

Casting Future **SOLUTIONS**

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Componenta Corporation Interim report 1 January - 30 September 2011

Heikki Lehtonen
President and CEO

18 October 2011



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Q1 - Q3/2011 briefly

MEUR	2011	2010	Change
	Q1-Q3	Q1-Q3	
Order book	104	86	21%
Net sales	435	321	35%
Operating profit, excluding one-time items	23.0	7.7	199%
Financial income and expenses	-19.2	-17.6	-9%
Result after financial items, excluding one-time items	3.8	-9.9	n/m
One-time items	-3.9	0.0	n/m
Net result	0.7	-7.0	n/m
Earnings/share, excluding one-time items, EUR	0.16	-0.42	n/m
Cash flow from operations	-3.2	7.0	n/m
Capacity utilization rate	71%	52%	38%

- Unused committed credit facilities and cash in bank at the end of review period were MEUR 48.
- Impact of rise in the prices of raw materials not covered by raw material surcharges and the rapid rise in the price of iron raw materials during the first half of the year, with a total net value of MEUR -8.5.

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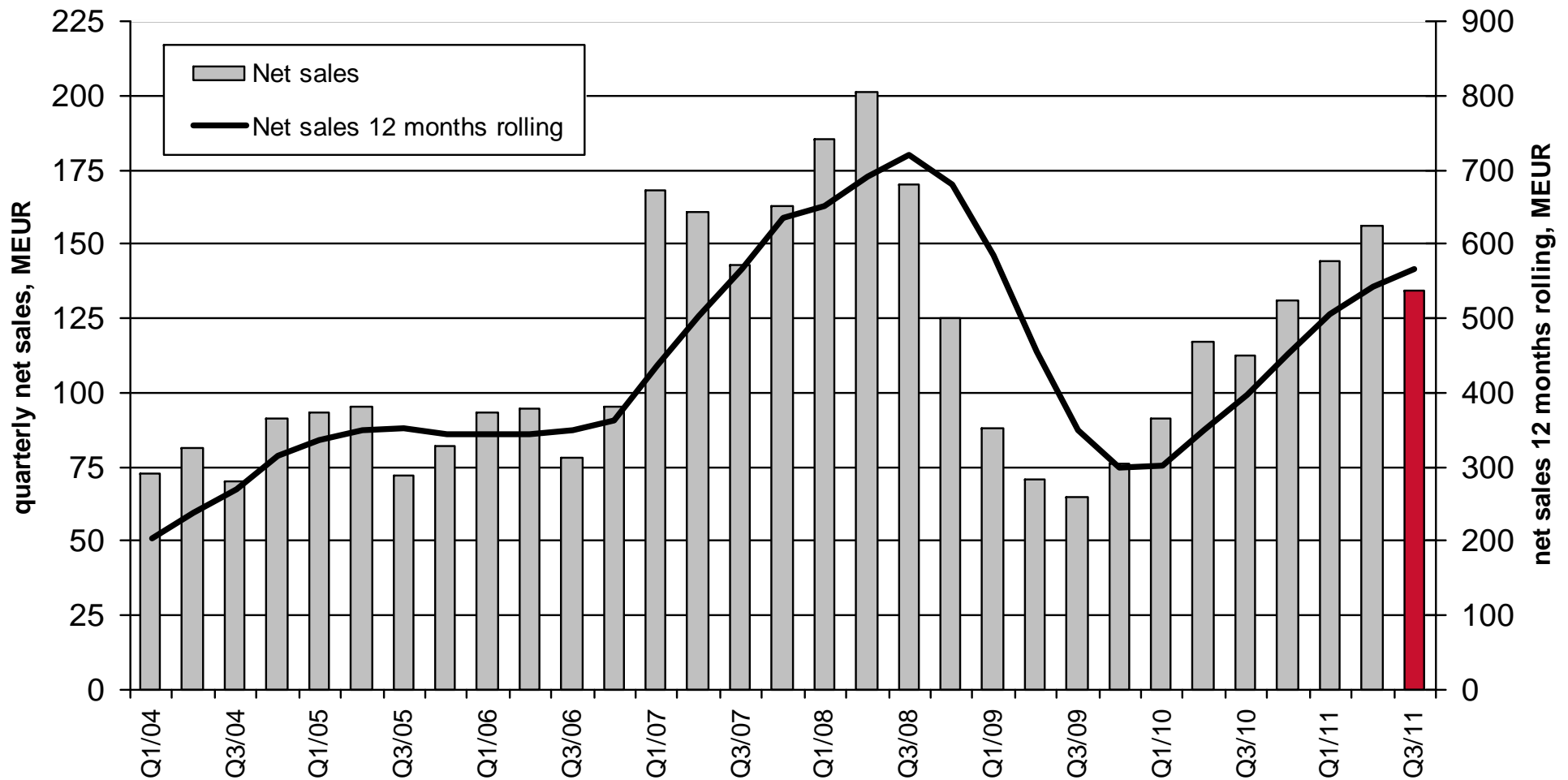
Q3/2011 briefly

MEUR	2011	2010	Change
	Q3	Q3	
Net sales	134	112	19%
Operating profit, excluding one-time items	3.8	3.4	12%
Financial income and expenses	-7.3	-5.5	33%
Result after financial items, excluding one-time items	-3.5	-2.1	67%
One-time items	-0.8	0.0	n/m
Net result	-2.6	-1.3	100%
Earnings/share, excluding one-time items, EUR	-0.14	-0.09	89%
Cash flow from operations	-1.9	-8.6	-78%
Capacity utilization rate	65%	55%	18%

- Impact of rise in the prices of raw materials not covered by raw material surcharges was MEUR -3.2.

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Quarterly net sales development 2004 – Q3/2011



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Key ratios

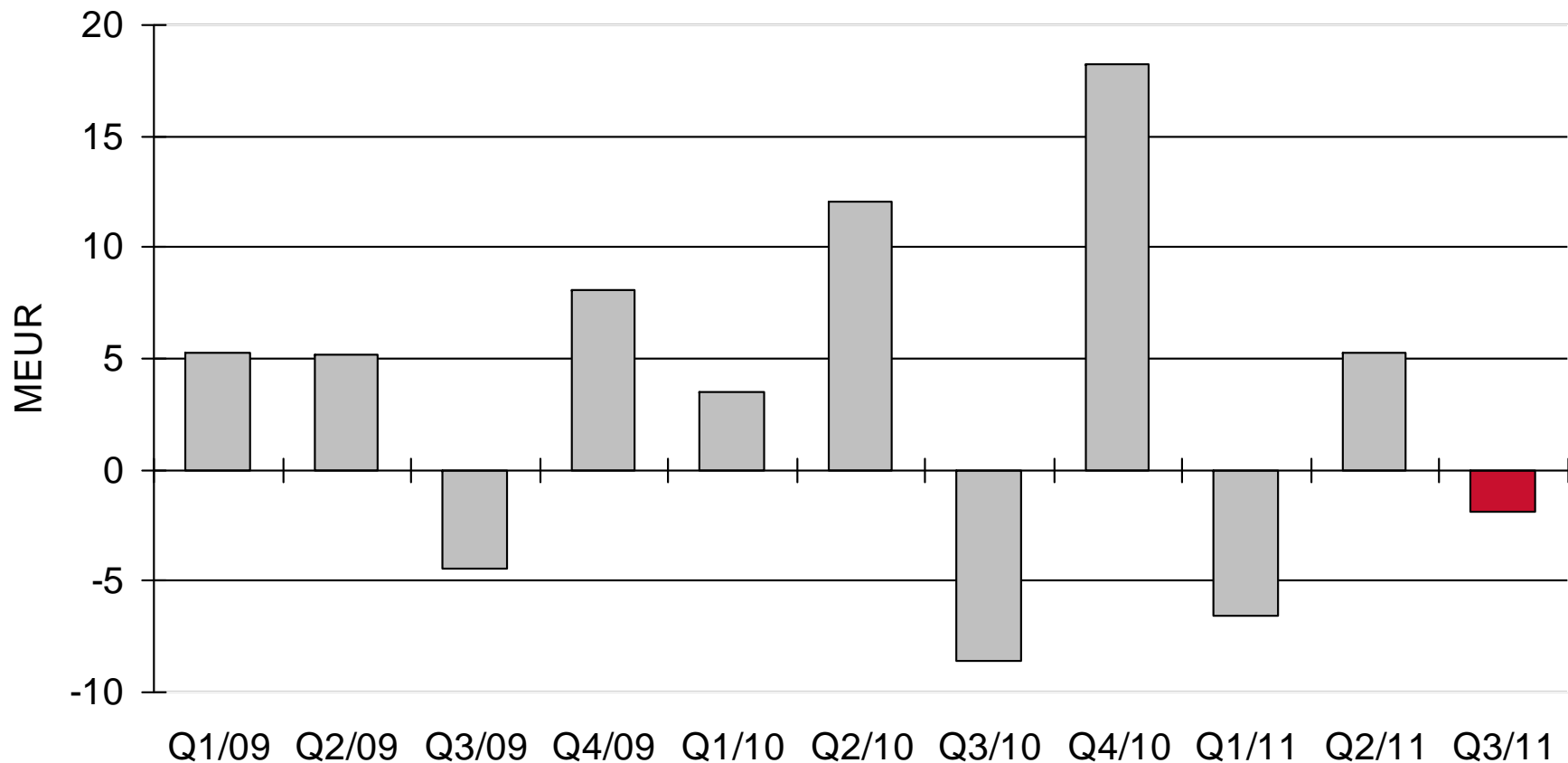
	30.9.2011	30.9.2010	31.12.2010
Equity ratio (preferred capital note in equity), %	19.4	26.0	26.4
Return on equity (excl. one-time items), %	8.8	-12.7	-10.2
Return on equity, %	1.6	-12.7	-10.3
Return on investment (excl. one-time items), %	10.6	3.9	5.0
Return on investment, %	8.9	3.9	5.0
Net interest bearing debt (preferred capital note in equity), MEUR	202.4	205.9	189.4
Net gearing (preferred capital note in equity), %	248.1	179.4	170.5
Order book, MEUR	103.7	85.8	94.6
Investments in production facilities, MEUR	13.0	5.9	8.5
Personnel at the end of period (incl. leased personnel)	4,726	4,363	4,414

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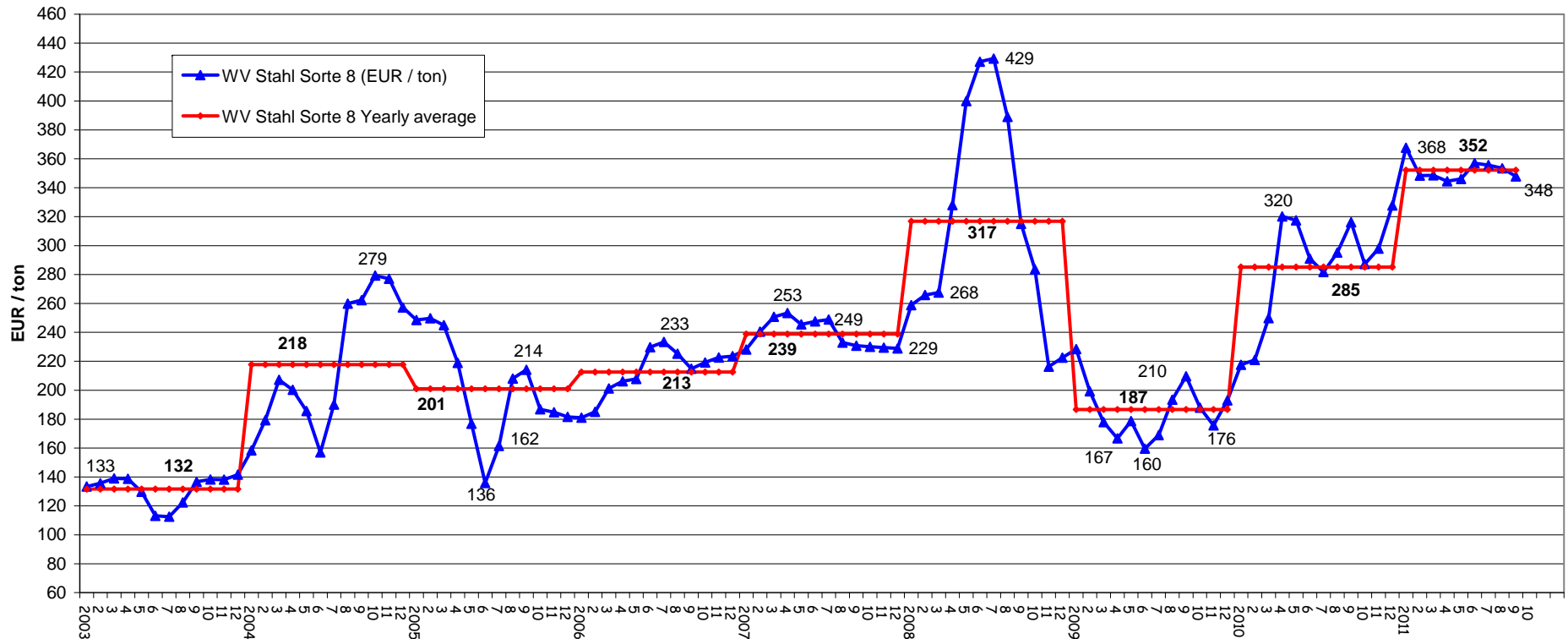
Cash flow statement

MEUR	2011 Q1-Q3	2010 Q1-Q3	2010 Q1-Q4
Cash flow from operations before change in net working capital, financing and taxes	35.4	22.1	31.3
Change in net working capital	-16.3	1.2	13.6
Cash flow from operations before financing and taxes	19.1	23.3	44.8
Net cash flow from operations	-3.2	7.0	25.2
Net cash flow from investing activities	-10.9	-8.0	-10.4
Net cash flow from financing activities	22.8	10.7	-11.7
Change in liquid assets	8.7	9.6	3.1

Development of net cash flow from operations



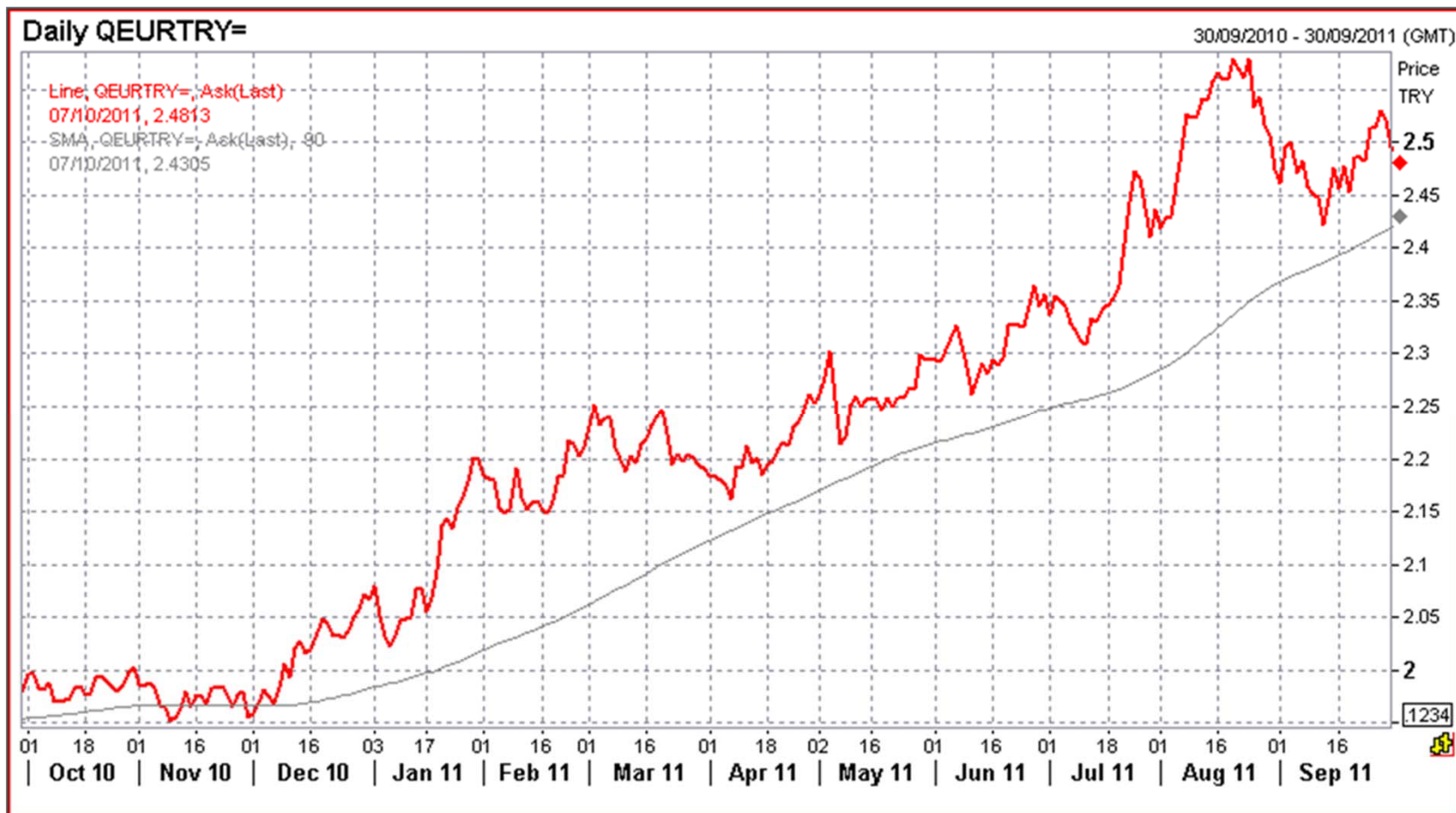
Wvstahl Sorte 8/package recycled metal (EUR/ton)



Source: Wvstahl

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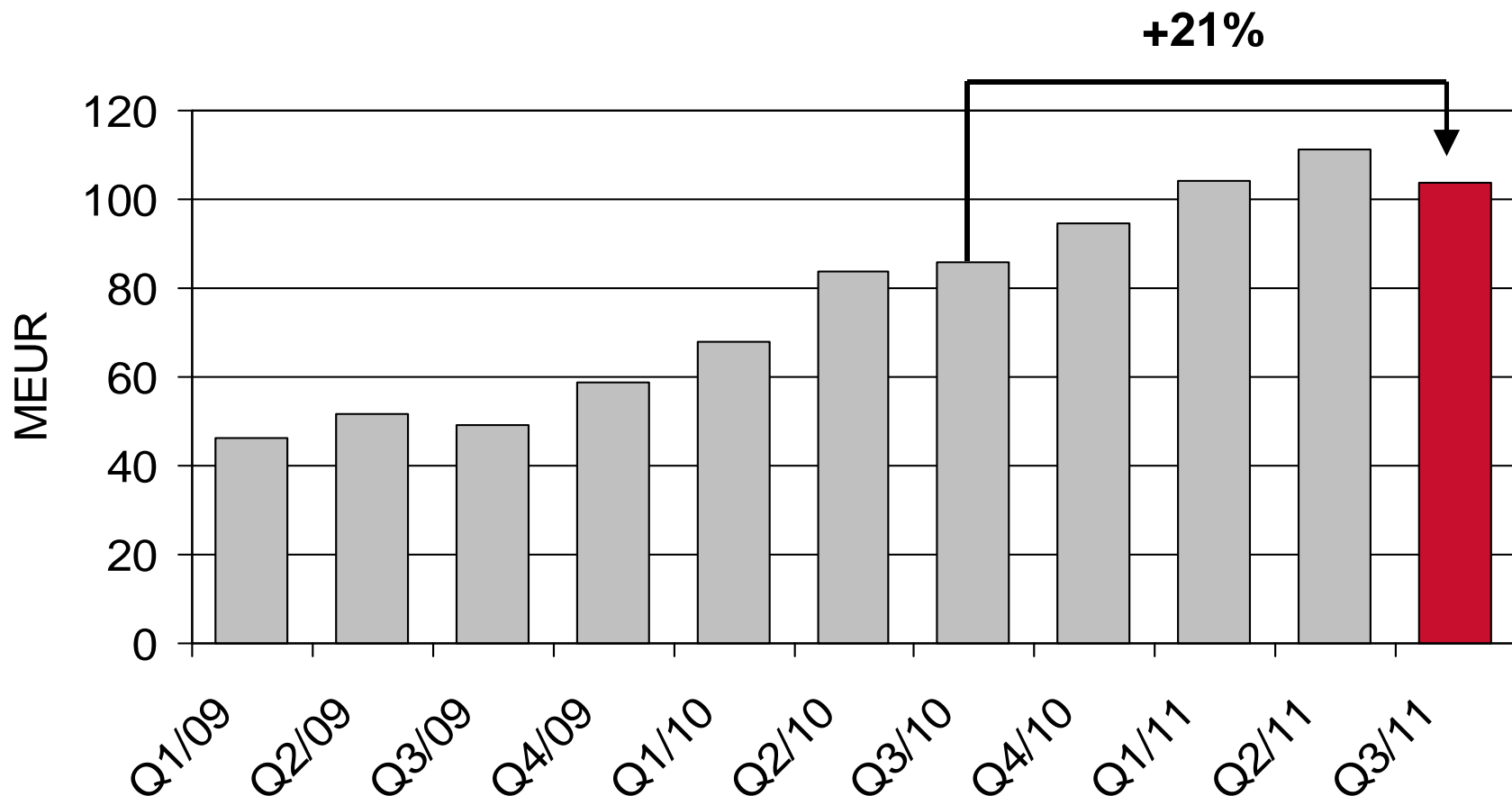
Development of exchange rates Turkish lira



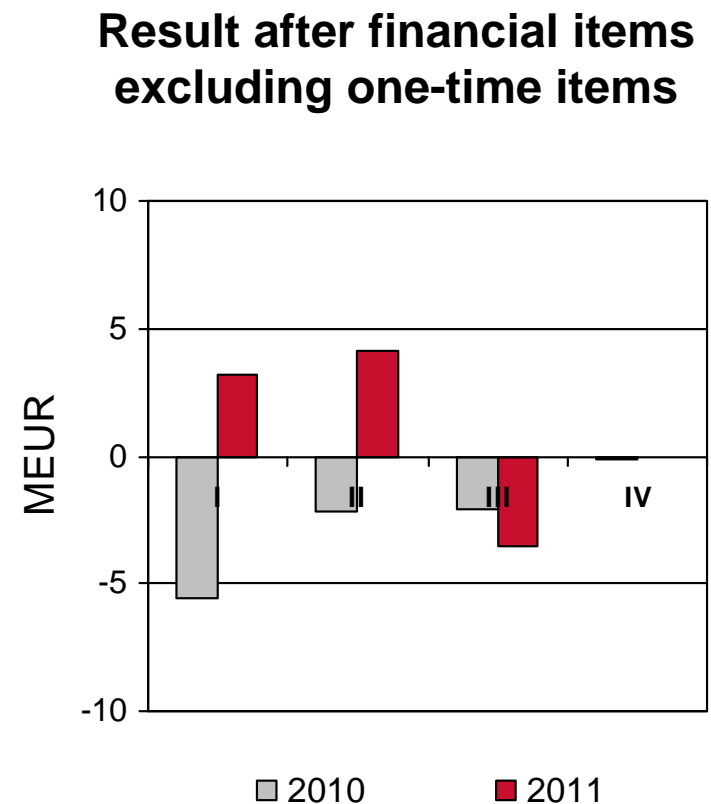
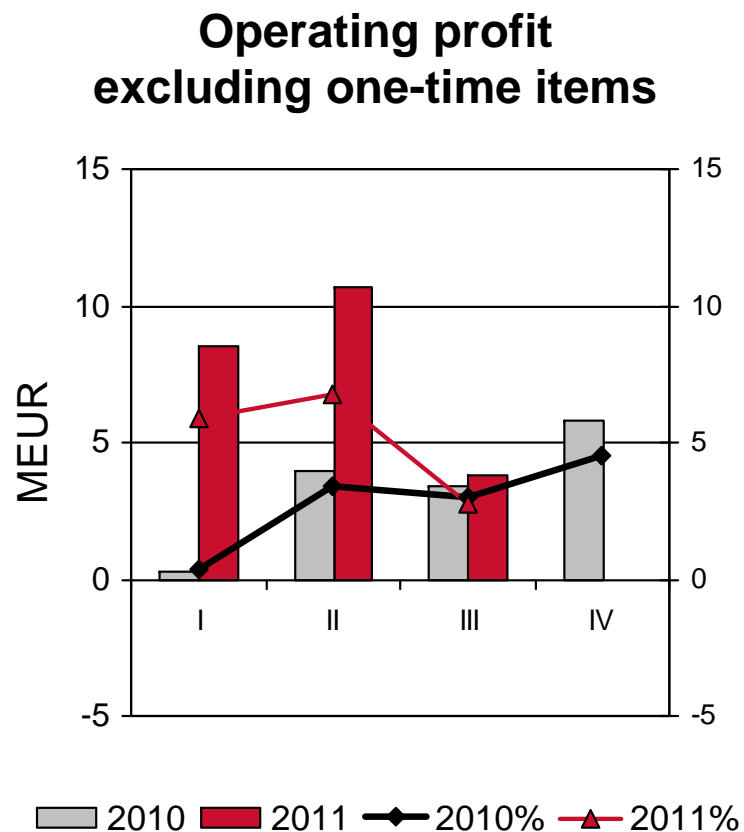
Source: Reuters

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

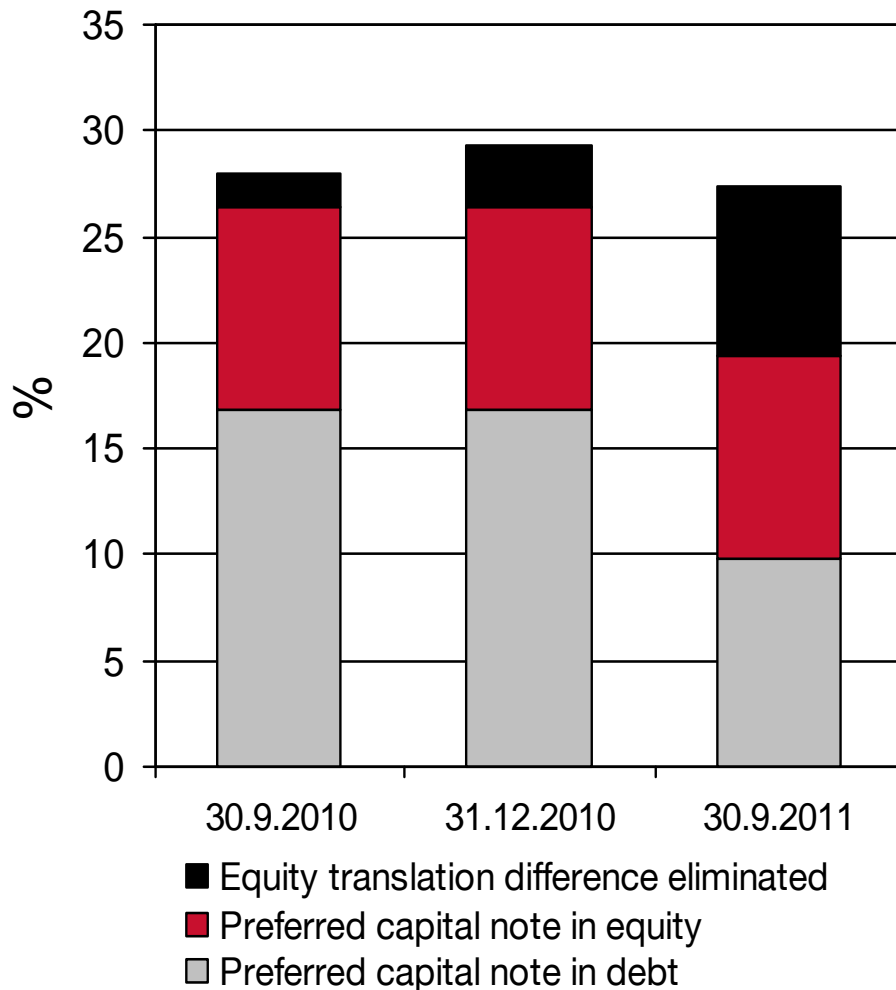


Quarterly operating profit and result after financial items excl. one-time items



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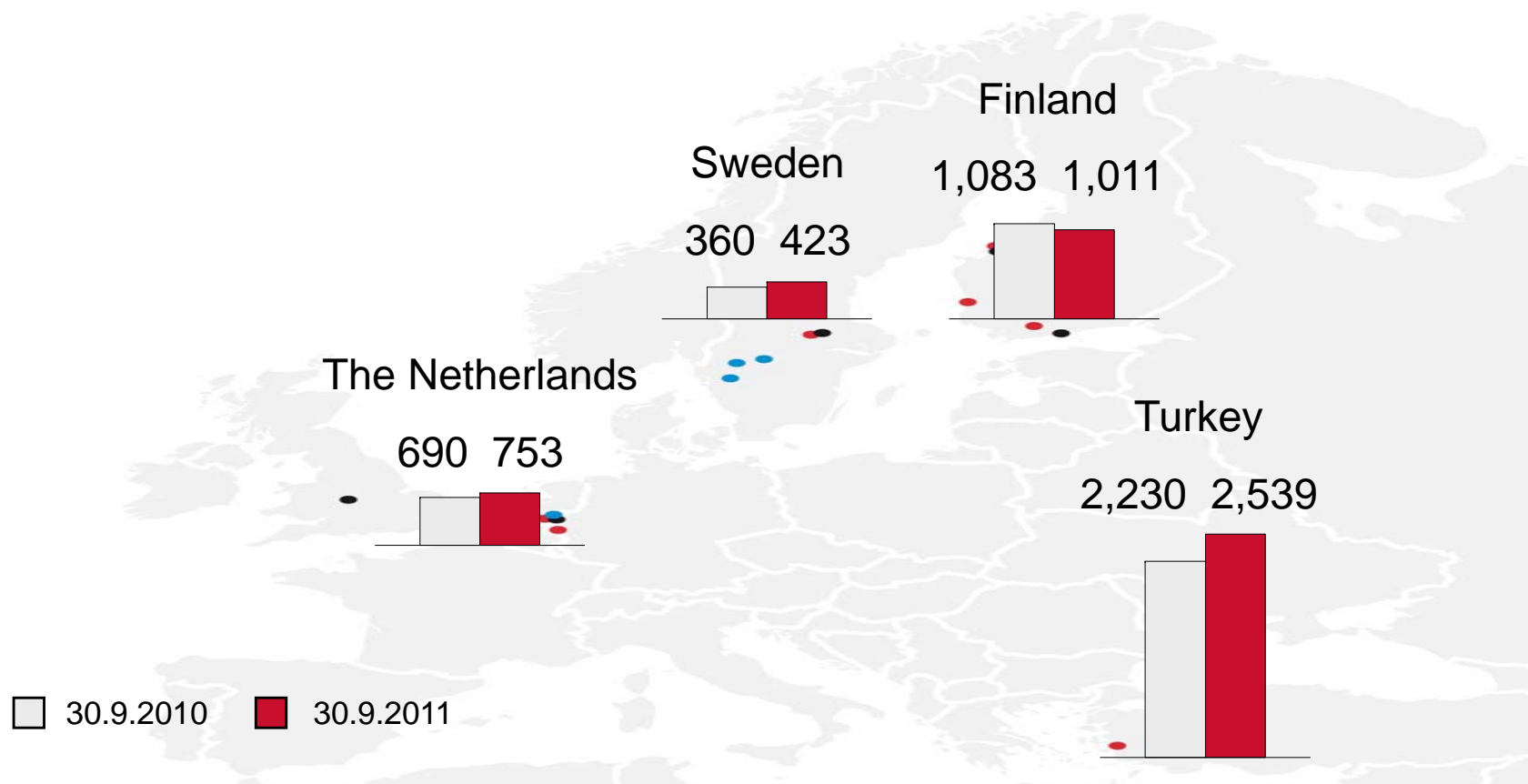
Equity ratio



- Extremely sharp decline in the value of the Turkish lira against the euro weakened the Group's shareholders' equity by EUR -31.9 million compared with the same period in the previous year. Cumulatively exchange rate differences after the acquisition of the Turkish subsidiary have weakened the Group's equity by EUR -44.8 million.
- The original price for the shares of the Turkish company was EUR 149.1 million. Due to translation differences in bookkeeping the value of the shares in the Componenta's balance sheet is EUR 104.3 million. The market value of the shares on 30 September 2011 on the Istanbul stock exchange exceeded their bookkeeping value clearly.

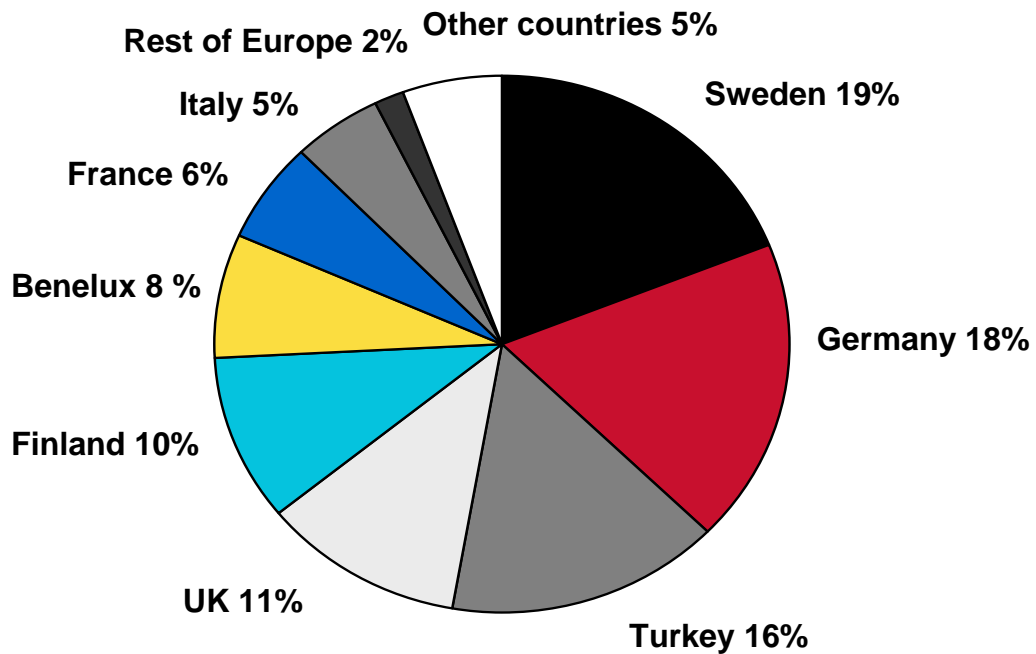
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Personnel by country including leased personnel

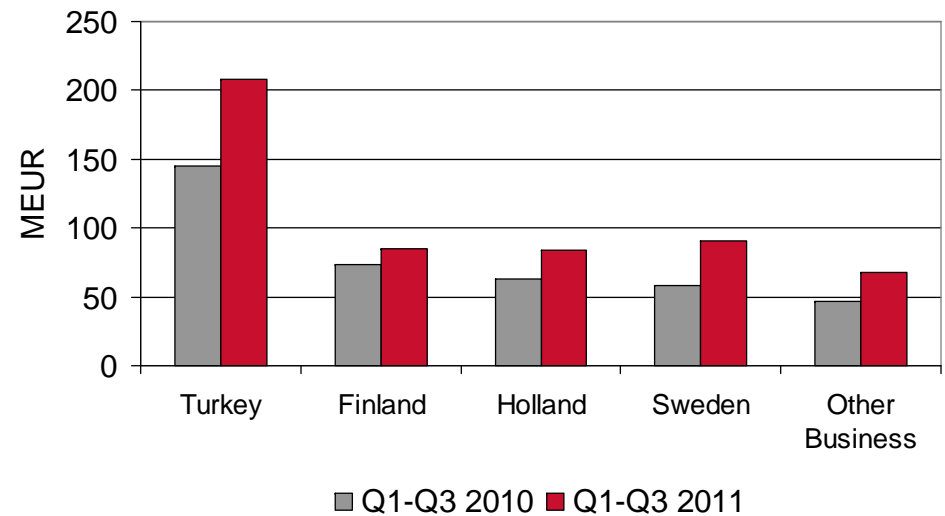


Distribution of sales

Sales by market area Q1-Q3/2011



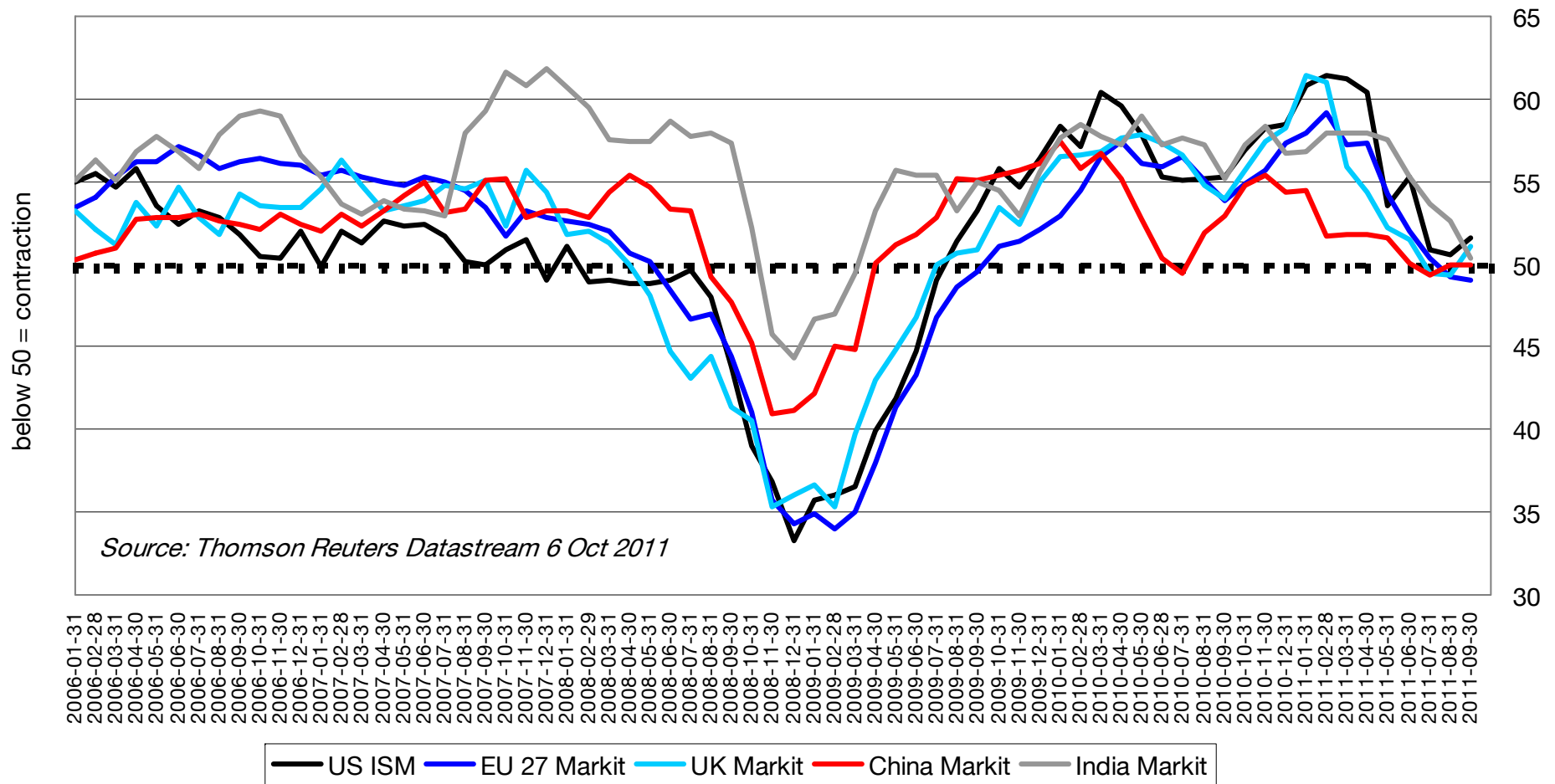
Sales by operations Q1-Q3/2011



Note: Excluding internal eliminations

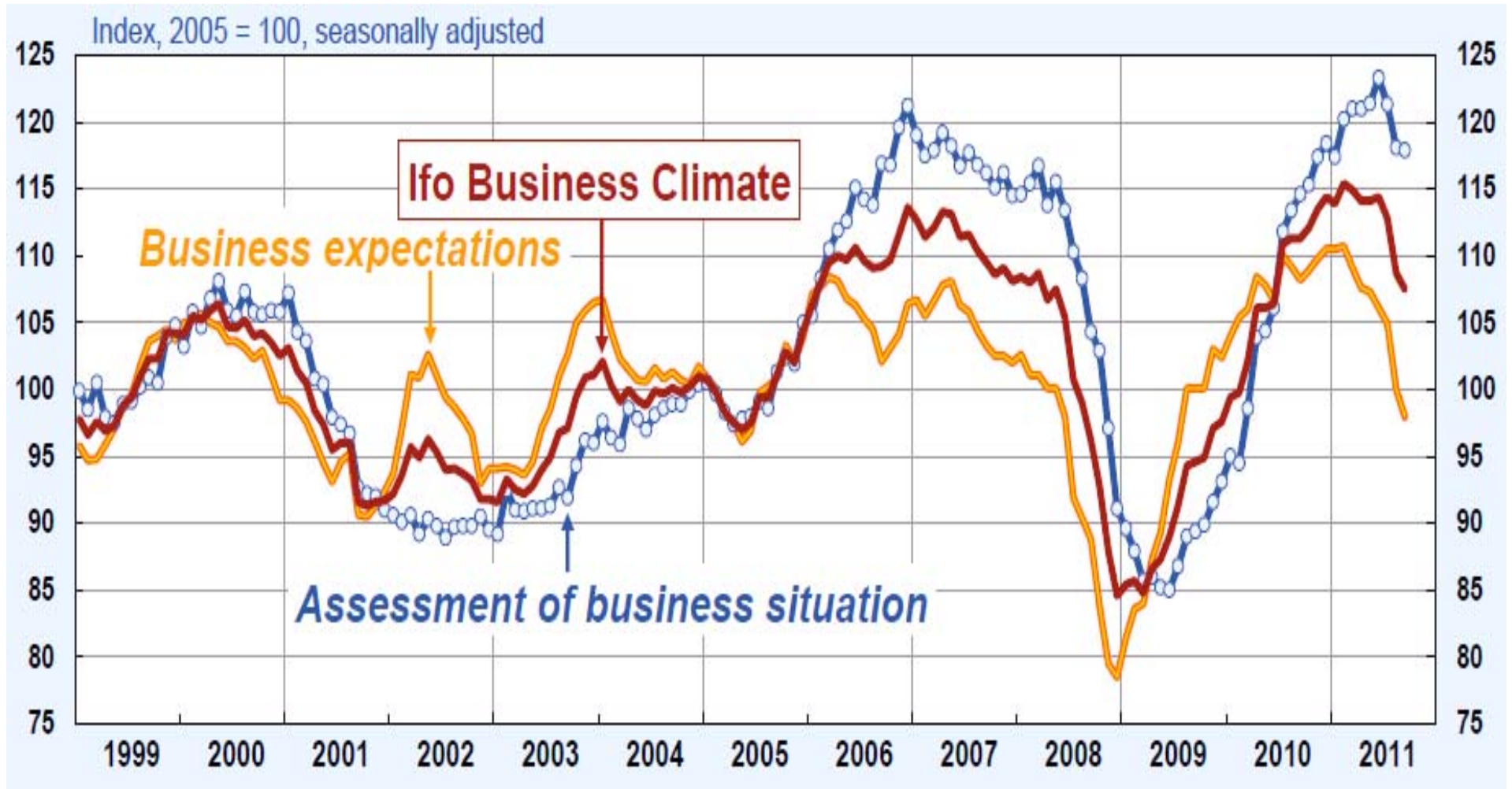
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Manufacturing Purchasing Manager Indices



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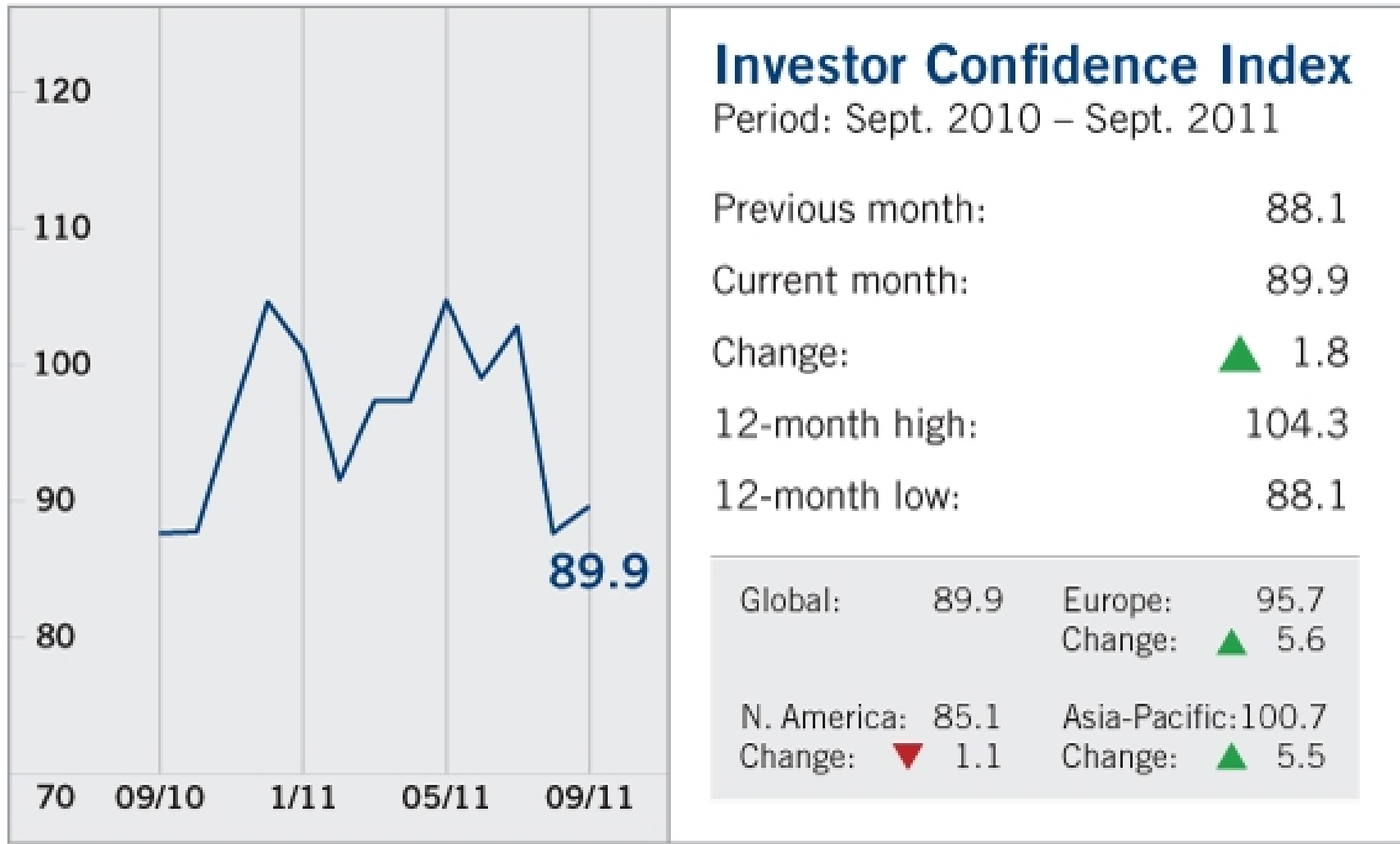
IFO expectations



Source: IFO

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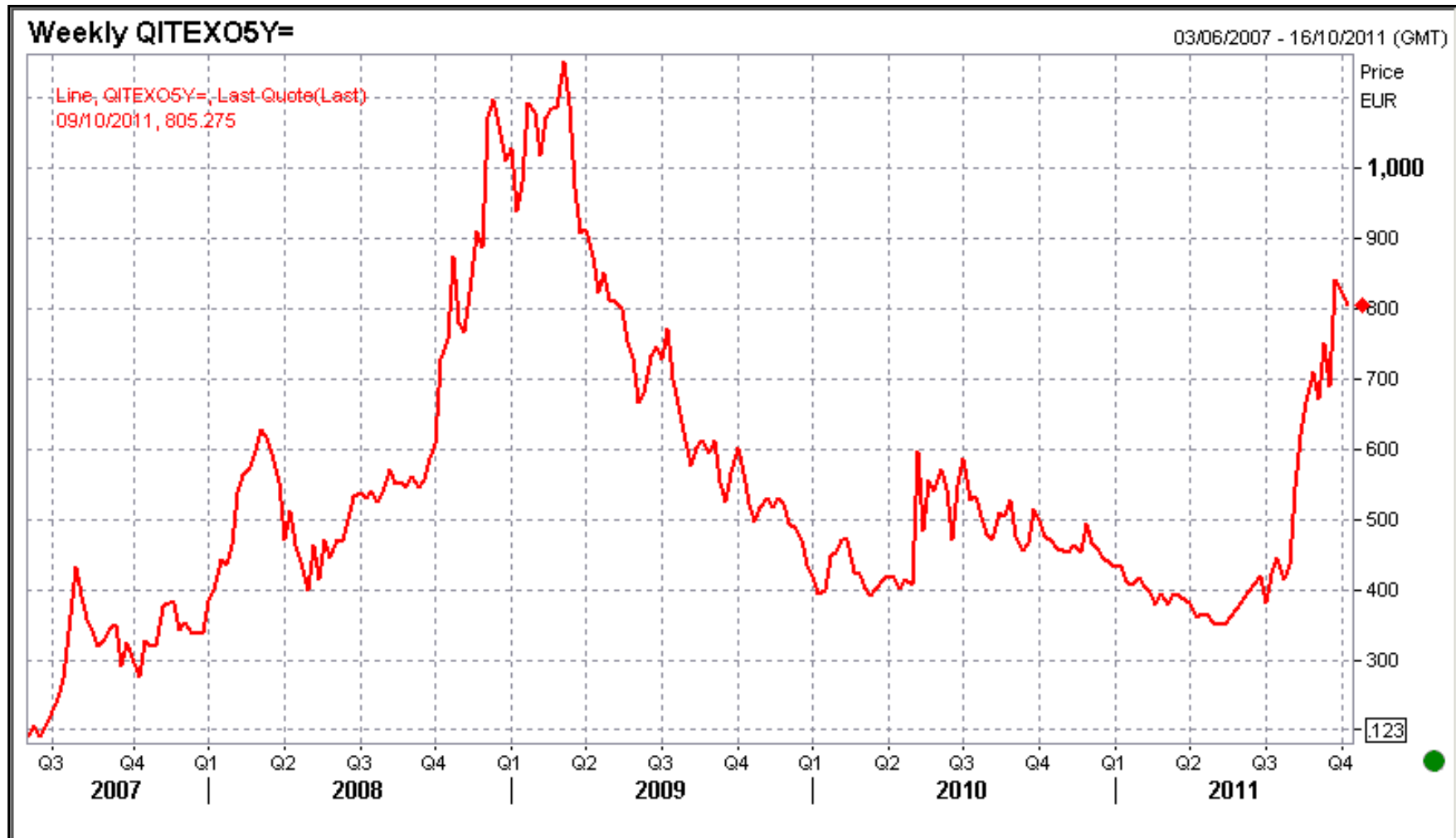
Investor Confidence Index



Source: SSaA

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CDS index



Source: Reuters

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Comparable sales to customer industries



Heavy trucks

28% (25%)



Construction and mining

23% (21%)



Machine building

18% (20%)



Automotive

18% (20%)



Agricultural machinery

12% (12%)



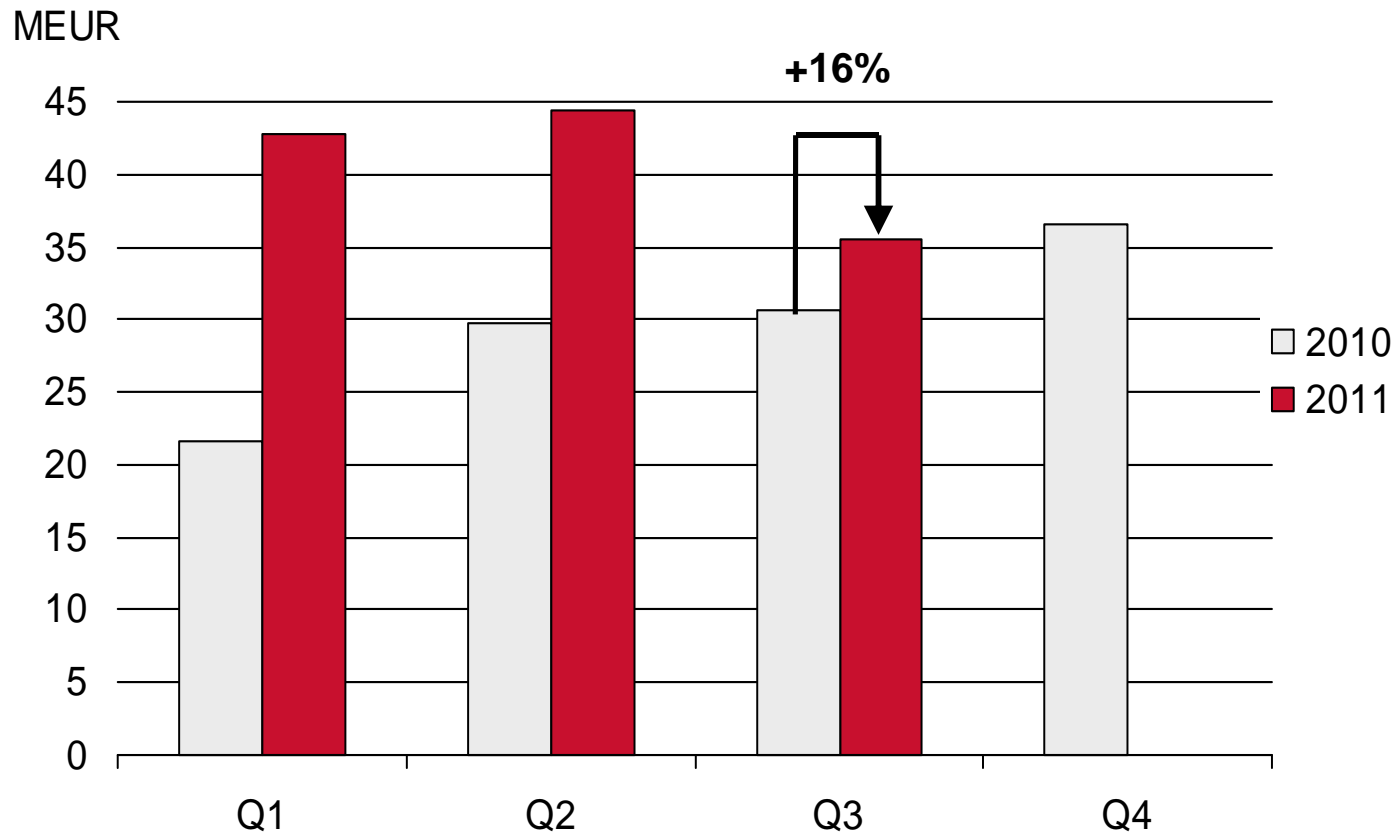
Wind power

1% (2%)

Note: Other sales 0% (1%)

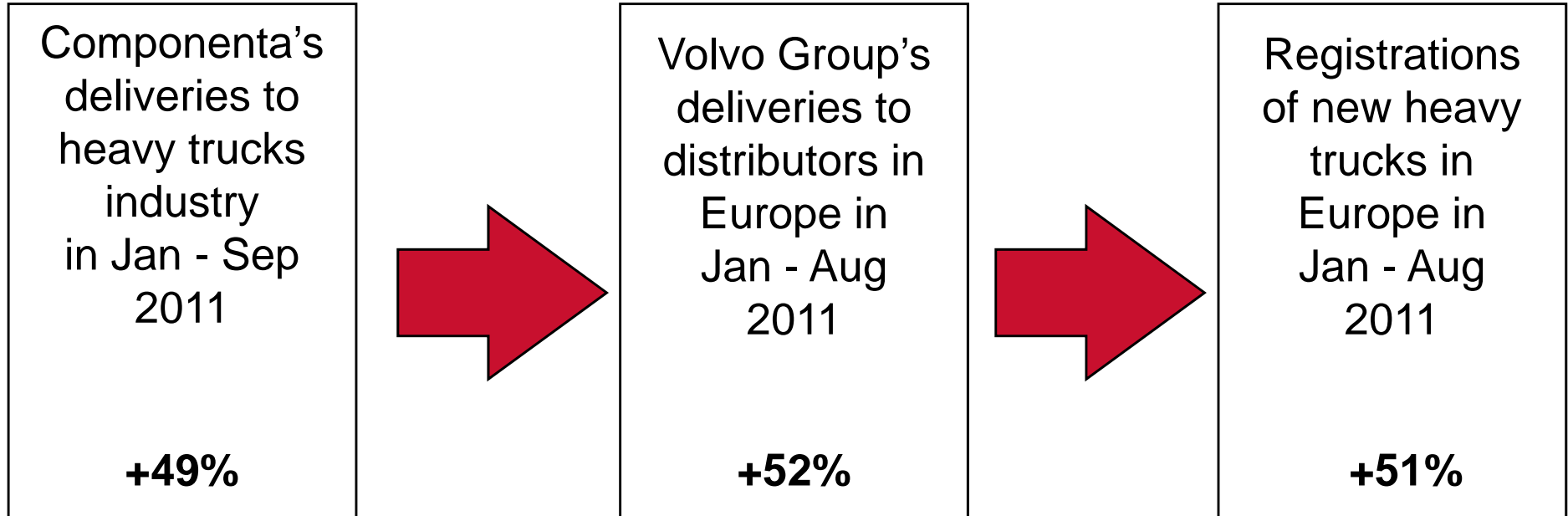
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Comparable sales to heavy trucks industry quarterly



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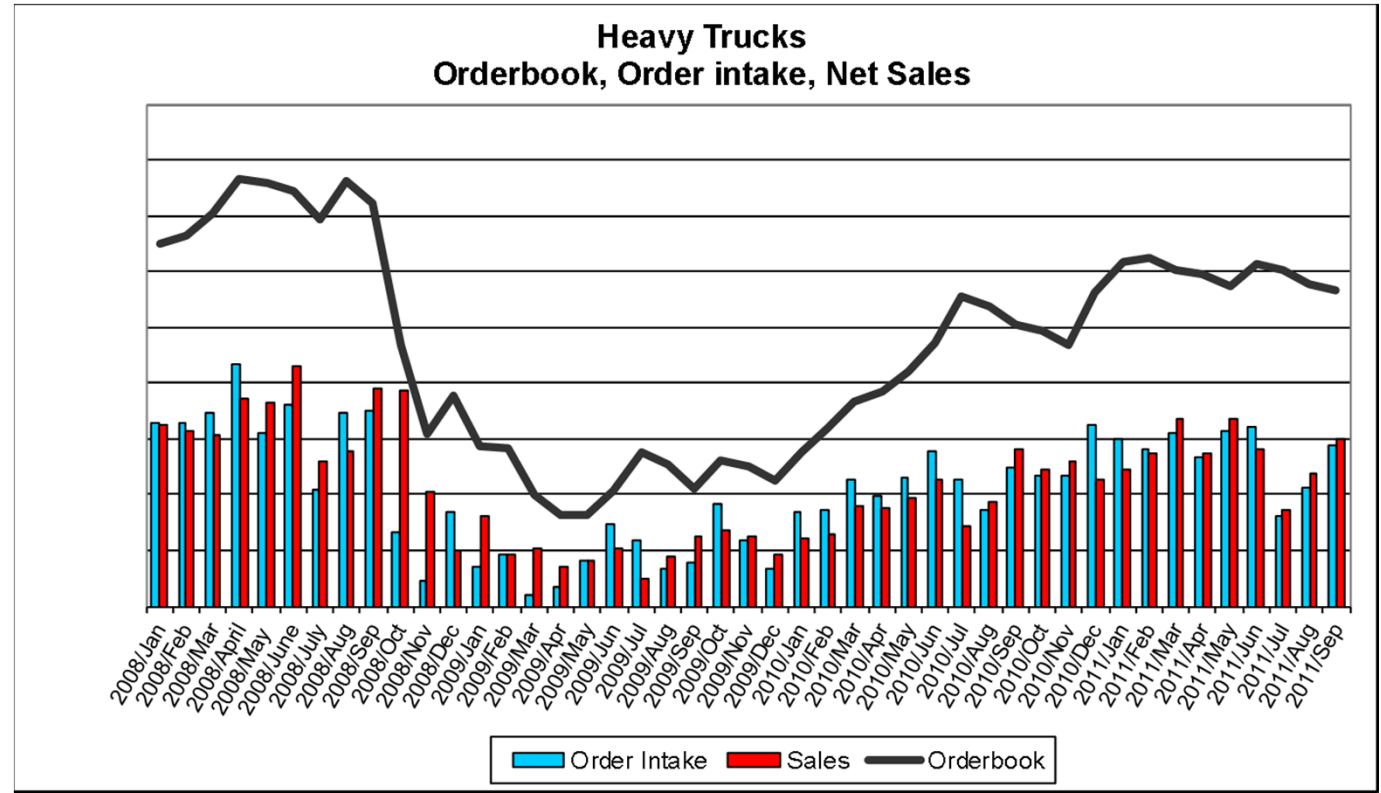
Development of supply chain in heavy trucks industry



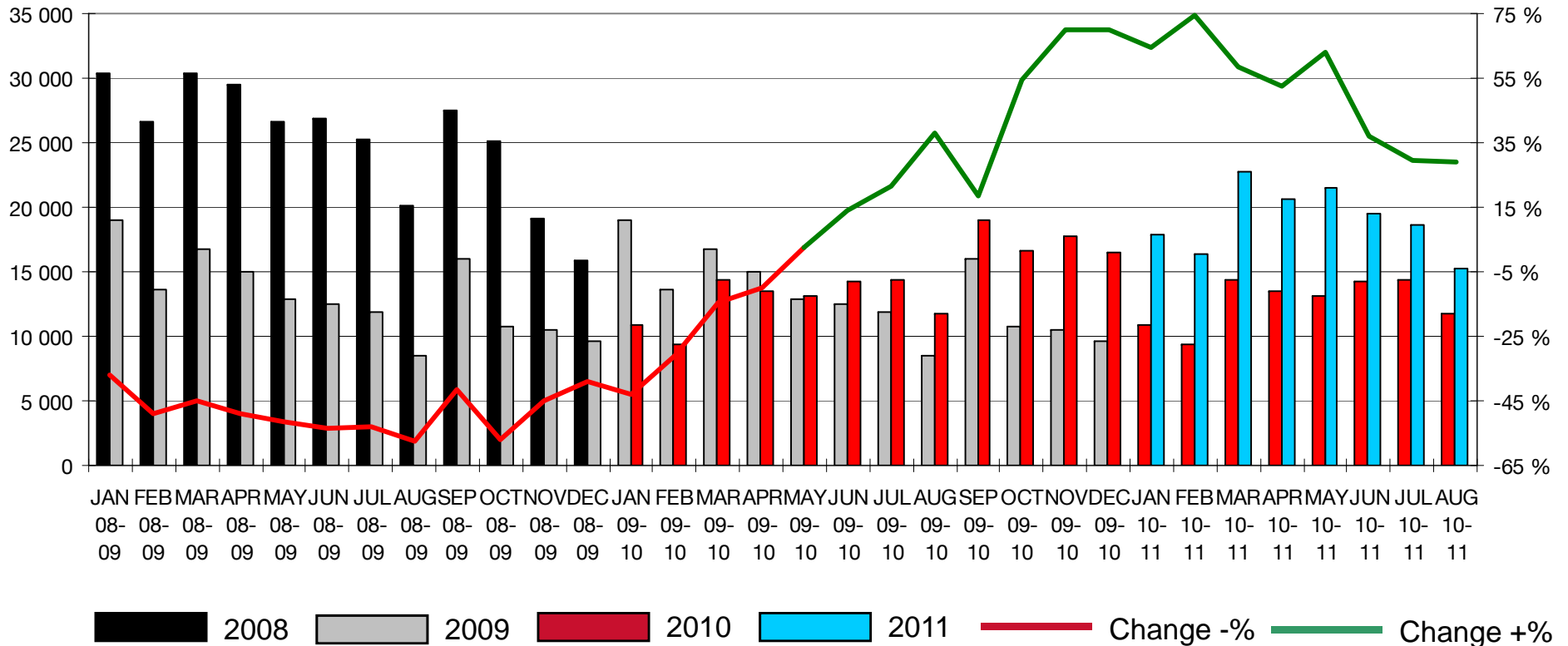
Sources: Volvo web pages, ACEA

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Development of sales and order book in heavy trucks industry



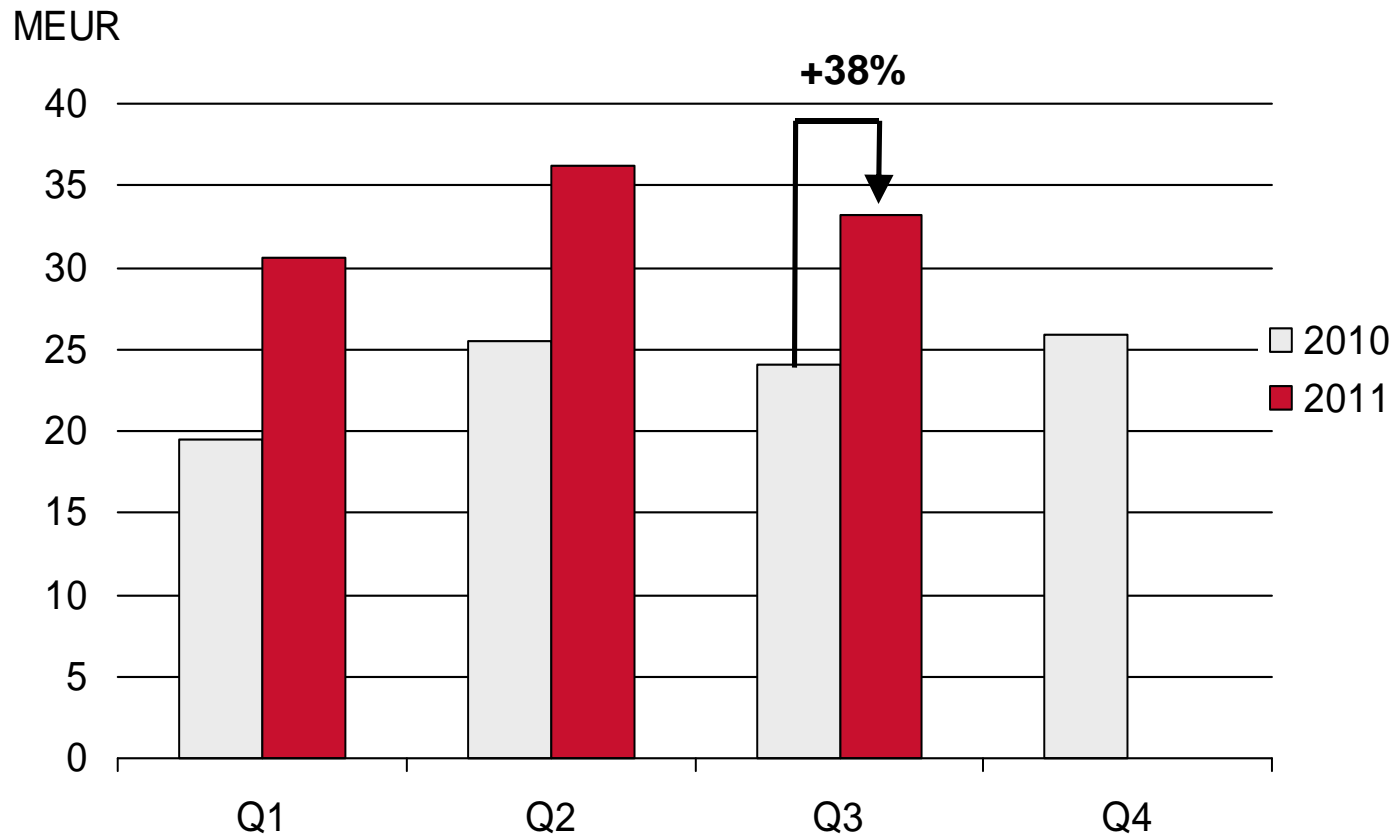
Registrations of new heavy trucks in Europe (EU27)



Source: ACEA

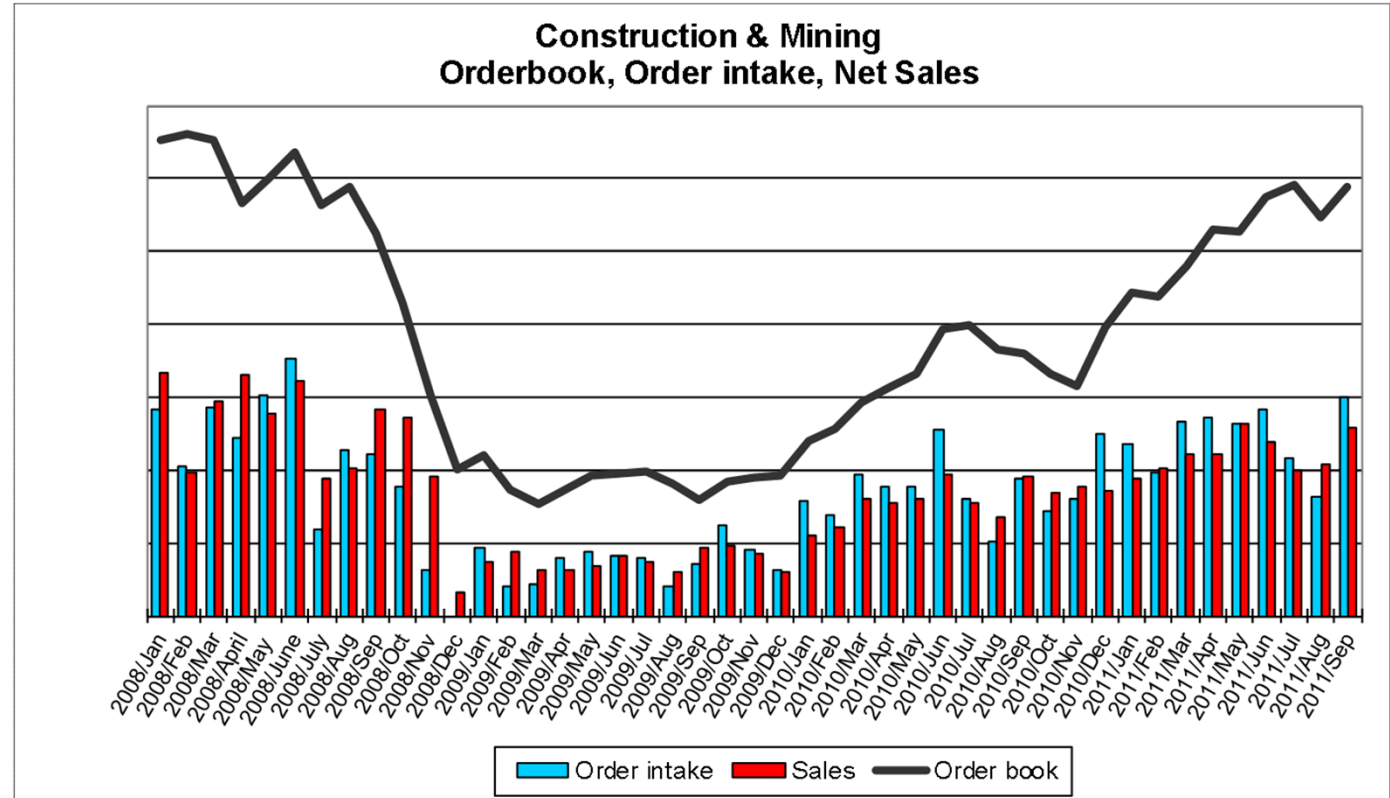
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Comparable sales to construction and mining industry quarterly



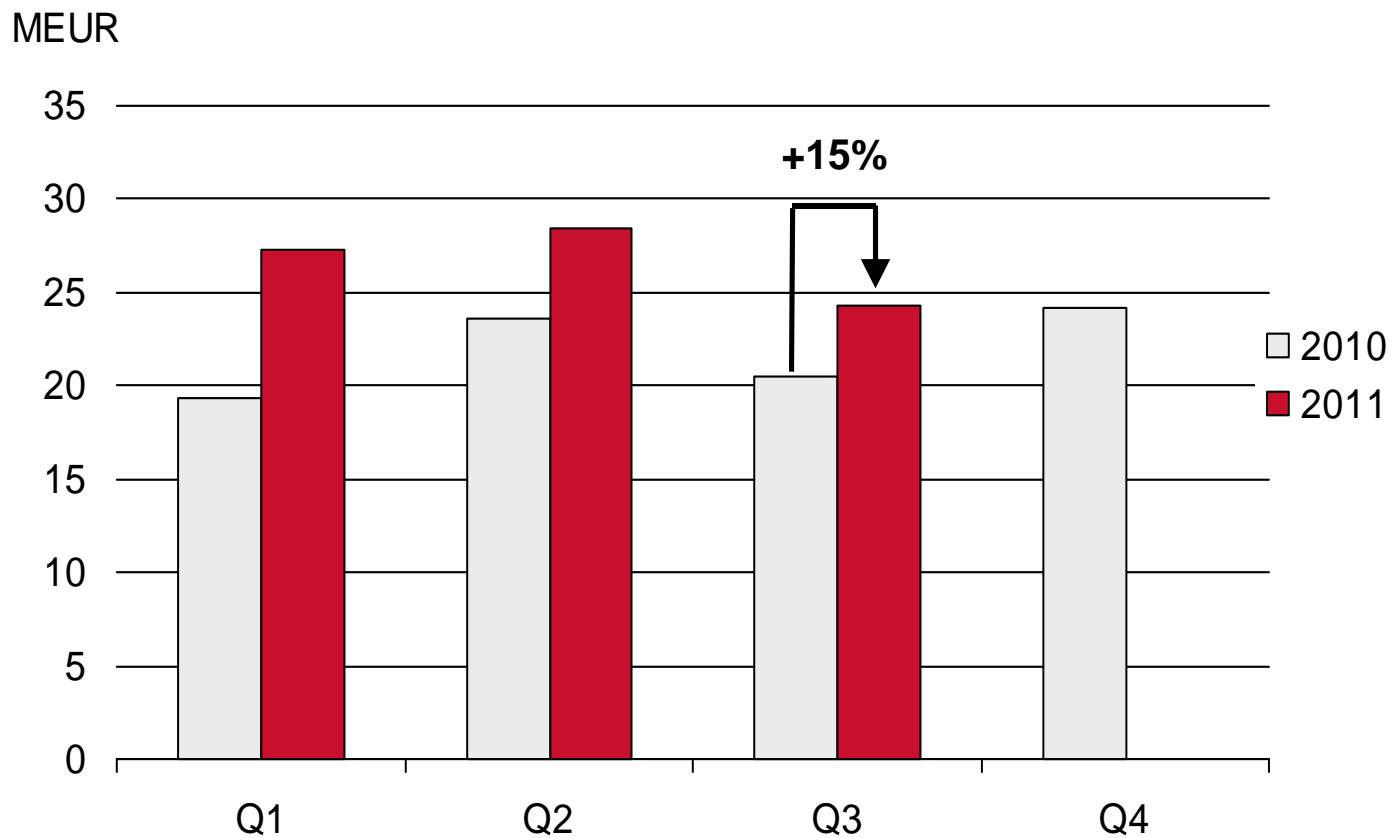
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Development of sales and order book in construction and mining industry



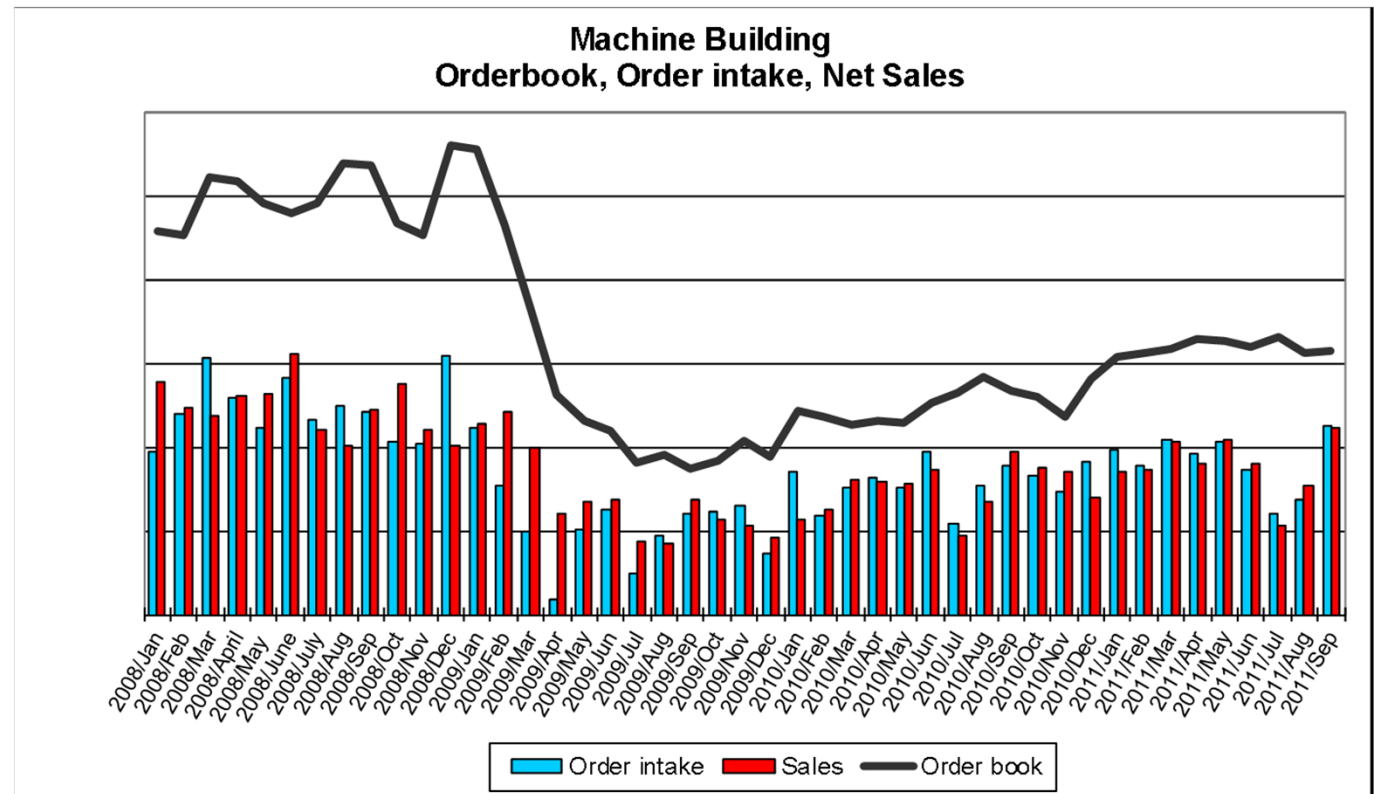
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Comparable sales to machine building industry quarterly



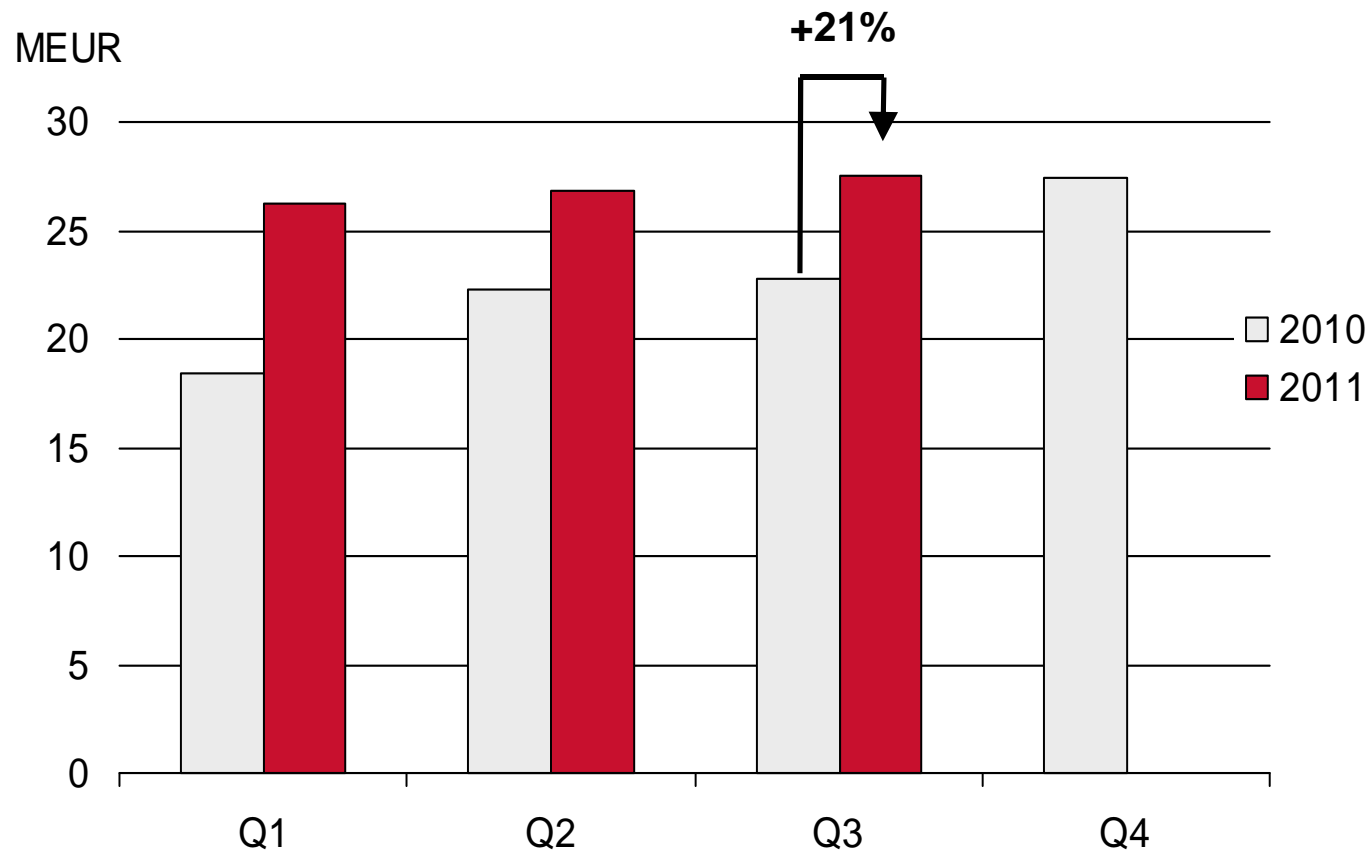
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Development of sales and order book in machine building industry

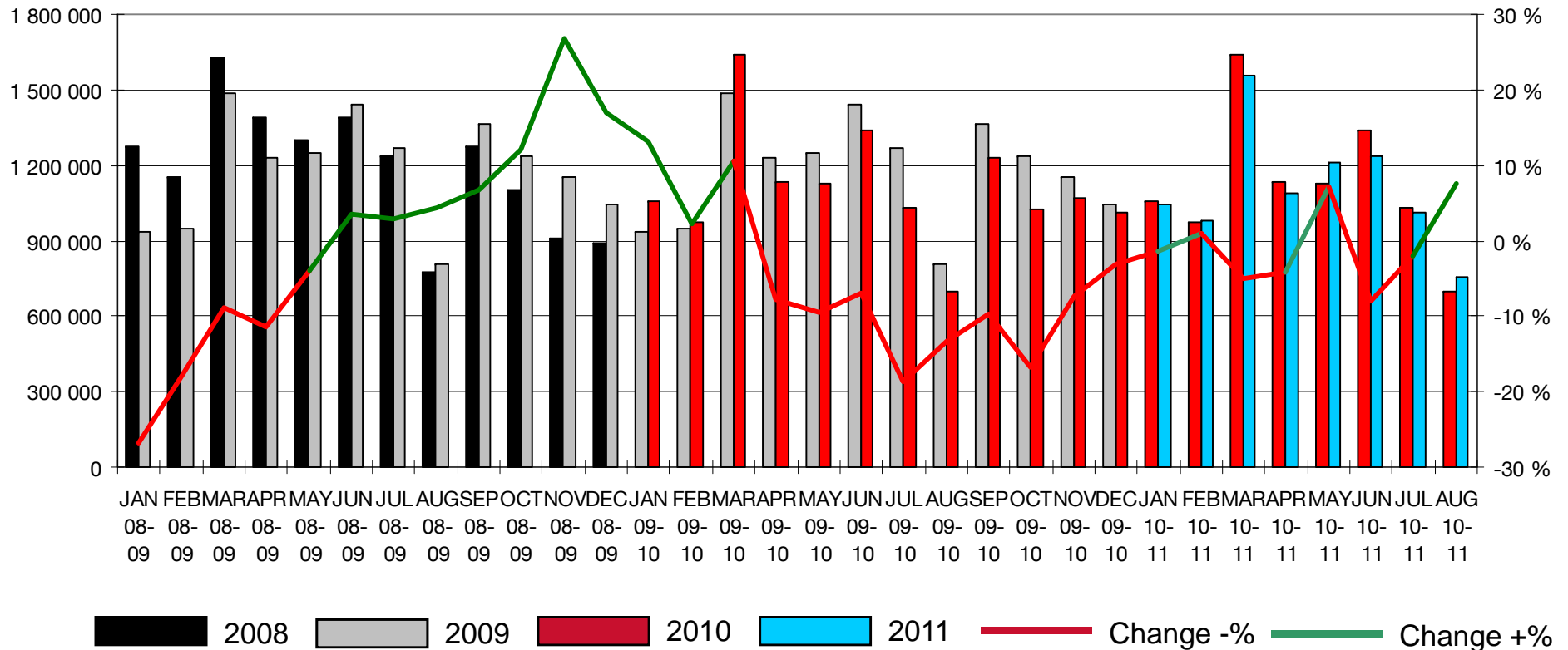


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Comparable sales to automotive industry quarterly



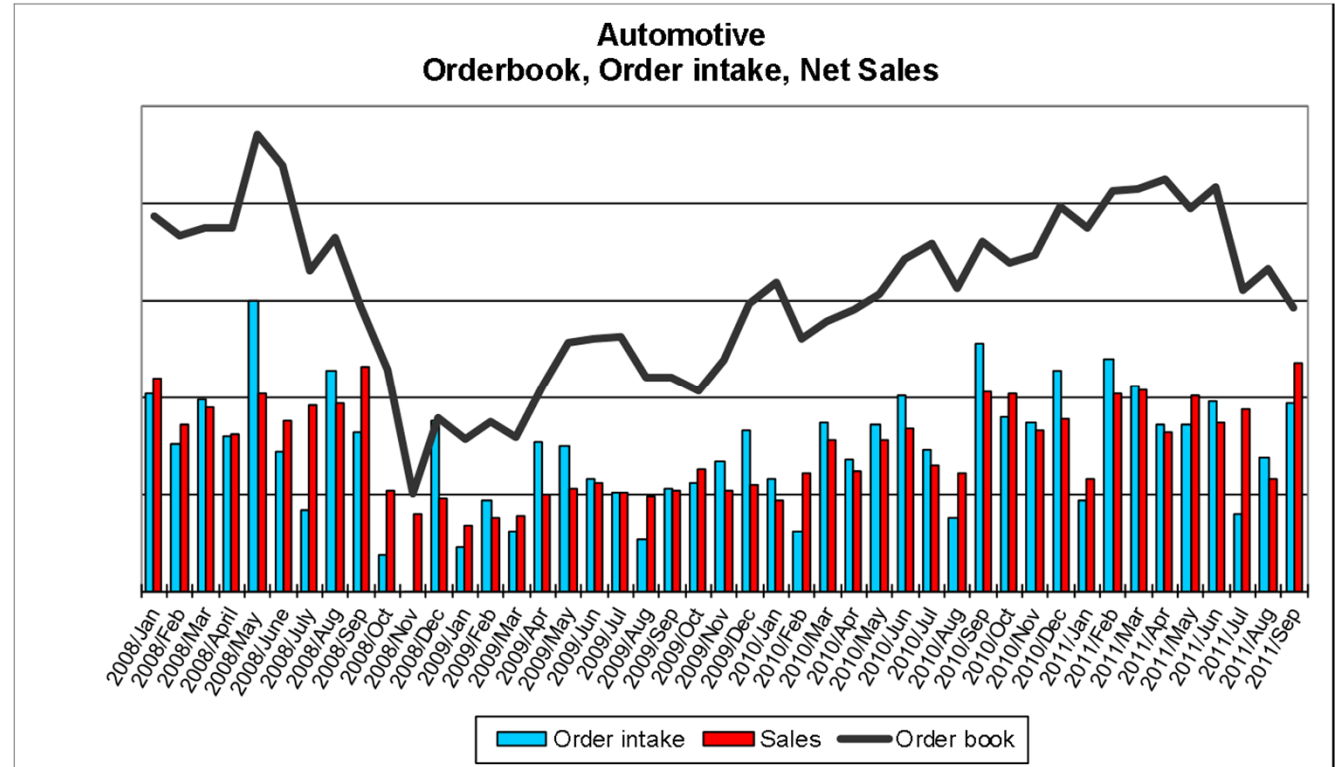
Registrations of new passenger cars in Europe (EU27)



Source: ACEA

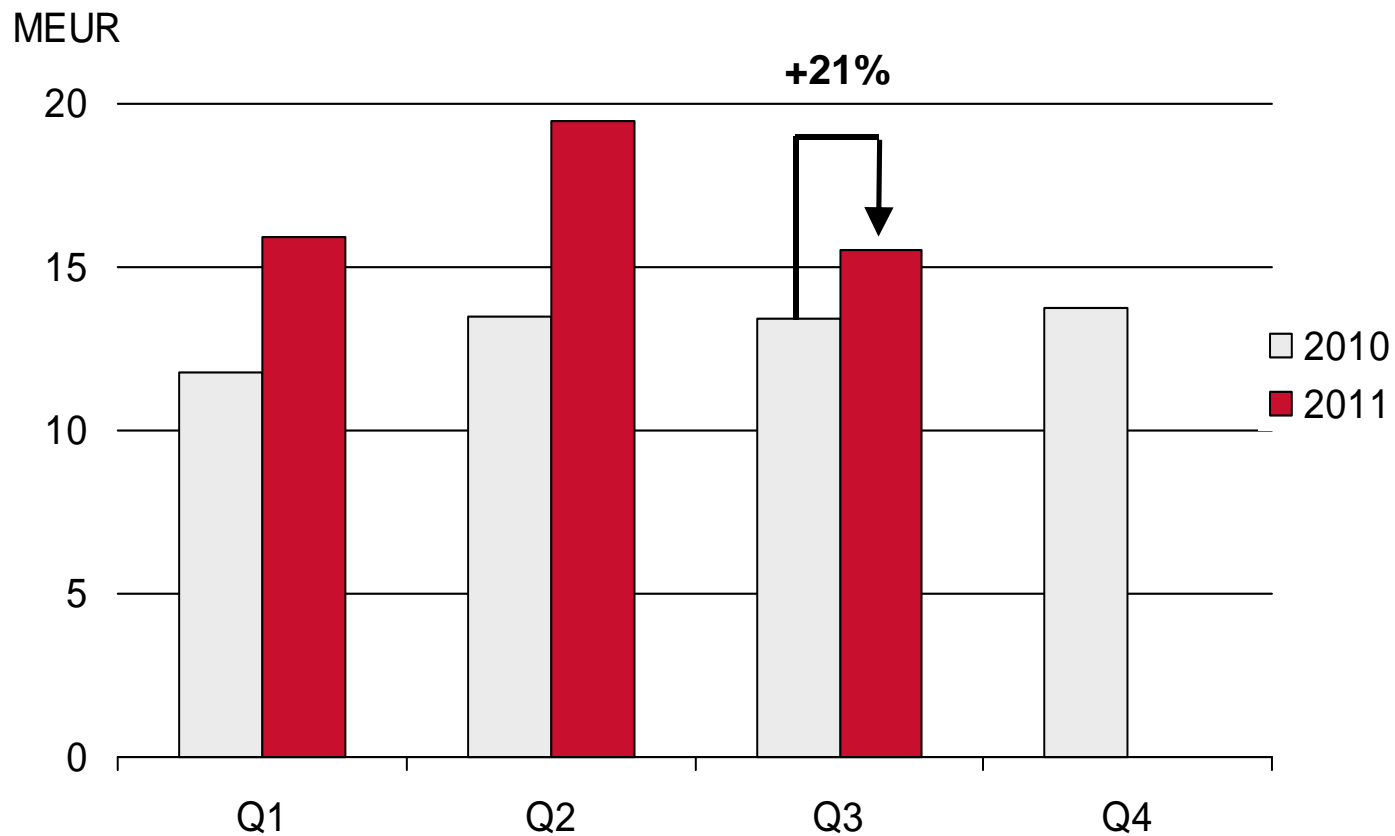
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Development of sales and order book in automotive industry



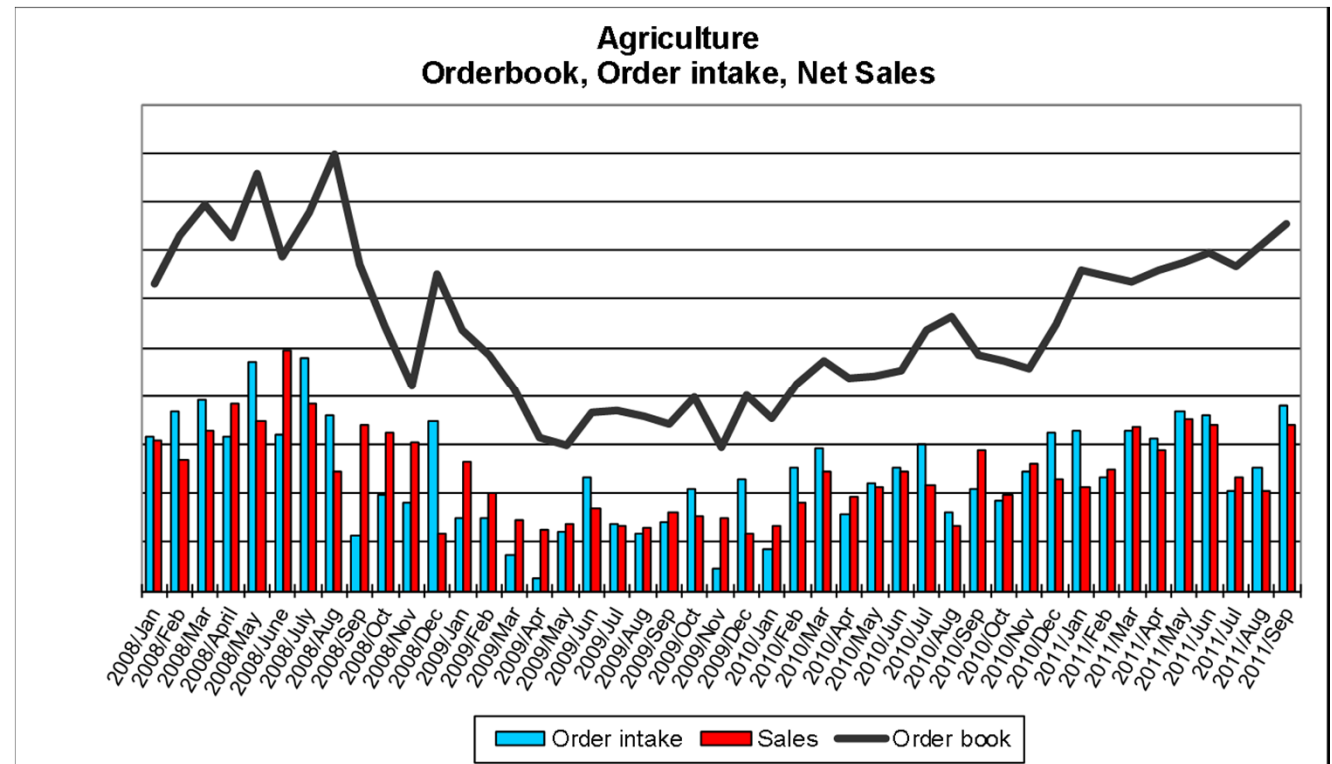
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Comparable sales to agricultural machinery industry quarterly



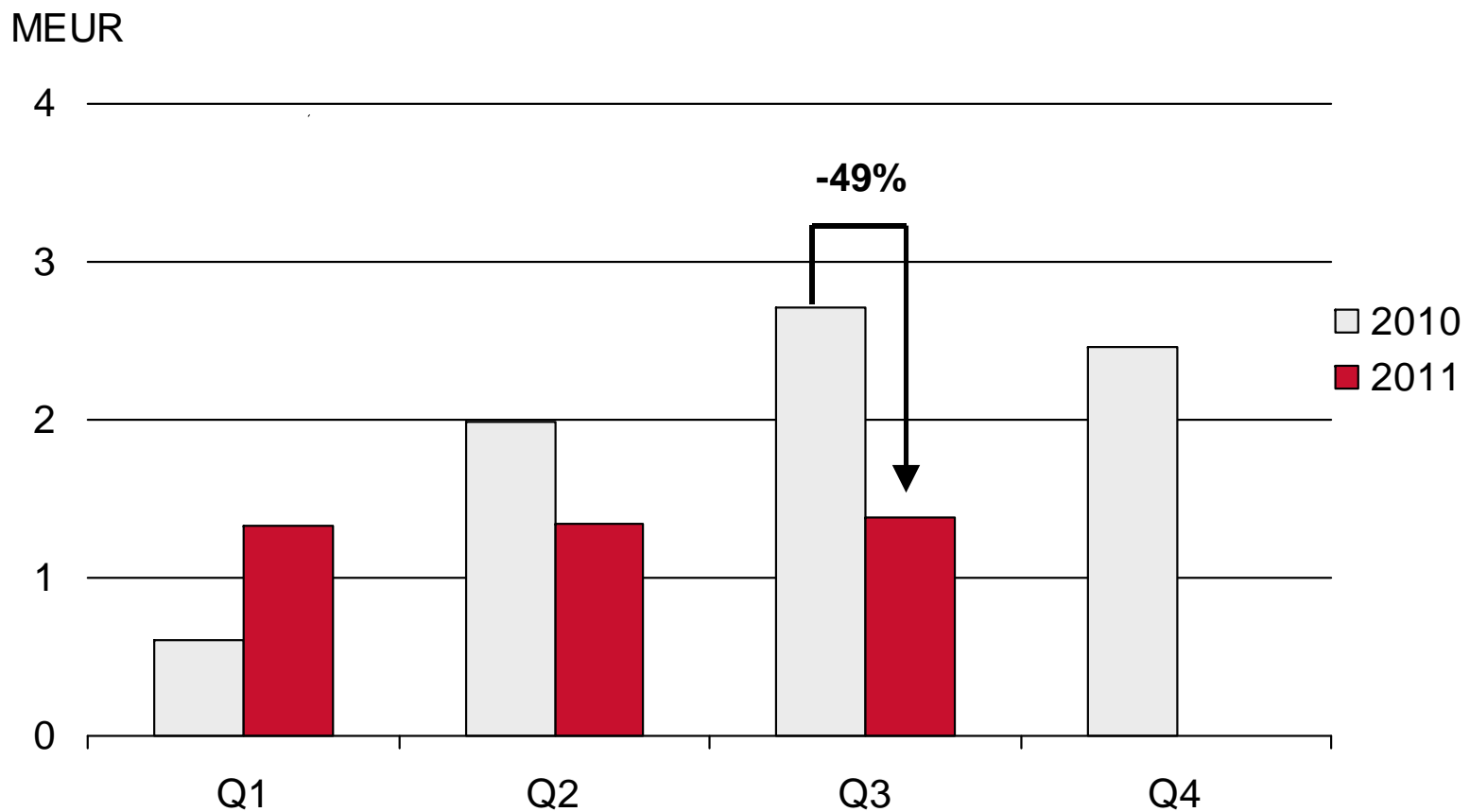
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Development of sales and order book in agricultural machinery industry



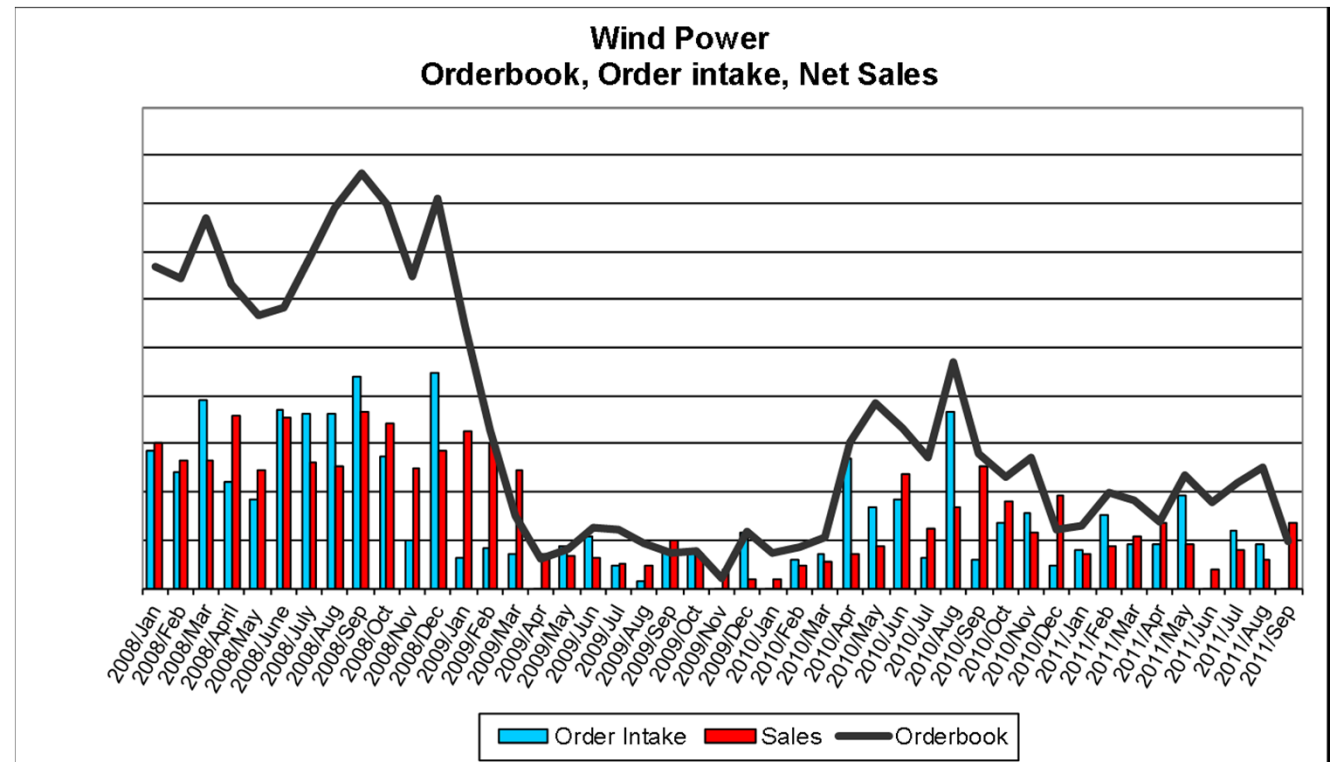
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Comparable sales to wind power industry quarterly



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Development of sales and order book in wind power industry



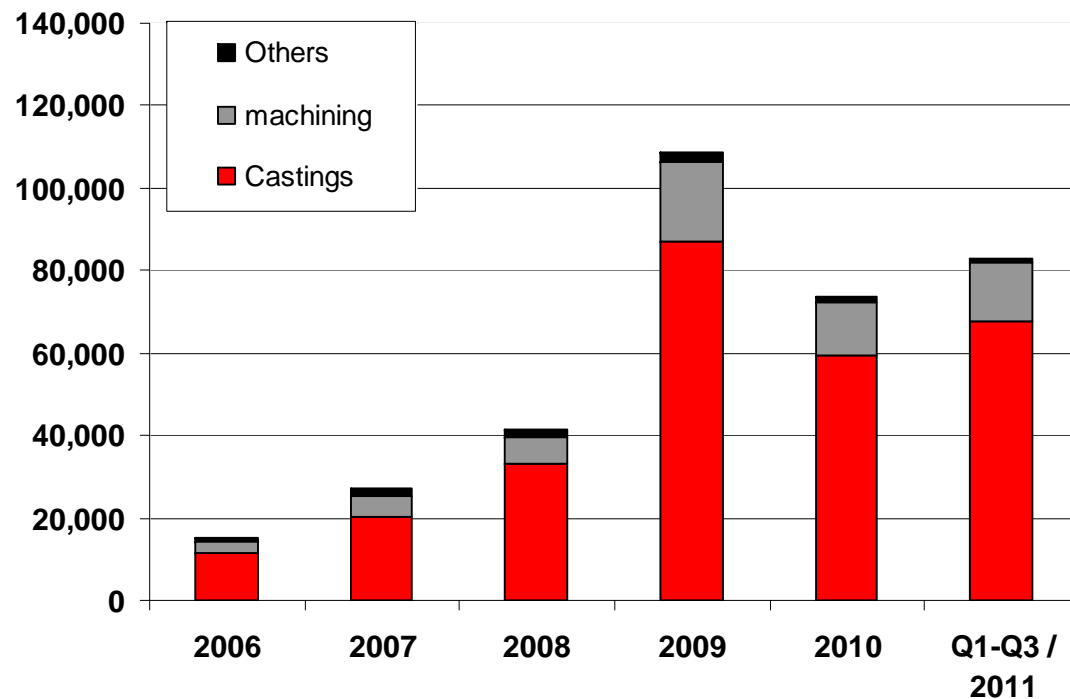
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Analysis of changes in income statements excl. one-time items Q1 - Q3/2011 vs. Q1 - Q3/2010

MEUR	Q1/11	Q1/10	Diff.	Q2/11	Q2/10	Diff.	Q3/11	Q3/10	Diff.
Net sales	144.1	91.2	58%	156.5	117.3	33%	134.1	112.3	19%
Value of production	150.0	94.4	59%	159.1	119.0	34%	132.3	113.0	17%
Materials	-61.5	-34.3	79%	-64.4	-45.5	42%	-53.9	-43.3	24%
Direct wages and external services	-33.6	-24.1	39%	-36.1	-29.3	23%	-29.8	-27.7	8%
Other variable and fixed costs	-41.6	-32.4	29%	-43.0	-35.7	21%	-40.7	-34.6	17%
Total costs	-136.7	-90.8	51%	-143.6	-110.4	30%	-124.3	-105.6	18%
EBITDA	13.3	3.6	267%	15.5	8.6	80%	8.0	7.4	8%

Offers and new sales

Monthly offers > 100,000 EUR

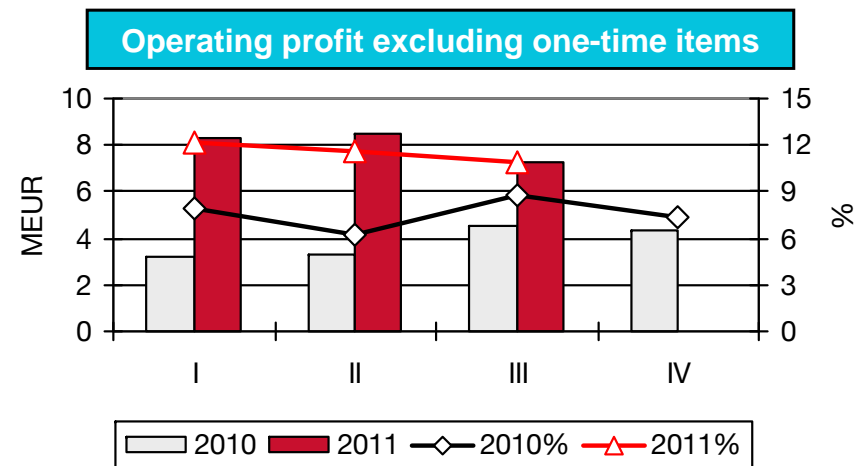
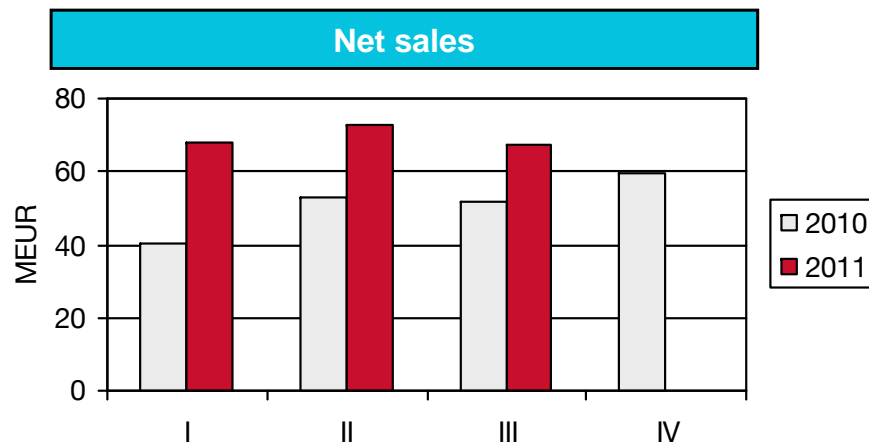


- The offers submitted by the Group have remained at a higher level than in previous year.
- Componenta's new sales has developed well in 2011.



Performance of Operations

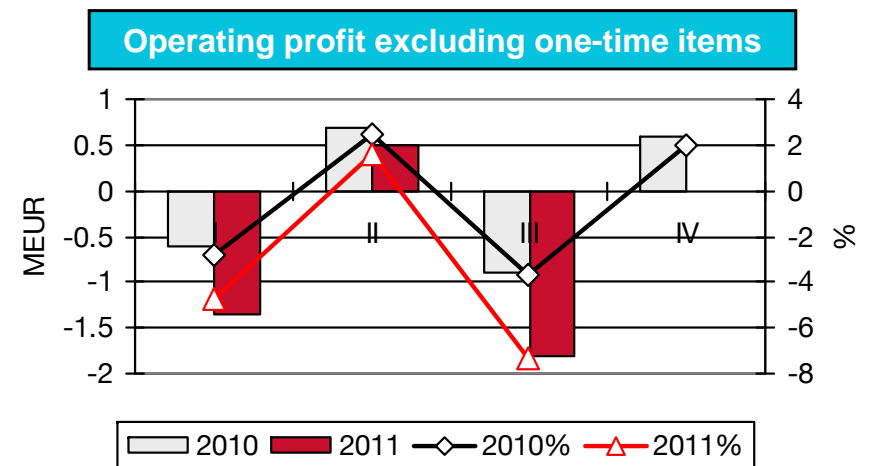
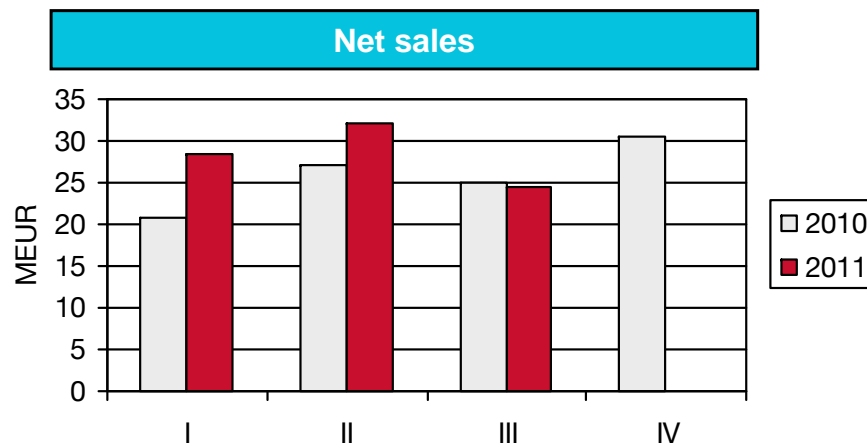
Performance of the Turkey operations



MEUR	Q3/ 2011	Q3/ 2010	Change	Q1-Q3/ 2011	Q1-Q3/ 2010	Change
Order book	57.6	42.5	35%	57.6	42.5	35%
Net sales	67.1	51.5	30%	207.7	145.2	43%
Operating profit	7.3	4.5	62%	24.1	10.9	121%
Capacity utilization rate	66%	51%	29%	70%	53%	32%

- Operating profit was boosted by good volume development especially in the construction and mining as well as automotive industries.
- The operating profit was weakened by the rise in the prices of certain raw materials not covered by raw material surcharges, amounting to some EUR -4.5 million.

Performance of the Finland operations



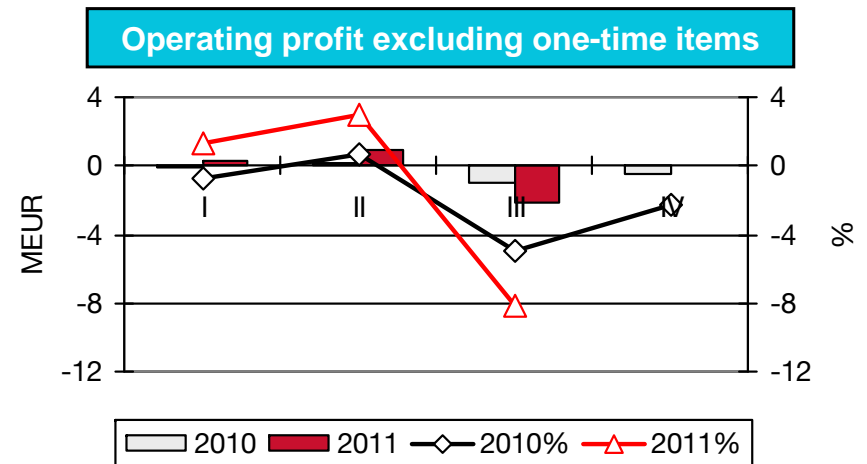
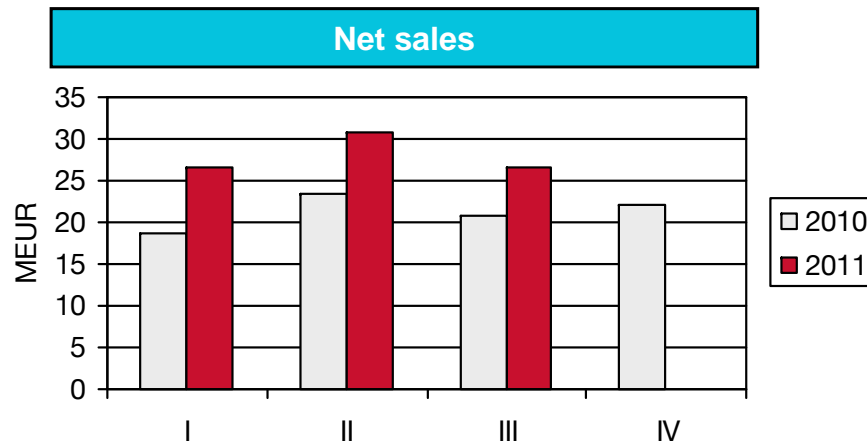
MEUR	Q3/ 2011	Q3/ 2010	Change	Q1-Q3/ 2011	Q1-Q3/ 2010	Change
Order book	15.2	16.7	-9%	15.2	16.7	-9%
Net sales	24.5	25.1	-2%	85.2	73.0	17%
Operating profit	-1.8	-0.9	100%	-2.7	-0.8	238%
Capacity utilization rate	63%	61%	3%	70%	59%	19%

- Operating profit was weakened by the rise in the prices of certain raw materials not covered by raw material surcharges, increase of energy taxes and the rise in prices of certain regional raw materials, in total EUR -3.1 million.

Statutory negotiations at Componenta Finland Nisamo

- Componenta is starting statutory negotiations in Componenta Finland Ltd. Nisamo on 18 October 2011. Componenta is planning to terminate operations of the business unit.
- Profitability of the machine shop located in Lempäälä, Finland has been weak for a long period of time. Negative development of production volumes has mainly been caused by changes in wind power customer segment.
- The statutory negotiations cover the Nisamo machine shop personnel in total of 34 people.
- Actions based on negotiations will be realized during the second quarter of 2012 at the latest.
- One-time costs of possible terminating of operations are expected to be EUR 2.8 million.

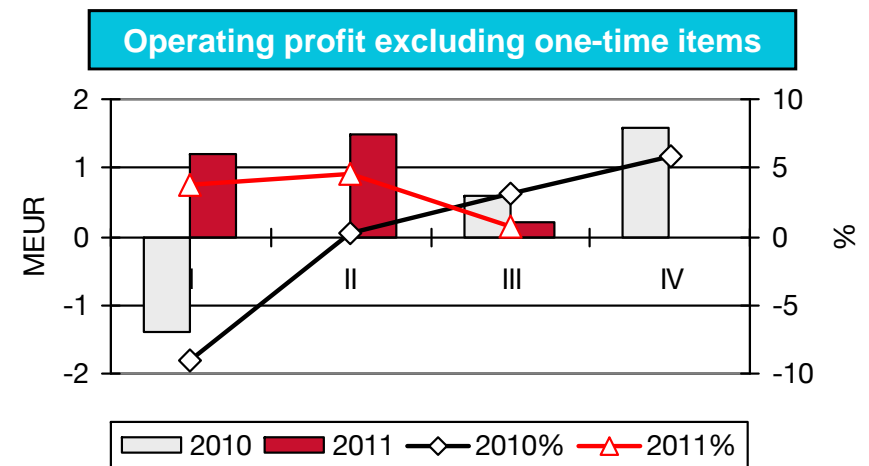
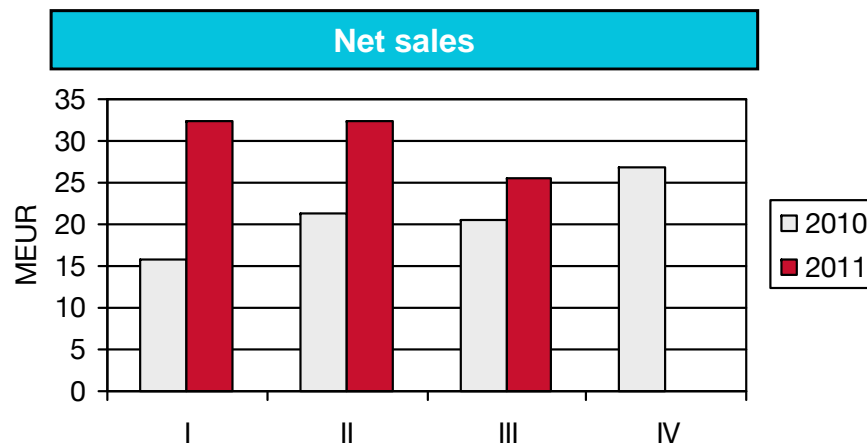
Performance of the Holland operations



MEUR	Q3/ 2011	Q3/ 2010	Change	Q1-Q3/ 2011	Q1-Q3/ 2010	Change
Order book	18.2	14.7	24%	18.2	14.7	24%
Net sales	26.7	20.8	28%	84.1	62.9	34%
Operating profit	-2.2	-1.0	120%	-0.9	-1.0	-10%
Capacity utilization rate	65%	52%	25%	66%	47%	40%

- Operating result was weakened by the rapid rise in the prices of iron raw materials, the rise in prices of certain regional raw materials, and the rise in the prices of certain raw materials not covered by raw material surcharges, in total EUR -1.7 million.

Performance of the Sweden operations



MEUR	Q3/ 2011	Q3/ 2010	Change	Q1-Q3/ 2011	Q1-Q3/ 2010	Change
Order book	22.9	18.7	22%	22.9	18.7	22%
Net sales	25.5	20.6	24%	90.3	57.8	56%
Operating profit	0.2	0.6	-67%	2.9	-0.8	n/m
Capacity utilization rate	62%	49%	27%	73%	51%	43%

- Operating profit improved from the previous year due to significantly increased production volumes, especially in the heavy trucks industry.



Prospects 2011

Market outlook for 2011

- The demand outlook in all the Group's customer sectors is satisfactory at the beginning of the fourth quarter of 2011. The recent rise in uncertainty on the financial markets may weaken the confidence in the economy, which could then affect demand for the components manufactured by Componenta.
- End of year demand in the heavy trucks customer sector is expected to remain satisfactory.
- Demand for mining machinery components is expected to stay at good level towards the end of the year, mainly because of the high prices of raw materials. Demand for construction machinery is expected to continue to rise in developing countries.

Market outlook for 2011 (cont'd)

- End of year demand for agricultural machinery is estimated to stay at good level as a result of increased prices for agricultural products and positive developments in the Russian markets.
- Market developments in the European automotive industry are expected to decline in the final quarter of the year. Demand for aluminium wheels is however estimated to develop favourably in the last quarter of 2011.
- Demand prospects in the wind power sector are weak.
- Demand in the machine building industry is expected to remain stable in northern and central Europe in the final part of the year.

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 September was 21% higher than at the same time in the previous year.
- In 2011 the Group's net sales are expected to rise some 30% and the result after financial items excluding one-time items is expected to be positive.
- Net cash flow from operations for the full year is expected to be positive.
- Investments in production facilities in 2011 are estimated to be approximately EUR 20 million



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