

Casting Future **SOLUTIONS**

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Componenta Corporation Interim report 1 January - 31 March 2011

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President and CEO

20.4.2011



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Q1/2011 in brief

- Order book rose 53% and was MEUR 104 (MEUR 68).
- Net sales increased 58% to MEUR 144 (MEUR 91).
- Value of production rose 59% and was MEUR 150 (MEUR 94).
- Capacity utilization rate was 71% (50%).
- Operating profit excluding one-time items was MEUR 8.5 (MEUR 0.3).
Operating profit after one-time items was MEUR 6.0 (MEUR 0.3).
- Result after financial items excl. one-time items was MEUR 3.2 (MEUR -5.6).
- Unused committed credit facilities and cash in bank at the end of review period were MEUR 67.

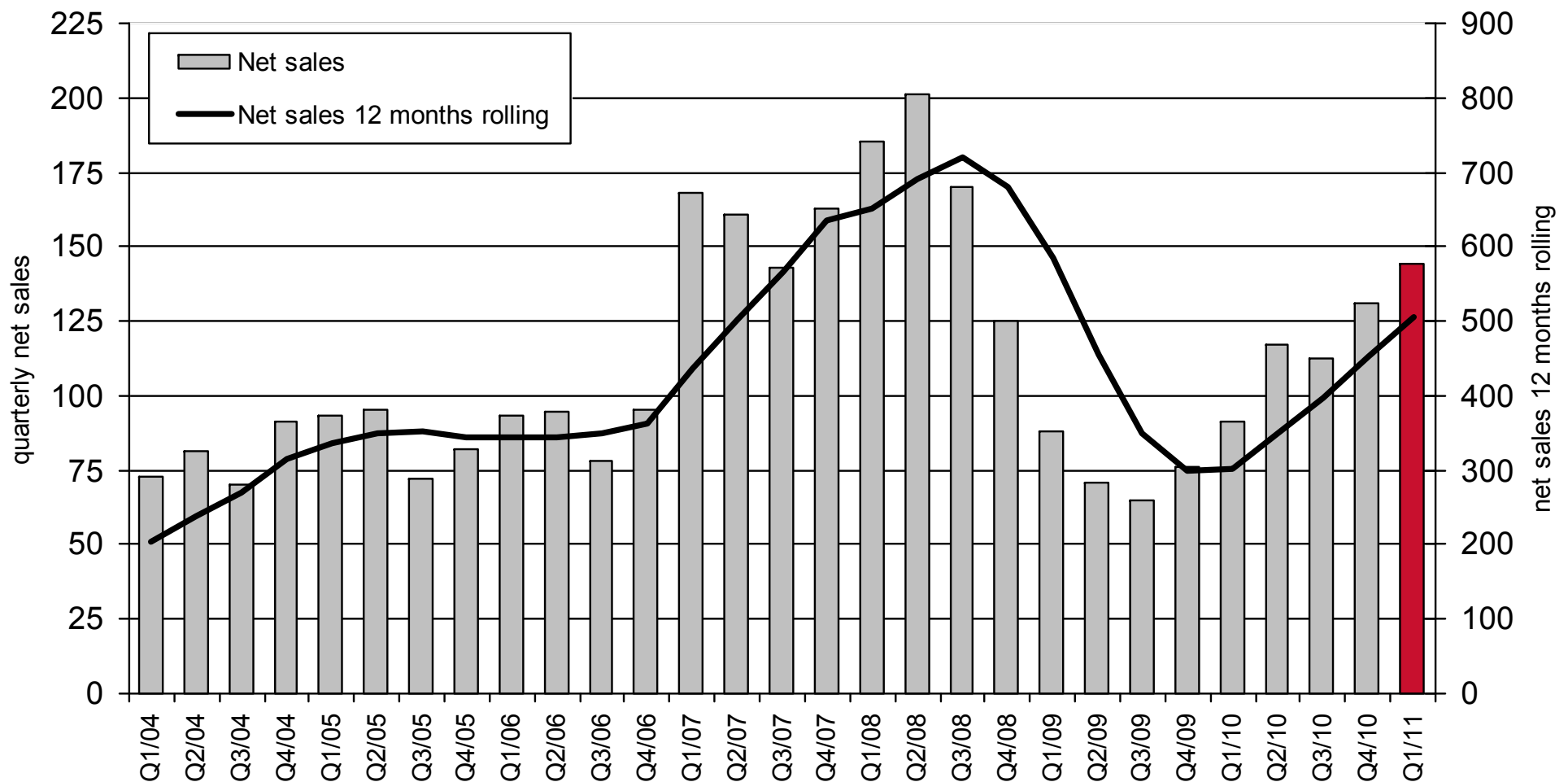
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Income statement

MEUR	2011	2010	2010
	1 - 3	1 - 3	1 - 12
Net sales	144.1	91.2	451.6
Operating profit, excluding one-time items	8.5	0.3	13.6
Financial income and expenses	-5.3	-5.9	-23.5
Result after financial items, excluding one-time items	3.2	-5.6	-9.9
One-time items	-2.4	0.0	-0.1
Result after financial items	0.7	-5.6	-10.0
Net result, excluding one-time items	2.6	-4.1	-7.4
Net result	0.8	-4.1	-7.5
Earnings/share, EUR , excluding one-time items	0.13	-0.24	-0.45
Earnings/share, EUR	0.03	-0.24	-0.45

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Quarterly net sales development 2004 - Q1/2011



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Key ratios

	31.3.2011	31.3.2010	31.12.2010
Equity ratio, % (preferred capital note in equity)	23.5	23.6	26.4
Return on equity (excl. one-time items), %	15.8	-23.5	-10.2
Return on equity, %	4.9	-23.5	-10.3
Return on investment (excl. one-time items), %	11.5	1.1	5.0
Return on investment, %	8.4	1.1	5.0
Net interest bearing debt, MEUR (preferred capital note in equity)	197.6	214.9	189.4
Net gearing, % (preferred capital note in equity)	192.3	218.2	170.5
Order book, MEUR	104.3	68.0	94.6
Investments in production facilities, MEUR	1.9	0.8	8.5
Personnel at the end of period (incl. leased personnel)	4,727	3,845	4,414

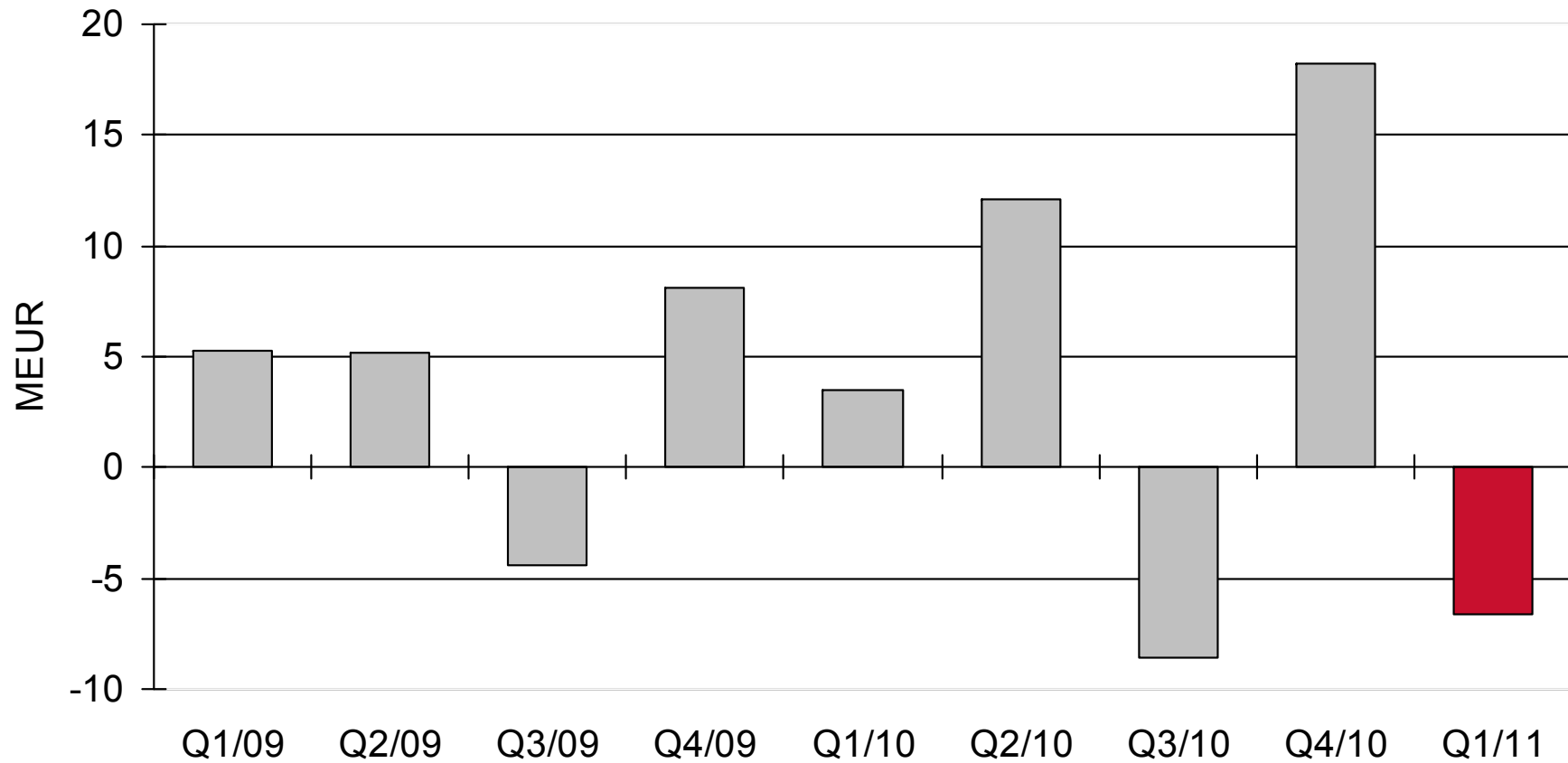
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Cash flow statement

MEUR	2011 1 – 3	2010 1 – 3	2010 1 – 12
Cash flow from operations before change in net working capital, financing and taxes	12.4	4.9	31.3
Change in net working capital	-14.2	3.1	13.6
Cash flow from operations before financing and taxes	-1.7	8.0	44.8
Cash flow from operations	-6.6	3.5	25.2
Cash flow from investments	-2.0	-3.2	-10.4
Cash flow from financing activities	13.8	5.4	-11.7
Change in liquid assets	5.2	5.6	3.1

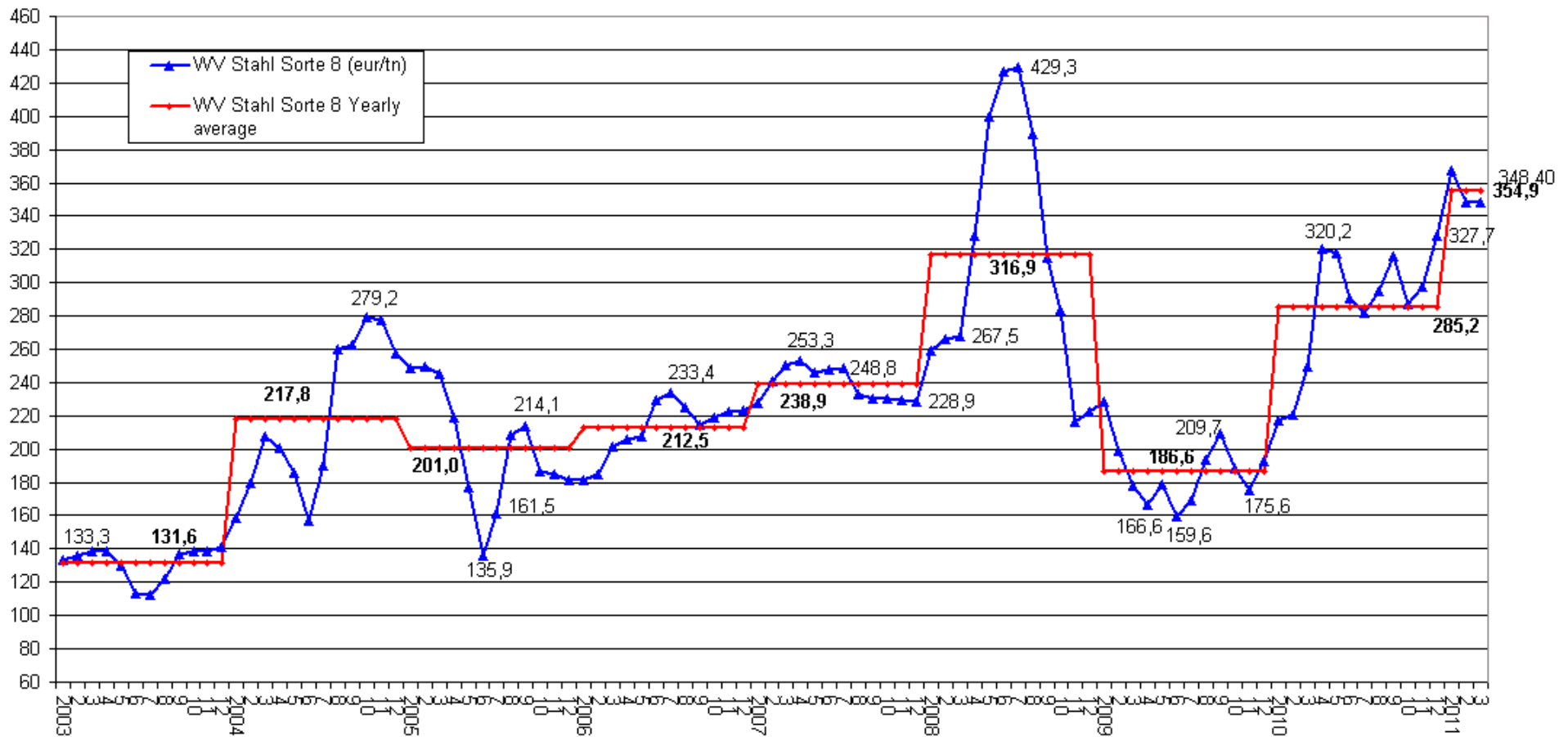
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Development of net cash flow from operations



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Wvstahl Sorte 8/Package recycled metal (EUR/ton)



Source: Wvstahl

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Development of exchange rates Turkish lira



Source: Reuters

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Development of exchange rates Great Britain pound



Source: Reuters

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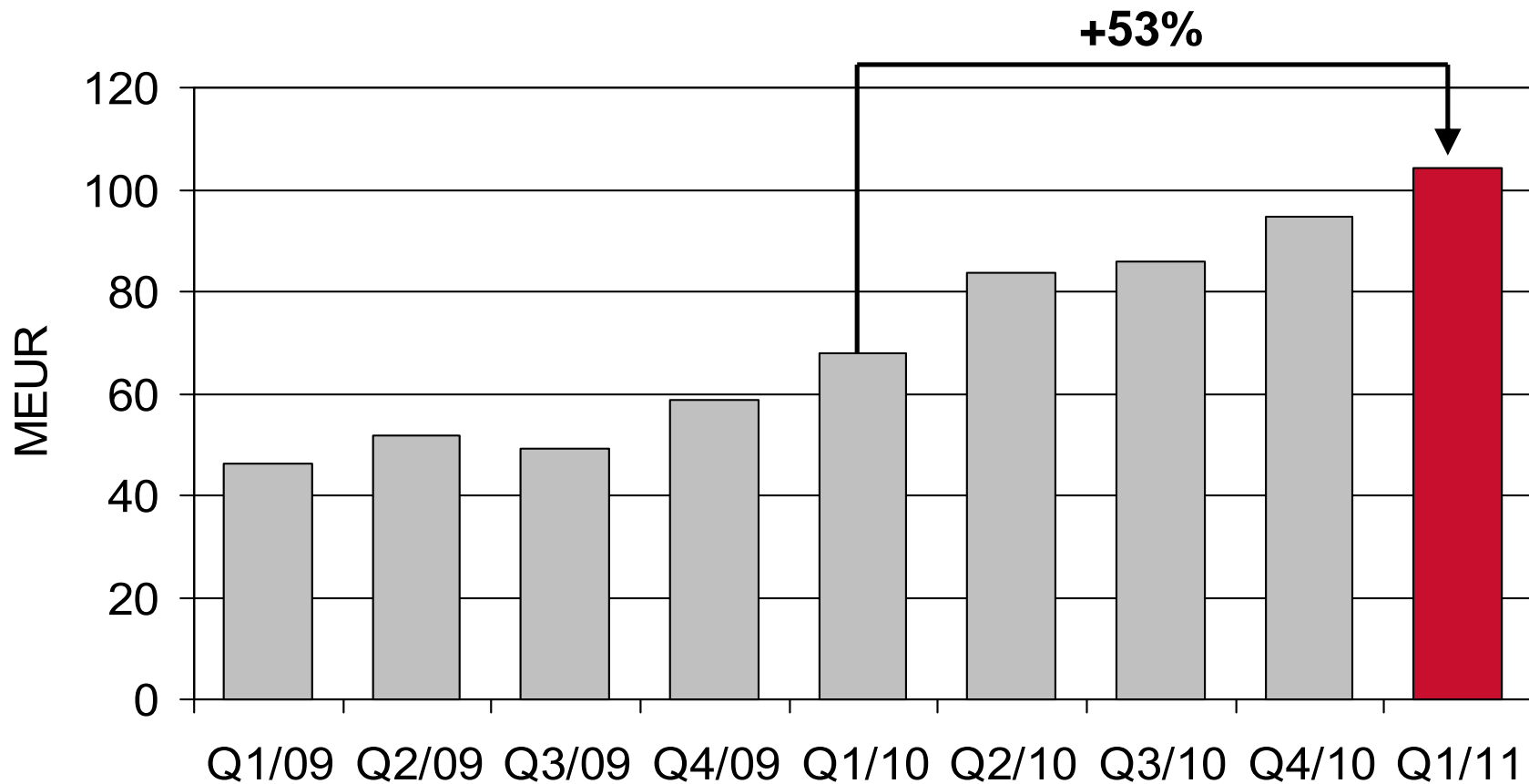
Development of exchange rates Swedish krona



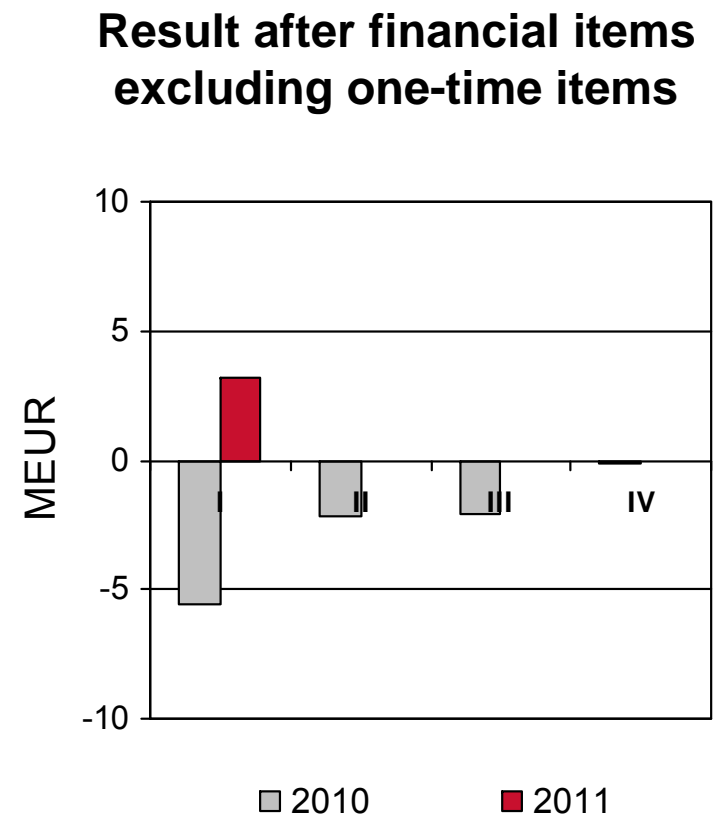
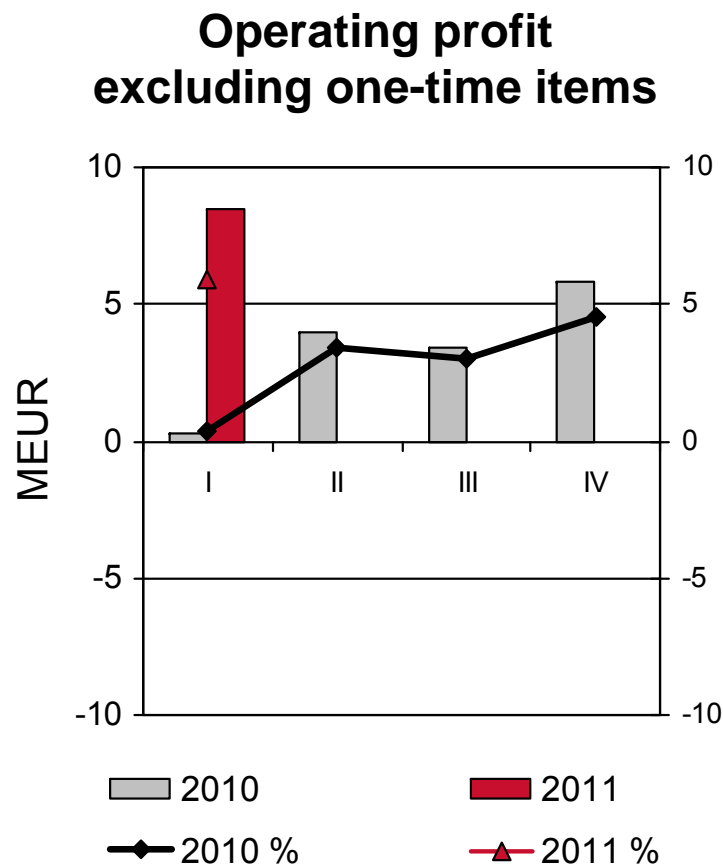
Source: Reuters

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Quarterly development of order book (incl. orders for coming two months)

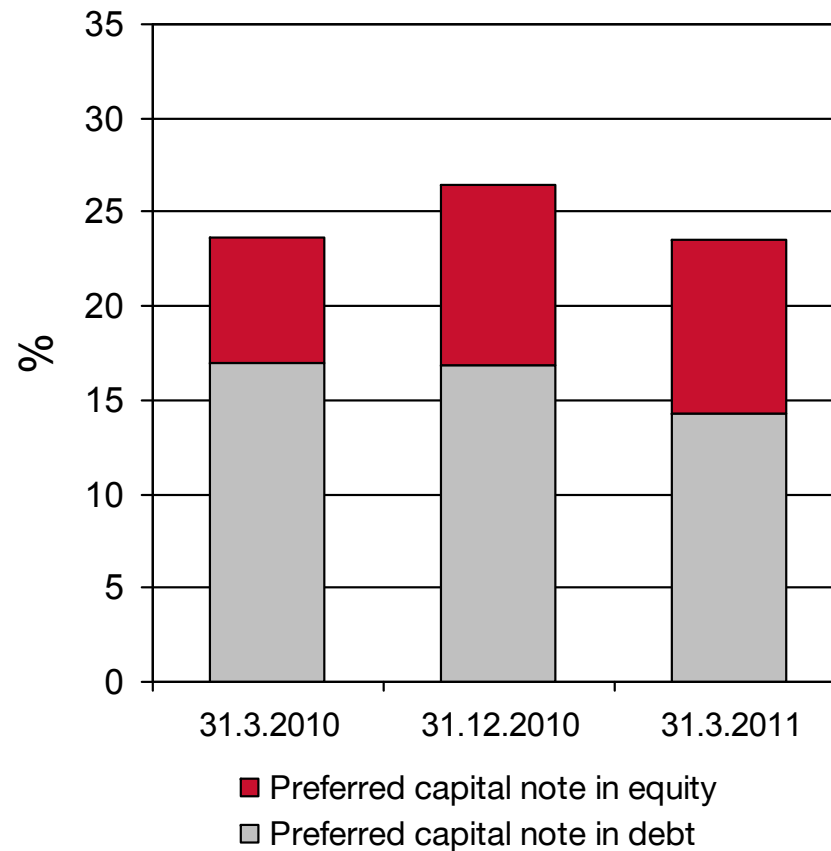


Quarterly operating profit and Result after financial items excl. one-time items



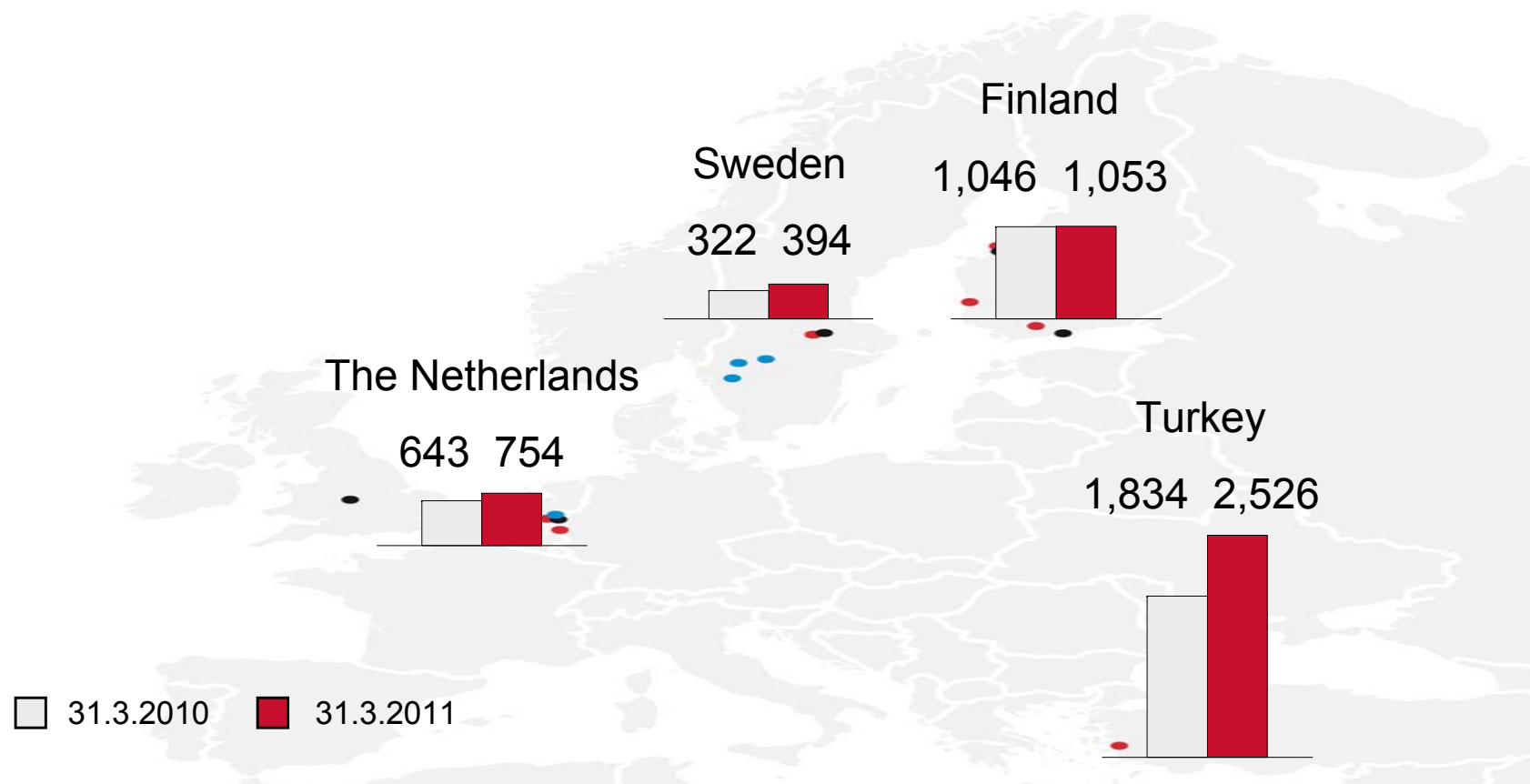
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Equity ratio



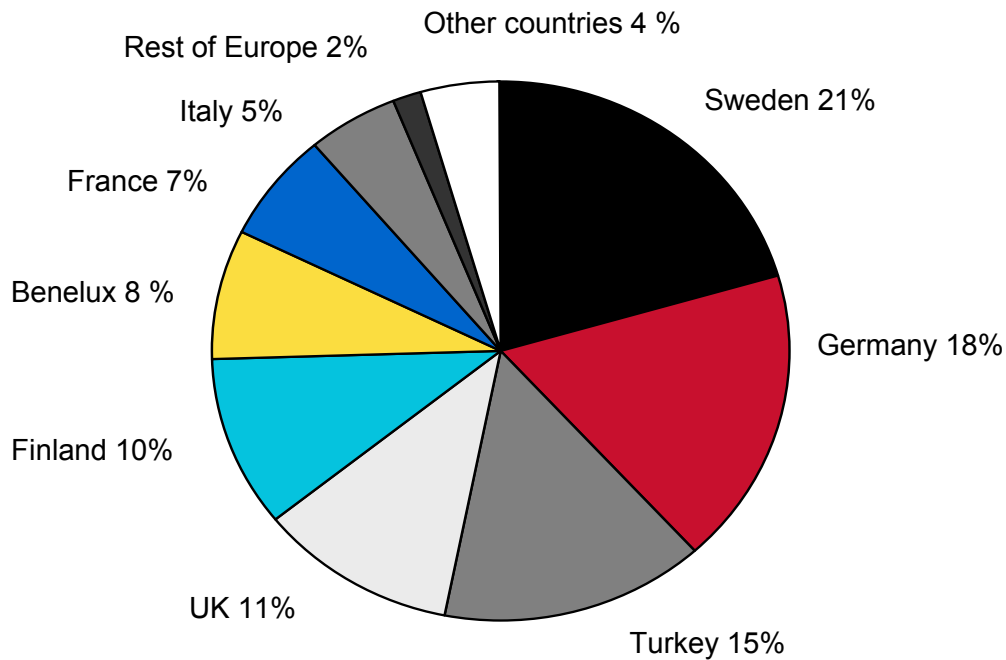
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Personnel by country including leased personnel

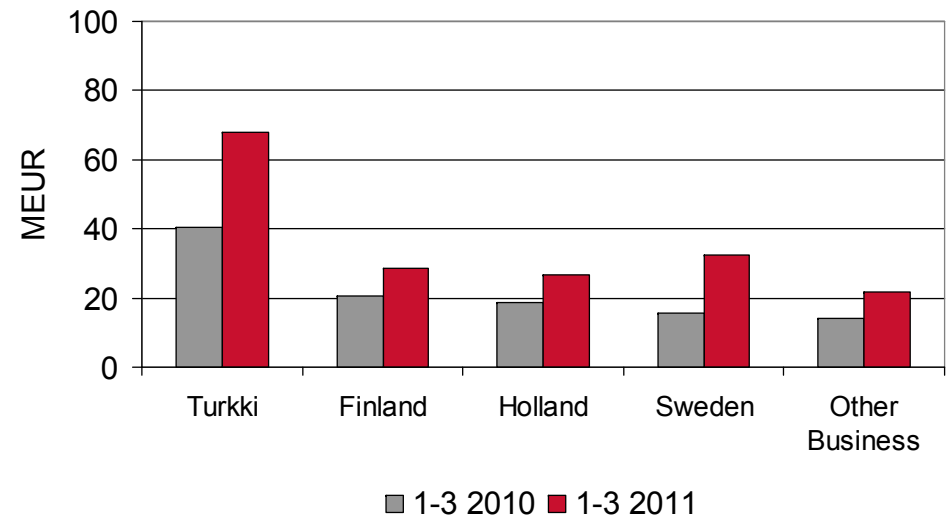


Distribution of sales

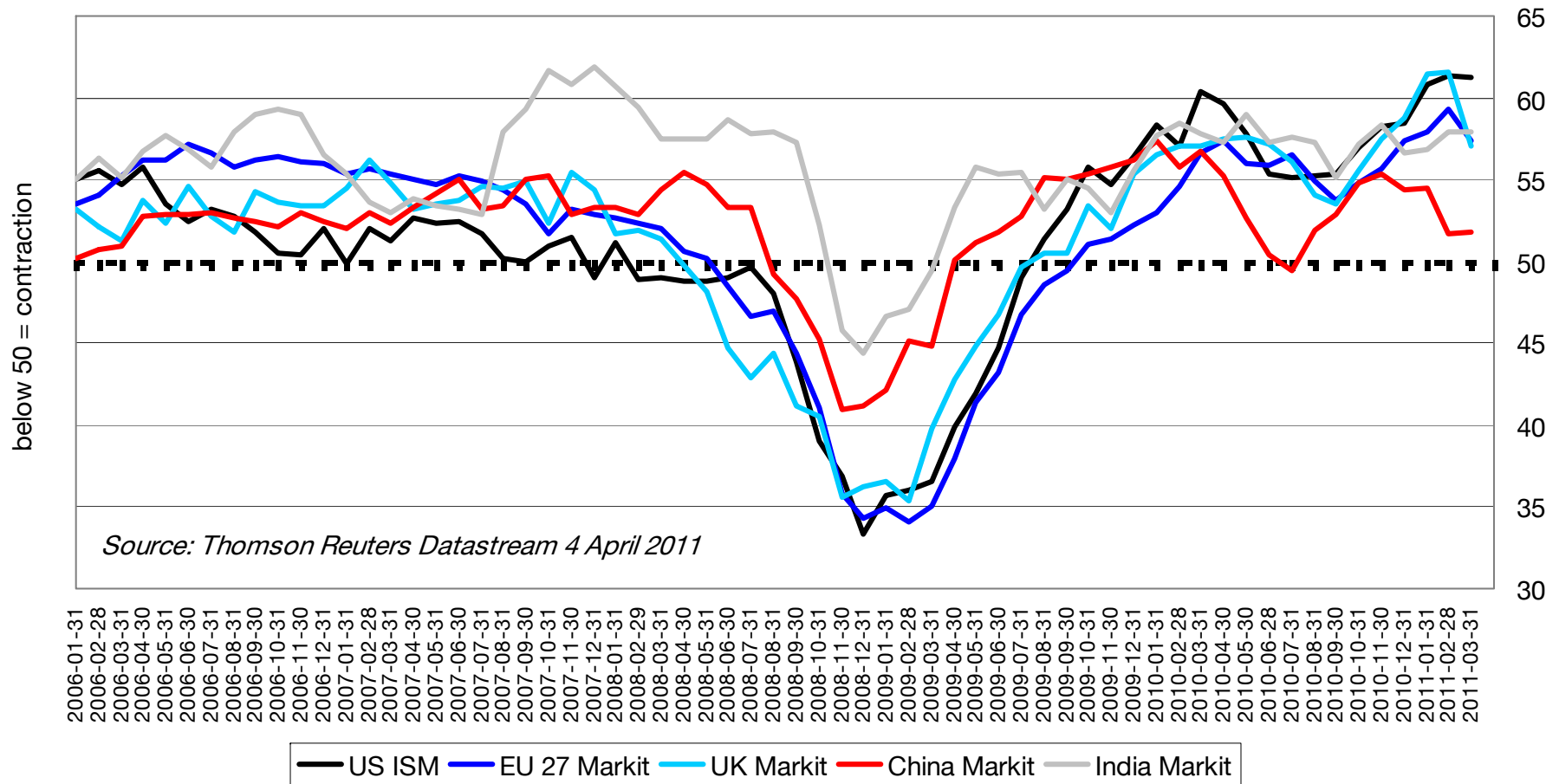
Sales by market area Q1/2011



Sales by operations Q1/2011

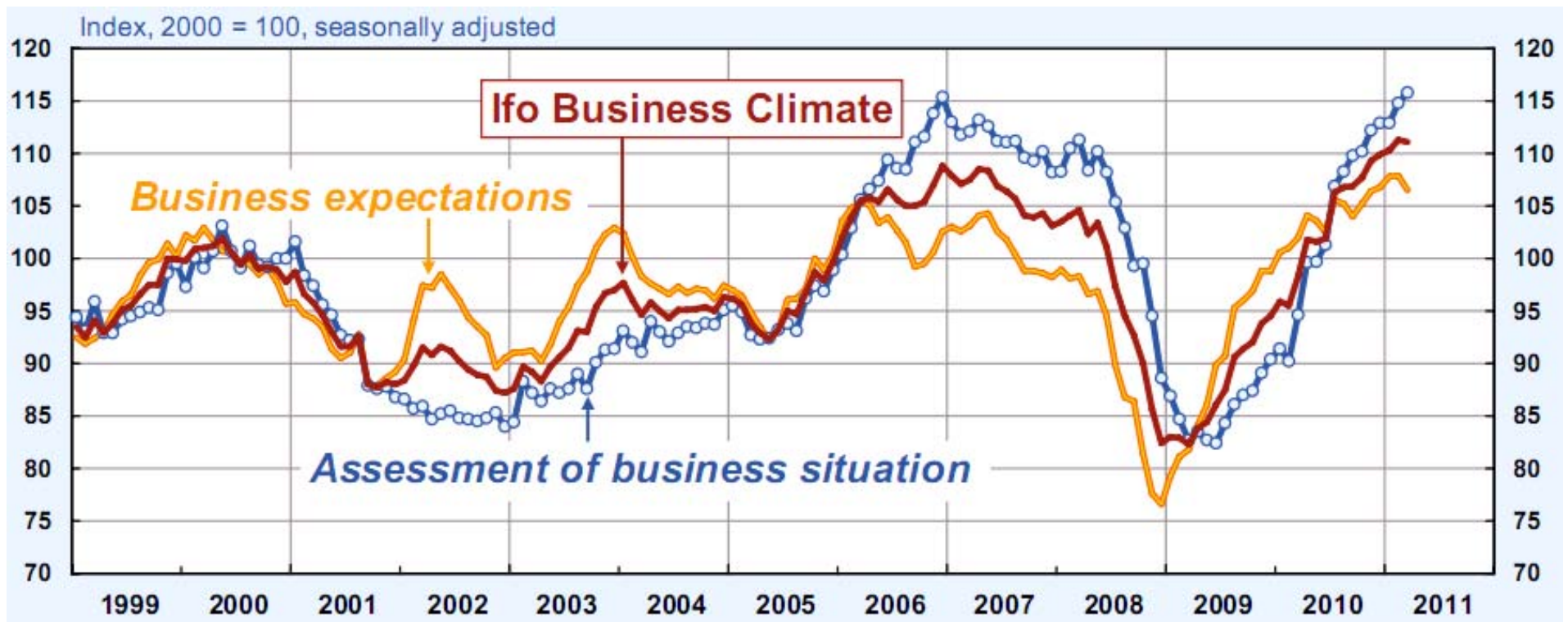


Manufacturing Purchasing Manager Indices



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IFO expectations



Source: IFO

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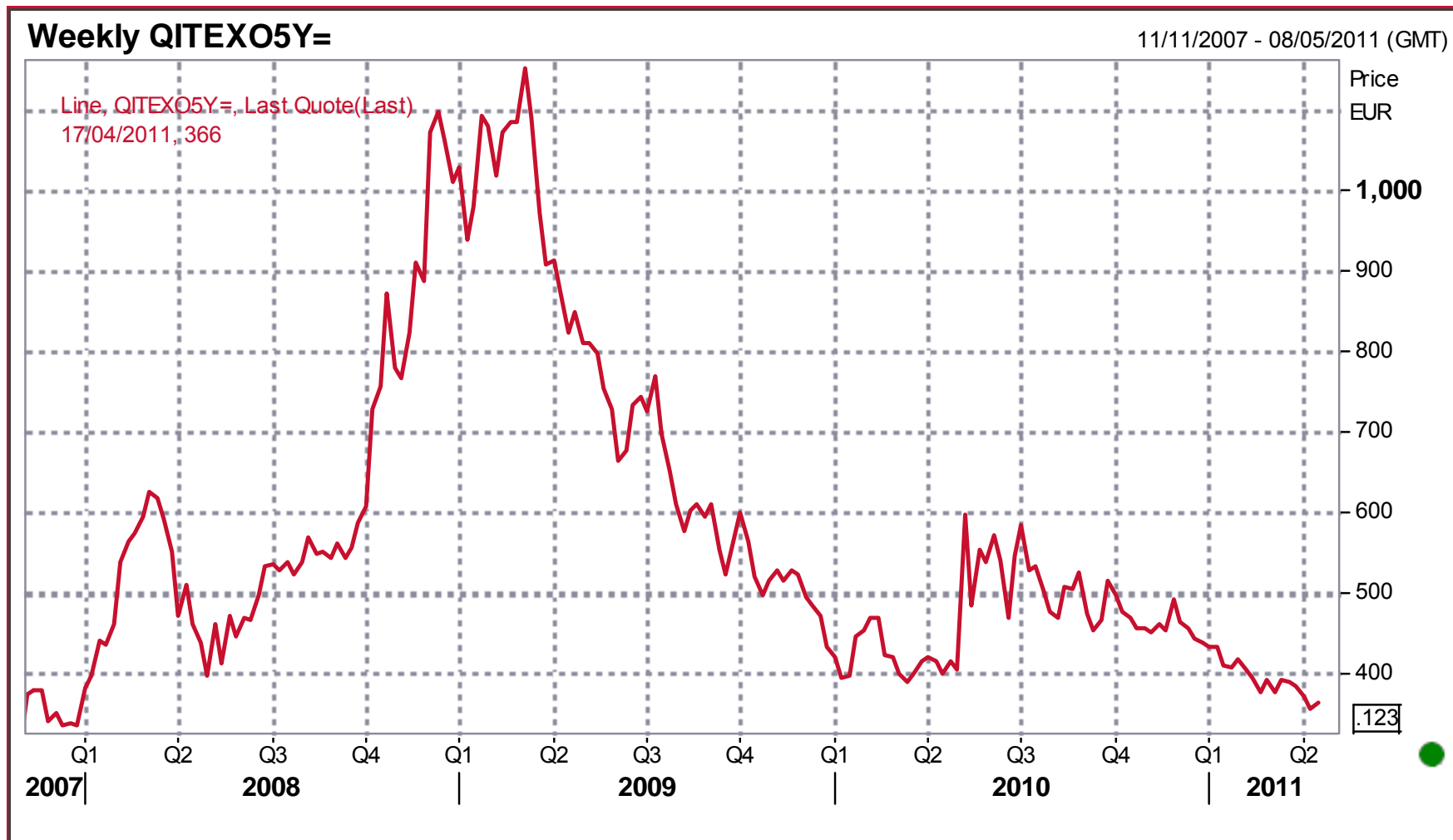
Investor Confidence Index



Source: SSaA

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CDS index



Source: Reuters

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Comparable Sales to Customer Industries



Heavy trucks

29% (24%)



Construction and mining

21% (21%)



Machine building

19% (21%)



Automotive

18% (20%)



Agriculture

11% (13%)



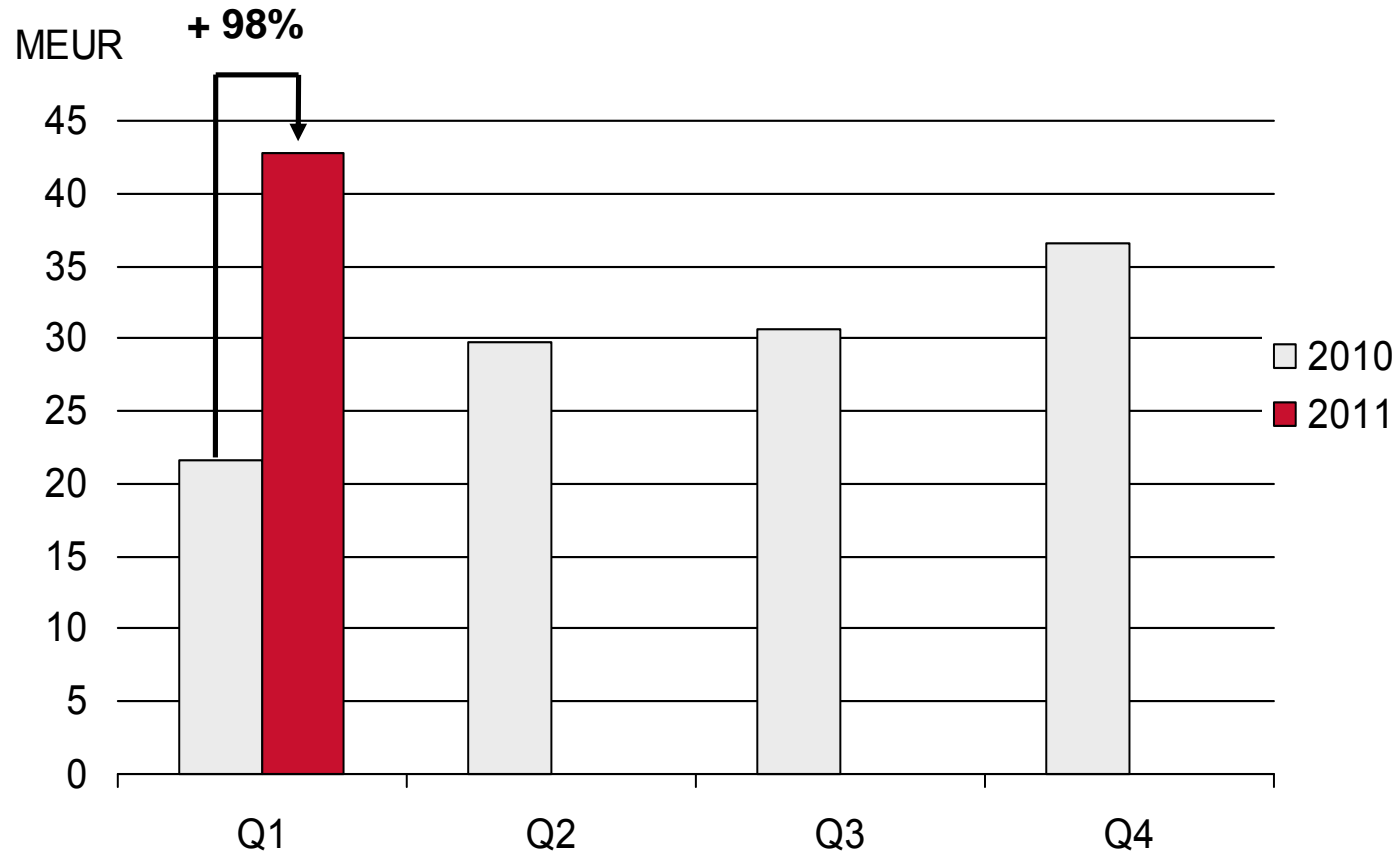
Wind power

1% (1%)

Note: Other sales 1% (1%)

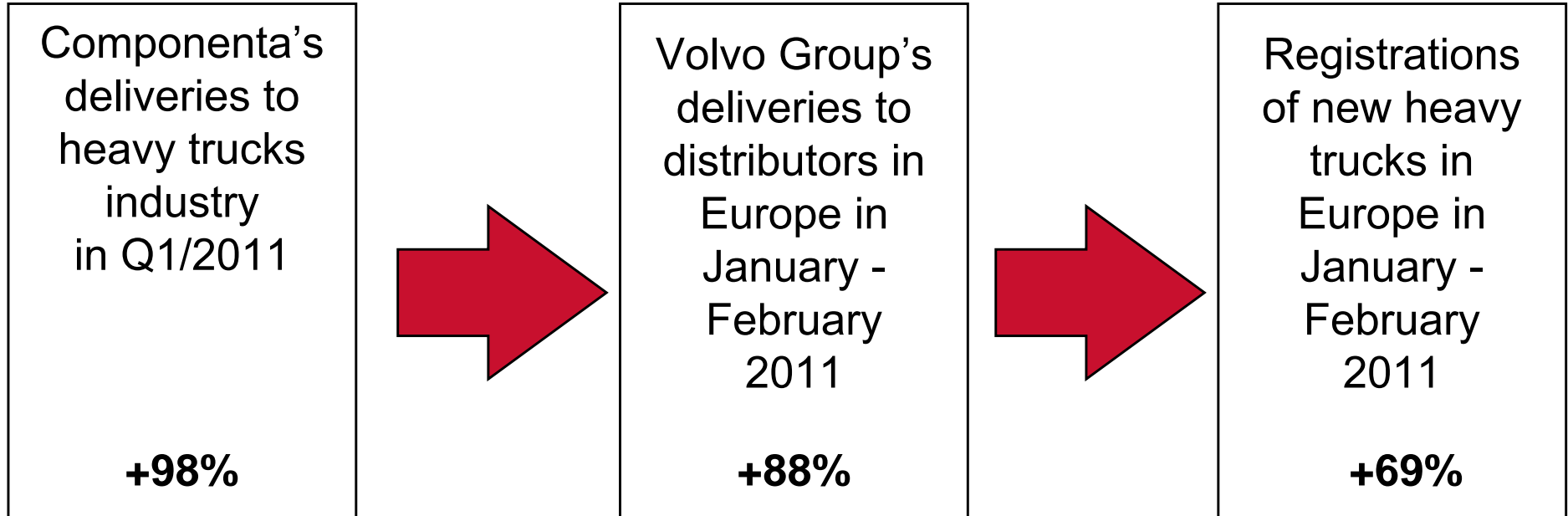
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Comparable sales to heavy trucks industry quarterly



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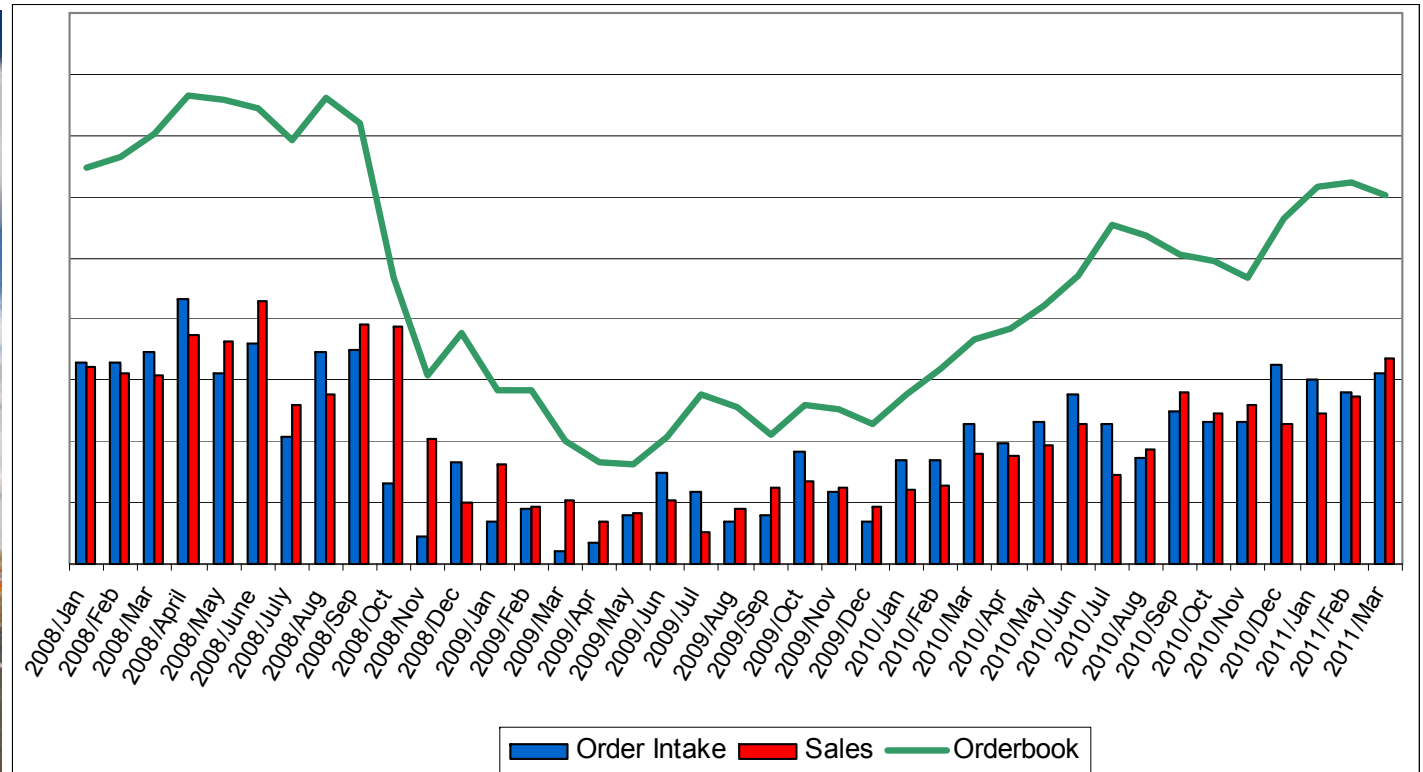
Development of supply chain in heavy trucks industry



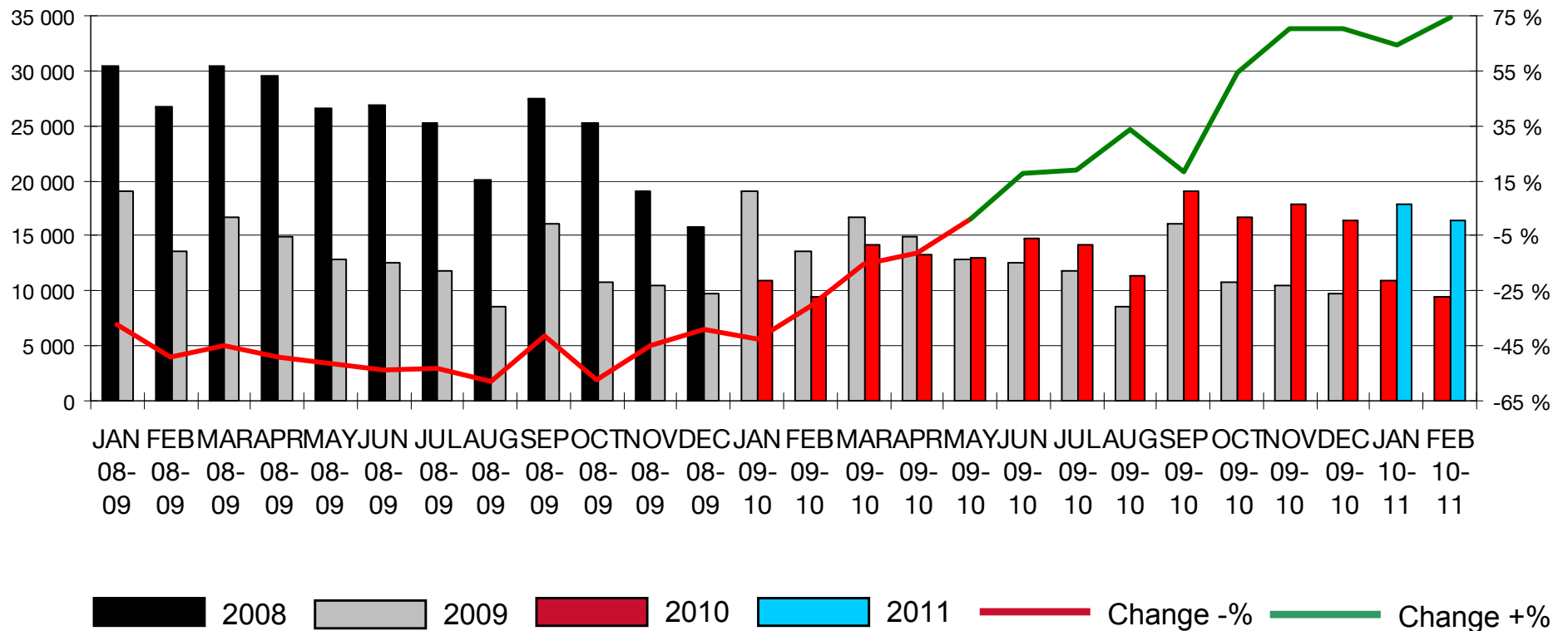
Sources: Volvo web pages, ACEA

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Development of sales and order book in heavy trucks industry



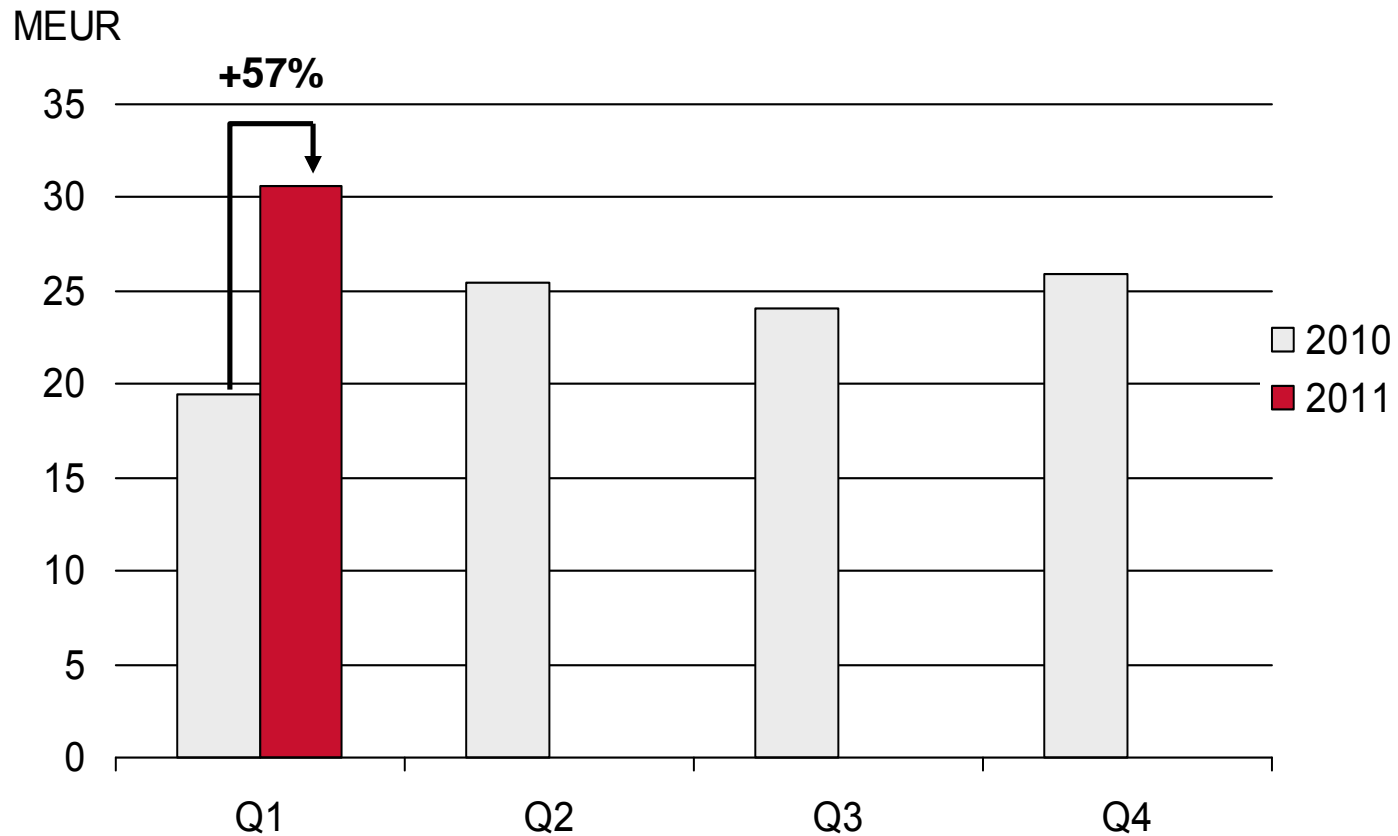
Registrations of new heavy trucks in Europe (EU27)



Source: ACEA

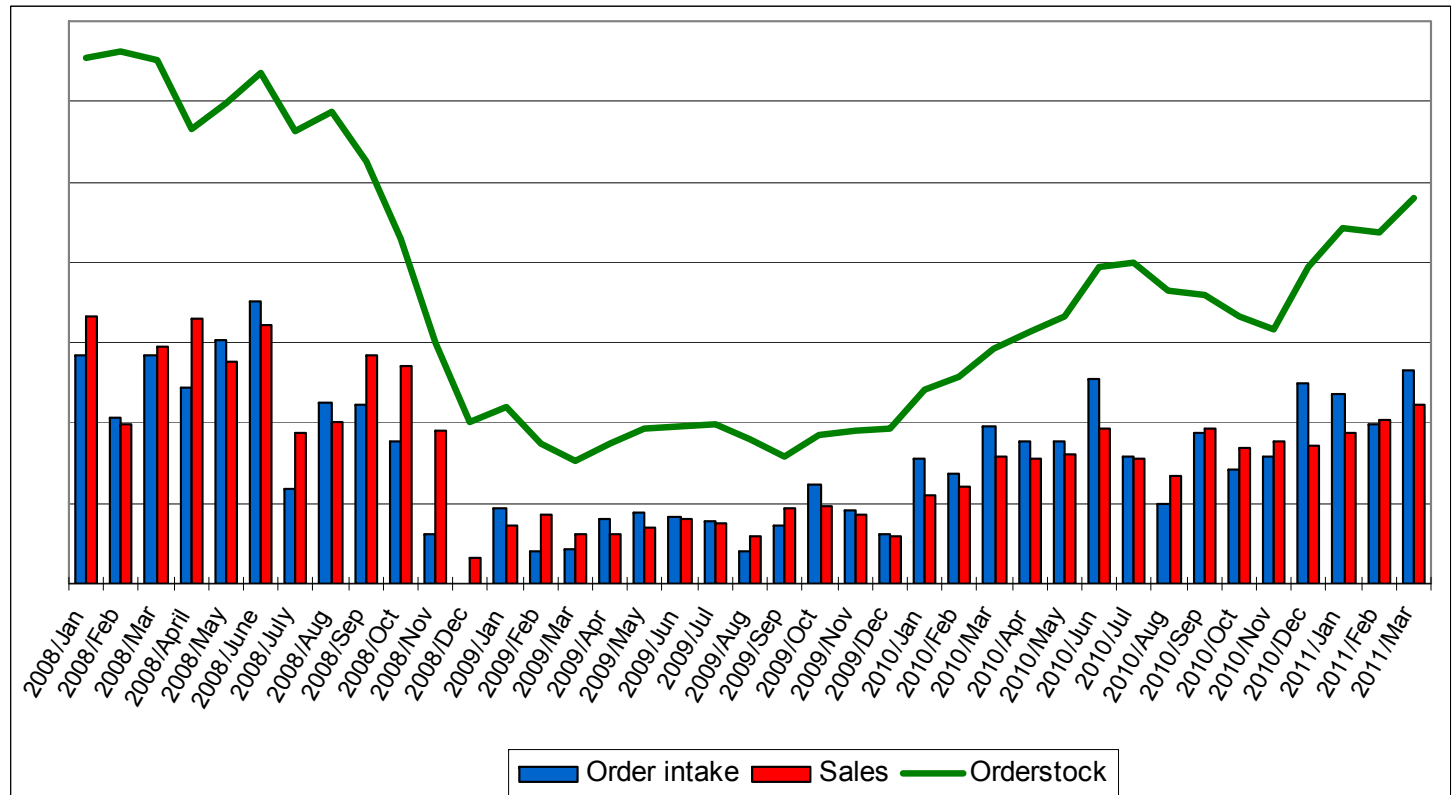
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Comparable sales to construction and mining industry quarterly



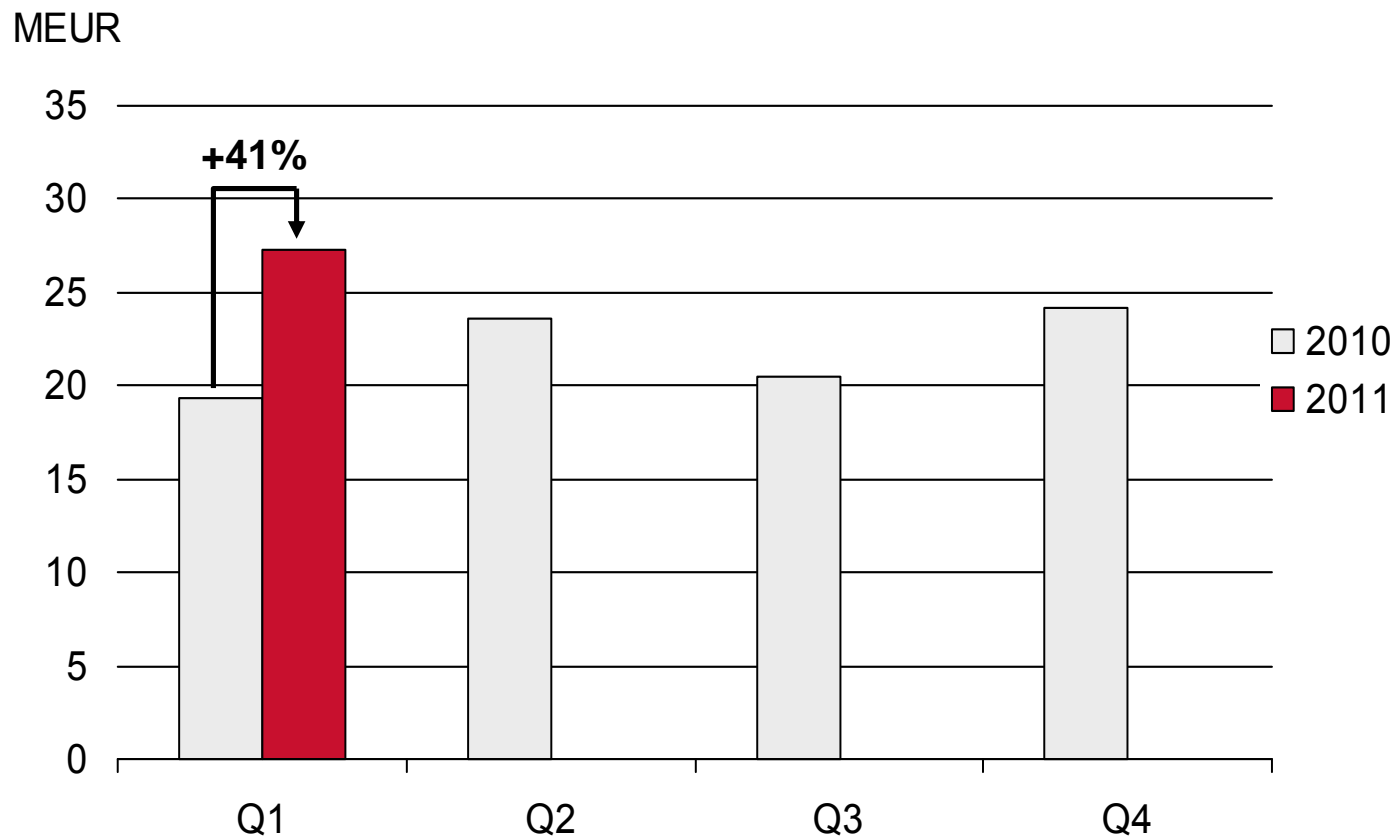
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Development of sales and order book in construction and mining industry



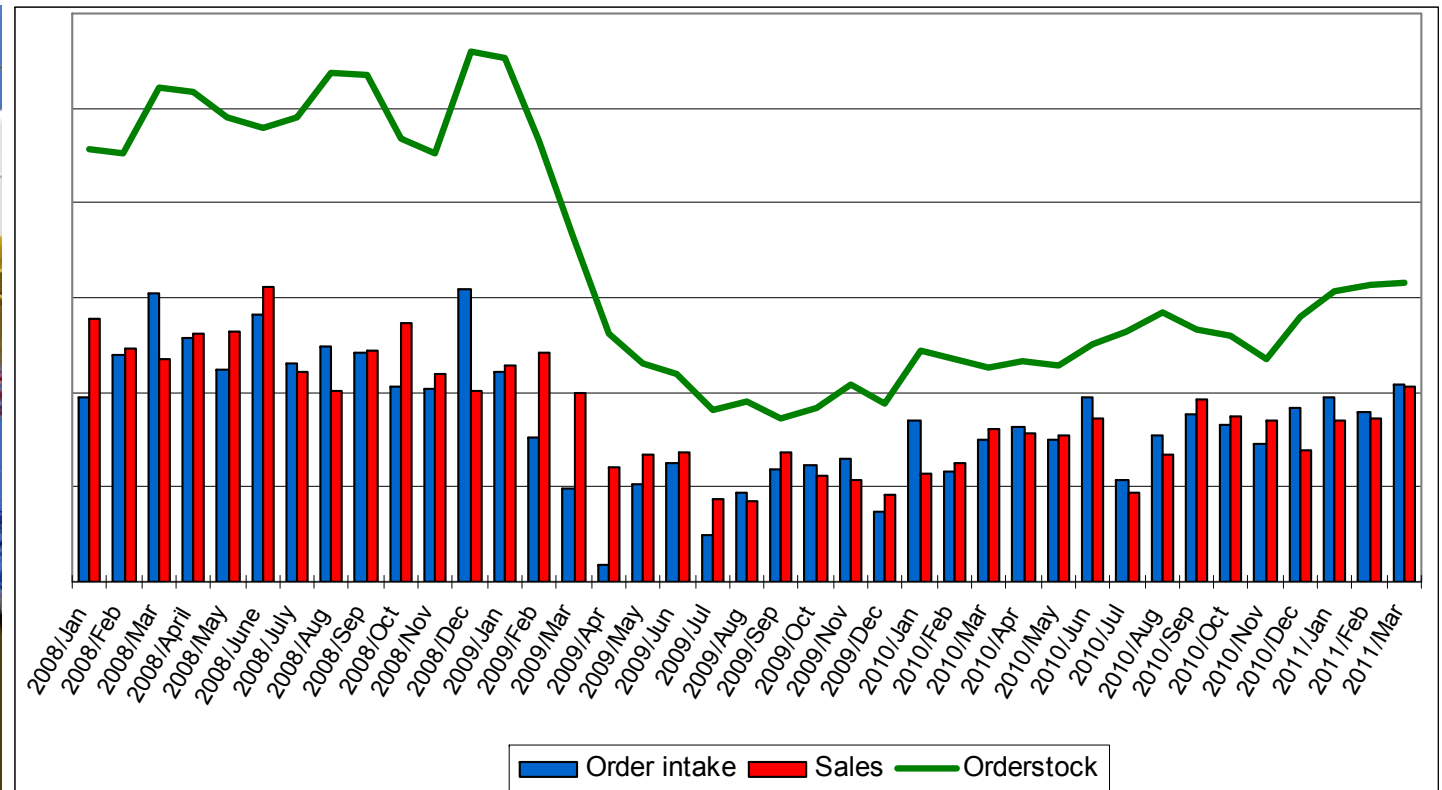
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Comparable sales to machine building industry quarterly

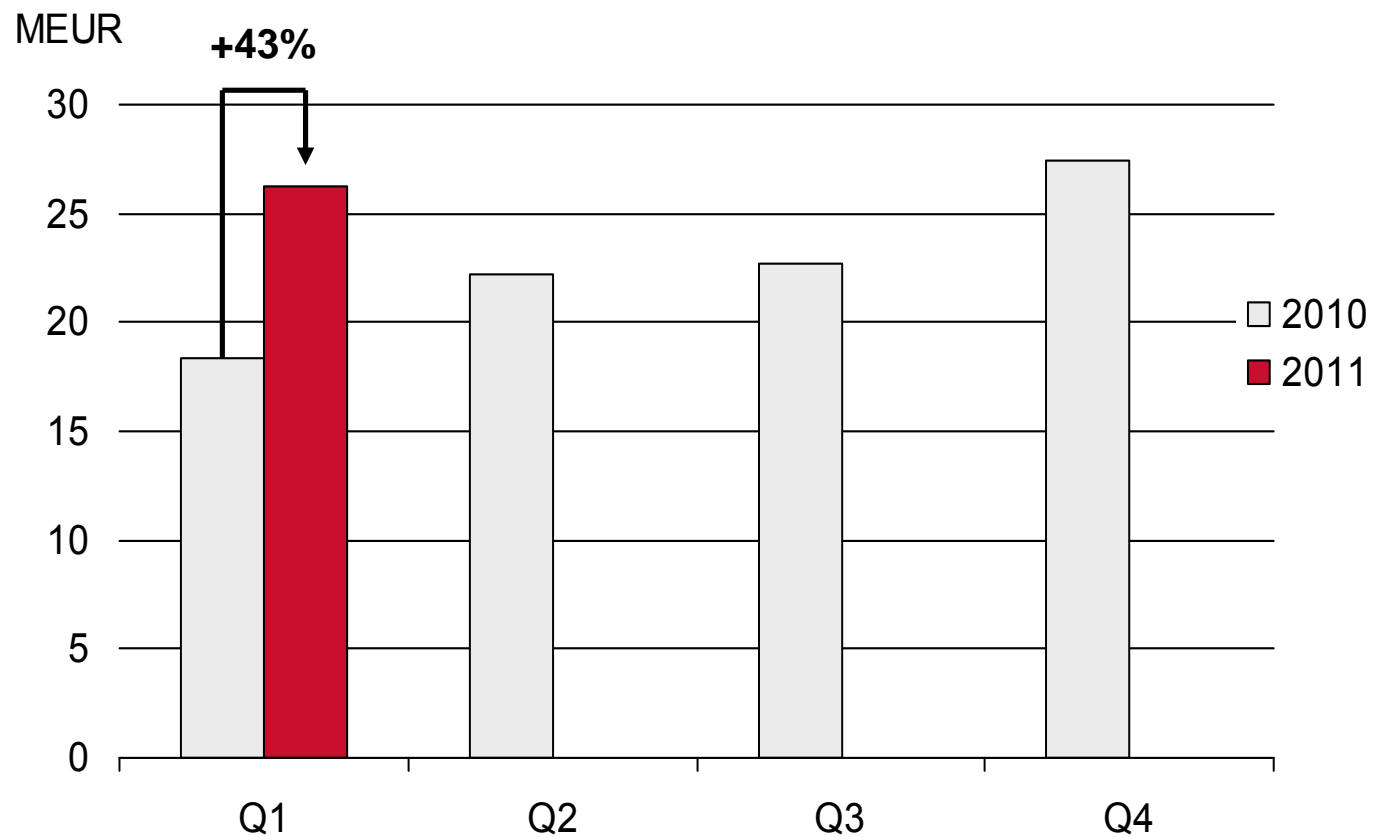


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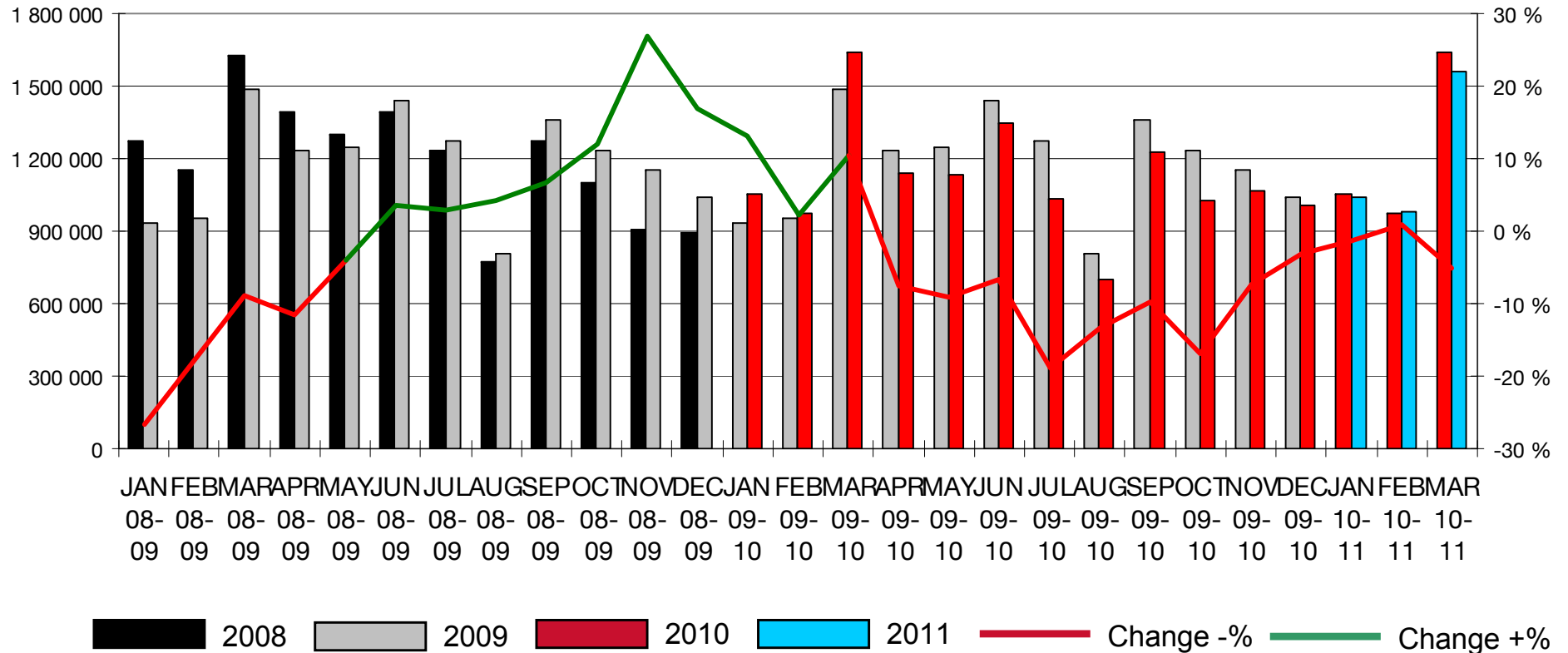
Development of sales and order book in machine building industry



Comparable sales to automotive industry quarterly



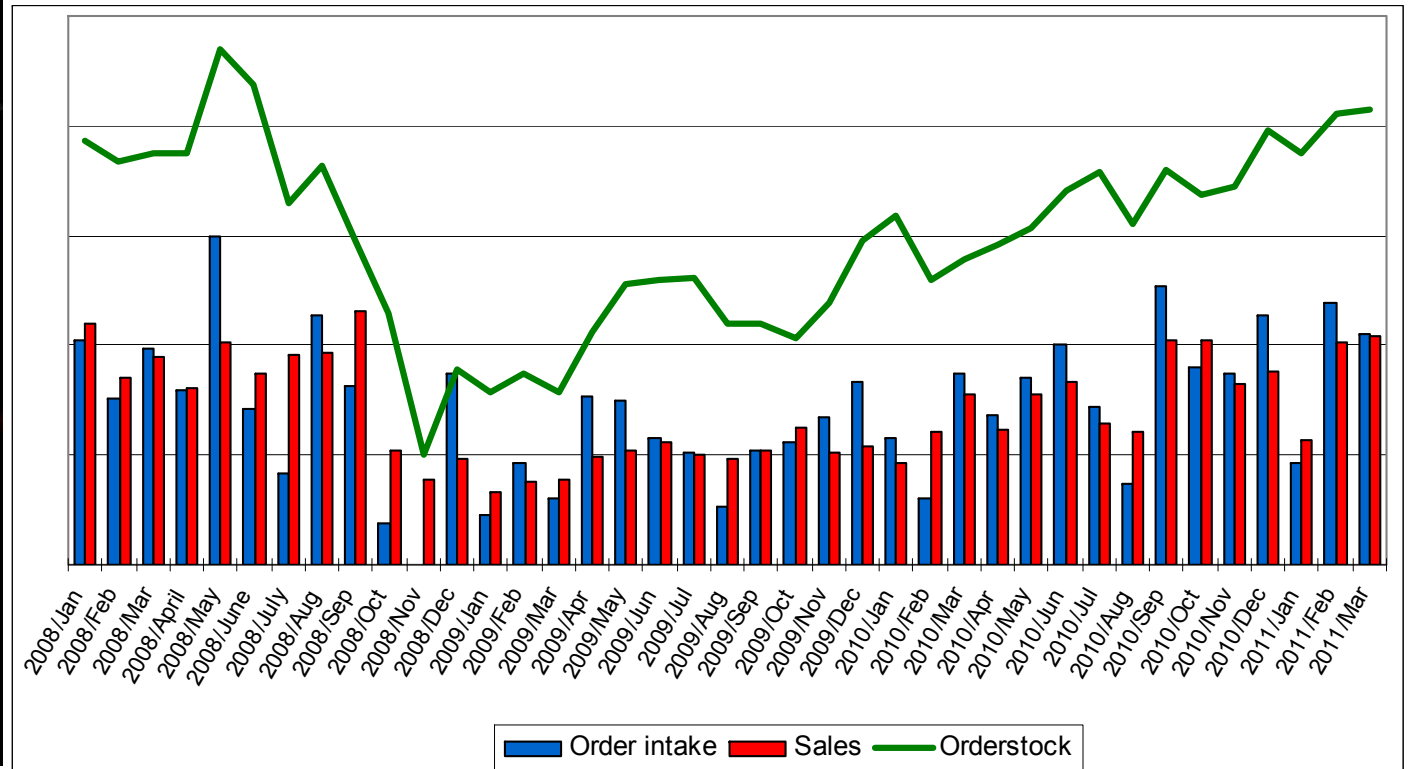
Registrations of new passenger cars in Europe (EU27)



Source: ACEA

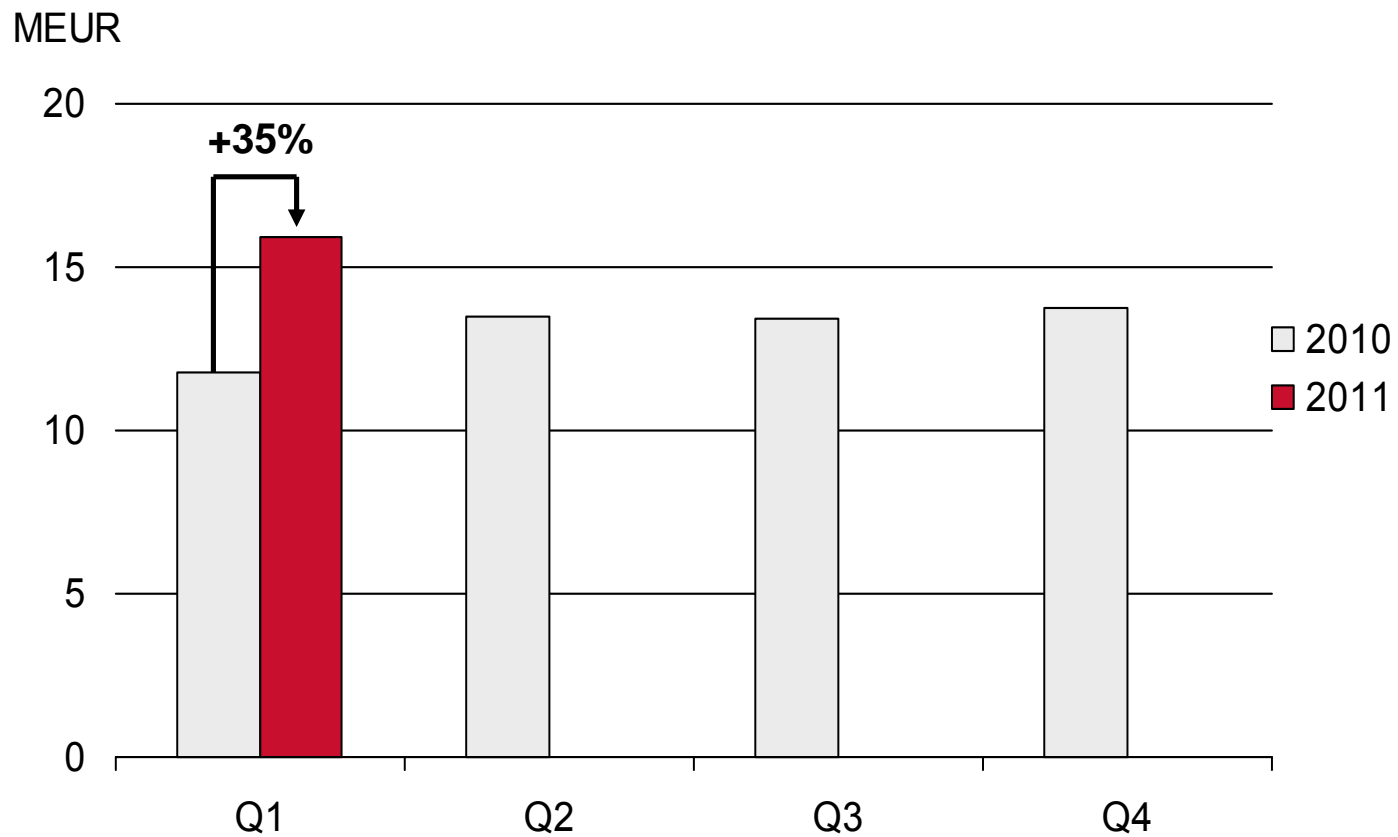
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Development of sales and order book in automotive industry



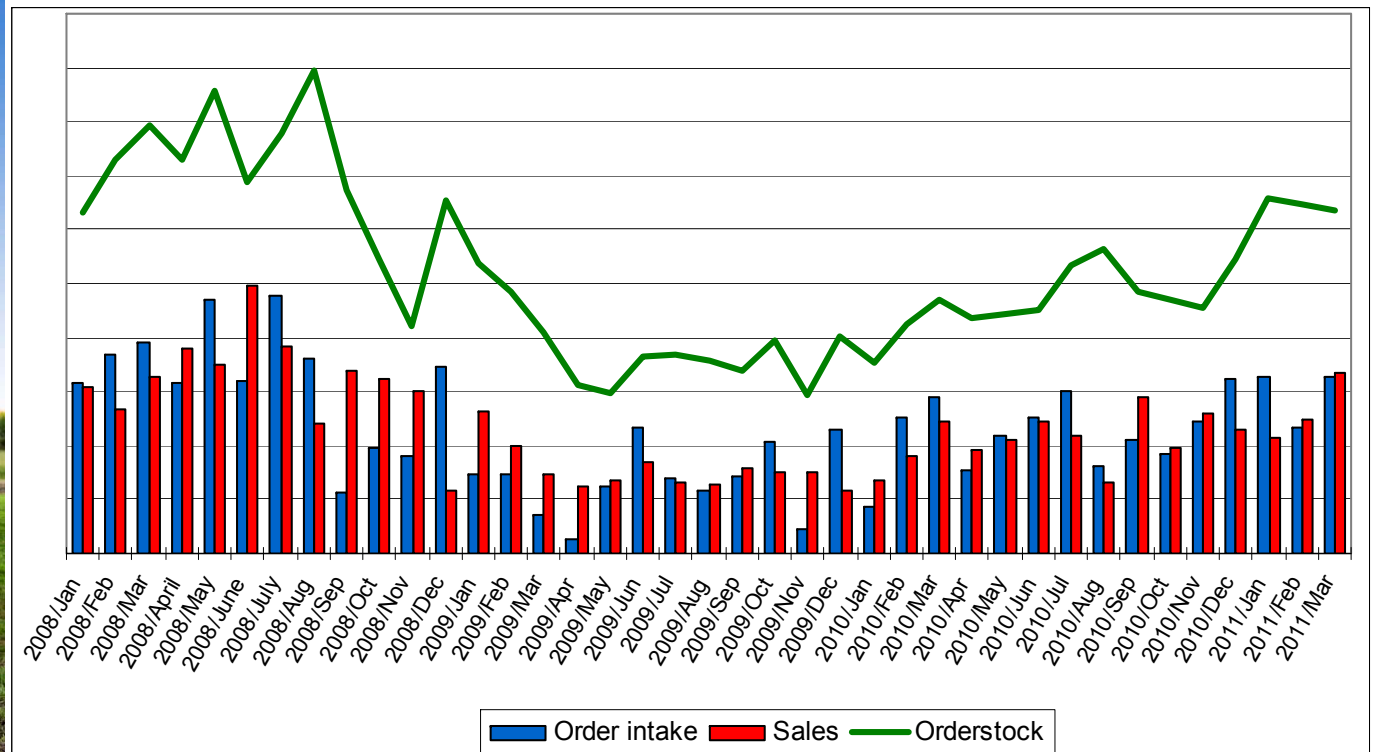
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Comparable sales to agriculture industry quarterly



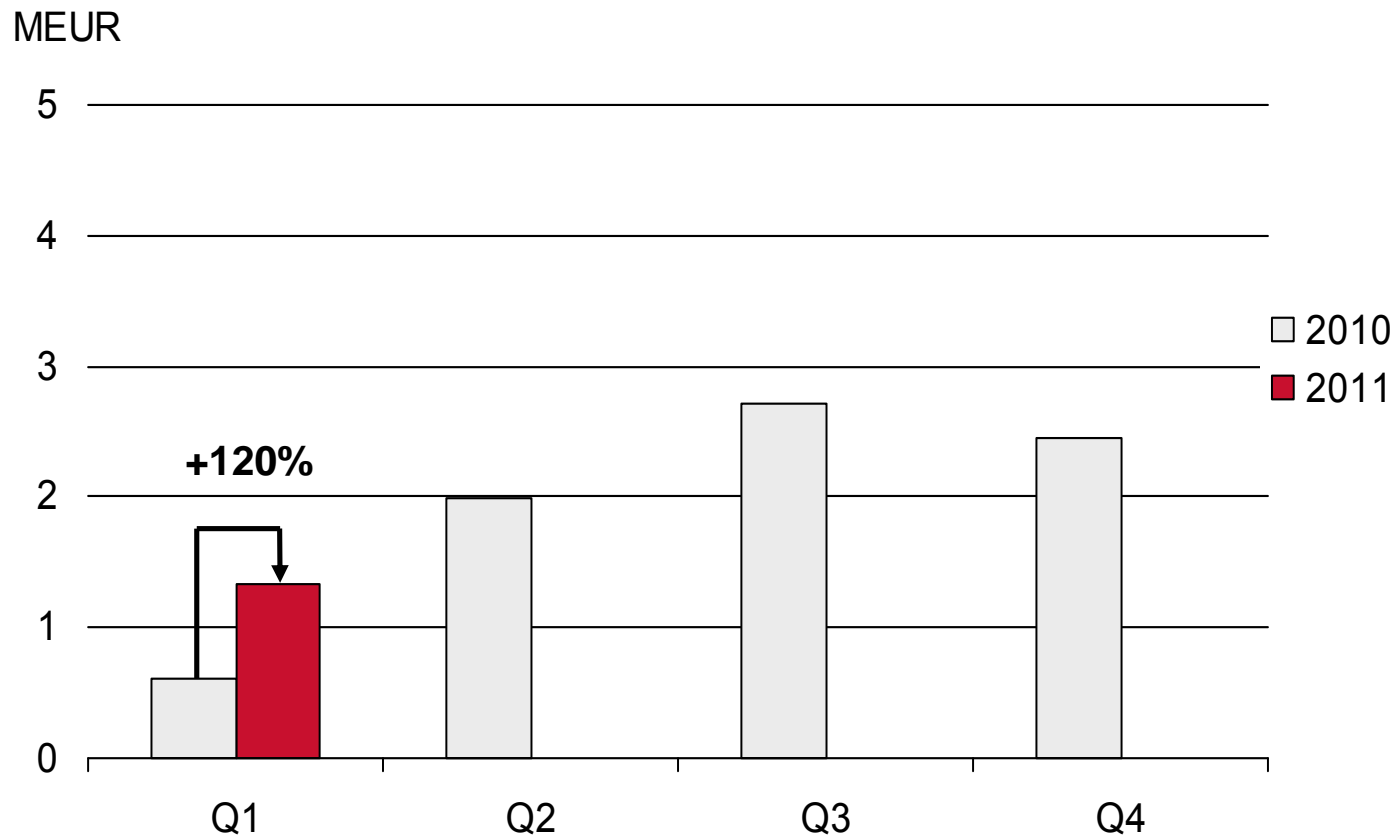
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Development of sales and order book in agriculture industry



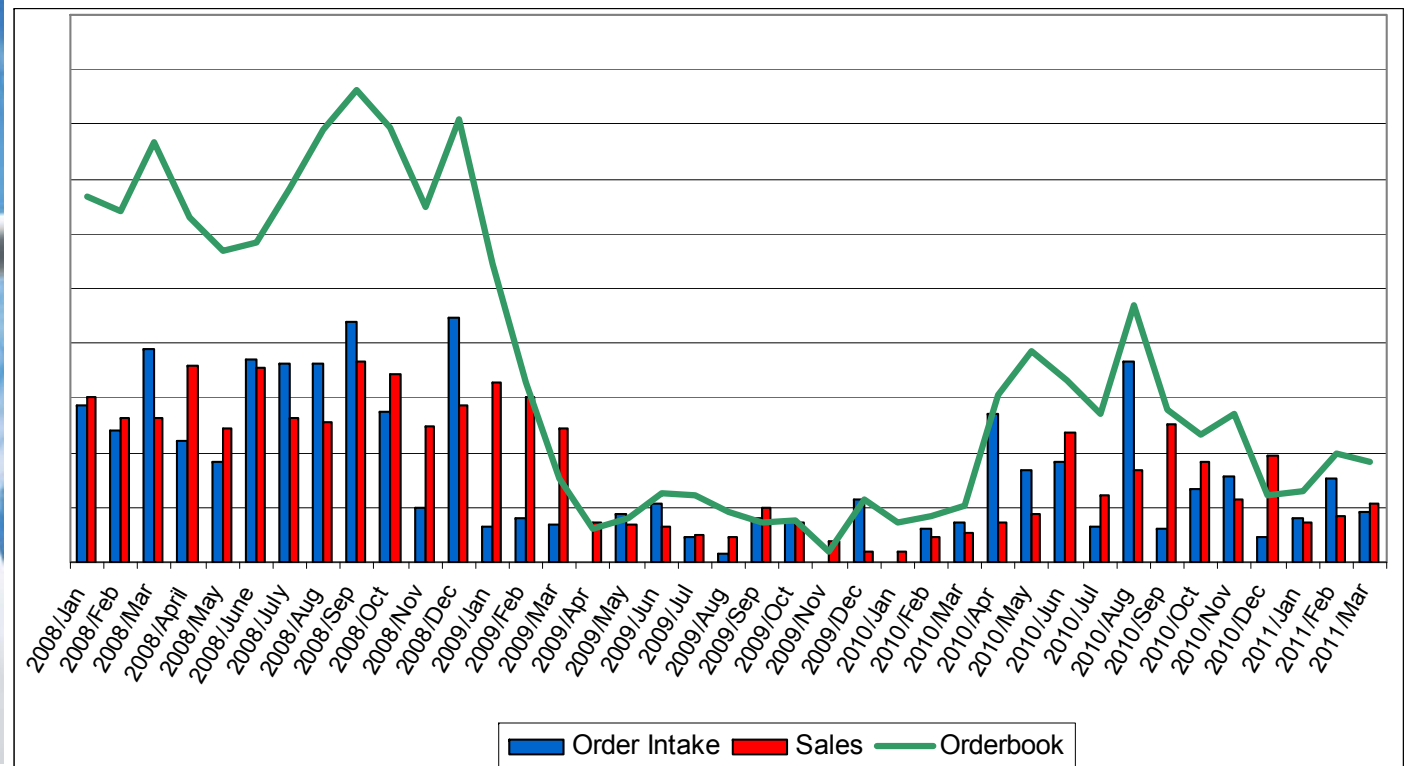
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Comparable sales to wind power industry quarterly



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Development of sales and order book in wind power industry



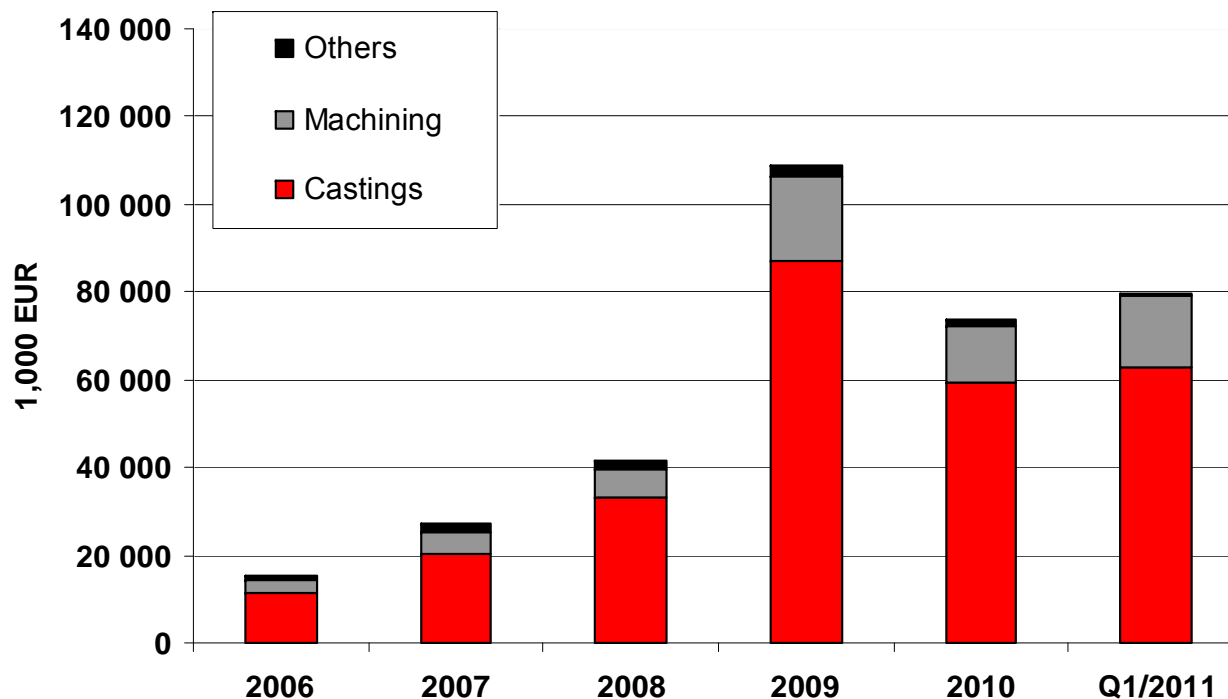
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Analysis of changes in income statements Q1/2011 vs. Q1/2010

MEUR	Q1/2011	Q1/2010	Change %
Net sales	144.1	91.2	58%
Value of production	150.0	94.4	59%
Materials	-61.6	-34.3	79%
Direct wages and external services	-33.7	-24.2	39%
Other variable and fixed costs	-41.8	-32.3	30%
Total costs	-136.7	-90.8	51%
EBITDA	13.3	3.6	267%

Offers and new sales

Monthly offers > 100,000 EUR



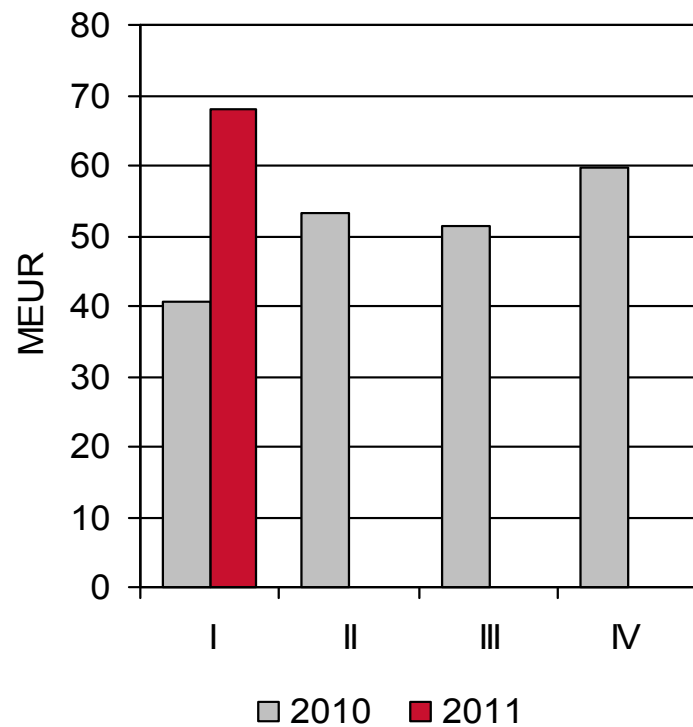
- The offers submitted by the Group have remained at a high level.
- Componenta's new sales developed well during Q1/2011.



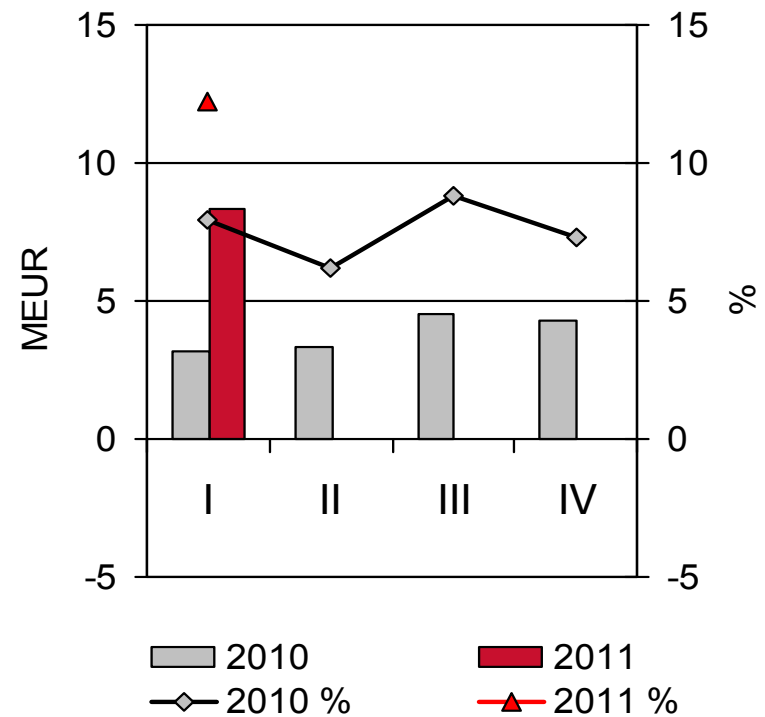
Performance of Operations

Turkey operations

Net sales



Operating profit excluding one-time items

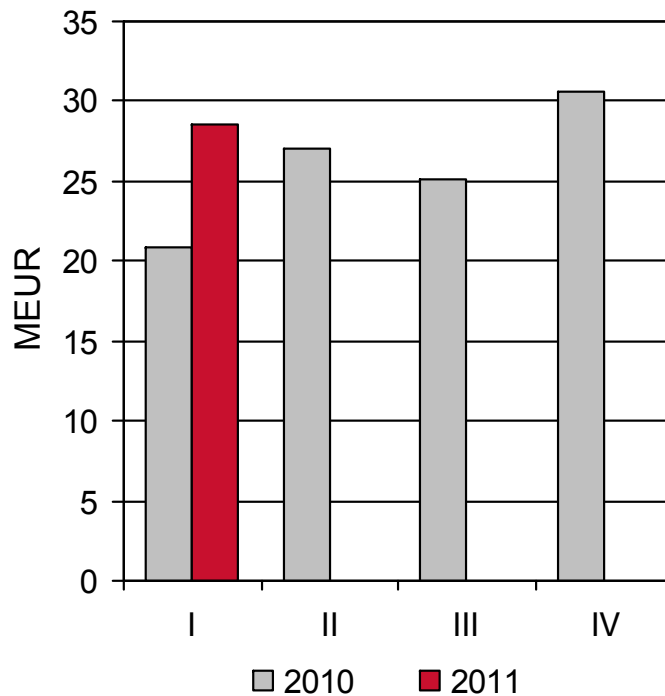


Performance of the Turkey operations

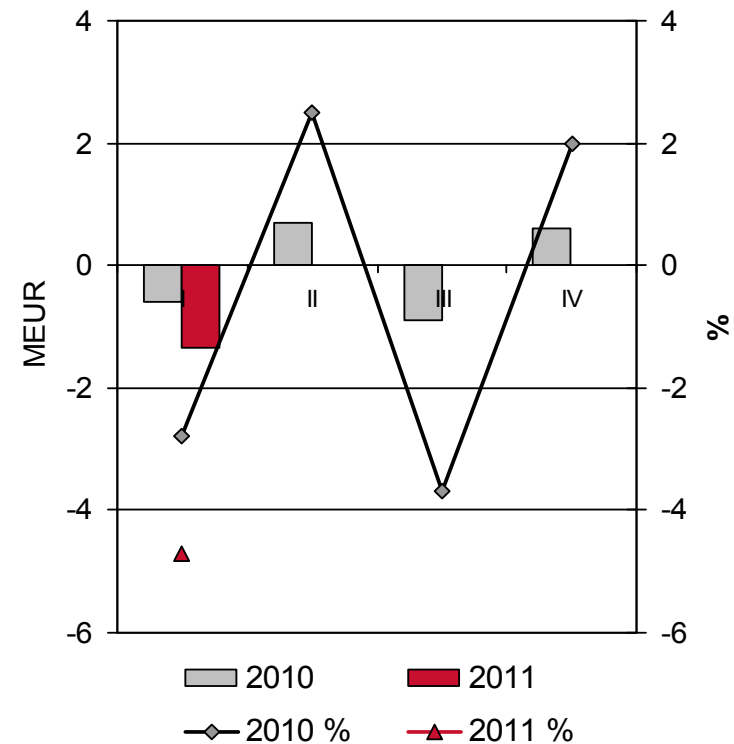
- The Turkey operations comprise iron foundry and machine shop in Orhangazi and aluminium foundry and production unit for aluminium wheels in Manisa.
- Net sales in the review period increased 67% to MEUR 67.9 (40.6). Operating profit was MEUR 8.3, corresponding 12.2% of net sales (MEUR 3.2; 7.9%).
- Operating profit in the review period was boosted by very good volume development especially in construction & mining and automotive industries. However, the operating profit was hurt by MEUR -0.4 due to rapidly increased iron raw material prices.
- The order book at the end of March rose 66% from the previous year and was MEUR 54.0 (MEUR 32.6).

Finland operations

Net sales



Operating profit excluding one-time items

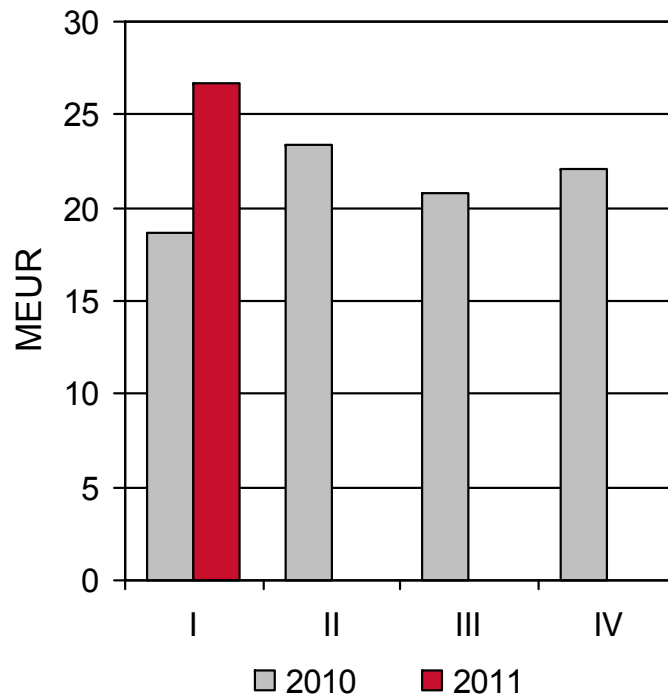


Performance of the Finland operations

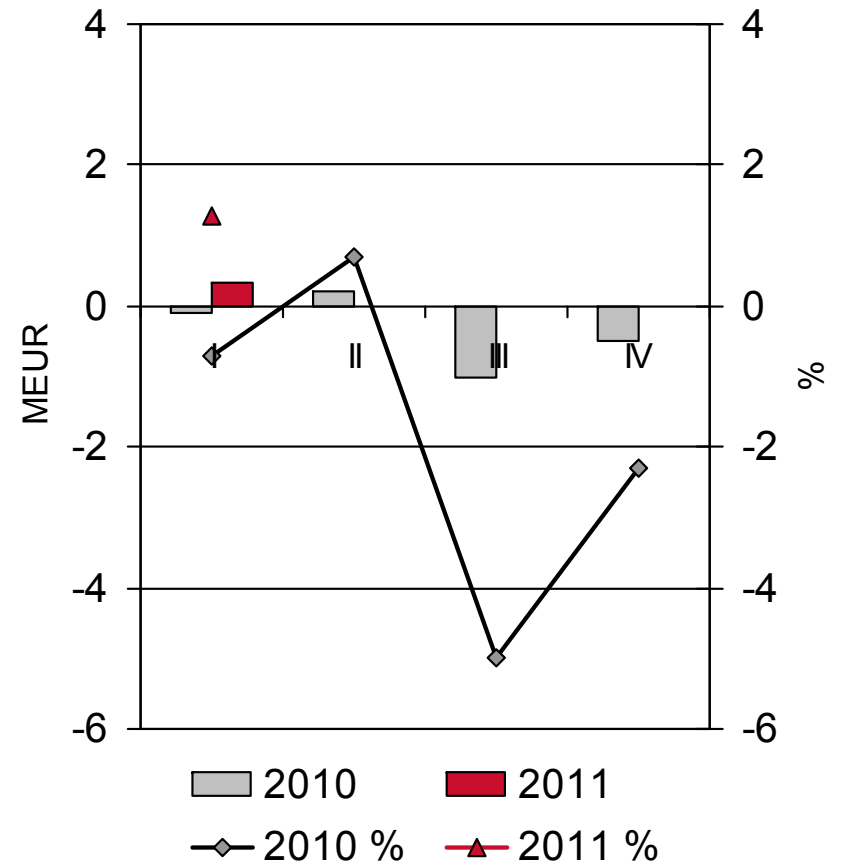
- The operations in Finland include the iron foundries in Iisalmi, Karkkila, Pietarsaari and Pori and the machine shops in Lempäälä and Pietarsaari. The operations also include the production unit for pistons in Pietarsaari.
- Net sales in the review period increased 37% to MEUR 28.5 (20.8). Operating profit was MEUR -1.3, corresponding -4.7% of net sales (MEUR -0.6; -2.8%).
- Operating profit in the review period was burdened by MEUR -1.0 due to rapid increase in iron raw material prices and other regional raw material prices. In addition, the operating profit of the Pietarsaari business unit weakened clearly.
- Order book at the end of March rose from the previous year 29% and was MEUR 17.6 (MEUR 13.6).

Holland operations

Net sales



Operating profit excluding one-time items

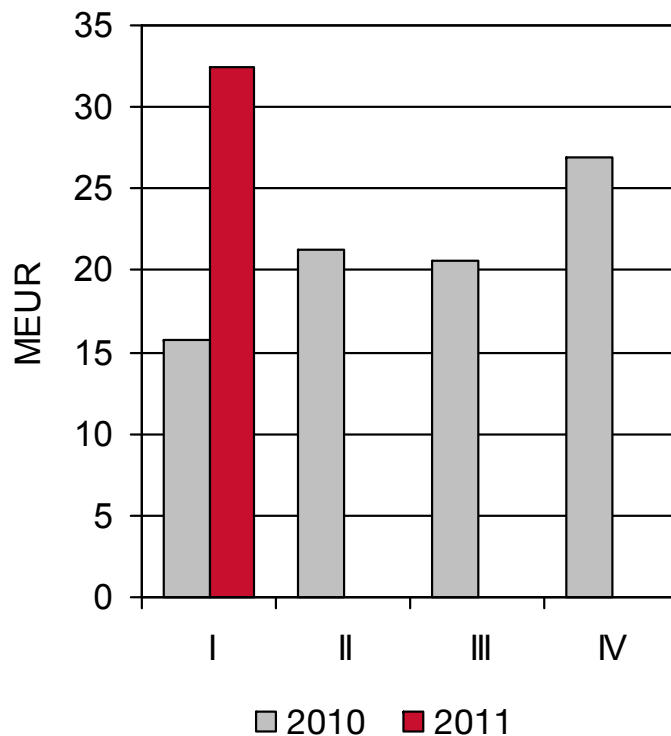


Performance of the Holland operations

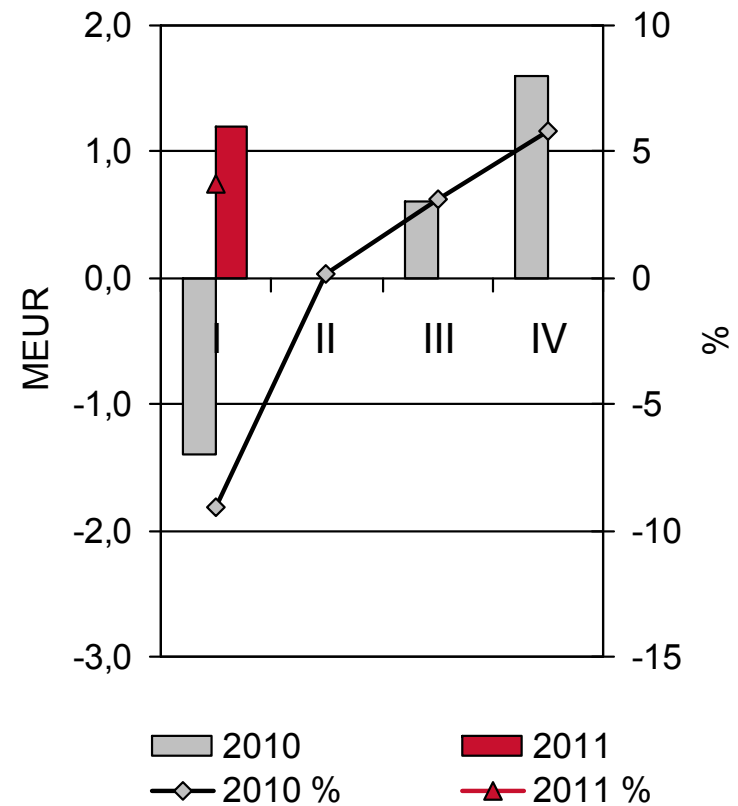
- The operations in Holland comprise iron foundries in Heerlen and Weert, machine shop operations in Weert and pattern shop in Tegelen.
- Net sales in the review period increased 43% and were MEUR 26.7 (MEUR 18.7) and operating profit MEUR 0.3 or 1.3% of net sales (MEUR -0.1; -0.7%).
- The operating profit in the review period improved due to increased production volumes. The operating profit in the review period was however affected negatively by MEUR -1.0 due to rapid increase in iron raw material and regional raw material prices as well as raw material prices not covered by material surcharges.
- Order book at the end of March increased from the previous year 32% and was MEUR 17.7 (MEUR 13.4).

Sweden operations

Net sales



Operating profit excluding one-time items



Performance of the Sweden operations

- The operations in Sweden include the machine shop in Främmestad and the forge in Wirsbo.
- Net sales increased 104% from previous year and were MEUR 32.4 (MEUR 15.8). Operating profit was MEUR 1.2 or 3.7% of net sales (MEUR -1.4; -8.9%).
- Operating profit in the review period improved from the previous year due to significantly increased production volumes, especially in the heavy trucks industry.
- Order book at the end of March increased from the previous year 74% and was MEUR 23.2 (MEUR 13.3).



Prospects

Market outlook

- The demand outlook in all the Group's customer sectors is good at the beginning of second quarter in year 2011.
- Demand in the heavy trucks sector is expected to continue at good level, in particular because of positive market development in Europe.
- Demand for construction and mining components is expected to continue developing favourably, mainly because of the higher mining material prices and the recovery in the economy.
- Demand for agricultural machinery is estimated to rise from the previous year as a result of higher food prices and development in demand in Europe and North America.
- Due to growing exports by Turkey's automotive industry and encouraging development in demand for aluminium alloy wheels, demand in the automotive industry is estimated to develop favourably in 2011.
- Demand in the wind power sector is expected to remain at a low level in Europe during the first half of the year 2011.
- Demand in the machine building industry is expected to continue to pick up gradually.

Componenta's prospects for 2011

- Componenta's prospects for 2011 are based on general external economic indicators, delivery forecasts given by customers, and on Componenta's order intake and order book.
- Componenta's order book at the end of March was 53% higher than at the end of the comparison period.
- In 2011 the Group's net sales are expected to rise clearly and the result after financial items excluding one-time items to be positive.
- Full year net cash flow from operations is expected to remain positive and changes in working capital should be moderate, due to the sale of trade receivables.
- Investments in production facilities in 2011 are expected to increase from EUR 15 million to some EUR 20 million, as a result of good development in new sales and transfer of the Pietarsaari machining operations mainly to Främmestad in Sweden.



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