash and bank accounts	5.2	27.5
Total current assets	158.0	191.9
Total assets	450.4	497.3

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Shareholders' equity and liabilities		
Shareholders' equity		
Share capital	21.9	21.9
Other equity	44.8	69.4
Equity attributable to equity holders of the parent	66.7	91.3
Minority interest	7.1	9.3
Shareholders' equity	73.8	100.6
Liabilities		
Non-current		
Capital loan	41.8	50.2
Interest bearing	165.3	77.0
Interest free	-	0.3
Provisions	5.8	6.4
Deferred tax liability	7.9	9.4
Current		
Capital loan	9.5	5.2
Interest bearing	51.2	137.9
Interest free	93.3	105.9
Tax liabilities	0.1	0.9
Provisions	1.8	3.5
Total liabilities	376.6	396.7
Total shareholders' equity and liabilities	450.4	497.3

Cash flow statement

MEUR	1.1.- 31.12.2008	1.1.- 31.12.2007
Cash flow from operations		
Result after financial items	18.6	22.7
Depreciation, amortization and write-down	23.9	26.6
Net financial income and expenses	28.7	23.2
Other income and expenses, adjustments to cash flow	-2.6	-15.1
Change in net working capital	-4.2	11.0
Cash flow from operations before financing and income taxes	64.4	68.5
Interest received and paid and dividends received	-28.0	-23.1
Taxes paid	-7.0	-2.8
Net cash flow from operations	29.4	42.6
Cash flow from investing activities		
Capital expenditure in tangible and intangible assets	-39.6	-22.3
Proceeds from tangible and intangible assets	0.3	0.1
Other investments and loans granted	-	-0.7
Proceeds from other investments and repayments of loan receivables	0.0	24.5
Acquisition of subsidiary, net of cash acquired	-1.3	-40.2
Net cash flow from investing activities	-40.6	-38.6
Cash flow from financing activities		
Dividends paid	-5.6	-3.3
Share issue (capital notes)	-	0.0
Draw-down (+)/ repayment (-) of the equity part of convertible capital notes	-	0.0
Repayment of finance lease liabilities	-2.4	-3.3
Draw-down (+)/ repayment (-) of current loans	-82.7	44.2

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Draw-down of non-current loans	98.0	69.0
Repayment of non-current loans and other changes	-16.1	-99.5
Net cash flow from financing activities	-8.7	7.2
Change in liquid assets	-20.0	11.2
Cash and bank account at the beginning of the period	27.5	15.3
Effects of exchange rate changes on cash	-2.3	1.0
Cash and bank account at the period end	5.2	27.5
Change during the financial period	-20.0	11.2

Statement of changes in shareholders' equity

MEUR	Share capital	Share premium account	Other reserves	Translation differences	Retained earnings	Total	Minority interest	Shareholders' equity total
Shareholders' equity 1.1.2007	20.0	12.4	3.4	0.1	19.1	55.1	37.7	92.8
Derivatives			0.3			0.3		0.3
Share-based payments			0.0			0.0		0.0
Change in translation differences				11.4		11.4	1.2	12.6
Change in equity hedging				-1.8		-1.8		-1.8
Dividends paid					-2.5	-2.5	-0.8	-3.3
Increase of share capital (warrants)	1.8	2.5	3.4			7.8		7.8
Equity share of convertible capital notes			0.0			0.0		0.0
Change in minority interest						0.0	-29.5	-29.5
Profit/loss for the period					20.9	20.9	0.7	21.6
Shareholders' equity 31.12.2007	21.9	14.9	7.2	9.8	37.5	91.3	9.3	100.6

MEUR	Share capital	Share premium account	Other reserves	Translation differences	Retained earnings	Total	Minority interest	Shareholders' equity total
Shareholders' equity 1.1.2008	21.9	14.9	7.2	9.8	37.5	91.3	9.3	100.6
Derivatives			-3.9			-3.9		-3.9
Change in translation differences				-29.2		-29.2	-1.7	-30.8
Other changes			0.2			0.2		0.2
Dividends paid					-5.5	-5.5	-0.1	-5.6
Increase of share capital (convertible notes)	0.0	0.1	0.1			0.2		0.2
Equity share of convertible capital notes						0.0		0.0
Change in minority interest						0.0	-0.9	-0.9
Profit/loss for the period					13.5	13.5	0.4	13.9
Shareholders' equity 31.12.2008	21.9	15.0	3.7	-19.4	45.5	66.7	7.1	73.8

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Key ratios

	31.12.2008	31.12.2007
Equity ratio, %	16.4	20.3
Equity per share, EUR	6.09	8.34
Invested capital	341.5	370.9
Return on investment, %	13.6	11.9
Return on investment, excluding one-time items %	13.7	9.8
Return on equity, %	14.5	23.0
Return on equity, excluding one-time items %	14.9	12.1
Net interest bearing debt, MEUR, preferred capital note in debt	262.5	242.8
Net gearing, %, preferred capital note in debt	355.8	241.3
Order book, MEUR	73.6	129.0
Investments in non-current assets without finance leases, MEUR	39.3	62.9
Investments in non-current assets incl finance leases. MEUR	43.6	64.5
Investments in non-current assets, % of net sales	6.4	10.2
Average number of personnel during the period	4,292	4,206
Average number of personnel during the period, incl. leased personnel	5,080	5,094
Number of personnel at period end	3,969	4,158
Number of personnel at period end, incl. leased personnel	4,163	5,064
Share of export and foreign activities in net sales, %	87.6	89.1
Contingent liabilities, MEUR	186.4	177.5

Per share data

	31.12.2008	31.12.2007
Number of shares at period end, 1,000 shares	10,946	10,942
Earnings per share (EPS), EUR	1.24	1.97
Earnings per share, with dilution (EPS), EUR	1.04	1.61
Equity per share, EUR	6.09	8.34
Dividend per share, EUR *)	0.50	0.50
Payout ratio, %	40.48	25.37
Effective dividend yield, %	10.53	5.97
P/E multiple	3.85	4.25
Share price at period end, EUR	4.75	8.37

*) For the year 2008 a proposal of the Board of Directors.

Segments

Primary reporting format

Foundries, MEUR	31.12.2008	31.12.2007
Assets	139.2	143.0
Liabilities	37.9	38.1
Investments in non-current assets (incl. finance leases)	11.4	4.4
Depreciation	7.7	12.6

Machine shops, MEUR	31.12.2008	31.12.2007
Assets	65.7	70.4
Liabilities	23.3	34.1
Investments in non-current assets (incl. finance leases)	9.8	4.5
Depreciation	4.4	4.3

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Turkey, MEUR	31.12.2008	31.12.2007
Assets	180.1	204.1
Liabilities	26.0	34.3
Investments in non-current assets (incl. finance leases)	17.0	13.1
Depreciation	8.6	8.1

Secondary reporting format

Nordic countries, MEUR	31.12.2008	31.12.2007
Assets	188.4	254.3
Investments in non-current assets (incl. finance leases)	16.6	7.3

Other European countries, MEUR	31.12.2008	31.12.2007
Assets	262.0	243.0
Investments in non-current assets (incl. finance leases)	25.7	16.2

Changes in tangible assets and goodwill

MEUR	1-12/2008	1-12/2007
Changes in tangible assets		
Acquisition cost at the beginning of the period	568.1	545.1
Translation difference	-54.4	13.8
Additions	39.0	27.3
Disposal of subsidiary	-	-14.9
Disposals	-1.8	-3.1
Acquisition cost at the end of the period	550.9	568.1
Accumulated depreciation at the beginning of the period	-323.2	-300.0
Translation difference	31.8	-7.7
Accumulated depreciation on additions	-	-2.0
Accumulated depreciation on disposals	1.4	2.1
Depreciation on disposal of subsidiary	-	10.5
Depreciation during the period	-23.0	-26.2
Accumulated depreciation at the end of the period	-313.0	-323.2
Book value at the end of the period	237.9	244.9
Goodwill		
Acquisition cost at the beginning of the period	43.1	32.6
Additions	0.0	7.8
Disposals	-1.4	-
Translation difference	-7.7	2.7
Acquisition cost at the end of the period	34.0	43.1
Accumulated depreciation at the beginning of the period	-2.3	-2.3
Accumulated depreciation at the end of the period	-2.3	-2.3
Book value at the end of the period	31.7	40.8

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Group development

Net sales by market area

MEUR	1-12/2007	1-12/2008
Nordic countries	183.5	201.1
Other European countries	421.8	445.6
Other countries	29.4	34.7
Total	634.7	681.4

Quarterly development by market area

MEUR	Q1/07	Q2/07	Q3/07	Q4/07	Q1/08	Q2/08	Q3/08	Q4/08
Nordic countries	53.7	46.5	38.5	44.9	52.1	59.6	45.9	43.4
Other European countries	106.7	106.6	96.7	111.8	125.2	133.0	114.7	72.7
Other countries	7.4	7.7	8.0	6.3	7.7	8.4	9.5	9.2
Total	167.9	160.7	143.2	162.9	185.0	201.0	170.1	125.3

Group development

MEUR	1-12/2007	1-12/2008
Net sales	634.7	681.4
Operating profit	42.7	47.3
Net financial items	-20.0	-28.7
Profit/loss after financial items	22.7	18.6

Group development by business division

Net sales, MEUR	1-12/2007	1-12/2008
Foundries	241.7	292.6
Machine shops	177.8	189.9
Turkey	225.7	242.7
Other business	145.5	130.1
Internal and one-time items	-156.0	-173.8
Componenta total	634.7	681.4

Operating profit, MEUR	1-12/2007	1-12/2008
Foundries	16.7	23.3
Machine shops	6.5	5.8
Turkey	10.4	19.9
Other business	1.6	-1.7
Internal and one-time items	7.5	-0.1
Componenta total	42.7	47.3

Order book, MEUR	12/2007	12/2008
Foundries and Machine shops	72.1	48.6
Turkey	41.9	17.9
Other business	15.0	7.1
Componenta total	129.0	73.6

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Group development by quarter

MEUR	Q1/07	Q2/07	Q3/07	Q4/07	Q1/08	Q2/08	Q3/08	Q4/08
Net sales	167.9	160.7	143.2	162.9	185.0	201.0	170.1	125.3
Operating profit	26.3	9.5	2.4	4.5	23.1	23.2	7.2	-6.2
Net financial items	-4.5	-4.4	-5.5	-5.6	-8.2	-4.5	-5.9	-10.1
Profit/loss after financial items	21.8	5.1	-3.1	-1.1	14.9	18.7	1.3	-16.3

Quarterly development by business division

Net sales, MEUR	Q1/07	Q2/07	Q3/07	Q4/07	Q1/08	Q2/08	Q3/08	Q4/08
Foundries	63.1	62.0	52.4	64.2	73.1	86.1	71.1	62.3
Machine shops	46.0	45.5	39.4	46.8	50.5	54.3	44.3	40.8
Turkey	59.8	58.6	56.3	51.0	70.7	71.1	70.6	30.4
Other business	39.9	35.2	31.4	39.1	40.3	38.7	28.3	22.8
Internal and one-time items	-40.9	-40.5	-36.4	-38.2	-49.6	-49.1	-44.2	-30.9
Componenta total	167.9	160.7	143.2	162.9	185.0	201.0	170.1	125.3

Operating profit, MEUR	Q1/07	Q2/07	Q3/07	Q4/07	Q1/08	Q2/08	Q3/08	Q4/08
Foundries	5.2	6.1	0.8	4.7	8.9	12.4	2.2	-0.2
Machine shops	1.8	1.7	1.7	1.3	2.0	2.7	1.4	-0.2
Turkey	5.1	2.8	-0.6	3.0	13.0	7.0	4.2	-4.2
Other business	1.2	0.0	0.5	-0.1	0.8	1.2	-0.4	-3.4
Internal and one-time items	13.0	-1.2	0.0	-4.3	-1.6	-0.1	-0.2	1.8
Componenta total	26.3	9.5	2.4	4.5	23.1	23.2	7.2	-6.2

Order book at period end, MEUR	Q1/07	Q2/07	Q3/07	Q4/07	Q1/08	Q2/08	Q3/08	Q4/08
Foundries and Machine shops	56.2	58.1	68.3	72.1	73.4	74.0	73.2	48.6
Turkey	38.5	35.7	41.4	41.9	45.7	48.1	31.2	17.9
Other business	9.9	13.1	15.3	15.0	15.5	16.0	18.7	7.1
Componenta total	104.7	106.9	125.0	129.0	134.6	138.0	123.2	73.6

Group development excluding one-time items

MEUR	1-12/2007	1-12/2008
Net sales	634.7	681.4
Operating profit	34.9	47.9
Net financial items	-20.0	-28.7
Profit/loss after financial items	14.9	19.2

Group development by business division excluding one-time items

Operating profit, MEUR	1-12/2007	1-12/2008
Foundries	16.7	23.3
Machine shops	6.5	5.8
Turkey	10.4	19.9
Other business	1.6	-1.7
Internal items	-0.3	0.6
Componenta total	34.9	47.9

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Group development by quarter excluding one-time items

MEUR	Q1/07	Q2/07	Q3/07	Q4/07	Q1/08	Q2/08	Q3/08	Q4/08
Net sales	167.9	160.7	143.2	162.9	185.0	201.0	170.1	125.3
Operating profit	13.4	9.5	3.3	8.8	23.1	23.1	7.7	-6.0
Net financial items	-4.5	-4.4	-5.5	-5.6	-8.2	-4.5	-5.9	-10.1
Profit/loss after financial items	8.9	5.1	-2.1	3.1	14.9	18.6	1.7	-16.1

Quarterly development by business division excluding one-time items

Operating profit. MEUR	Q1/07	Q2/07	Q3/07	Q4/07	Q1/08	Q2/08	Q3/08	Q4/08
Foundries	5.2	6.1	0.8	4.7	8.9	12.4	2.2	-0.2
Machine shops	1.8	1.7	1.7	1.3	2.0	2.7	1.4	-0.2
Turkey	5.1	2.8	-0.6	3.0	13.0	7.0	4.2	-4.2
Other business	1.2	0.0	0.5	-0.1	0.8	1.2	-0.4	-3.4
Internal items	0.1	-1.2	0.9	-0.1	-1.6	-0.2	0.3	2.0
Componenta total	13.4	9.5	3.3	8.8	23.1	23.1	7.7	-6.0

Largest registered shareholders on 31 December 2008

Shareholder	Shares	Share of total voting rights, %
1 Lehtonen Heikki	4,308,040	39.36
Cabana Trade S.A.	3,801,988	
Oy Högfors-Trading Ab	506,052	
2 Etra-Invest Oy Ab	3,237,464	29.58
3 Laakkonen Mikko	200,000	1.83
4 Inkinen Simo-Pekka	196,453	1.79
Inkinen Simo-Pekka	189,453	
Väli-Gunnarla Avoin Yhtiö	7,000	
5 Bergholm Heikki	180,000	1.64
6 Lehtonen Anna-Maria	178,823	1.63
7 Mutual Fund Evli Wealth Manager (non-UCITS)	100,000	0.91
8 Lehtonen Yrjö M.	79,040	0.72
9 Seppo Saario Oy	73,000	0.67
10 Ilmarinen Mutual Pension Insurance Company	57,600	0.53
11 Mutual Fund eQ Finland (UCITS)	44,506	0.41
12 Lehtonen Jyri	43,000	0.39
13 Lehtonen Leena	42,340	0.39
14 Nelimarkka Esa	35,000	0.32
15 William and Ester Otsakorpi Foundation	32,000	0.29
<u>Nominee-registered shares</u>	<u>357,060</u>	<u>3.26</u>
<u>Other shareholders</u>	<u>1,781,372</u>	<u>16.27</u>
<u>Total</u>	<u>10,945,698</u>	<u>100.00</u>

The members of the Board of Directors own 41.2% of the shares. All shares have equal voting rights. If all the warrants were converted to shares, the holding of shares by the members of the Board of Directors would decrease to 33.9%.

COMPONENTA

STOCK EXCHANGE RELEASE

28.1.2009 at 10.00

Helsinki, 28 January 2009

COMPONENTA CORPORATION
Board of Directors

Heikki Lehtonen
President and CEO

FURTHER INFORMATION

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Componenta is a metal sector company with international operations and production plants located in Finland, Turkey, the Netherlands and Sweden. The net sales of Componenta were EUR 681.4 million in 2008. The Group employed 4,163 people at the end of 2008. Componenta's shares are quoted on the NASDAQ OMX Helsinki. Componenta specializes in supplying cast and machined components and total solutions made of them to its global customers who are manufacturers of vehicles, machines and equipment.

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