COMPONENTA

ANNUAL REPORT 2009

Casting Future Solutions

Contents

Componenta excels in aluminium and iron cast components

Europe's second largest cast component supplier

Componenta is the second largest independent cast component supplier in Europe. The Group's production plants – foundries, machine shops and forge – are located in Finland, Turkey, the Netherlands and Sweden. We engineer, cast and machine components and total solutions made up from these to our globally operating customers. Componenta's shares are quoted on the NASDAQ OMX Helsinki.

Componenta excels in cast components, with more than 90 years' experience in the field. With a strong local presence in key markets, Componenta serves customers with the full component supply chain. Depending on the needs of the customer or the product, the Group can also offer engineering services and joint product development with the customer, as well as machining, surface treatment and pre-assembly of parts.

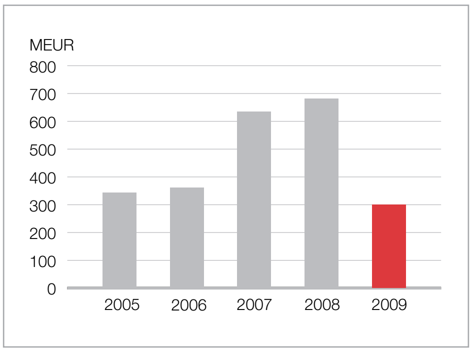
Componenta has an extensive offering in terms of materials, weight of parts and annual volumes. The Group casts components in iron, aluminium and ADI material, in production volumes ranging from small series to even hundreds of thousands of components a year. Cast components supplied by Componenta weigh anything from less than one kilogram to several tons.

Our customers are well-known companies with global operations in the heavy truck, off-road, automotive, diesel and wind, and machine building industries, and are leading operators in their business sectors. The components supplied by Componenta are often strategic parts in the customer's products.

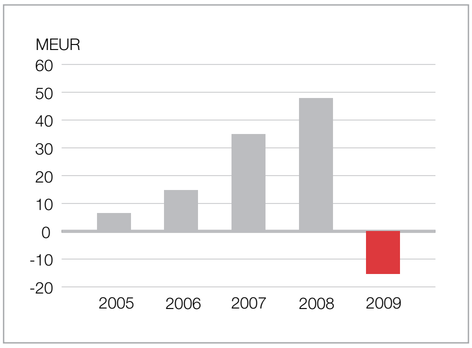
The Group's core business in 2009 comprised foundry and machine shop operations, which were divided into three business divisions – Foundries, Machine shops and Turkey. The Foundries division comprised iron foundries in Finland and the Netherlands, the Machine shops division included machine shops in Finland, Sweden, the Netherlands and Turkey, and the Turkey division consisted of an iron foundry and an aluminium foundry in Turkey. The Componenta Wirsbo forge in Sweden became part of the Machine shops division during 2009.

Customers are served by Componenta's sales and product development professionals at sales and engineering centres in Finland, Turkey, the Netherlands and Sweden, as well as at sales companies in France, Germany, Italy, the UK and the USA.

NET SALES



OPERATING PROFIT
EXCL. ONE-TIME ITEMS

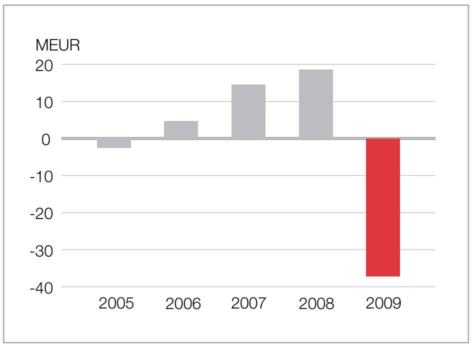


KEY FIGURES

	31.12.2009	31.12.2008
Net sales, MEUR	299.6	681.4
Operating profit excluding one-time items, MEUR	-15.4	47.9
Net result, excluding one-time items, MEUR	-37.2	19.2
Earnings per share, excluding one-time items, EUR	-2.30	1.28
Equity ratio, excluding one-time items, %	-45.1	15.3
Return on investment, excluding one-time items, %	-4.2	13.8
Order book, MEUR	58.8*)	73.6
Investments in production facilities, MEUR	15.5	44.6
Personnel at the end of period, including leased personnel	3,698	4,488

*) Order book on 15 January 2010

RESULT AFTER FINANCIAL ITEMS
EXCL. ONE-TIME ITEMS



On the way to becoming the leading European cast component supplier

Componenta's mission is Casting Future Solutions, and our vision is to become the leading European cast component supplier by 2012. Actions to achieve the long-term strategic goals and to improve our competitiveness continued in 2009.

VALUES

The Group's values – **Openness, Honesty and Respect** – form the basis for our actions and decision making in implementation of strategic and daily operations. Openness means that we are open to new ideas and to change, and through this we look to continually improve our ways of working. Honesty means that we are honest with ourselves and with each other. We do what we promise. Respect is shown when our work and collaboration with our stakeholders is based on trust and mutual respect.

To execute our vision we have defined four strategic areas where we must be better than our competitors – management of customer interface and co-operation, optimized production, excellence in delivery certainty and common One Componenta way of working.

STRATEGIC GOALS BY 2012	STRATEGIC STEPS IN 2009
We have utilized the growth opportunities in the chosen strategic markets and current customer base. **We serve our customers proactively with solutions from components to engineering.** **Our sales and engineering teams manage the customer interface.**	• The Group strengthened sales resources, established a sales office in the USA, and further developed the sales organization to better serve customer needs. • At the beginning of 2010 the sales and engineering functions are introducing a new business model, in which the business areas are divided into more precise customer segments. The customers in a segment are served by dedicated sales management, and engineering and product development resources. • The Group continued to develop closer cooperation with customers in product development, and it hired new engineering experts, for example through the International Traineeship program.
Our production is optimally divided between production units through internal sourcing. **Our logistic processes and warehousing are optimized.**	• Optimizing production and internal transfers between the business units were one of the most significant development projects in 2009. Flexible production and spreading the work load evenly give a considerable competitive edge. During the second half of the year a project started to improve profitability and competitiveness, according to which large series in the Group's Disamatic casting lines will be cast in Orhangazi and small and medium size series in Pietarsaari. • In order to meet increased demand for logistics services one option considered by the Group has been to establish logistics centres elsewhere in Europe, following the example of Componenta UK.
We operate as One Componenta, with unified processes and procedures.	• The *"One Componenta"* way of operating was further strengthened during the year. The Group-wide training and development programs continued. Common programs for use in reporting and process management were introduced in the Group's different business units and countries where it operates. Management of quality and environmental issues was centralized in the Group. The Wirsbo forge, which had been part of Other business, became part of the Machine shops division in spring 2009.

FINANCIAL OBJECTIVES

	Objectives 2012	Actual 2009
Net sales, MEUR	800	299.6
EBIT, % *)	10	-5.2
ROI, % *)	> 20	-4.2
Equity ratio, % (preferred capital note in equity)	40	26.5

*) Excluding one-time items

Building a common future

PRESIDENT'S REVIEW

The impact of the economic recession was felt strongly in the operations of Componenta Group in 2009. The fall in demand for end products in many of our customer business sectors, the standstill in investments, and the simultaneous running down of stocks, significantly reduced the Group's orders and production volumes. Componenta's 2009 net sales were 56% lower than in the previous year at EUR 300 million and the consolidated result after financial items was a loss of EUR 37 million.

The first signs of a decline in demand could be seen back in autumn 2008, when we took the first steps to adjust operations to shrinking volumes. We continued taking adjustment measures throughout 2009. We succeeded in reducing the costs of operations to match the sharp fall in net sales. As production volumes fell, we strived to carry out production in the most efficient way, and at the same time looked for cost savings in all operations. In adjustments concerning personnel, we took advantage of all the means available to reduce working hours, but we were also forced to cut costs by agreeing on salary cuts and through temporary and permanent layoffs.

Our main goal was to reduce working capital by cutting stocks and speeding up the turnover of trade receivables. Thanks to the excellent co-operation between the Group's different functions, we were very successful in achieving this goal and the cash flow from operations remained clearly positive for the whole year. A firm demonstration of confidence and commitment from Componenta's owners and investors was the strengthening of the capital structure through the capital loan and share issue in the autumn. At the end of 2009, the company's liquidity was strong.

To ensure we remain competitive in future, we continued to develop customer service, and increased resources in sales, engineering and product development. We also carried on with long-term projects that build up our strength for the future, such as the international traineeship program producing new, expert Componenta people.

The weak demand in the market and the financial difficulties experienced by many suppliers intensified competition, resulting in pressure on prices and also in a sharp increase in requests for quota-

tions as customers looked for alternative suppliers and tried to take advantage of the state of the market. During the year we submitted a record number of offers, and new sales for new products and/or new customers increased.

New structure for 2010

Componenta's strategic goal is to become the leading European cast component supplier by 2012. In support of this goal, in February 2010 we are taking into use a new organization, in which our business operations are divided into operational areas. Group functions to develop operations – such as supply chain management, development of foundry and machine shop technology, purchasing and internal sourcing – support the operational areas and management of them as well as the "One Componenta" way of working. In the new business model, we make more effective use of the total package formed by engineering, casting and machining in the cast component supply chain, and thus ensure that we generate added value for customers.

Sales experts and engineering and product development experts appointed for each customer segment will in future take care of customer service. Focusing on customer segments will improve our understanding of customers and the market, enabling us to provide even better service for customers.

A few financial indicators are already showing signs of levelling off, although prospects in most of our customer business sectors are still weak. Returning to the production volumes of previous years will take time. I believe, however, that 2010 will be a clearly better year for us than the previous year. One Componenta is now a stronger supplier and is able to operate effectively in changing conditions and achieve its goals. The famous words of philosopher Friedrich Nietzsche "That which does not kill us, makes us stronger" have again proved their relevance.

I express my warm thanks to our personnel, shareholders, investors, customers and other stakeholders for their confidence and commitment.

Heikki Lehtonen
President and CEO

Even better service

Componenta is a supplier of demanding, high quality components, and through its extensive sales and engineering network is present and close to customers in its most important market areas. Componenta serves customers proactively, supplying them with the entire production chain for components, from engineering to finished products, including logistics solutions, in accordance with the customer's wishes. In 2009 Componenta continued to build up its sales and product development operations and resources to ensure even better customer service.

Componenta's sales and product development organization is responsible for the customer interface and for working with customers at many levels. It also ensures that the customer obtains the best possible solutions from the cast components they need. Product development and design are part of the engineering services offered to the customer.

Componenta's customers are vehicle, machinery and equipment manufacturers with global operations. In 2009 Componenta's customer base was divided into five customer business sectors, namely off-road, heavy trucks, automotive, diesel and wind, and machine building. The customer business sectors have been allocated their own sales and product development teams, and larger customers are served by their own account managers.

Componenta is close to the customer. In addition to the sales and engineering centres in Finland, Turkey, the Netherlands and Sweden, Componenta has its own sales offices in France, Germany, Italy, the UK and the USA.

Engineering service gives customers added value

The engineering services are part of proactive customer service. To be able to offer solutions to customers, sales and product development personnel must understand the customer's business. Depending on the customer's needs, Componenta's goal is to have its experts involved in the customer's product development projects right from the start. It is then possible to utilize the expertise of both parties and together discover the most effective and competitive solutions to the customer's needs.

The components are designed to be the optimal solution to the customer's needs, in terms of materials and technical properties, while making sure they can be manufactured efficiently and profitably. The improvements achieved, for example changes in construction, reducing the weight of a product, improving strength properties and machinability as well as shortening of product development projects benefit not just the customer but also the manufacturer and end user. At the same time environmental effects of the components and end products during their life cycle are reduced. Componenta has had much positive experience with the engineering services working with many customers, and joint product development projects have also resulted in a considerable number of new products going into production in 2009.

One Componenta way of working visible in customer relations activities

The "One Componenta" way of working as defined in Componenta's Group strategy

Componenta's experts are more and more involved in the customer's product development projects from the very beginning.

means common Group-wide processes and ways of working, which raise efficiency in internal operations and which customers see in terms of good service and competitive products. The Group's reorganization of business management, including the business units, at the beginning of 2010 thus serves to ensure that customers obtain the services of the efficient supply chain formed by Componenta's specialized production units and logistics centres.

At the same time, Componenta is improving the management of the customer interface by formulating more specific customer segments. Concentrating on these segments will improve the company's understanding of customers and markets, enabling it to serve customers even more effectively.

Developing work methods and knowhow in engineering and product development, coupled with group-level management and co-ordination of engineering projects, will also ensure the company has a common "One Componenta" interface with customers.

Sales performance

Despite the decline in demand from customer industries, during 2009 Componenta submitted a record number of offers. Despite general development in the world economy, the Group's new sales improved well during 2009. During the year the company also signed many significant delivery agreements with customers in different industries.

BUSINESS DRIVERS AFFECTING DEMAND OF CAST COMPONENTS

Componenta's customers are manufacturers of heavy trucks, off-road machinery and equipment, passenger cars, diesel engines, wind power components and other machinery and equipment. Different business drivers affect demand in these industries.

Demand for farming and forest machinery is affected mainly by food prices and growth in demand for food, amount of crop, higher life quality and general growth in GDP, growth and infrastructure development in India, Russia and Eastern Europe.

Growth in demand for mining machinery is dependent on the price development and demand for raw materials and minerals.

Demand for large construction machinery used on building sites is effected mainly by infrastructure investments like road and tunnel works and demand for smaller construction machinery is effected by building of houses and offices.

Demand for heavy trucks is affected mainly by general economical and financial situation, development of logistics especially in Eastern Europe and in Russia and environmental legislation and environmental regulation.

Demand for passenger cars is affected by incentive programs started in many European countries to renew the fleet of cars, environmental legislation and new environmental regulations as well as economical and financial situation in general.

Demand for diesel engines is affected by orders of new ships and different kinds of power plant projects worldwide.

Development in demand for wind power components depends on general economical situation, financing of projects as well as on development of environmental legislation and new environmental regulations.

Demand in the machine building industry is mainly affected by general economical and financial market situation.

CUSTOMER INDUSTRIES

In 2009 Componenta operated in five customer segments, namely off-road, heavy trucks, automotive, diesel and wind as well as machine building. Our customers are leading players in these sectors. At Componenta, understanding the customer's business is linked to the company's own engineering, casting and machining expertise. Our aim is to be the preferred partner of our customers in designing and making casting solutions by 2012, when projects including product development and optimization will form the biggest part of the Group's operations.

OFF-ROAD

We serve manufacturers of off-highway equipment for construction and mining, infrastructure and agriculture.

We offer various components for off-road equipment used for example in engines, power transmission, drives and chassis.

Our customers include for example Agco Fendt, Bomag, Carraro, Case New Holland, Caterpillar, Claas, Dana, Dynapac, JCB, John Deere, Ponsse, T.T.F., Valtra and Volvo CE.

30%
Share of the Group's net sales in 2009

HEAVY TRUCKS

We serve manufacturers of heavy commercial vehicles and system suppliers of these.

We offer them ready-to-install components for heavy truck industry used for example in chassis and suspension, engine, transmissions, axles, brakes and cabins.

Our customers are among others DAF, Daimler, Ford Trucks, Iveco, MAN, Renault, Scania, Volvo, Wabco and ZF.

20%
Share of the Group's net sales in 2009

AUTOMOTIVE

We serve manufacturers of passenger cars and other light vehicles.

We offer car manufacturers wide range of iron and aluminium components as well as aluminium wheels, which are sold under trademarks DJ Wheels and MAXX.

Our customers include for example Alfa Romeo, ATU, Fiat, Ford, PSA, Renault, Tofas, Toyota and Volvo Cars.

21%
Share of the Group's net sales in 2009

DIESEL AND WIND

We serve manufacturers of large diesel engines for ship power and power plant applications, and producers of wind turbines and related components.

We offer for diesel engines wide range of cast components and in-house designed pistons, and for wind energy industry cast components for the nacelle and gearbox, such as gear housings and planet carriers.

Our customers include among others Caterpillar, Mahle, Moventas, Nordex, Siemens and Wärtsilä.

10%
Share of the Group's net sales in 2009

MACHINE BUILDING

We serve e.g. producers of industry manufacture equipment and machines, such as lifts and robots, cranes and hoist, pumps, stone crushers and hydraulic motors.

We offer them various components, often strategic parts in the equipment, such as rope pulleys and travel wheels, housings and casings as well as gearwheels and frames.

Our customers are for example ABB, Atlas Copco, Bombardier, Gardner Denver, Ingersoll-Rand, Kone, Konecranes, Sampo Hydraulics and Voith.

17%
Share of the Group's net sales in 2009

Foundries are ready for flexible growth

Componenta's supply chain begins with foundries that are specialized in producing components of wide range in both weights of the components and materials used. The casting expertise is available already in the engineering phase of components and in the casting itself, when molten iron turns into high quality components of needed construction, to be delivered to machine shops and to customers.

FOUNDRIES DIVISION IN BRIEF

The Foundries division supplies cast components for heavy truck, off-road, machine building, and diesel and wind industries.

The division contains the Karkkila, Iisalmi, Pietarsaari and Pori foundries in Finland and the Heerlen and Weert foundries in the Netherlands. The foundries have an extensive offering, in terms of the materials used and the weights of products, as well as the volumes produced, which range from single castings and small series to series of even hundreds of thousands of components a year. Some of the castings are upgraded at the Group's machine shops before being delivered to the customer.

The Foundries division has a production capacity of more than 180,000 tons. The division's foundries have automatic green sand and semi-automatic furan sand moulding lines for series production. Small series of large castings and individual large items are made on the furan hand moulding line.

KEY FIGURES IN THE FOUNDRIES DIVISION

	2009	2008
Net sales, MEUR	124.9	294.0
Share of the Group's net sales, %	33	34
Operating profit, MEUR	-11.9	23.2
Personnel at the end of period including leased personnel	1,321	1,567

Year of adjustment

The rapid decline in the overall economic situation towards the end of 2008 resulted in a significant fall in the Foundries division's production volumes in 2009. When the whole production and supply chain – foundry, manufacturer to whom cast components are delivered and end customer – reduced their inventories at the same time, production at the foundries fell at the lowest point to less than one third of peak volumes of the previous year, which created the need to sharply adjust business operations.

The first step at the foundries was to lay off those on fixed term contracts and other leased personnel. In addition, outsourced work was insourced and overtime minimized.

When the situation continued, the number of personnel was adjusted mainly by temporary lay-offs of own personnel in Finland and in the Netherlands. But the Group could not totally avoid making redundancies.

In addition to these measures, the business units actively looked for and implemented cost savings in all the functions in the foundries. Temporary transfers of production were also made to a certain extent to balance production between the units, in accordance with previously made plans.

Towards the end of the decline in the demand ceased, but in general the production volumes in 2009 remained at a very low level.

> “As the market situation improves, the Foundries division is well placed to respond fast to the increase in demand.”
>
> OLLI KARHUNEN, SENIOR VICE PRESIDENT, FOUNDRIES DIVISION

Development work continued

During the year the most significant development projects included merging two foundries in the Netherlands and starting to concentrate the Disa line production of large series in one place. In addition in the beginning of 2009 the investments to increase production capacity in Karkkila and Suomivalimo, mainly implemented in 2008, were finalized.

The Heerlen foundries in the Netherlands, Heerlen HWS and Heerlen Furan, were combined to form the Componenta Heerlen foundry in July 2009. Merging the foundries raises efficiency in the operations of the units and improves cost-efficiency. The changes were carried out successfully with demand being low at the time.

The Dutch foundries also took in use the same enterprise resource planning system as in Pietarsaari and Pori, strengthening the One Componenta way of working within the Group.

Towards the end of 2009, in accordance with the Group's strategy, a project began concerning the Disa production lines at Orhangazi and Pietarsaari, which will result in production of large series being concentrated at the Orhangazi foundry and machine shop. During 2010 some of the products currently made in Pietarsaari will be transferred to Orhangazi. The Pietarsaari foundry and machine shop will in future focus on providing flexible service for customers in small and medium sized series.

In good shape for the recovery

During 2010 the demand is expected to improve, although it is unlikely to return to the 2008 level. As the market situation improves, the division is well placed to respond fast to the increase in demand. In adjusting operations to lower volumes operations have been improved and made more efficient, which will be evident in the increased profitability as the production volumes grow.

The division's six iron foundries offer a wide range of materials, weights of components and annual production volumes, starting from single pieces and small series to hundreds of thousands of components per year. Here production is ongoing in the Heerlen foundry in the Netherlands.

Positive profitability in Turkey despite low volumes

The Group's strategy is to optimize production between the production units through internal sourcing. The Orhangazi foundry plays an important role here, because of its good combination of high quality and cost effective operations, with a machine shop at the same location. Internal sourcing improves the profitability and competitiveness of the whole Group, especially in large series of cast components.

TURKEY DIVISION IN BRIEF

Componenta's Turkey division produces iron and aluminium components and aluminium wheels. The division's main customers are the heavy truck, automotive, off-road and machine building industries.

In the Orhangazi iron foundry Componenta produces components on eight moulding lines, using green sand technology. The foundry is the largest foundry in the Group, with a capacity of 180,000 tons per year. The Group's newest machine shop in Orhangazi, located near the foundry, is an important part of the cast components supply chain.

The Manisa aluminium foundry casts components with capabilities for high-pressure (HPDC) and low-pressure (LPDC) casting and gravity die casting (GDC). An integrated machine shop machines more than two thirds of the aluminium castings and offers pre-assembly as part of providing added value. The foundry has an annual capacity of 14,500 tons of aluminium castings and 1,000,000 aluminium wheels, and aluminium machining capacity is 130,000 machining hours.

KEY FIGURES OF THE TURKEY DIVISION

	2009	2008
Net sales, MEUR	114.0	242.7
Share of the Group's net sales, %	30	28
Operating profit, MEUR	2.4	19.9
Personnel at the end of period including leased personnel	1,668	1,981

Focus on increasing productivity

In 2009 production volumes in the Turkey division dropped to less than one third of those in the previous year. The decrease was greatest in heavy truck and off-road components, while demand from the automotive industry declined significantly less. In many countries governments granted subsidies to the automotive sector which improved sales of passenger cars.

The downturn in sales and production volumes in the Turkey division began already towards the end of the third quarter in 2008. This meant that the division managed to adjust its operations to lower volumes earlier and more successfully than other Group divisions. During 2009 the division concentrated on increasing productivity, raising efficiency, cutting fixed costs and, as a result, maintaining profitability, and it succeeded in achieving positive figures for the whole year despite very low volumes.

New products through engineering cooperation

Componenta creates more value for its customers by deepening cooperation with them. In addition to casting, Componenta offers engineering and product development services, machining, and assembly and logistics services.

In Turkey the number of new customers in different customer segments increased in 2009, and as a result of engineering cooperation with customers many new products were brought into production during the

> In terms of efficiency and effectiveness, the Turkey division is in good shape for future growth.
>
> HAKAN GÖRAL, SENIOR VICE PRESIDENT, TURKEY DIVISION

year. The latest success was a new aluminium component designed for a major Italian automotive customer. This product is a good example of fast and effective ramp-up in production, which is extremely important to customers, integrated with product development services.

The use of aluminium in various industries is increasing, since it is lighter and thus more environmentally friendly than many other materials. The most important export area is Western Europe, which has large potential for aluminium components. Customers for aluminium castings and wheels include some of the largest manufacturers of passenger cars and other light vehicles.

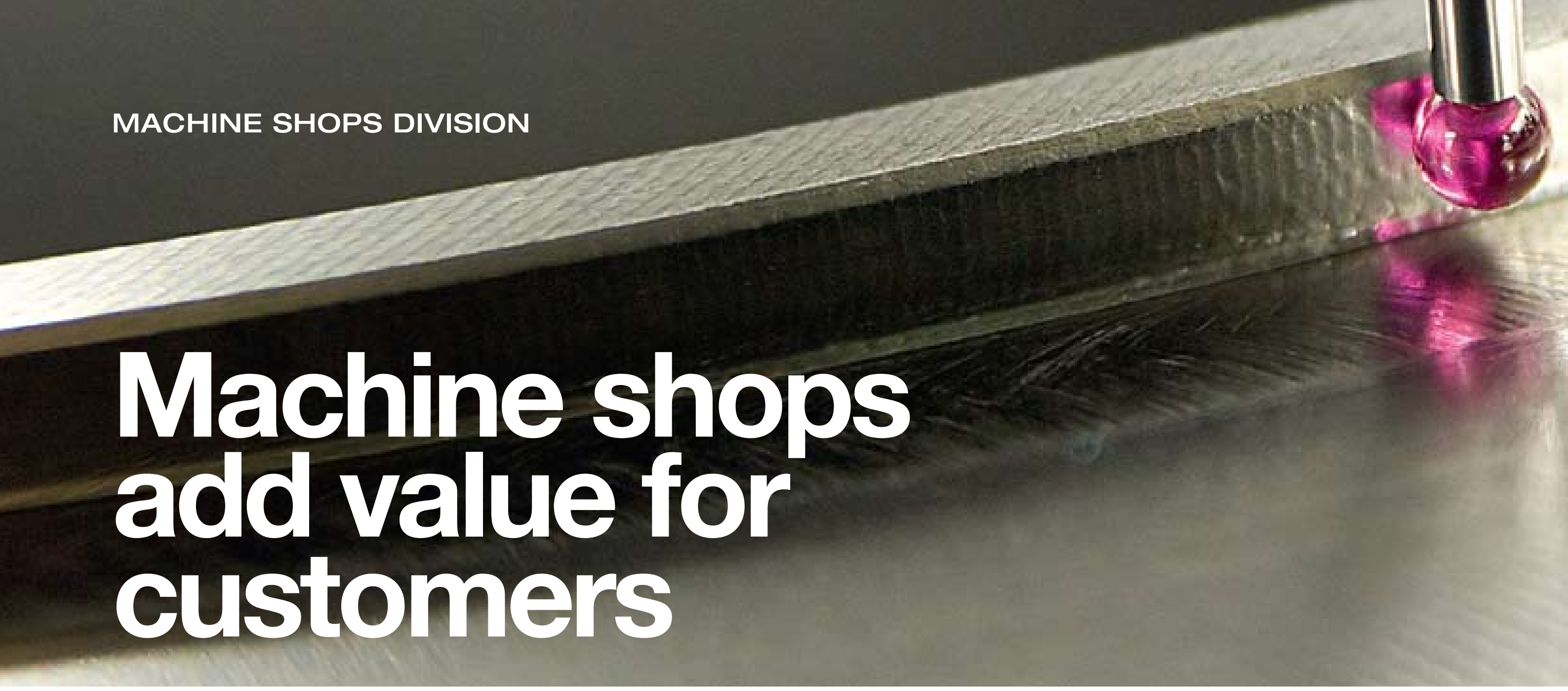
Production volume in the Turkish iron foundry has increased also by product transfers from other Group foundries. In 2009 a project of internal sourcing was started according to which the Orhangazi foundry will be developed into an excellence center of large series of Disa castings.

Demand improving slowly

As the impact of inventories has more or less come to an end, 2010 is expected to show a clear improvement in the business volumes of the Turkey division. Although full market recovery may take longer, relatively good growth figures are expected in 2010. Both the automotive, heavy truck and off-road industries are expected to gradually recover during 2010.

The well-managed adjustment to low volumes in the Turkey division in 2009 creates a good basis for profitable and effective operations when growth begins. The division's organization demonstrated flexibility, effective skills and a constructive attitude in 2009. The division is now in good shape for future growth.

In Turkey Componenta casts iron and aluminium components and aluminium wheels. The use of aluminium is increasing in various industries, since aluminium is light metal and thus more environmentally friendly raw material.



Machine shops add value for customers

The machine shops form an integral part of Componenta's value chain. Cast components from the Group's foundries are sent to the machine shops where they are machined, surface treated, painted and pre-assembled before being delivered, often directly to the customer's production line. These services create added value for customers by saving time and money on their processes and ensuring them steady production.

MACHINE SHOPS DIVISION IN BRIEF

The Machine shops division's biggest customer industries are the heavy truck, off-road, and diesel & wind industries. Three of the division's machine shops are in Finland - Nisamo in Lempäälä, and Pietarsaari MS and Pistons in Pietarsaari. Two are in Sweden, in Främmestad and Wirsbo, one is in Weert, the Netherlands and one in Orhangazi, Turkey.

Componenta Pistons specializes in the design and production of pistons. In Weert the operations include the assembly of pressure vessels. The division's forge in Wirsbo, Sweden has mostly the same customers as the other machine shops, and was included in the division in March 2009.

The machining capacity of the Group's machine shops is altogether 1,000,000 machining hours.

KEY FIGURES IN THE MACHINE SHOPS DIVISION

	2009	2008
Net sales, MEUR	92.3	243.3
Share of the Group's net sales, %	24	28
Operating profit, MEUR	-11.3	4.3
Personnel at the end of period including leased personnel	542	751

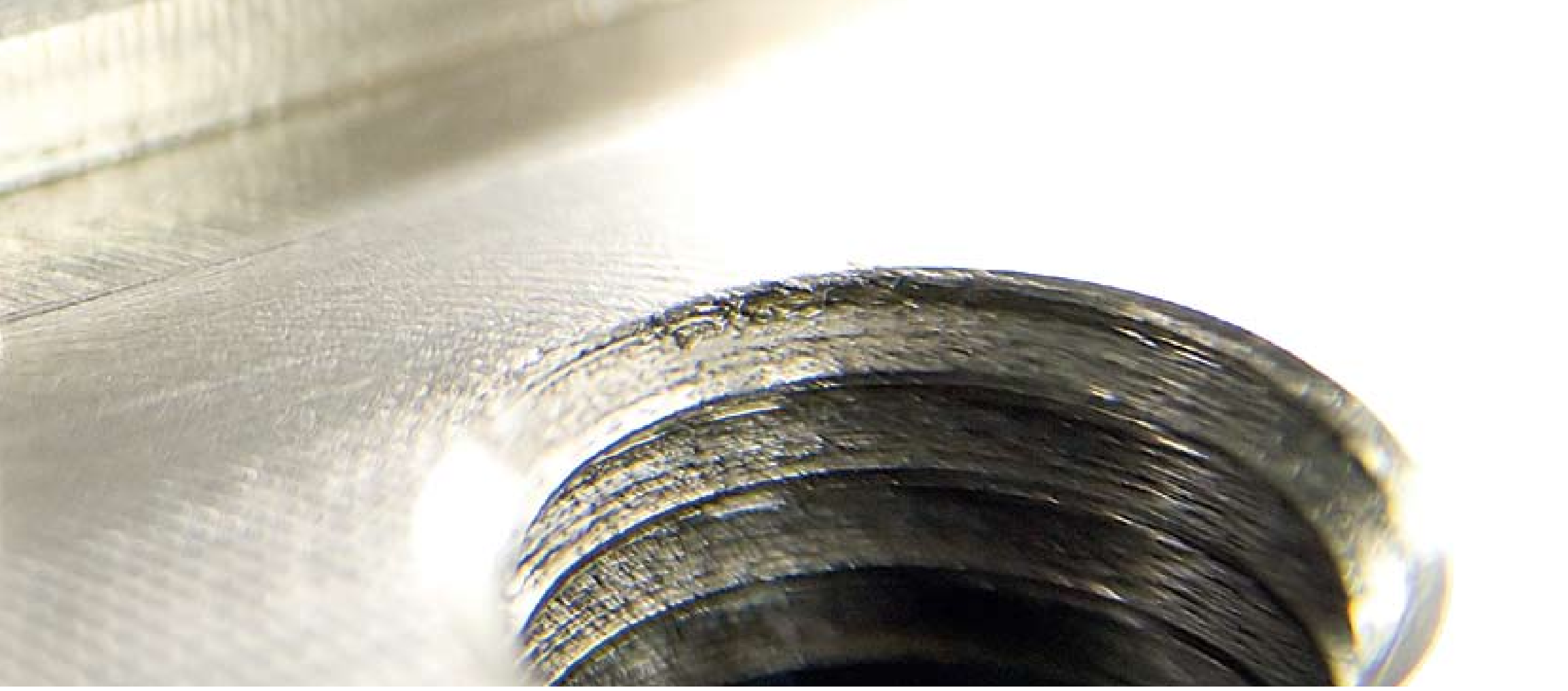
Sharp drop in volumes

In the Machine shops division, 2009 was an extremely challenging year. Production volumes dropped heavily to one third of last year's volumes, due to the lack of demand in all customer groups. The drop was so deep because Componenta's customers were reducing their inventories at the same time when their end customers were cutting orders. This inventory effect in the supply chain strongly reduced the order intake during the year.

Towards the end of 2009 the market stabilized. Signs of a slight increase in demand were visible at the end of the fiscal year, but volumes remained at a very low level.

During the year the machine shop operations were adjusted to the market situation by cutting costs significantly. The personnel costs were reduced mainly by temporary lay-offs instead of a permanent reduction of jobs. In Sweden, however, 40% of the employees had to be permanently laid off, because it is not possible to temporarily lay off personnel in Sweden. Temporary lay-offs enable production units to maintain their know-how and capabilities, and they can raise their production volumes quickly when the market situation improves.

Compared to many benchmarking companies, the Machine shops division adapted its business to the changed economic environment relatively quickly. The operating profit for the year was still negative, however.



> "After the low production volumes and heavy cost cutting in 2009, the Machine shop division expects an increase in volumes in 2010."
>
> MICHAEL SJÖBERG, SENIOR VICE PRESIDENT, MACHINE SHOPS DIVISION

Insourcing increases

In accordance with the Group's strategy, internal sourcing and optimization of production between the production units was also one of the focus areas in the Machine shops division.

Insourcing machining inside the Group, to its own machine shops, instead of subcontracting, increased significantly during the year. Insourcing has a clear positive effect on the financial figures, but more importantly it creates new opportunities for service development. Support services form an integral part of the cast components supply chain, and demand for them is increasing. By developing its insourcing functions, Componenta can offer customers greater value in one-stop service centres, where casting, machining and other services are available through one contact.

Logistics services are another example of supplementary services, since on-time deliveries are of great importance to our customers. One solution to satisfy this demand is to establish logistics hubs in key markets in Europe, which will also increase delivery certainty and shorten delivery times.

Major internal sourcing project that affects the Pietarsaari and Orhangazi machine shops began in the second half of 2009. In this project, the production of large series of cast components will be concentrated at the Orhangazi foundry and machine shop, while the Pietarsaari foundry and machine shop will focus on serving customers with small and medium sized series. This project, supporting the Group strategy, will increase Componenta's competitiveness and profitability.

Profitable growth expected in 2010

After the low production volumes and heavy cost cutting in 2009, the Machine shop division expects 2010 to bring an increase in volumes. The machine building, heavy truck and off-road industries have shown signs of a slight increase in volumes, although they will not reach their levels of early 2008 in the near future.

In the Group's machine shops components are machined, surface treated, painted, assembled and delivered in many cases directly to the customer's assembly line. Machining and other additional services save time and money in the customer's process and thus ensure steady production.

Safeguarding the future competitiveness

Human resources management is one of the key management processes at Componenta. Through it we ensure strategy implementation through people and organizational effectiveness, aligned with the wellbeing of personnel. In the Group HR management in 2009 we focused on adapting working hours, personnel costs and number of personnel to the significant fall in sales and production volumes that were caused by the changes in the global economy and the business environment.

In addition to these adaptation actions, we continued measures to develop the organization and safeguard the Group's competitive standing. Componenta developed its sales organization strongly in all market areas, and sales resources were reinforced through job rotation and recruitment. The Group continued to strengthen the engineering organization and engineering expertise in the form of a new business model, proactive resourcing and training. In the International Traineeship program that began in 2008, the second phase, including traineeship abroad, came to an end, and during the program the Group hired 15 experts possessing cross-functional and international experience of Componenta and an academic qualification, in different functions.

The objective of the adaptation and development measures has been to preserve jobs, taking into account business requirements, and to obtain the commitment of skilled personnel and help them develop.

Adjusting to market conditions

The company's goal in the adaptation measures it has carried out has been to take advantage of the flexibility available in different countries in respect to personnel, and to make permanent reductions of personnel only after it has fully utilized all other means. In this way we have tried to ensure our strong competitiveness, which is based on the skills and knowhow of our personnel, and the social security of our personnel in the form of jobs.

After these adjustment measures, at the end of 2009 Componenta employed 3,698 (4,488) people including leased personnel, and 3,614 (4,294) of these were the company's own employees. The number of personnel has fallen primarily due to ending of fixed-term contracts and reducing number of leased personnel. Various adjustment measures have affected on average 1,200 people.

In connection with these adjustments, extensive discussions were held during the year at the business units and at Group level about developments in market conditions, the challenges these bring, and the actions needed, with the goal of achieving consensus agreement on means for getting through this difficult period together.

Cooperation with personnel representatives and shop stewards has been active and constructive. The negotiations carried out and adaptation measures taken have been based on local legislation and collective bargaining agreements, as well as the temporary schemes for short-time working and temporary lay-offs confirmed by the governments in the Netherlands and Turkey. In Finland, the Netherlands and Turkey the adjustments were made mainly through temporary lay-offs, holiday arrangements, short-time working, and voluntary retirement. In Sweden, where laying people temporarily off is not possible, redundancies could not be avoided, despite the greater flexibility given by the locally agreed working time bank.

Arrangements have also been made with personnel based on local or individual agreements. In the Finnish units we agreed on real-time personnel negotiations, which has made it possible to adjust working hours to the order book flexibly and quickly. In addition, in all coun-

> "Componenta is a responsible employer that acts in accordance with its values in all phases of the business cycle – both today and in the future."
>
> ANU MANKKI, SENIOR VICE PRESIDENT, HR

tries white-collar employees who are not in the working time scheme tied to production were offered a voluntary 20% fixed term reduction in salary. More than 95% accepted this arrangement, which shows not just the commitment of personnel but also their faith in the company and its future.

The positive developments in the aluminium business and the growth in the order book in the second half of 2009 in Manisa, Turkey enabled the company to re-employ 65 employees on fixed term contracts. Componenta had to make employees redundant in December 2008 in a situation where the temporary lay-off scheme was not yet in force. Now the employer was able to fulfil the promise given in writing to re-employ the workers when market conditions improved.

Protecting competitiveness for the future

During 2009 the Group continued its key programs to develop skills, such as the Group-level "Componenta Core" training program, the regional "Componenta Compact" training programs, and the Group's own training program VALAJAT (Founders) that leads to a vocational diploma in foundry work. Training in vocational skills was also held in different countries as part of the adjustment measures.

All the business units have taken the results of the 2008 job satisfaction survey and turned them into specific action. During the year the units have also looked to the future in their resource reviews, in which they provide support for succession planning and proactive resourcing and initiate the necessary development measures.

Componenta's goal is to be a responsible employer that acts in accordance with its values in all phases of the business cycle. Human resources management does not simply ensure that the Group has competences and capabilities needed today, but also creates the conditions for future growth and development.

In 2009 Componenta had to adapt its operations to the decline in production volumes. At the same we have ensured our strong competitiveness, which is based on the skills and knowhow of our personnel, and to preserve the social security of our personnel in the form of jobs.

Quality of operations has direct impact on environment

Management of quality and environmental issues at Componenta is an important part of everyday decision-making and management. Componenta aims at the optimal choice of materials and sustainable production processes and at minimizing the environmental impact throughout the whole lifecycle of a product. In production, quality and addressing environmental issues are mutually supportive.

According to Componenta's quality and environmental policy, each employee is responsible in all their work for complying with customer and internal quality requirements in a way that benefits the environment. The quality and environmental management systems are maintained and developed by the persons responsible for this in each production plant and also at Group level, where practices that have proved to be effective can be shared for wider use. All business units are required to comply with the Group's common quality and environmental management policy.

Operations based on certified quality and environmental management systems and environmental permits

According to Componenta's policy, the quality and environmental management systems must be third party certified. Depending on customer requirements, the quality system at production units complies either with ISO 9001 or with ISO/TS 16949. The environmental management systems conform to ISO 14001. In addition, business operations are being continuously developed to meet stakeholder requirements that exceed those of the standards.

Componenta Pistons is the only unit not to have third party certification. The Componenta Pistons system meeting ISO 9001 requirements was almost completed during 2009 apart from certification, and after the work is being finished, the ISO 14001 system will be certified.

Componenta supplies its customers with products that meet their needs and requirements, taking environmental aspects into account. The quality of operations and products has a direct impact on the environmental load and on the consumption of natural resources. Preventive maintenance of production equipment aims to prevent risks to the environment. Environmental aspects are always taken into account when making investments in machinery and equipment, in order to reduce various emissions and improve job satisfaction.

The Group's foundry and forge operations require an environmental permit. All Componenta Group foundries and forges have valid environmental permits apart from the Orhangazi foundry, where the process to renew the emissions permit and hazardous waste permit has been going on since 2008. In 2009 the environmental authorities rejected the environmental permit application from the Suomivalimo foundry to use foundry sand for landscaping, since a plant species that is protected in Finland was found close to the area where the sand was planned to be used.

Energy consumption, air emissions, noise and reducing the amount of waste are key environmental aspects

Foundry and machine shop operations require a lot of energy. In 2009 the Group used 422 GWh (795 GWh) of energy. Lower production volumes meant that the Group used less energy than in the previous year. In 2009 the total energy consumption of the Group's foundries in proportion to production was 33% greater than in the

> “The quality of operations and products has a direct impact on the load on the environment and on consumption of natural resources.”

previous year due to low utilization rate of all foundries. Most of the energy used, 65% (68%), was electricity. The Group’s energy consumption corresponds to the electricity consumption of a medium-sized town in the Nordic countries.

The melting processes at the foundries consume most of the energy. Most of the melting at the foundries is powered by electricity, and the foundries account for more than 90 % of the whole Group’s energy consumption.

The location of production plants in relation to residential areas has a significant impact on how neighbours experience the noise, odour and other emissions from the plants. The Heerlen production unit in the Netherlands is located close to a residential area, and local residents have suffered inconvenience due to the odour. After consultation with the authorities and consultants it was decided that the solution to this problem was to build a high enough chimney. The authorities are still processing the matter.

The Group’s most significant development measures relating to waste generation are the joint projects with the Turkish Ministry of the Environment at the Orhangazi foundry. It is planned to make the processing of hazardous waste at the Orhangazi foundry a benchmark for the future for other Turkish foundries. The projects are connected to the renewal of the foundry’s hazardous waste permit.

Componenta is publishing a separate sustainability report in spring 2010, which will contain more details about matters relating to the environment and other areas of corporate responsibility in 2009. The report can be read and ordered on the Internet at www.componenta.com/sustainability.

In addition to people appointed to take care of quality and environmental issues, everyone at Componenta is responsible in all his or her work for complying with customer and internal quality requirements in a way that benefits the environment.

BOARD OF DIRECTORS 2009


HEIKKI BERGHOLM


YRJÖ JULIN


HEIKKI LEHTONEN


MARJO MIETTINEN


JUHANI MÄKINEN


MATTI TIKKAKOSKI

“Supreme authority at Componenta is exercised by the shareholders at the General Meeting of Shareholders. The company is managed by the Board of Directors and the President and CEO. Other management assists and supports the President and CEO in carrying out his duties.”

HEIKKI BERGHOLM

b. 1956, M.Sc. (Eng.)
Board Member since 2002, Chairman 2003

Primary working experience:
President and CEO at Suominen Corporation 2002 - 2006
Managerial positions at Lassila & Tikanoja Oyj 1985 - 2001, President 1998 - 2001
Managerial and expert positions at Industrialisation Fund of Finland Ltd 1980 - 1985

Other key positions of trust:
Chairman of the Board of Lakan Betoni Oy
Member of the Board of Directors of Forchem Oy, Lassila & Tikanoja Oyj, MB Funds Oy and Suominen Corporation

230,000 Componenta shares

HEIKKI LEHTONEN

b. 1959, M.Sc. (Eng.)
Board Member since 1987

Primary working experience:
President and CEO at Componenta Corporation 1993 -
President and CEO at Santasalo-Gears Ltd 1987 - 1994
Managerial and expert positions at JOT-Companies Ltd at 1980 - 1987

Other key positions of trust:
Vice Chairman of the Board of Directors of Pöyry Plc
Member of the Board of Directors of Otava Books and Magazines Group Ltd
Member of the Supervisory Board of Finnish Business and Policy Forum EVA

5,311,340 Componenta shares

JUHANI MÄKINEN

b. 1956, Counsellor of Law
Board Member since 2000

Primary working experience:
Partner, Hannes Snellman Attorneys at Law Ltd 1985 -

Other key positions of trust:
Chairman of the Board of Directors at Oy Forcit Ab
Vice Chairman of the Board of Directors at Lemminkäinen Oyj and Myllykoski Oyj
Member of the Board of Directors at Oy Karl Fazer Ab and Polttimo Companies Ltd

56,666 Componenta shares

YRJÖ JULIN

b. 1957, Lic. Sc. (Tech.)
Board member since 2009

Primary work experience:
Group President and CEO at Aker Yards ASA 2007 - 2008
Managerial positions at Aker Yards and Aker Finnyards 2002 - 2008
Managerial positions at Componenta Corporation 1986 - 2002, latest EVP, COO

MARJO MIETTINEN

b. 1957, M.Sc. (Ed.)
Board Member since 2004

Primary working experience:
Chief Executive Officer at EM Group Oy 2006 -
Managerial and expert positions 1989 - 2001 and Chairman of the Board of Directors at Ensto Oy 2002 - 2006

Other key positions of trust:
Chairman of the Board of Directors of Teleste Oyj
Chairman of the Board of Directors of Efla Oy
Member of the Board of Directors of EM Group Oy, Ensto Oy, Audel Oy, Technology Industries of Finland, Confederation of Finnish Industries, HSE Executive Education Oy and TUT foundation

10 convertible capital notes (2005)
25 convertible capital notes (2006)

MATTI TIKKAKOSKI

b. 1953, B.Sc. (Econ.)
Board Member since 2003

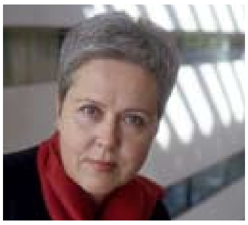
Primary working experience:
President and CEO at Atria Plc 2006 -
Deputy CEO at Å&R Carton AB 2004 - 2005
Managerial positions at Huhtamäki Plc 1980 - 2003

Other key positions of trust:
Member of the Board of Directors at Atria Plc and Finnish Food and Drink Industries’ Federation

11,500 Componenta shares

CORPORATE EXECUTIVE TEAM 2009


HEIKKI LEHTONEN


PIRJO AARNIOVUORI


YAYLALÝ GÜNAY


HAKAN GÖRAL


MIKA HASSINEN


OLLI KARHUNEN


JARI LEINO


ANU MANKKI


TAPIO RANTALA


MICHAEL SJÖBERG

HEIKKI LEHTONEN

b. 1959, M.Sc. (Eng.)
President and CEO 1993 -

Primary work experience:
President and CEO at Santasalo-Gears Ltd 1987 - 1994
Managerial and expert positions at JOT -Companies Ltd at 1980 - 1987

5,311,340 Componenta shares

PIRJO AARNIOVUORI

b. 1955, M.Sc. (Econ.)
Communications Director 2001 -

Primary work experience:
Expert positions at Componenta Corporation 1994 - 2001
Assistant and expert positions at Santasalo-Gears Ltd 1987 - 1994

2,205 Componenta shares

YAYLALY GÜNAY

b. 1945, M.Sc. (Eng.)
Senior Vice President, Investments 2007 -

Primary work experience:
President and CEO at Döktas Dökümcülük Tic. ve San. A.S. 1975 - 2007

HAKAN GÖRAL

b. 1967, M.Sc. (Eng.)
Senior Vice President, Turkey Division 2007 -

Primary work experience:
Sales and Product Development Director at Döktas Dökümcülük Tic. ve San. A.S, 2006 - 2007
Managerial and expert positions at Döktas A.S, Mako Elektrik A.S. and Koc Group 1990 - 2006

MIKA HASSINEN

b. 1969, M.Sc. (Econ.), M.Sc. (For.)
CFO 2008 -

Primary working experience:
Senior Vice President, Finance & IT, Corporate Market Services at Stora Enso Oyj 2005 - 2007
Managerial and expert positions at Stora Enso Oyj, Deutsche Bank AG Ltd and McKinsey & Co in Finland and abroad 1996 - 2002

2,850 Componenta shares

OLLI KARHUNEN

b. 1959, M.Sc. (Eng.)
Senior Vice President, Foundries Division 2006 -

Primary work experience:
Managerial positions at Componenta Corporation and its divisions and business units 1990 - 2006
Expert and other positions at Kuusakoski Oy and Technical Research Center 1984 - 1990

14,415 Componenta shares

JARI LEINO

b. 1961, Engineer
Sales Director, Heavy trucks 2005 -

Primary work experience:
Sales Director, the Netherlands at Componenta Corporation 2005
Managerial positions in sales at Componenta Corporation 1989 - 2005

240 Componenta shares

ANU MANKKI

b. 1963, M. Sc. (Phil.)
Senior Vice President, Human Resources 2005 -

Primary work experience:
Vice President, Human resources development at Metso Corporation 2003 - 2005
Managerial and expert positions relating HR in Finland and abroad at Metso Corporation, Metso Paper and Valmet Paper Machines 1988 - 2003

400 Componenta shares

TAPIO RANTALA

b. 1953, Lic. Sc. (Tech.)
Director, Business Development 2008 -

Primary work experience:
Vice President, Development, at Metso Paper 2007 - 2008
Managerial positions at Metso Foundries Jyväskylä Oy, Oy Tampella AB and Technical Research Center 1980 - 2007

3,180 Componenta shares

MICHAEL SJÖBERG

b. 1964, M.Sc. (Eng.), eMBA
Senior Vice President, Machine Shops Division 2004 -

Primary work experience:
Plant Manager and Operations Director at Tour&Andersson AB 2001 - 2004
Managerial positions at Wirsbo Bruks AB (Uponor Wirsbo AB) 1990 - 2001

5,050 Componenta shares

The duties of the governing bodies of Componenta Corporation (Componenta or the Company) are defined in accordance with Finnish legislation and the Corporate Governance Code approved by Componenta's Board of Directors. The Company's corporate governance is based on the Finnish Limited Liability Companies Act (Companies Act) and the Securities Market Act, the Company's Articles of Association and the Insider Guidelines of the Helsinki stock exchange. Componenta's corporate governance code complies with the Corporate Governance Code for Finnish listed companies of the Finnish Securities Association, which came into force on 1 January 2009 and is available on the Securities Market Association's website at the address www.cgfinland.fi.

Deviating from the Code, Componenta has no committees of the Board of Directors. Taking into account the composition of the Board and the nature and size of Componenta's operations, the Board of Directors has considered it unnecessary to establish specific committees to prepare matters that are the responsibility of the Board.

General corporate governance information

Componenta's shares have been quoted on the Helsinki stock exchange since 2001.

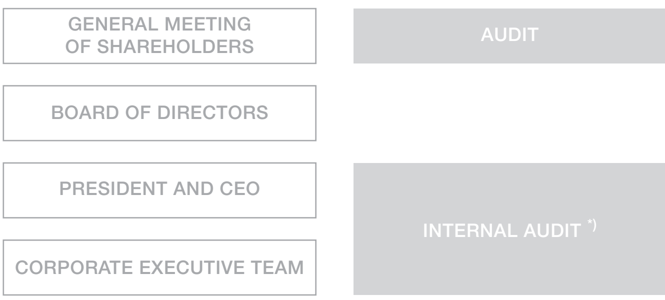
Supreme authority at Componenta is exercised by the shareholders at the General Meeting of Shareholders.

The company is managed by the Board of Directors and the President and CEO. Other management assists and supports the President and CEO in carrying out his duties.

Componenta prepares financial statements and interim reports in accordance with international financial reporting standards (IFRS). The financial statements, annual report and the interim reports are published in Finnish and English.

Componenta's head office is located in Helsinki.

Governing bodies



*) *Componenta Group's financial administration conducts an internal audit of Group companies together with the auditors in accordance with the annual audit plan.*

This statement is presented as a separate report and disclosed together with the Financial statements and the Report by the Board of Directors.

General Meeting

Componenta's supreme decision-making body is the General Meeting. The Annual General Meeting of Componenta must be held within six months of the end of the financial period.

The General Meeting decides on matters that come under its authority as defined in the Companies Act and the company's Articles of Association, including:

- approval of the financial statements
- use of the profit shown in the balance sheet
- discharging from liability the members of the Board of Directors and the President and CEO
- the remuneration of Board members and the basis for their travel expenses
- the number of Board members and the election of them
- the number of auditors and the election of them
- proposals made by the Board of Directors or shareholders to the General Meeting

Every Componenta shareholder is entitled to attend the General Meeting. One share carries one vote at a General Meeting.

A shareholder is entitled to have a matter that according to the Companies Act falls within the competence of the General Meeting included in the agenda of the meeting, if he/she requests the Board in writing in sufficient time for the matter to be included in the notice convening a General Meeting.

2009

The Annual General Meeting of Componenta was held on 23 February 2009 in Helsinki. At the Annual General Meeting 44.4% of the Company's shares were represented. All the members of Componenta's Board of Directors and the President and CEO were present. The Extraordinary General Meeting was held on 8 September 2009.

Board of Directors

The Annual General Meeting elects each year Componenta's Board of Directors, which according to the Company's Articles of Association has 3 - 7 members. The term of office of the Board continues until the close of the following Annual General Meeting. The Board elects from its members Chairman and Vice Chairman.

The majority of the Board members must be independent of the Company. In addition, at least two of the members belonging to this majority must be independent of major shareholders in the Company. Independence is evaluated in accordance with Recommendation 15 of the Corporate Governance Code for Finnish listed companies.

The Annual General Meeting decides on the remuneration of the Board of Directors.

The Board of Directors draws up written Rules of Procedure for itself. The main tasks and duties of the Board of Directors are:

- The Board oversees the management and business operations of Componenta and makes major decisions relating to the strategy, capital expenditure, organization, corporate restructuring and financing.
- The Board appoints the President and CEO and the members of the Group's Corporate Executive Team, and approves the organizational structure and the principles for incentive schemes.
- The Board ensures that the Company's accounting, supervision of financial management and risk management have been arranged appropriately.
- The Board approves the key operating principles and values, and confirms the annual business plans and budgets.
- The Board makes proposals to the General Meetings and convenes the meetings.

The Board meets when it is convened by the Chairman or, in his absence, by the Vice Chairman. The Board forms a quorum when more than half of the members are present, and one of them must be the Chairman or Vice Chairman. Componenta's CFO serves as secretary to the Board meetings.

The Board of Directors evaluates its own performance annually under the leadership of the Chairman. The Board also reviews the corporate governance policy annually and amends it when required.

2009

The Annual General Meeting held on 23 February 2009 elected six members to Componenta's Board of Directors: Heikki Bergholm, Yrjö Julin, Heikki Lehtonen, Juhani Mäkinen, Marjo Miettinen and Matti Tikkakoski. The Board elected Heikki Bergholm as its Chairman and Juhani Mäkinen as Vice Chairman.

Heikki Bergholm, Yrjö Julin, Juhani Mäkinen, Marjo Miettinen and Matti Tikkakoski are independent of the Company and of the shareholders. Heikki Lehtonen is President and CEO of Componenta Corporation. He is also the Company's significant shareholder through companies which he controls.

Information related to the Board members and their holdings is given on Componenta's Internet site under "Board of Directors Presentation".

The 2009 Annual General Meeting decided that the fees for the Chairman of the Board of Directors would be EUR 50,000 and for the other Board members EUR 25,000 a year. Travel expenses are paid in accordance with the Company's travel instructions.

The Board of Directors met 16 times during the year, and the average attendance rate at Board meetings was 98%. The Board of Directors evaluated its own performance under the leadership of the Chairman in December 2009.

Board members and the President and CEO were paid salaries and fees in total of EUR 409,753 in 2009. Board members and the President and CEO received other benefits in total of EUR 2,756 in 2009.

Board committees

Taking into account the composition of the Board and the nature and size of Componenta's operations, the Board of Directors has not considered it necessary to establish specific committees to prepare matters that are the responsibility of the Board.

President and CEO

The Board of Directors appoints the President and CEO and decides on the President's remuneration and other benefits.

The President and CEO is responsible for managing and developing Componenta's business in accordance with the Finnish Companies Act and the instructions given by the Board of Directors.

The President and CEO prepares and presents matters for consideration at Board meetings and implements the decisions of the Board of Directors. He reports to the Board of Directors on matters including the Company's financial situation, its business environment and other major matters.

The President and CEO is the Chairman of Componenta's Corporate Executive Team.

2009

Componenta's President and CEO was Heikki Lehtonen.

The President and CEO received a salary of EUR 16,925 a month and benefits in kind of altogether EUR 230 a month.

The President is entitled to the Group's share-based incentive scheme, which is formed by three earnings periods, the years 2007 - 2009. The allocation to the President and CEO for the earnings period 2007 - 2009 was 3,300 shares.

The retirement age of the President and CEO is in accordance with the Finnish legislation. The President and CEO's contract of employment may be terminated by the Company by giving a twelve months notice and by the President and CEO by a six months notice. The President and CEO is not entitled to any separate compensation after giving or being given notice other than the salary and benefits agreed in the terms of notice.

The Company has no specific pension commitments for Board members or President and CEO.

Corporate Executive Team

Componenta's Corporate Executive Team assists the President and CEO in managing and developing Componenta. The Board of Directors decides on the appointment of members of the Corporate Executive Team and on the terms of their employment based on the proposal of the President and CEO. In accordance with the "one over one" principle in use at the Group, the Chairman of the Board of Directors approves these decisions.

The members of Componenta's Corporate Executive Team are those in charge of the Group's divisions or major Group functions who:

- with their work promote the achievement of the Group's long-term business goals, the creation of added value, and the development of business operations
- participate in preparing the Group's strategy
- ensure the efficiency of operations throughout the Group
- develop management standards
- promote business models and principles and the Componenta way of operating

2009

Componenta's Corporate Executive Team had 10 members and met up monthly. The President and CEO acted as the Chairman and the Communications Director acted as Secretary. During the year the Corporate Executive Team focused on initiating and implementing the adaptation actions due to the significant changes in the business environment and on improving operative cash flow and maintaining liquidity.

Componenta's Corporate Executive Team 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; 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.

Information about the members of the Corporate Executive Team and their holdings in the Company is given on Componenta's Internet site www.componenta.com under "Corporate Executive Team Presentation".

Remuneration

The Board of Directors decides on the salaries and other terms of employment of Componenta's President and CEO and other senior management.

Componenta has performance-based long- and short-term incentive schemes for personnel in key positions. Componenta's Board of Directors approves each year the schemes and the positions participating in the schemes.

Bonuses

Short-term bonuses are linked to achieving measurable personal and business targets annually.

The personnel at Componenta's production units are entitled to a bonus that is linked to the development of productivity. In the Netherlands, the personnel at Componenta B.V. have a bonus scheme that is based on the return on investment targets.

A person is only entitled to one short-term bonus at a time.

Share-based incentive scheme

The share-based incentive scheme was taken into use in 2007. The scheme comprised three one-year earnings periods, which were the calendar years 2007, 2008 and 2009. The bonuses will be 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.

2009

Potential earnings from the incentive scheme was based on the positive development of the Group's cash flow in 2009. At the end of the review period the target group contained 45 people. If the targets set for the scheme had been met in full, the scheme would have paid a bonus of a maximum of 132,000 Componenta Corporation shares. For the 2009 earnings period, the Board of Directors resolved not to allocate any shares in the scheme.

Internal monitoring, risk management and internal audit

In its business operations Componenta complies with all current legislation and regulations and with generally accepted business practices. In addition, business activities are governed by Componenta's values and the Company's own operating principles, the Componenta Way to Operate.

Audit

The Annual General Meeting appoints the auditor and decides on the remuneration of the auditor. The Company has at least one and a maximum of two auditors and one deputy auditor. In addition to the duties prescribed in current accounting regulations, the auditor reports to the Board of Directors of Componenta when necessary.

The responsible auditor may function as an auditor for a maximum of 7 years in succession.

2009

During the accounting period 1 January - 31 December 2009 Componenta's auditor was Oy Audicon Ab, Authorized Public Accountants.

The Annual General Meeting held on 23 February 2009 decided that the remuneration for the auditor would be based on invoicing. Remuneration in 2008 based on invoicing for Componenta Group's auditors totalled EUR 509,000, comprising EUR 435,000 in audit fees and EUR 74,000 for other services.

Internal audit
Componenta Group's internal audit is conducted in accordance with the operating principles approved by the Board of Directors, which are based on the Group's internal reporting and the annual audit plan approved by the Board.

Componenta Group's financial management conducts the internal audit of Group companies together with the auditors in accordance with the annual plan.

Financial reporting that covers the whole Group regularly monitors how well financial targets are being met. The reports include actual figures, budgets and up-to-date estimates for the current year.

Insider regulations
Componenta complies with the insider regulations of NASDAQ OMX Helsinki and with its own insider regulations, which can be accessed by all personnel.

Persons who have insider information, irrespective of how or where the information has been obtained, may also be insiders. Componenta requires all information related to the Company's business operations that is not public information to be treated as confidential.

Componenta has made the Group's CFO responsible for the Company's insider matters and the Group's Communications Director responsible for maintaining the insider register.

Public insiders
According to the Finnish Securities Market Act, the Company's public insiders are the Board of Directors of the parent company, the President and CEO, and the auditors. The register of public insiders is maintained by Euroclear Finland Ltd and can be seen on the Company's website.

The holdings of Componenta's public insiders are given on the Company's website.

Company insiders
Company insiders include persons who regularly obtain insider information because of their position, responsibilities or duties. Componenta has defined the people working in the following positions as company insiders: the Group's Corporate Executive Team, key personnel in Group's finance, treasury and IT departments, the directors and managing directors of business units, and the secretaries of members of the Corporate Executive Team.

The holdings in Componenta of company insiders are monitored regularly through the SIRE register of Euroclear Finland Ltd.

Insider registers for individual projects
Componenta maintains a project register within the company insider register for projects that if implemented might have an impact on the price of Componenta's securities or derivatives. A project refers to a reorganization or some other distinct activity that is prepared in confidence and if implemented may have an impact on the value or price of Componenta's securities. The scope or nature of a project clearly distinguishes it from the Company's normal business operations.

Componenta's President and CEO will decide on case by case basis whether reorganization or some other distinct activity is considered a project.

Closed window
Insiders may not trade in Componenta securities for 30 days before the publication of the financial statements bulletin and interim reports. The precise dates are published on the financial calendar on the Company's Internet site.

Risk management
Risk management is part of the Company's monitoring system and it ensures that the risks to which the Company's business is exposed are identified, evaluated and monitored. It helps to forecast the threats and opportunities for business operations and ensures the continuity of business.

The Board of Directors confirms the principles for risk management and the President and CEO supervises the implementation of the risk management programme such that the principles and programme focus on matters that are essential for local and operational activities.

The Corporate Executive Team participates in identifying and evaluating risks, in allocating responsibilities and in monitoring the risks.

The CFO is responsible for supporting the divisions and Group functions in managing the risks and developing the risk management.

Managing directors and directors of the business units are responsible for identifying and managing risks in their own business areas as part of their operational activities.

Each employee is responsible for identifying and evaluating the risks that are related to his/her own work or which are otherwise under his/her control and for reporting on them to their supervisors.

The Group's treasury department manages financial risks and ensures on their own part the availability of equity and debt finance to the Group on competitive terms. The Group's treasury department is also responsible for managing and hedging the cash position.

RELEASES 2009

JANUARY

23 January 2009: Press conference and webcast on 28 January 2009 at 10.00

28 January 2009: Componenta Corporation's Financial Statements 1 January - 31 December 2008

28 January 2009: Notice of Annual General Meeting

30 January 2009: Componenta Karkkila was granted a leave to appeal by the Supreme Court on the Helsinki Appeal Court's decisiona

FEBRUARY

3 February 2009: Yrjö Julin proposed for Componenta Board of Directors

13 February 2009: Componenta's Annual Report 2008 and Summary of year 2008 releases published

23 February 2009: Resolutions by the Annual General Meeting of Componenta

MARCH

10 March 2009: Componenta streamlines its organization

APRIL

17 April 2009: Componenta share-based incentive scheme 2007 - 2009, directed share issue

17 April 2009: Componenta interim report 1 January - 31 March 2009

JUNE

3 June 2009: Componenta's Sustainability Report 2008 has been published

3 June 2009: Componenta published Sustainability Report 2008. Sustainability issues play a major role in the Group's operations, and Componenta monitors and reports its operations regularly and publishes the figures once a year in the sustainability report. Sustainability Report 2009 will be published in the spring of 2010.

17 June 2009: Heerlen foundries merged as one business unit Componenta Heerlen

JULY

17 July 2009: Componenta interim report 1 January - 30 June 2009

AUGUST

17 August 2009: Notice of Extraordinary General Meeting

SEPTEMBER

8 September 2009: The Board of Directors of Componenta is preparing to strengthen the company's balance sheet and financial position

8 September 2009: Resolutions by the Extraordinary General Meeting of Componenta

8 September 2009: The Board of Directors of Componenta decided on a share issue and offering of a subordinated capital loan

8 September 2009: Componenta Prospectus approved

21 September 2009: In the share issue 2009, 6,500,000 new shares were subscribed, and the subordinated capital loan was subscribed of a total value of 12,500,00 euros. Number of shares rose to 17,457,798. The funds were used to strengthen the company's balance sheet and financial position.

21 September 2009: Componenta Corporation executed EUR 41.8 million share issue 2009 and subordinated capital loan 2009 in total

22 September 2009: Cabana Trade S.A.'s holding in Componenta has decreased below 30% and Oy Högfors-Trading Ab's holding in Componenta has exceeded 10%

22 September 2009: Varma Mutual Pension Insurance Company's holding in Componenta exceeds 5%

23 September 2009: Oy Etra Invest Ab's holding in Componenta has decreased below 25%

23 September 2009: Correction: Varma Mutual Pension Insurance Company's holding in Componenta exceeds 5%

OCTOBER

1 October 2009: Componenta's financial information and Annual General Meeting in 2010

6 October 2009: Conditional subscriptions of Componenta share issue 2009 and subordinated capital loan 2009 have realized

12 October 2009: New shares in Componenta have been entered into the Trade Register

15 October 2009: Componenta interim report 1 January - 30 September 2009

NOVEMBER

24 November 2009: The Supreme Court's decision concerning the dispute between Componenta Karkkila and VR (Finnish Railways)

DECEMBER

16 December 2009: Martti Purhonen appointed as Group Treasurer at Componenta

Contents

Events in 2009 in brief

Componenta Corporation issued shares and a subordinated capital loan for a total of EUR 41.5 million in September 2009. The funds obtained in the share issue and subordinated capital loan issue, were used to strengthen the company's balance sheet and financial position. The decision to issue shares and a new subordinated capital loan was based on the authorization given by the extraordinary general meeting of shareholders on 8 September 2009.

Net sales and order book

The Group's net sales in 2009 totalled EUR 299.6 (EUR 681.4) millon. Net sales declined 56% and the value of production 59%. The order book at the end of December declined 20% from the corresponding period in the previous year to EUR 58.8 (73.6) million.

Foundry division net sales in 2009 declined 58% from the previous year to EUR 124.9 (294.0) million. Net sales of the Machine shops division in 2009 fell 62% to EUR 92.3 (243.3) million. Net sales of the Turkey division in 2009 fell 53% to EUR 114.0 (242.7) million.

The Machine shops and Foundries divisions had a combined order book at the end of 2009 of EUR 33.4 (53.5) 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 2009 was EUR 24.2 (17.9) million.

Componenta's net sales in 2009 by customer sector were as follows: off-road 30% (35%), heavy trucks 20% (28%), automotive 21% (14%), diesel & wind 10% (7%), machine building 17% (15%) and other sales 1% (1%).

Result

Componenta's 2009 financial statements have been prepared in accordance with international financial reporting standards (IFRS). Financial statements have been prepared in accordance with IAS 34 accounting principles. The new standard IFRS 8 and the revised standards IAS 1 and IAS 23 were applied as from 1 January 2009. In other respects Componenta has applied the same accounting principles in the 2009 financial statements as in the 2008 financial statements, except for planned depreciations of production machinery and equipment. On 1 January 2009 the Group started to use the units-of-production depreciation method, in which the amount of depreciation is based on the actual output of production machinery and equipment. Planned depreciation on a straight line was used previously for production machinery and equipment. The units-of-production method gives a more precise picture of the actual economic wear on production machinery and equipment than the straight line method, especially when capacity usage changes quickly. Introducing the new method of depreciation decreased depreciations in 2009 by EUR 12.4 million. Introducing the new method of depreciation does not affect the 2008 figures for comparison.

Applying the IFRS 8 standard has not affected the Group's reported result or its financial position. Group management monitors the performance of the business segments, and the Group had already earlier organized its management structure in line with the segment structure used in 2009.

The consolidated operating profit for the financial year, excluding one-time items, was EUR -15.4 (47.9) million. The operating result declined from the previous year due to the sharp fall in volumes, which was mainly due to lack of activity on the market and because customers were reducing their own inventories. The adaptation measures carried out in 2009 coupled with the lower production volumes helped to reduce the Group's operating costs in 2009 by 54% in proportion to the value of production. Other operating income includes exchange rate differences on sales and purchases.

The Group's net financial costs for the period totalled EUR -21.8 (-28.7) million. Net financial costs declined from the previous year mainly due to exchange rate differences.

The Group's result after financial items excluding one-time items was EUR -37.2 (19.2) million. The result does not include any significant one-time items.

Income taxes calculated from the result for the review period totalled EUR 8.5 (-4.6) million. Deferred tax receivables have been recorded in the balance sheet, and it is estimated that these can be utilized in the Netherlands, Sweden and Finland during the next 2–6 years.

The net result for the period excluding one-time items was EUR -28.7 (14.4) million.

The earnings per share excluding one-time items were EUR -2.30 (1.28).

Capital invested in the company at the end of the year was EUR 316.9 (338.8) million. The return on investment excluding one-time items was -4.2% (13.8%) and the return on equity excluding one-time items was -45.1% (15.3%).

The fourth quarter operating profit excluding one-time items was EUR -1.7 (-6.0) million and the result after financial items, excluding one-time items, was EUR -6.5 (-16.1) million.

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

	2007	2008	2009
Net sales, MEUR	634.7	681.4	299.6
Operating profit, MEUR	34.9	47.9	-15.4
Operating profit, %	5.5	7.0	-5.2
Return on equity, %	12.1	15.3	-45.1
Equity ratio, %	20.3	15.9	17.5

QUARTERLY ANALYSIS OF CHANGES IN INCOME STATEMENT

MEUR	Q1/09	Q1/08	Diff %	Q2/09	Q2/08	Diff %	Q3/09	Q3/08	Diff %	Q4/09	Q4/08	Diff %
Net sales	88.1	185.0	-52%	70.6	201.0	-65%	64.8	170.1	-62%	76.1	125.3	-39%
Value of production	75.3	185.9	-59%	66.1	207.3	-68%	65.3	170.7	-62%	71.8	118.1	-39%
Materials	-24.1	-67.4	-64%	-20.6	-76.6	-73%	-23.3	-68.0	-66%	-24.9	-45.2	-45%
Direct wages and external services	-25.1	-46.9	-47%	-21.3	-45.9	-54%	-18.7	-40.9	-54%	-19.5	-38.4	-49%
Other variable and fixed costs	-29.2	-42.5	-31%	-25.6	-55.7	-54%	-23.5	-48.5	-52%	-25.9	-35.0	-26%
Total costs	-78.3	-156.8	-50%	-67.5	-178.2	-62%	-65.5	-157.4	-58%	-70.3	-118.6	-41%
EBITDA	-3.0	29.1	-110%	-1.5	29.0	-105%	-0.2	13.3	-102%	1.4	-0.5	382%

Financing

At the end of the year Componenta Corporation had outstanding capital notes and convertible notes with a combined value of EUR 35.1 million, as defined in IFRS. In March the Group repaid the final instalment of EUR 9.5 million of the principal of the preferred capital notes issued in 2002, in accordance with the terms of the notes. In September Componenta issued new 2009 subordinated capital loan with a maturity period of five years, and this was subscribed for a total amount of EUR 12.3 million. Holders of the company's 2005 and 2006 convertible capital notes could use the principal of these convertible capital notes receivable from the company to pay the subscription price for the new shares and capital notes for the 2009 capital loan in accordance with the terms of the share issue and capital notes. At the end of September 2009, the outstanding unconverted capital notes entitled holders to subscribe 1,310,200 shares.

At the end of the review period, Componenta had EUR 38.5 million in unused, committed credit facilities, as well as cash funds of EUR 7.6 million. In addition the Group has a EUR 150 million commercial paper programme, for which the company had no debt at the end of the review period. The Group's interest-bearing net debt, excluding the outstanding capital notes of EUR 35.1 million, stood at EUR 206.5 (211.2) million. The costs of the debt financing increased during the review period. The company's net debt as a proportion of shareholders' equity, including the capital notes in shareholders' equity, was 200.8% (172.6%).

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 period the company had sold trade receivables totalling EUR 32.7 (49.0) million.

Componenta's net cash flow from operations in 2009 was EUR 14.2 (29.4) million, and of this the change in net working capital was EUR 37.5 (-4.2) million. The cash flow from investments was EUR -12.6 (-40.6) million, which includes the cash flow from the Group's investments in production 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 17.5% (15.9%). The Group's shareholders' equity on 31 December 2009, including the capital notes in shareholders' equity, as a proportion of the balance sheet total was 26.5% (27.3%). The Group's equity ratio has been affected by the cumulative change in the translation difference of some EUR -35 million since the beginning of 2008 in consequence of the weakening of the Turkish lira against the euro.

Loans, commitments and contingent liabilities given by the company to Group companies classified as related parties on 31 December 2009 totalled EUR 161.7 (150.2) million. Loans, commitments and contingent liabilities given by the company to private persons classified as related parties on 31 December 2009 totalled EUR 0.3 (0.2) million.

Performance of the business divisions

Componenta's reporting structure changed when Componenta Wirsbo was transferred from the Other business to the Machine shops division on 31 March 2009 and Tegelen Pattern Shop, a unit that makes casting patterns in the Netherlands, also from the Other business to the Foundries division as from 1 January 2009. The 2009 figures are reported in accordance with the new structure and all figures for comparison for the divisions for 2008 have been adjusted to bring them in line with this reporting structure.

Foundries

The Foundries division comprises the iron foundries in Karkkila, Pori, Pietarsaari and Iisalmi in Finland and in Heerlen and Weert in the Netherlands, as well as the Tegelen Pattern Shop in the Netherlands.

The division's net sales in 2009 declined 57.5% to EUR 124.9 (294.0) million. The operating profit was EUR -11.9 million, corresponding to -9.5% of net sales (EUR 23.2 million, 8.0%). Extremely low capacity usage was the main factor having a negative impact on the division's operating profit.

The division had fourth quarter net sales of EUR 25.9 (62.6) million and an operating profit of EUR -2.3 million, corresponding to -8.9% of net sales (EUR -0.3 million, -0.4%).

Machine shops

The Machine shops division comprises the Främmestad machine shop and the Wirsbo forge 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 net sales of the Machine shops division in 2009 fell 62.1% to EUR 92.3 (243.3) million. The operating profit was EUR -11.3 million, corresponding to -12.3% of net sales (EUR 4.3 million, 1.8%). The division's operating profit weakened mainly due to low volumes. A further factor was that a large part of the division's personnel is based in Sweden, where adjusting the number of personnel was significantly slower than in the other countries where Componenta operates.

The division had fourth quarter net sales of EUR 23.4 (50.5) million and an operating profit of EUR -2.8 million, corresponding to -12.2% of net sales (EUR -3.2 million, -6.3%).

Turkey

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

The Turkey division's net sales in 2009 fell 53% to EUR 114.0 (242.7) million. The operating profit was EUR 2.4 million, corresponding to 2.1% of net sales (EUR 19.9 million, 8.2%). The division's operating profit in 2009 was heavily affected by the sharp decline in volumes. Adjusting the costs succeeded well in Turkey, and despite the extremely low capacity utilization rate the division's operating result was positive since the second quarter.

The Turkey division had net sales in the fourth quarter of EUR 35.2 (30.4) million and an operating profit of EUR 1.1 million, corresponding to 3.1% of net sales (EUR -4.2 million, -13.8%).

Other business

Other business comprises the sales and logistics company Componenta UK Ltd. in Great Britain, real estate and service companies in Finland and the Group's administrative functions. The operating profit, excluding one-time items, of the other business in 2009 was EUR 4.7 (-0.3) million.

Other business had fourth quarter operating profit excluding one-time items of EUR 1.4 (-0.5) million.

Shares and share capital

The shares of Componenta Corporation are quoted on the NASDAQ OMX Helsinki. At the end of December 2009 the company had a total of 17,457,798 shares. At the end of 2009 the company's share capital stood at EUR 21.9 (21.9) million. At the end of 2009 the price of Componenta shares stood at EUR 4.12 (EUR 4.75). The average share price in 2009 was EUR 4.45, the lowest quoted share price was EUR 3.60 and the highest 5.73. At the end of 2009 the company's market capitalization was EUR 72.0 (52.0) million and the volume of shares traded during the period was equivalent to 20.1% (32.0%) of the share stock.

The Annual General Meeting of Shareholders on 23 February 2009 decided to pay a dividend of EUR 0.30 (0.50) per share for 2008.

On 22 September 2009 Componenta received notification from Varma Mutual Pension Insurance Company that the share of the voting rights and share capital carried by the shares in Componenta Corporation under its control had risen above the 5% limit in the share issue of Componenta Corporation in which Varma Mutual Pension Insurance Company subscribed 978,968 new shares on 21 September 2009.

On 22 September 2009 Componenta received notification from Cabana Trade S.A. and Oy Högfors-Trading Ab, corporations where Heikki Lehtonen exercises control, that the holding of these corporations had changed in Componenta Corporation partly due to the share issue of Componenta Corporation on 21 September 2009 and on the other hand due to share transactions between the two corporations. According to the notification Cabana Trade S.A.'s share of the total number of shares and voting rights in Componenta Corporation decreased below 30% and Oy Högfors-Trading Ab's share of the total number of shares and voting rights in Componenta Corporation exceeded 10%.

On 23 September 2009 Componenta received notification from Oy Etra Invest Ab that the share of the voting rights and share capital carried by the shares in Componenta Corporation under its control had decreased below the 25% limit in the share issue of Componenta Corporation, in which Oy Etra Invest Ab subscribed 1,000,000 new shares on 21 September 2009.

Purchasing and disposing of company shares

Under the authorization given the Board of Directors by the Annual General Meeting on 26 February 2007 the Board of Directors resolved on 16 April 2009 to make a free direct issue of shares in order to pay the bonus for the 2007-2008 earnings periods in Componenta Group's 2007-2009 share-based incentive scheme. In the share issue, 12,100 Componenta Corporation shares were issued and conveyed without consideration to the key personnel participating in the share-based incentive scheme, in accordance with the terms of the scheme.

Componenta's extraordinary general meeting of shareholders held on 8 September 2009 decided in accordance with the proposal of the Board of Directors to authorize the Board to decide to issue shares and grant special rights with an entitlement to shares as defined in chapter 10, section 1 of the Finnish Limited Liabilities Companies Act in one or more issues, either against payment or free of charge. The number of shares to be issued, including the shares to be obtained under the special rights, may be a maximum of 8,000,000 shares. The Board may decide to issue either new shares or any company shares held by the company. A total of 6,500,000 shares from the authorization were used in the 2009 share issue, so 1,500,000 shares remain under the authorization. The authorization cancels the authorization given the Board by the AGM on 26 February 2007 to decide to issue shares and grant special rights with entitlement to shares.

Under the authorization of the Annual General Meeting held on 23 February 2009, the Board of Directors may 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 NASDAQ OMX Helsinki 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 Board has not exercised this authorization to purchase company shares.

Share-based incentive scheme

The share-based incentive scheme was based on the decision taken on 3 April 2007 by the Board of Directors of Componenta Corporation. The scheme comprised three one-year earnings periods, which were the calendar years 2007, 2008 and 2009. The bonuses will be 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.

Potential earnings from the incentive scheme was based on the positive development of the Group's cash flow in 2009. At the end of the review period the target group contained 45 people. If the targets set for the scheme had been met in full, the scheme would have paid a bonus of a maximum of 132,000 Componenta Corporation shares. For the 2009 earnings period, the Board of Directors resolved not to allocate any shares in the scheme.

Investments

Investments in production facilities during the review period totalled EUR 15.5 (44.6) million, and finance lease investments accounted for EUR 4.4 (4.3) million of these. The net cash flow from investments was EUR -12.6 (-40.6) million.

Board of Directors and Management

The Annual General Meeting elects each year Componenta's Board of Directors, which according to the Company's Articles of Association has 3–7 members. The term of office of the Board continues until the close of the following Annual General Meeting. The Board elects from its members Chairman and Vice Chairman.

The tasks and duties of the Board of Directors are laid down primarily by 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 for the Board. According to the Rules of Procedure, the Board's tasks include matters that have 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 in December 2009 under the leadership of the Chairman.

Componenta's Annual General Meeting of Shareholders on 23 February 2009 elected the following to the Board of Directors: Heikki Bergholm, Yrjö Julin, Heikki Lehtonen, Juhani Mäkinen, Marjo Miettinen 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 of Directors met 16 times during the year, with an average attendance rate of 98%.

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

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

Heikki Lehtonen is President and CEO of Componenta Corporation.

At the end of the review period the corporate executive team of Componenta Corporation comprised the following: Heikki Lehtonen, President and CEO; Yaylalý Günay, Senior Vice President, Investments; Hakan Göral, Senior Vice President, Turkey division; CFO Mika Hassinen; Olli Karhunen, Senior Vice President, Foundries division; 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. Yaylalý Günay retired at the beginning of 2010.

Personnel

During the review period the Group had on average 3,798 (5,207) employees, including 114 (812) leased employees. The number of Group personnel at the end of 2009 was 3,698 (4,488), which includes 84 (194) leased employees. At the end of the year 47% (46%) of the personnel was in Turkey, 28% (27%) in Finland, 16% (17%) in the Netherlands and 9% (10%) in Sweden. The combined sum for personnel expenses and external services in the Group in 2009 declined EUR 87.5 million, or 51%, from the corresponding period in the previous year.

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, reduce environmental noise from its operations, increase the sorting of waste and reduce the amount of waste that cannot be reused.

One of the most significant environmental aspects for Componenta Group is the use of energy. In 2009 the Group used 422 GWh (795 GWh) of energy. Most of the energy used, 65% (68%) was electricity. The foundries consume more than 90% of all the energy, especially for the melting processes at the foundries utilise a lot of energy. In 2009 energy consumption at Componenta Group foundries in proportion to output increased 33% from the previous year due to low utility rate of all foundries.

Componenta will publish its 2009 sustainability report during spring 2010.

Research and development

At the end of 2009, 90 (86) people worked in research and development at Componenta, which corresponds to 2% (2%) of the company's total personnel. Componenta's research and development expenses in 2009 totalled EUR 1.9 (2.6) million, corresponding to 0.6% (0.4%) of the Group's total net sales.

Risks

Business environment risks

Competition and price risk

The industry in which the Group operates is capital intensive, sensitive to changes in the economic situation, and fragmented. If the economic recession is prolonged, overcapacity may increase competition and market pressure on prices. Componenta aims to price its products competitively in line with prevailing market conditions. Managing all stages of the cast component supply chain successfully reduce price fluctuations. In addition, Componenta strives to reduce the risks arising from pricing and competition through internal transfers of production and products to lower cost production locations such as Turkey.

Commodity risks

Fluctuations in the prices of Componenta Group's main raw material, recycled metal, affect the profit margins on the Group's products. Increases in the price of the raw materials are passed on to the products supplied to customers after a certain delay, thus a rise in the price of recycled metal reduces the profit margin temporarily. When the prices of recycled metal go down, the Group's profit margins correspondingly improve for a while.

Cost risks relating to raw materials are mainly managed with price agreements. Componenta has price agreements with its customers and under these agreements the prices of products are adjusted in line with the changes in the raw material prices.

The electricity consumption of the Group's foundries and machine shops creates a spot price risk for the purchased electricity. The Group purchases electricity price forwards to hedge financial results against the impact of changes in electricity prices. 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. The difference between forecast and actual electricity consumption can affect the financial performance of the company. Trading in electricity price forwards has been outsourced. The Group aims to pass on the changes in the price of electricity to customers with a separate electricity surcharge.

Environmental risks

Componenta complies with environmental legislation in all its operations and with the ISO 14001 standard in developing its products and operations. Changes in environmental legislation and regulations may give rise to additional costs for Componenta in connection with observing the terms of a permit or for cleaning up the environment, and these costs may affect the Group's financial results.

All of Componenta's foundry units have effective ISO 14001 environmental management systems, for developing and improving environmental matters. The Group strives to prevent risk situations through preventive maintenance, guidelines and structural measures.

Operational risks

Customer risks

Componenta has major customers that are of great importance for the Group. It is rare to lose a customer, since the costs in changing a supplier are high, mainly because of the costs and quality risks related to ramping up products and the making of tools and patterns.

Supplier risks

A vital factor for Componenta's business operations is the availability of certain raw materials, such as recycled metal, pig iron and energy, at competitive prices. Critical raw materials are purchased from at least two suppliers to reduce the supplier risk.

Productivity, production and process risks

Componenta strives to identify, measure and monitor different risks with well planned and systematically implemented procedures. Componenta cooperates with insurance companies in dealing with matters relating to production stoppages and has taken appropriate insurance against the risk of stoppages.

Labour market disruptions

Labour market disruptions are a risk factor, as they can disrupt production and thus affect the punctuality of deliveries and the Group's business operations.

Contract and product liability risks

The Group is liable for any damage or injury caused by products it has manufactured, supplied and represented. The Group has taken appropriate insurances against these risks, and these insurances should cover the risks related to the aforementioned damage.

Componenta also has contracts under which the company is also liable for indirect damage or injury caused by its products. These contracts mainly contain a limit on liability, and within these limits the company has strived to cover indirect damage or injury with appropriate insurance. The company aims to manage product liability risks with sales contract terms.

Personnel risks
Successful business operations and maintaining Componenta's competitive position are dependent on skilled personnel remaining in the service of the company. Componenta's goal is to create a work environment in which employees can develop and to which they can commit, and to offer competitive benefits to personnel.

Data security risks
To support Componenta's business processes, information must be reliable and easily available. In addition, information systems must be sufficiently protected and secured to prevent information leaks. Standardizing business applications, IT infrastructures and IT processes forms an important foundation for managing IT risks. Carrying out these measures successfully reduces risks related to internal audit and financial reporting.

Financial risks
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. Financial risks are managed by the corporate treasury function.

Financing and liquidity risk
The Group strives to ensure the availability of its financing by spreading the maturity dates and using a variety of sources and instruments for its loan portfolio. According to the treasury policy, the Group shall have sufficient liquidity to cover its commitments in the near future. The Group aims to safeguard its liquidity through cash funds and through committed, unused credit limits.

The terms, covenants, security and collateral for loans may restrict Componenta's business opportunities. The loans and committed credit limits used by the company contain solvency and cash flow covenants. The company has not broken the terms of the covenants for loans and committed credit limits, and it is unlikely that the company will break them.

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 as a consequence of a public tender 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 as a consequence of a public tender offer.

Currency risk
Translating the shareholders' equity of Componenta Turkey into euros creates a significant translation risk for the Group in Turkish lira. Changes in the value of the US dollar, the GB pound sterling 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.

According to Componenta's treasury policy, approved by the Board of Directors, 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 trade receivables and trade payables in the balance sheet where changes in these affect the operating profit. Foreign currency denominated cash in hand and 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 trade 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 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 subsidiaries 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%.

Interest rate risk
The Group is exposed to interest rate risk, that is to the repricing and price risks caused by movements in interest rates. The interest rate risk to which fair values and the cash flow are exposed arises mainly from the Group's loan portfolio, sold trade receivables, and finance leases.

To manage the interest rate risk, the company's loans and investments have been spread between fixed and floating interest rate instruments. The interest rate risk is also spread among several interest rate renewal periods, so that changes in interest rates affect the company's financial position gradually. Interest rate derivatives are also used to manage the interest rate risk.

Credit risk
Trade receivables from customers and receivables from financial institutions based on deposits and derivatives expose the Group to credit risk. The Group has no significant concentration of risk for receivables. The Group reduces its customer credit risk exposure by selling some of its trade receivables to financing companies without recourse, reducing payment periods for customers, and monitoring more effectively customer receivables.

Each Group company is primarily liable for the credit risks attached to its own trade receivables. The Group's treasury gives guidelines and monitors the management of credit risk. The Group's customer base is very widespread, and more than 95 % of the Group's sales are in Europe, spread in several countries. Most customers are long standing customers and financially sound companies. The Group recognized no major credit losses in 2009.

Events after end of period
The Group announced on 14 January 2010 to renew its organization and to strengthen common way of operating starting from 1 February 2010. Accordingly Componenta business operations will be organized into four operational areas, which are Turkey, Finland, Holland and Sweden. Group-wide operational development functions and processes such as supply chain management, development of foundry and machine shops technology, purchasing and internal sourcing, support the operational areas and operations management and add value to the customers.

Yrjö Julin was appointed Chief Operating Officer and the member of Componenta Executive Team, being responsible for operations management at Componenta. He reports to Heikki Lehtonen, President and CEO of Componenta, acting also as a deputy for President and CEO.

Hakan Göral was appointed Senior Vice President, Operations, Turkey; Olli Karhunen Senior Vice President, Operations, Finland; Patrick Steensels Senior Vice President, Operations, the Netherlands; and Michael Sjöberg Senior Vice President, Operations, Sweden. They report to Yrjö Julin.

Michael Sjöberg is also responsible for Supply chain management in Componenta. Tapio Rantala was appointed Vice President, Foundry technology development. He acts also as Business Unit Director, Pietarsaari foundry. Juha Alhonoja was appointed Vice President, Machining technology development. He continues also in his position of Business Unit Director, Främmestad machine shop. Henk Klever was appointed as Vice President, Purchasing. Lütfi Erten was appointed Vice President, Internal sourcing. All Vice Presidents in Operations development report to Yrjö Julin.

As from February 2010 the Corporate Executive Team (CET) of Componenta Corporation comprises the following members: President and CEO Heikki Lehtonen, COO Yrjö Julin, Hakan Göral, SVP, Operations Turkey, CFO Mika Hassinen and Anu Mankki, SVP, HR. Communication Director Pirjo Aarniovuori acts as a Secretary of CET. CET supports the President and CEO in executing the corporate strategy, by following the business development, initiating the actions and defining operative principles and methods.

The Extended Corporate Executive Team, focusing on development and deployment of corporate strategy, consists of above mentioned CET members and Communications Director, Senior Vice Presidents of Operations, Vice Presidents of Sales and Product Development and Engineering Director.

Antti Lehto was appointed Vice President, Sales and Product Development, Off-road and Central Europe. Lauri Eklin was appointed Vice President, Sales and Product Development, Power and Nordic. Jari Leino was appointed Vice President, Sales and Product Development, Heavy trucks. Hakan Göral, Senior Vice President, Operations Turkey is also in charge of sales and product development in Turkey. Hein Strijbos was appointed Engineering Director to lead the development of engineering way to operate and capabilities development through which the One Componenta interface to customers, management and coordination of engineering projects and development of engineering resources are ensured. They all report to President and CEO Heikki Lehtonen.

Dividend proposal

The distributable equity of the parent company on 31 December 2009 amounted to EUR 87.2 million, of which the profit for the financial year was EUR 12.5 million. The Board of Directors proposes to the Annual General Meeting of Shareholders that no dividend will be paid for 2009, in accordance with the Group's current dividend policy.

Annual General Meeting

The Annual General Meeting of Componenta Corporation will be held on 10 March 2010 at 11.00 am Finnish time at the company headquarters in Käpylä, in the auditorium of the Sato building at Panuntie 4, 00610 Helsinki.

The Board of Directors proposes to the AGM that the Board to be authorized to decide on purchasing the company's own shares for a maximum of 1,700,000 shares, in one or several occasions, using the company's unrestricted shareholders' equity. The shares shall be purchased at the market price for Componenta in public trading on the NASDAQ OMX Helsinki, for which reason they will be purchased other than in proportion to the holdings of shareholders.

The authorization is proposed to be valid for a period of 18 months from the date of the decision of the AGM. The Board of Directors proposes that the authorization cancels the authorization given the Board by the AGM on 23 February 2009 to decide on purchasing of the company's own shares.

The Board of Directors proposes to the Annual General Meeting that it would remove the current section 7 in the Articles of Association, changing the numbering of sections accordingly, as well as amend the current sections 4, 6, 8, 9 and 11.

Prospects

Componenta's prospects for 2010 are based on general external financial indicators, order forecasts given by customers, and on Componenta's order intake and order book.

The demand outlook in most of the Group's customer industries at the beginning of 2010 remains weak, due to low demand for investment goods. Lowering the stocks by customers has stopped which will improve their own production volumes in 2010.

The low volume of construction in the USA and Europe reduced demand considerably in the off-road industry in 2009. Increase in raw material prices in 2009 creates better prospects for demand in mining industry in 2010. Due to the economic recession, many countries initiated infrastructure projects in 2009. It is estimated that these projects will increase the demand for off-road vehicles in 2010.

Componenta's deliveries to heavy trucks industry is estimated to clearly increase in 2010 compared with the previous year. Increase in deliveries is mainly due to normalisation of stock levels. Registrations of heavy trucks in Europe are still at very low level.

The number of new passenger cars registered in Europe decreased only 1.6% in 2009 compared to the previous year. The number of produced vehicles stayed at the same level as in the previous year due to various subsidy measures taken in many countries, aimed at renewing the fleet of cars. In 2010, the registrations of new passenger cars are expected to be lower than in 2009.

Demand in the wind power sector weakened considerably during 2009. Improved situation in the financial markets is expected to improve the demand in the wind power sector earliest in the second half of 2010.

Demand for diesel engines was weak in 2009. Due to the long order book of diesel engine manufacturers, deliveries remained however at a reasonable level until the end of 2009. Weakened prospects have decreased the number of components delivered to customers as they keep reducing their own stocks.

Demand in the machine building industry is expected to recover step-by-step from last year.

Componenta's order book was 20% higher in the beginning of 2010 compared to the end of September in 2009.

Due to the adaptation actions implemented in 2009 and the sharp fall in volumes operating costs of the Group decreased altogether 54% compared to the previous year. Investments in production facilities in 2010 are expected to halve from the previous year (EUR 15.5 million).

Componenta Group's 2010 net sales is expected to increase and result after financial items excluding one-time items to improve clearly from previous year. Cash flow from operations is still expected to stay positive.

CONSOLIDATED INCOME STATEMENT 1.1. - 31.12.

MEUR	Note	2009	%	2008	%
NET SALES	1	299.6	100.0	681.4	100.0
Other operating income	4	2.4		8.3	
Operating expenses	5,6,7	-305.2		-618.9	
Depreciation, amortization and write-downs of non-current assets	8	-12.5		-23.9	
Share of the associated companies' result		0.2		0.2	
OPERATING PROFIT	1	-15.4	-5.1	47.3	6.9
Financial income	9	10.4		16.3	
Financial expense	9	-32.2		-45.1	
Financial income and expenses in total		-21.8		-28.7	
PROFIT/LOSS AFTER FINANCIAL ITEMS		-37.2	-12.4	18.6	2.7
Income taxes	10	8.5		-4.6	
PROFIT/LOSS FOR THE FINANCIAL PERIOD		-28.7		13.9	
Allocation of net profit for the period					
To equity holders of the parent company		-28.3		13,5	
To minority interest		-0.3		0.4	
		-28.7		13.9	
Earnings per share caluculated on the profit attributable to the shareholders of the parent company					
Earnings per share, EUR	11	-2.30		1.24	
Earnings per share with dilution, EUR	11	-1.84		1.04	

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME 1.1. - 31.12.

MEUR	2009	2008
Net profit	-28.7	13.9
Other comprehensive income		
Translation differences	-1.0	-30.8
Cash flow hedges	2.1	-5.3
Income tax on other comprehensive income	-0.5	1.4
Other comprehensive income, net of tax	0.5	-34.7
Total comprehensive income	-28.1	-20.8
Allocation of total comprehensive income		
To equity holders of the parent company	-27.8	-19.5
To minority interest	-0.3	-1.3
	-28.1	-20.8

The notes are an integral part of these financial statements.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION 31.12.

MEUR	Note	2009	(restated*)) 2008
ASSETS			
NON-CURRENT ASSETS			
Tangible assets	12	244.2	240.2
Goodwill	13	31.5	31.7
Intangible assets	14	6.4	4.6
Investment properties	15	1.8	1.8
Shares in associated companies	16	1.1	0.9
Financial assets	17	0.4	0.4
Receivables	18	4.9	4.4
Deferred tax assets	19	16.6	10.6
		307.0	294.7
CURRENT ASSETS			
Inventories	20	41.0	83.8
Receivables	21	32.8	64.6
Cash and cash equivalents	23	7.6	5.2
		81.4	153.6
TOTAL ASSETS		388.4	448.3
LIABILITIES AND SHAREHOLDERS' EQUITY			
SHAREHOLDERS' EQUITY			
Share capital		21.9	21.9
Share premium account		15.0	15.0
Legal reserve		0.0	0.0
Other reserves		33.3	3.6
Translation difference		-24.5	-23.5
Retained earnings		44.0	33.8
Profit/loss for the financial period		-28.3	13.5
Equity attributable to equity holders of the parent company	24	61.3	64.3
Minority interest		6.5	6.8
Shareholders' equity		67.8	71.1
LIABILITIES			
Non-current liabilites			
Capital loans	28	27.7	41.8
Interest bearing	28	165.3	165.3
Provisions	27	6.7	5.8
Deferred taxes	19	6.1	8.5
Current liabilities			
Capital loans	28	7.4	9.5
Interest bearing	28	48.8	51.2
Non-interest bearing	29	57.5	93.3
Tax liability		0.1	0.1
Provisions	27	1.1	1.8
		320.6	377.2
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		388.4	448.3

*) More information about the restatement on page 39.

The notes are an integral part of these financial statements.

CASH FLOW STATEMENT 1.1. - 31.12.

MEUR	2009	2008
Cash flow from operations		
Result after financial items	-37.2	18.6
Depreciation, amortization and write-downs	12.5	23.9
Net financial income and expenses	21.8	28.7
Other income and expenses, adjustments to cash flow	0.5	-2.6
Change in net working capital	37.5	-4.2
Interest received and other financial income	10.9	16.6
Interest paid and other financial expenses	-34.4	-44.6
Dividends received	0.0	0.0
Taxes paid	2.8	-7.0
Net cash flow from operations	14.2	29.4
Cash flow from investing activities		
Acquistion of subsidiaries net of cash	-	-1.3
Capital expenditure in tangible and intangible assets	-12.5	-39.6
Proceeds from tangible and intangible assets	0.4	0.3
Other investments and loans granted	-0.5	0.0
Proceeds from other investments and repayments of loan receivables	0.0	0.0
Net cash flow from investing activities	-12.6	-40.6
Cash flow from financing activities		
Dividends paid	-3.3	-5.6
Proceeds from share issue	13.3	0.0
Repayment of finance lease liabilities	-1.6	-2.4
Draw-down (+)/ repayment (-) of current loans	-5.1	-82.7
Draw-down of non-current loans	38.3	98.0
Repayment of non-current loans and other changes	-40.7	-16.1
Net cash flow from financing activities	0.9	-8.7
Change in liquid assets	2.5	-20.0
Cash and bank accounts at the beginning of the period	5.2	27.5
Effects of exchange rate changes on cash	-0.1	-2.3
Cash and bank accounts at period end	7.6	5.2
Change during the financial period	2.5	-20.0

The notes are an integral part of these financial statements.

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

MEUR	Share capital	Share premium account	Other reserves	Cash flow hedges*)	Translation differences	Retained earnings	Total	Minority interest	Share-holders' equity total
Shareholders' equity 1.1.2008	**21.9**	**14.9**	**6.1**	**1.1**	**9.8**	**37.5**	**91.3**	**9.3**	**100.6**
Total comprehensive income				-3.9	-29.1	13.5	-19.5	-1.3	-20.8
Other changes			0.2				0.2		0.2
Dividends paid						-5.5	-5.5	-0.1	-5.6
Change in minority interest							0.0	-0.9	-0.9
Increase of share capital (warrants)	0.0	0.1	0.2				0.2		0.2
Restatement**)					-4.1	1.7	-2.4	-0.3	-2.7
Shareholders' equity 31.12.2008	**21.9**	**15.0**	**6.5**	**-2.8**	**-23.5**	**47.3**	**64.3**	**6.8**	**71.1**

MEUR	Share capital	Share premium account	Other reserves	Cash flow hedges*)	Translation differences	Retained earnings	Total	Minority interest	Share-holders' equity total
Shareholders' equity 1.1.2009	**21.9**	**15.0**	**6.5**	**-2.8**	**-23.5**	**47.3**	**64.3**	**6.8**	**71.1**
Total comprehensive income				1.5	-1.0	-28.3	-27.8	-0.3	-28.1
Dividends paid						-3.3	-3.3		-3.3
Share issue			29.0				29.0		29.0
Redemption of convertible capital notes			-0.9				-0.9		-0.9
Shareholders' equity 31.12.2009	**21.9**	**15.0**	**34.6**	**-1.3**	**-24.5**	**15.6**	**61.3**	**6.5**	**67.8**

*) The fair value changes of hedging instruments in hedging reserve, before taxes, was EUR 1.5 (4.3) million, the amount released to income statement from the hedging reserve, before taxes, was EUR -0.5 (-0.9) million and the change of deferred taxes in hedging reserve was EUR -0.5 (1.4) million.
**) More information about the restatement on page 39.

Accounting Principles

General information

Componenta is a metal sector company with international operations. Componenta supplies cast, machined and surface-treated components and total solutions made up from these to its customers, who are companies in the off-road, heavy trucks, automotive, diesel & wind, and machine building industries.

The Group's parent company is Componenta Corporation (business identity code 1635451-6), whose shares are quoted on the NASDAQ OMX Helsinki. The parent company is domiciled in Helsinki. The registered street address is Panuntie 4, 00610 Helsinki, Finland.

A copy of the consolidated financial statements can be obtained on the Internet at www.componenta.com or from the head office of the Group's parent company at Panuntie 4, 00610 Helsinki, Finland.

The financial year for all group companies is the calendar year and it ended on 31 December 2009.

The Board of Directors of Componenta Corporation has at its meeting on 25 January 2010 approved these financial statements for publication. According to the Finnish Companies Act, shareholders have the opportunity to approve or reject the financial statements at the General Meeting of Shareholders held after publication. It is also possible to amend the financial statements at the General Meeting of Shareholders.

Basis for preparing consolidated financial statements

Componenta's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), applying the IAS and IFRS standards in force on 31 December 2009 and SIC and IFRIC interpretations. The term 'IFRS standards' refers to standards and interpretations of these in Finnish legislation and provisions based on this approved for applying in the EU in accordance with the procedure established in EU regulation (EY) 1606/2002. The notes to the consolidated financial statements also conform to Finnish accounting and corporate legislation.

The consolidated financial statements have been prepared based on the historical cost, except that the following items have been assessed at fair value: financial assets and liabilities recognized in the income statement, derivative financial instruments, and items hedged at fair value. For mergers of business operations that took place before 2004, goodwill, as stated in IFRS 1, corresponds to the book value as defined under the previous financial statement standards, and this has been used as the deemed cost.

The preparation of the financial statements in accordance with IFRS standards requires management to make estimates and judgments in applying the accounting principles. Information about the judgments made by management in the application of the accounting principles employed by the Group and which have the biggest impact on the figures given in the financial statements is given in the chapter "Accounting principles requiring judgments by management and key sources of estimation uncertainty".

Accounting principles for consolidated financial statements

The consolidated financial statements include Componenta Corporation and those Finnish and foreign subsidiaries in which the Group holds directly or indirectly shares with over 50% of the voting rights or in which the Group has control over financial and operating principles. The financial statements of subsidiaries are included in the consolidated financial statements from the date that Componenta has obtained control in the subsidiary.

The financial statements of foreign subsidiaries have been adjusted to ensure consistency with the Group's accounting policies. The financial statements of subsidiaries are consolidated using the acquisition cost method. Intra-group transactions have been eliminated in the consolidation, as have the internal margin included in the inventories of Group companies and intra-group receivables and liabilities. Minority interest is calculated as the minority shareholders' share of the result for the financial period, of the shareholders' equity of subsidiary companies and of the fair value allocations made in connection with acquisitions.

When acquiring minority interests, the difference between the acquisition cost and the minority interest eliminated from the balance sheet is recognized as goodwill.

Associated companies are companies in which the Group holds shares with 20% to 50% of the voting rights or in which the Group has significant interest but not control.

The financial statements of associated companies are consolidated according to the equity method. The Group's share of the result of associated companies is entered in the income statement. The value of shares is presented in the balance sheet as the acquisition cost of the shares adjusted by the Group's share of the accumulated results of associated companies and by the dividends paid by the associated companies. Known deviations from IFRS accounting policies in the financial statements of associated companies have been corrected.

Restatement

Componenta's previously released consolidated statement of financial position as per 31 December 2008 has been restated: the value of tangible assets has been increased by MEUR 2.4 and the value of trade receivables decreased by MEUR 4.4 In consequence of these adjustments, retained earnings and minority interest have been decreased by MEUR 2.4 and MEUR 0.3 respectively and deferred tax liabilities increased by MEUR 0.6. The restatement of tangible assets is related to errors in capitalization entries for long-term patterns and tools in Sweden. The decrease in the value of trade receivables is related to errors in the reconciliation and registration of customer receivables in Turkey in 2008. In accordance with the IAS 8.42 standard, both errors have been corrected in the restated statement of financial position as per 31 December 2008. All figures for comparison in 2008 have been restated. Restatement does not have an impact on the consolidated income statement.

Translation of foreign currency items

The result and financial position of each of the Group's business units are measured in the currency of the main operating environment for that unit. The operational and presentation currency for the Group's parent company is the euro. The consolidated financial statements are presented in millions of euros.

The foreign currency receivables and liabilities of the parent company and Finnish subsidiaries are translated into euros at the average exchange rate on the balance sheet date. The foreign currency receivables and liabilities of non-Finnish group companies are translated at the exchange rate for the country concerned on the balance sheet date.

The foreign exchange rate differences arising from trade payables and trade receivables are presented under other operating income together with any related hedging results. Exchange rate differences arising from borrowings, deposits and cash and cash equivalents together with any related hedging results are recognized under financial income and expenses.

The income statements of foreign subsidiaries are translated into euros using the average exchange rates for the accounting period. Balance sheet items are translated into euros at the average exchange rate on the balance sheet date.

The difference in the result for the period between the average exchange rate for the accounting period and the exchange rate on the balance sheet date is recorded in shareholders' equity in translation differences. The shareholders' equity of subsidiaries is translated into euros in consolidation. Translation differences caused by changes in exchange rates between the date of acquisition and the balance sheet date have been recorded in shareholders' equity. Translation differences from before 1 January 2004 are recorded, in accordance with the exception permitted by IFRS 1, under retained earnings. After the transition date, translation differences arising during the preparation of the consolidated financial statements are presented as a separate item of equity.

Property, plant and equipment and intangible assets

Property, plant and equipment are recorded in the balance sheet at their historical cost less planned depreciation. For certain buildings the Group has made use of transitional relief, according to which it assessed the buildings at fair value in the 2004 opening balance sheet and after that began planned depreciation on them. No depreciation is made on land and water areas. Intangible assets include computer software, capitalized development costs and capitalized costs for obtaining customers. For intangible assets that have a limited useful economic life, straight-line depreciation is entered as an expense in the income statement over their useful economic lives. The Group has no intangible assets that have an unlimited useful economic life.

Maintenance and repair costs are usually recognized in the income statement as an expense as incurred. Major refurbishment costs are capitalized and depreciated over their estimated useful life if these costs are likely to increase the future economic benefits embodied in the specific asset to which they relate.

Investment grants are deducted from the carrying value of the asset, and grants to be recorded in the income statement are entered under other operating income.

Planned depreciation, except of production machinery and equipment, is calculated on a straight line basis on the historical cost, based on the estimated useful economic life. On 1 January 2009 the Group started to use the units-of-production depreciation method, in which the amount of depreciation is based on the actual output of production machinery and equipment. The units-of-production method gives a more precise picture of the actual economic wear on production machinery and equipment than the straight line method, especially when capacity usage changes quickly. Introducing the new units-of-production depreciation method does not affect the 2008 figures for comparison. Introducing the new method of depreciation decreased depreciations by EUR 12.4 million in 2009. Estimated useful economic lives are as follows

capitalized development costs	5 years
intangible rights	3–10 years
other capitalized expenditure	3–20 years
buildings and constructions*)	25–40 years
computing equipment	3–5 years
other machinery and equipment	5–25 years
other tangible assets	5–10 years

*) Residual value 25% of acquisition cost

Goodwill equals the part of the acquisition cost that exceeds the Group's share of the net fair value on the date of acquisition of the identifiable assets, liabilities and contingent liabilities of a company acquired after 1 January 2004. For mergers of business operations that took place before 2004, goodwill corresponds to the book value as defined under the previous financial statement standards, and this has been used as the deemed cost in accordance with IFRS.

Goodwill is not depreciated but is tested annually for impairment.

Impairment

The carrying amounts of the Group's assets are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognized for the amount by which the balance sheet value of the asset exceeds the recoverable amount for the asset. The recoverable amount of an asset is the greater of its net selling price and value in use. As a rule, value in use is based on the estimated discounted future net cash flows obtainable through the asset.

Investment property

Property that is owned by the Group and leased to an external party, and that is not mainly owner-occupied, is classified as investment property and is valued in the balance sheet at acquisition cost. Rental income from investment property is recorded in the Group's net sales. Investment property is depreciated on a straight line basis over its useful economic life, which is 25-40 years. The residual value is 25% of the acquisition cost.

Research and development costs

Research costs are charged to the income statement as incurred. Expenditure on development activities relating to new products is capitalized and recognized as an expense under depreciation. The planned depreciation period for these costs is 5 years. In other respects, the Group's minor research and development costs are recorded as expenses as incurred.

Inventories

Inventories are stated at the lower of acquisition cost and net realizable value. The acquisition cost is based on the FIFO principle. The acquisition cost of manufactured products and work in progress includes the cost of raw materials, direct labour costs, other direct costs as well as a proportion of variable and fixed production overheads.

Leases

The Group classifies its leases at the inception as finance or other leases. Leases for fixed assets that transfer substantially all the risks and rewards incidental to ownership to the Group are classified as finance leases. They are recognized in the balance sheet under fixed assets at the commencement of the lease at an amount equal to the lower of the fair value of the leased asset and the present value of the minimum lease payments. Any substantial incremental costs that are directly attributable to negotiating and arranging the lease are added to the amount recognized as an asset. Depreciation is made on the asset over its estimated useful economic life consistently with the Group's depreciation policy, or if there is no reasonable certainty that ownership is obtained at the end of the lease term, the asset is depreciated over the shorter of the lease term and its useful life.

The lower of the fair value of the asset and the present value of the minimum lease payments is recognized as a finance lease liability. Lease payments are divided into financing charges and instalment payment of the liability, using the effective interest rate method so that the liability is repaid over the lease term as an annuity. The financing cost calculated with the effective interest rate is recognized as a financial expense. The difference between the floating interest rate of the agreement and the effective interest rate (contingent rent) is recorded as a rental expense.

Other leases comprise of operating leases, where the lessor retains the majority of the risks and benefits of ownership, and insignificant finance lease agreements. Rents paid under other lease agreements are recognized as expenses in the income statement on an accrual basis throughout the lease term.

Employee benefits/Pensions

Most of the Group's pension schemes are defined contribution schemes, for which payments are entered in the income statement in the period in which they occur. Componenta has a pension schemes classified as a multi employer defined benefit schemes in Sweden (Alecta ITP and AMF Pension/Avtalspension SAF-LO), Alecta ITP and AMF Pen-sion/Avtalspension SAF-LO have been treated as a defined contribution plans, in accordance with IAS 19.30 (a), as the pension companies have not been able to provide actuarial valuations.

Pension coverage for employees of Group companies in Finland is provided in line with statutory arrangements under the TyEL insurance scheme with an insurance company. Under an agreement made with the pension insurance company, the Group, as a major employer, is responsible in Finland for unemployment payments and work disability payments included in pension insurance payments in their entirety at the moment when the pension starts.

Other non-Finnish subsidiaries operate pension schemes in accordance with local practice and legislation.

Employee benefits/Share based payments

The Group has applied the IFRS 2 standard to the share-based incentive scheme for key personnel which was decided on 3 April 2007.

A share-based incentive scheme has been set up for senior management for the years 2007–2009. Bonuses are paid partly in shares and partly in cash. The benefits given in the scheme are valued at fair value at the time when they are granted and are recognized as an expense in the income statement on a straight-line basis over the earnings period. A liability is recognized for the part to be paid in cash and the change in its fair value is correspondingly recognized as an expense for the period in which it occurs. The fair value of the part to be paid in shares is recognized as an expense and an increase in shareholders' equity. The impact of the scheme on the result is presented in the income statement under personnel expenses.

Operating segments

Componenta has three key operating segments: Foundries, Machine Shops and Turkey. Applying the IFRS 8 standard in 2009 has not affected the Group's reporting structure related to operating segments. Group management monitors the performance of the operating segments and implements the most important decisions related to the business and to the allocation of capital based on the segment structure mentioned above. The Foundries division comprises the iron foundries in Karkkila, Pori, Pietarsaari and Iisalmi in Finland, and the foundries located in Weert and Heerlen in the Netherlands, as well as the Tegelen Pattern Shop in the Netherlands. The Machine Shops division comprises the Främmestad machine shop and the Wirsbo forge in Sweden, the machine shops in Lempäälä and Pietarsaari in Finland, the machine shop in Orhangazi in Turkey and the machine shop operations in the Netherlands. The Turkey division comprises the iron foundry in Orhangazi and the aluminium foundry and production unit for aluminium wheels in Manisa. In addition, the reports contain Other Business, which includes the service companies, real estate companies, associated companies, head office functions and the Componenta UK sales and logistics company. The operating business segments are based on the Group's internal organizational structure and internal financial reporting.

Componenta's reporting structure changed in 2009 when Tegelen Pattern Shop, a unit that makes casting patterns in the Netherlands, was transferred from Other Business to the Foundries division as from 1 January 2009, and Componenta Wirsbo was transferred from Other Business to the Machine Shops division on 31 March 2009. All figures for comparison for the divisions for 2008 have been adjusted to bring them in line with this reporting structure.

Revenues and transfers between Componenta's operating business segments are recorded at fair market prices. Segment assets and liabilities are items which the segment can utilize in its business operations and which can be reasonably allocated to the segment. Net financial items, taxes and one-time items are not allocated to the operating business segments.

Information on geographical areas

Componenta changed its reporting format related to geographical areas in 2009. Componenta previously had a secondary reporting format under segment reporting. The secondary, geographical segments comprised the Nordic Countries and Other European Countries. Under the new reporting format, Componenta treats Turkey, Finland, the Netherlands, Sweden and other countries as geographical areas. The new format describes better the production related areas of priority. In addition the net sales by market area are shown in more detail.

Provisions

A provision is recognized in the balance sheet when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the obligation will have to be settled, and the amount of the obligation can be reliably estimated. If it is possible to obtain compensation for some of the obligation from a third party, the compensation is recognized as a separate asset item, but only when it is in practice certain that the compensation will be obtained.

A provision for restructuring is recognized when the Group has drawn up a detailed and formal restructuring plan and restructuring has either commenced or the plan has been announced publicly.

Income taxes

Consolidated direct taxes include direct taxes based on the taxable profit of Group companies, calculated according to tax legislation in each company's domicile. Deferred tax liabilities are recognized in the balance sheet in full and deferred tax assets to the extent that it is probable that future taxable profit will be available against which the asset can be utilized. Deferred tax liabilities and assets are calculated from all the temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes, using the tax rate in force on the balance sheet date.

Deferred tax assets for confirmed losses or for losses for the financial period have only been recognized to the extent to which it is probable that future profits will be generated that can be offset with the temporary differences. Deferred tax liabilities have been calculated for Finnish companies using a tax rate of 26.0%, for Swedish companies using a rate of 26.3%, for the Turkish company using a rate of 20.0% and for Dutch companies using a rate of 25.5%.

Deferred tax liabilities and assets are presented in the balance sheet as a net figure where they apply to the same tax authority and when they can offset each other.

Revenue recognition

Net sales comprises revenue from the sale of products, services, raw materials, goods and energy, adjusted by indirect taxes and sales adjustments. Revenue from the sale of goods is recognized in the income statement when the significant risks and rewards of ownership have been transferred to the buyer and the Group no longer has a right to dispose of the product or effective control over the product. This normally means when a product has been delivered to the customer in accordance with agreed delivery terms.

Other income from operations

Revenues that are not part of actual net sales, such as revenue from the sale of non-current assets, are recorded under other income from operations. In addition the foreign exchange rate differences arising from trade payables and trade receivables are presented under other operating income together with any related hedging results.

Financial assets and liabilities

Financial assets

The Group's financial assets are initially classified in the following categories: 1) financial assets at fair value through profit and loss, 2) loans and other receivables, 3) held-to-maturity investments and 4) available-for-sale financial assets. At the balance sheet date all investments and receivables are included in the categories: financial assets at fair value through profit and loss, loans and receivables, and available-for-sale financial assets.

Financial assets at fair value through profit and loss

Financial assets at fair value through profit and loss contain the derivative financial instruments acquired for hedging purposes to which the principles of hedge accounting are not applied. They are recognized at fair value using market prices on the balance sheet date. Realized and unrealized profit and loss resulting from changes in fair value are recognized in the finance income and expenses for the period in which they are incurred.

Financial assets at amortized cost

Loans and other interest-bearing receivables are recognized at fair value and valued thereafter at amortized cost using the effective interest rate method. Only substantial transaction costs are taken into account when calculating the acquisition cost.

Cash and cash equivalents comprise cash balances and cash in bank accounts.

Financial assets at cost
Holdings and investments that do not belong to the other financial asset categories are classified under the available-for-sale category. The investments in this category are long-term unlisted shares and holdings that are closely linked with business operations and which the Group does not intend to sell or otherwise dispose of. Available-for-sale financial assets are valued at acquisition cost if no reliable market value is available, less any impairment loss.

Impairment losses on financial assets
An impairment loss is recognized in the income statement for a financial asset or group of assets if there is objective evidence, such as a customer becoming insolvent, delinquency of payments and financial reorganisation or bankruptcy procedure of the customer, that an event or events have had a significant impact on estimated future cash flows. The amount of the impairment loss is determined as the difference between the carrying amount of the financial asset and the discounted estimated future cash flows. Previously entered impairment losses on trade receivables can later be reversed through the income statement if it is believed that the customer will pay their liabilities. For other financial assets, impairment losses are permanent.

Financial liabilities
Financial liabilities at fair value through profit and loss
Derivative instruments acquired for hedging purposes to which the principles of hedge accounting are not applied are classified under held-for-trading. Financial liabilities held for trading are recognized at fair value using the market prices on the balance sheet date. Realized and unrealized profit and losses resulting from changes in fair value are recognized under financial income and expenses for the period in which they are incurred.

Financial liabilities at amortized cost
Financial liabilities that are not classified as financial assets at fair value through profit and loss are classified as other financial liabilities. Other financial liabilities are initially recognized at fair value, less any substantial transaction costs that are directly attributable to the acquisition or issue of the financial liability. Other financial liabilities are recognized at amortized cost using the effective interest rate method, so that the costs related to the acquisition or issue of the liability are recognized in the income statement during its contractual term. Interest payable on the financial liability is recognized through profit and loss on an accrual basis.

On initial recognition, the fair value of the liability component of convertible capital notes is estimated as the present value of the contractually determined stream of future cash flows discounted, in the lack of a reliably determined corresponding market interest rate, at a rate reflecting the investor's return taken into account the conversion option value to the investor and the early redemption call option value to the issuer. The liability component is subsequently measured at amortized cost. The equity component of the convertible capital notes is recognized in other equity reserves less the costs attributable to the issue and deferred tax liability.

2 euros per share of the conversion price for shares converted with the loan notes of the convertible capital notes is recognized in the share capital and the remainder in the share premium account or the reserve for invested unrestricted equity. The balance sheet liability is reduced by the same proportion as that of the converted loan notes to the remaining notional value of the loan.

All changes in financial assets and liabilities are recognized using settlement date accounting.

Derivative financial instruments and hedge accounting
The Group's derivative financial instruments are recognized on the settlement date at acquisition cost, after which they are recognized at fair value. The fair value of forward rate agreements is the profit or loss that would occur from closing the agreement, calculated at the market price on the balance sheet date. The fair value of interest rate and currency options is measured using commonly known option pricing models. The fair value of interest rate swaps is calculated by discounting future cash flows at current interest rates at the balance sheet date. Forward foreign exchange contracts and currency exchange contracts are valued at forward prices on the balance sheet date. The fair value of electricity price forwards is the estimated profit or loss that would derive from closing the contracts at market prices on the balance sheet date.

Derivative financial instruments are recognized either as financial hedging instruments that are excluded from hedge accounting as defined in IAS 39 or as hedging instruments that qualify as cash flow hedges or as currency hedges of net investments in foreign operations. When hedge accounting is applied, the hedged item and the hedging relationship are identified and documented in accordance with the principles of hedge accounting. Hedge effectiveness is assessed retrospectively when initiating hedge accounting and prospectively on a regular basis, at least quarterly.

For balance sheet date, cash flow hedge accounting is applied when hedging against future changes in interest rates and in electricity spot market prices. When cash flow hedge accounting is applied, the effective portions of changes in the fair value of hedging instruments are recognized in shareholders' equity in the hedging reserve. Accumulated changes in fair value of the interest rate derivatives are recognized in financial income and expenses in the income statement for the period when the hedged business operation takes place. Correspondingly, accumulated changes in fair value of the electricity price forwards are recognized as an adjustment to purchases in operating profit in the income statement for the period when the hedged business operation takes place. When a hedging instrument matures, is sold, the hedging relationship is perceived to be ineffective or it is terminated, the cumulative gain or loss on the hedging instrument from the period when the hedge was effective remains separately recognized in equity until the forecast transaction occurs. The cumulative gain or loss is recognized immediately through profit and loss if the forecast transaction is no longer expected to occur.

The ineffective part of the interest rate hedging relationship is recognized in the income statement under financial income or expenses and the ineffective part of the electricity price hedging relationship is recognized as an adjustment to purchases in operating profit.

The realized and fair values of foreign exchange differences of currency derivatives designated as effective hedges of net in-vestments in foreign operations are recognized in equity as a correction item to translation differences. These items will be recognized through profit and loss on disposal of the foreign operation. The ineffective part of the hedging relationship is recognized in the income statement under financial income or expenses.

Accumulated interest expenses or income from interest rate swaps and currency swaps that have taken place during the financial period are recognized in the income statement under financial items, as are changes in the fair value of interest rate derivatives that are a part of the Group's risk management policy but are excluded from hedge accounting. Exchange differences rising from currency derivatives designated as hedges of accounts receivables and payables are recognized in Other operating income and from currency derivatives used to hedge against exchange differences for borrowings, deposits and other monetary items recognized in Financial income and expenses. Realized gains or losses from electricity price forwards are recognized under purchases as adjustment items. The fair values of derivative financial instruments are recognized under current assets and liabilities in the balance sheet.

Earnings per share
The basic earnings per share are calculated using the weighted average of shares in issue. The weighted average number of shares used to calculate the diluted earnings per share takes into account the diluting effect of outstanding options, conditional share-based payments, earnings-related share-based payments and convertible capital notes.

Dividend payment
Dividends proposed by the Board of Directors to the AGM are not recorded in the financial statements until they have been approved by the shareholders at the Annual General Meeting.

Accounting principles requiring judgments by management and key sources of estimation uncertainty

To prepare the consolidated financial statements in accordance with international financial reporting standards, management has to make estimates and assumptions about the future.

The Group's management exercises its discretion when taking decisions about the choice of accounting principles for the financial statements and their application. Estimates have been used when determining in the financial statements for ex-ample the realizable value of certain assets, impairments of trade receivables, the useful economic life of tangible and intan-gible assets, income tax, the value of inventories, provisions and contingent liabilities, and for tests for impairment.

Determining the fair value of assets acquired when merging business operations

In major mergers of business operations the Group has used an external consultant when estimating the fair value of tangible and intangible assets. For tangible assets, comparisons have been made with the market prices of similar assets and estimates made of the reduction in value of the acquired assets due to age, wear and similar factors. The fair value of intangible assets has been determined based on estimates of the cash flows relating to the assets, since no information has been available on the market about purchases of similar assets.

Management believes that the estimates and assumptions used are sufficiently accurate as a basis for determining fair value. In addition the Group examines at least on every balance sheet date any indications of impairment in tangible and intangible assets.

Application of standards

As from 1 January 2009 the Group has applied the following new and revised standards and interpretations. Applying the new standards and interpretations has not had any impact on the result or shareholders' equity.

Amendment to IAS 1 Presentation of Financial Statements. The revision mainly affected the presentation of comprehensive income in the income statement and the calculation of shareholders' equity in the financial statements. In addition the revised standard changed some of the terminology used in other standards and some changes took place in the names of some financial statement calculations. The formula for earnings per share has remained unchanged.

Amendment to IAS 23 Borrowing Costs. The revised standard requires the borrowing costs arising from the acquisition, production or construction over a long period of a qualifying asset to be capitalized. Previously, the Group has booked these borrowing costs as expenditure in the fiscal year in which they were incurred. The amendment did not affect significantly the consolidated income statement or statement of financial position in fiscal year 2009.

IAS 1 (Amendment), Presentation of Financial Statements, and IAS 32 (Amendment), Financial Instruments: Presentation – Puttable Financial Instruments and Obligations Arising on Liquidation. The amended standards require an entity to classify certain puttable financial instruments containing redemption obligation as equity, where previously they were classified as financial liabilities. The amendment did not affect the consolidated financial statements.

IFRS 2 (Amendment) Share-Based Payment. The amended standard deals with and clarifies vesting conditions and cancellations. The amendment did not affect the consolidated financial statements.

IFRS 7 (Amendment) "Financial Instruments: Disclosures. The amendments were released in March 2009 due to the international financial crisis. The amended standard requires fair value measurements to be disclosed by source of inputs, using a three-level hierarchy. The amended standard also requires additional information to be disclosed which supports the evaluation of the fair valuation methods. Furthermore the amended standard revises and clarifies the disclosure requirements in connection with liquidity risks. The amended requirements have increased the information disclosed in the notes section in the financial statements.

IFRS 8 Operating Segments. IFRS 8 replaced IAS 14 Segment Reporting. IFRS 8 states that segment reporting should be based on management reporting and on the accounting principles observed in this. IFRS 8 states that the notes to the financial statements should present information about not only the business segments but also products and services, geographical areas and main customers. Group management monitors the performance of the operating segments and the Group had already organized its managing structure based on the current segment structure. So applying the IFRS 8 standard in 2009 has not affected the Group's reporting structure in relation to operating segments. The information disclosed on geographical areas is more detailed.

IFRIC 16, Hedges of a Net Investment in a Foreign Operation. The interpretation clarifies the consolidated accounting of hedges of net investments in a foreign operation. The interpretation did not affect the consolidated financial statements.

New and amended standards and interpretations not yet effective in 2009

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 January 2010 or later periods and which the Group has not yet applied. The Group has identified the following standards as being relevant to its business:

IAS 27 (Revised) Consolidated and Separate Financial Statements, (effective from 1 July 2009). The revised standard requires the effects of all transactions with a non-controlling interest to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains and losses. The standard also specifies the accounting procedure when control is lost; any remaining interest in the equity is re-measured at fair value, and a gain or loss is recognised in the income statement. A similar accounting procedure will also be applied in future to associated companies (IAS 28) and joint ventures (IAS 31). As a result of the revision to the standard, the losses of a subsidiary can be allocated to a non-controlling interest even though the cumulative losses would be greater than the investment by the non-controlling interests.

IFRS 3 (Revised) Business Combinations, which comes into force as from 1 July 2009. The revision makes several changes to the treatment of acquisitions; for example all transaction costs will be expensed, goodwill may be calculated based on the parent's share of net assets or it may include goodwill related to the non-controlling interest. All payments relating to the acquisition of business operations are to be recorded at fair value at the acquisition date and certain contingency payments are subsequently re-measured at fair value through the income statement. Under the transition rules, business combinations where the acquisition date is earlier than the effective date of the revised standard shall not be re-stated. According to a preliminary assessment, the revisions to IAS 27 and IFRS 3 will not have a significant impact on the consolidated income statement and consolidated shareholders' equity.

IAS 39 (Amendment) "Financial Instruments: Recognition and Measurement", which comes into force as from 1 July 2009. The amendments are related to hedge accounting. The amendments give more detailed guidance regarding the hedging of one-sided risk and the hedging of inflation risk, when the underlying item is a financial asset or liability. The amendment is not expected to have a material impact on the Group's financial statements in the future.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS Figures are in millions of euros unless otherwise stated.

NOTES TO THE CONSOLIDATED INCOME STATEMENT

1. OPERATING SEGMENTS

Componenta has three primary operating business segments: Foundries, Machine Shops and Turkey. The Foundries division comprises the iron foundries in Karkkila, Pori, Pietarsaari and Iisalmi in Finland, and the foundries located in Weert and Heerlen in the Netherlands, as well as the Tegelen Pattern Shop in the Netherlands.The Machine Shops division comprises the Främmestad machine shop and Wirsbo forge in Sweden, the machine shops in Lempäälä and Pietarsaari in Finland, the machine shop operations in the Netherlands and the machine shop in Orhangazi in Turkey. The Turkey division comprises the iron foundry in Orhangazi and the aluminium foundry and production unit for aluminium wheels in Manisa. In addition, the reports contain figures for Other Business, which includes the service companies, real estates, head office, the Componenta UK Ltd sales and logistics company and the Group's share of the figures for associated company Kumsan A.S. Transactions between operating business segments as well between Other Business are based on market prices.

Segment assets and liabilities include items which the segment uses in its business operations. Unallocated items include financial, tax and one-time items and items which are common to the whole Group.

Business segments 2009

MEUR	Foundries	Machine Shops	Turkey	Other Business	Eliminations and one-time items	Group
External sales	93.4	91.9	90.6	23.7		299.6
Internal sales	31.5	0.4	23.4	26.1	-81.4	0.0
Total sales	124.9	92.3	114.0	49.8	-81.4	299.6
Share of results of associates				0.2		0.2
Segment operating profit	-11.9	-11.3	2.4	4.7	0.7	-15.4
Unallocated items						-12.0
Net profit						-27.4
Segment assets	112.1	69.8	173.6	50.0	-48.0	357.5
Shares in associated companies						1.1
Unallocated assets						29.8
Total assets						388.4
Segment liabilities	23.7	18.1	19.9	18.8	-15.2	65.4
Unallocated liabilities						255.2
Total liabilites						320.6
Capital expenditure in production facilities	5.0	3.3	5.3	1.9		15.5
Depreciation	-4.0	-2.6	-3.5	-2.4		-12.4

Business segments 2008

MEUR	Foundries	Machine Shops	Turkey	Other Business	Eliminations and one-time items	Group
External sales	199.6	240.9	185.0	55.9		681.4
Internal sales	94.4	2.4	57.7	19.7	-174.2	0.0
Total sales	294.0	243.3	242.7	75.7	-174.2	681.4
Share of results of associates				0.2		0.2
Segment operating profit	23.2	4.3	19.9	-0.3	0.2	47.3
Unallocated items						-33.4
Net profit						13.9
Segment assets	139.2	90.6	175.7	48.4	-29.5	424.5
Shares in associated companies						0.9
Unallocated assets						23.0
Total assets						448.3
Segment liabilities	37.9	33.1	26.0	21.2	-17.2	101.0
Unallocated liabilities						276.3
Total liabilites						377.2
Capital expenditure in production facilities	11.4	13.1	17.0	3.1		44.6
Depreciation	-7.7	-5.7	8.6	-1.8		-23.9

Geographical areas 2009

MEUR	Finland	Sweden	The Netherlands	Turkey	Other Countries	Total
Non-current assets [*)]	95.5	29.1	34.3	125.2	0.8	285.0
Capital expenditure in production facilities	5.7	2.9	1.6	5.4	0.0	15.5

[*)] Excluding non-current deferred tax assets, financial assets and other receivables.

Geographical areas 2008

MEUR	Finland	Sweden	The Netherlands	Turkey	Other Countries	Total
Non-current assets [*)]	93.9	26.1	34.1	124.4	0.8	279.3
Capital expenditure in production facilities	13.2	5.7	3.0	22.6	0.1	44.6

External net sales by market area

MEUR	2009	2008
Germany	58.6	100.7
Finland	51.8	102.4
Turkey	49.4	80.5
Sweden	39.8	104.8
UK	31.2	80.7
Benelux countries	19.2	72.4
Other European countries	37.8	105.2
Other countries	11.7	34.7
External net sales total	299.6	681.4

2. BUSINESS ACQUISITION

Year 2008
In December 2006 Componenta acquired 68.6% of the shares and votes of Döktas Dökümcülük Sanayi ve Ticaret A.S., a Turkish listed iron and aluminium casting component manufacturer. The acquisition cost for the shares acquired was EUR 113.3 million and the related goodwill recorded in 2006 was EUR 30.1 million. In 2007 Componenta acquired further 24.0 % of the shares and votes of Componenta Dökümcülük Sanayi ve Ticaret A.S. (previously Döktas). The purchase price for the 24.0% share was EUR 37.8 million and it resulted in goodwill of EUR 7.8 million. As a result Componenta owned 92.6% of the shares of Döktas at the year end 2007. During 2008 Componenta acquired 0.97% of the shares and votes of Componenta Dökümcülük Sanayi ve Ticaret A.S. and as a result of these purchases Componenta owned 93.57% of the shares at the end of year 2008. The acquisition cost for the shares acquired was EUR 1.3 million and the related goodwill recorded was EUR 0.0 million.

Year 2009
There were no business acquisitions in 2009.

3. BUSINESS DIVESTMENTS

There were no business divestments in 2008 and in 2009.

4. OTHER OPERATING INCOME

	2009	2008
Rental income	0.7	0.7
Profit from sale of non-current assets	0.0	0.1
Profit from sale of shares available-for-sale	0.0	0.0
Exchange gains and losses of trade receivables and payables, incl. hedges	0.8	6.6
Other operating income	0.8	1.0
Other operating income total	2.4	8.3
Rental income from investment property included in net sales	0.1	0.1

5. OPERATING EXPENSES

	2009	2008
Change in inventory of finished goods and work in progress	-21.1	0.5
Production for own use	0.7	0.7
Materials, supplies and products	-92.9	-257.3
External services	-20.6	-66.8
Personnel expenses	-95.9	-146.3
Rents	-4.5	-4.7
Maintenance costs of Investment property	-0.1	-0.1
Maintenance	-9.1	-29.0
Freight	-5.7	-14.3
Other operating expenses	-56.1	-101.7
Total operating expenses	-305.2	-618.9
Audit fees	-0.4	-0.5
Other fees	-0.1	-0.1
Total fees paid to auditors	-0.5	-0.6

6. EMPLOYEE BENEFIT COSTS

	2009	2008
Personnel expenses		
Salaries and fees	-75.6	-116.6
Pension costs, defined contribution plans	-10.5	-15.6
Other personnel costs	-9.8	-14.1
	-95.9	-146.3
Average number of personnel by segment, excluding leased personnel		
Foundries	1,389	1,466
Machine shops	587	777
Turkey	1,541	1,970
Other operations	166	182
	3,684	4,395

Personnel expenses include costs related to share-based payment EUR -0.0 (-0.1) million.

7. RESEARCH AND DEVELOPMENT COSTS

	2009	2008
The following amounts have been recognized in the income statement under research and development costs	-1.9	-2.6

8. DEPRECIATION, AMORTIZATION AND WRITE-DOWN OF NON-CURRENT ASSETS

	2009	2008
Depreciation and amortization		
Tangible assets		
Buildings and structures	-2.5	-2.5
Investment property	0.0	0.0
Machinery and equipment	-7.6	-19.7
Other tangible assets	-0.6	-0.7
	-10.8	-23.0
Intangible assets		
Intangible rights	-0.1	-0.1
Other capitalized expenditure	-1.6	-0.8
	-1.7	-0.9
Write-downs on machinery and equipment	0.0	-
Total depreciation, amortization and write-downs of non-current assets	-12.5	-23.9

9. FINANCIAL INCOME AND EXPENSES

	2009	2008
Dividend income from available-for-sale investments	0.0	0.0
Interest income from loans and other receivables	0.9	0.9
Exchange rate gains on financial assets and liabilities recognized at amortized cost	2.3	4.6
Other financial income	6.7	7.1
Change in fair value of financial assets and liabilities held for trading	-2.0	1.0
Ineffective portion of hedge accounting of net investment in foreign entities	-	0.2
- fair values transferred from equity to profit and loss	-	-
Ineffective portion cash flow hedge accounting	-	-
Effective interest expenses for financial liabilities recognized at amortized cost	-18.7	-18.6
Exchange rate losses for financial assets and liabilities recognized at amortized cost	-2.6	-10.5
Other charges on financial liabilities valued at amortized acquisition cost	-0.9	-0.3
Other financial expenses	-7.5	-13.1
Financial income and expenses, total	-21.8	-28.7

Other operating profit includes a total of EUR 1.0 (7.1) million in exchange rate gains and losses arising from foreign currency denominated sales and purchases and EUR -0.2 (-0.5) million from foreign exchange derivates designated to these items.

Interest income on interest rate swaps has been moved to compensate interest expenses. During 2008 and 2009 the Group has not received any significant commissions from financial assets.

10. INCOME TAXES

	2009	2008
Income taxes		
Income taxes for financial period	0.1	-4.7
Change in deferred taxes (see note 19))	8.4	0.0
	8.5	-4.6

Income tax reconciliation between tax expense computed at statutory rates in Finland (26% in 2009 and 2008) and income tax expense provided on earnings.

	2009	2008
Profit before tax	-37.2	18.6
Income tax using Finnish tax rate	9.7	-4.8
Difference between Finnish tax rate and rates in other countries	-0.2	0.6
Tax exempt income	0.0	-
Non-deductible expenses	-1.0	-0.4
	8.5	-4.6

11. EARNINGS PER SHARE

Basic earnings per share is calculated by dividing the profit attributable to shareholders of the parent company by the weighted average number of outstanding shares during the financial year.

Basic earnings per share	2009	2008
Numerator: Profit for the period attributable to shareholders of the parent company, 1,000 EUR	-28,349	13,517
Denominator: Weighted average number of outstanding shares during the financial year, 1,000 shares	12,312	10,944
Basic earnings per share EUR	-2.30	1.24

The weighted average number of shares used to calculate the diluted earnings per share takes into account the diluting effect of all potential shares with a diluting effect.

In 2008 and in 2009, notes that have not been converted into shares from the convertible capital note (Note 28) and the share bonus scheme for employees (Note 25) affect the diluted earnings per share.

To calculate the diluting effect of the unconverted notes from the convertible capital notes, the unconverted notes have been converted into shares, and the result for the period has been increased by the interest expenses adjusted for taxes.

Diluted earnings per share	2009	2008
Profit attributable to shareholders of parent company, 1,000 EUR	-28,349	13,517
After tax interest of covertible loan, 1,000 EUR	1,086	1,282
Numerator: Profit attributable to shareholders of parent company for calculating diluted earnings per share, 1,000 EUR	-27,263	14,799
Diluted number of shares,1,000 shares	12,312	10,944
Effect of share-based bonus system, 1,000 shares	87	69
Dilution effect of convertible note, 1,000 shares	2,423	3,165
Denominator: Weighted average number of shares for diluted earnings per share, 1,000 shares	14,822	14,179
Earnings per share with dilution, EUR	-1.84	1.04

NOTES TO THE CONSOLIDATED STATEMENT OF FINANCIAL POSITION

12. TANGIBLE ASSETS

	2009	2008
Land and water areas		
Acquisition cost at 1 Jan.	23.6	27.7
Translation differences	-0.1	-4.1
Additions	0.0	0.0
Disposals	-0.1	-
Book value at 31 Dec.	23.5	23.6
Buildings and constructions		
Acquisition cost at 1 Jan.	108.6	108.5
Additions	0.2	5.8
Disposals	-0.8	-
Reclassifications	0.2	1.4
Translation differences	0.3	-7.1
Acquisition cost at 31 Dec.	108.4	108.6
Accumulated depreciation at 1 Jan.	-38.7	-40.3
Accumulated depreciation on decreases and reclassifications	0.9	-
Translation differences	0.0	4.1
Depreciation during the period	-2.5	-2.5
Accumulated depreciation at 31 Dec.	-40.3	-38.7
Book value at 31 Dec.	68.0	69.8
Buildings and constructions, finance leasing		
Acquisition cost at 1 Jan.	0.0	-
Additions	0.2	0.0
Acquisition cost at 31 Dec.	0.3	0.0
Accumulated depreciation at 1 Jan.	0.0	-
Depreciation during the period	-0.0	-0.0
Accumulated depreciation at 31 Dec.	-0.0	-0.0
Book value at 31 Dec.	0.3	0.0
Machinery and equipment		
Acquisition cost at 1 Jan.	378.3	397.2
Additions	5.8	22.4
Disposals	-32.9	-1.5
Reclassifications	7.1	0.0
Translation differences	-0.2	-40.0
Acquisition cost at 31 Dec.	358.1	378.3
Accumulated depreciation at 1 Jan.	-256.7	-268.1
Accumulated depreciation on increases	0.0	0.0
Accumulated depreciation on decreases and reclassifications	32.5	1.2
Translation differences	-1.5	26.4
Depreciation during the period	-6.7	-18.2
Accumulated depreciation at 31 Dec.	-232.4	-256.7
Book value at 31 Dec.	125.7	119.6
Machinery and equipment, finance leasing		
Acquisition cost at 1 Jan.	17.1	13.8
Additions	4.3	4.2
Disposals	0.0	0.0
Reclassifications	0.0	0.0
Translation differences	0.5	-0.9
Acquisition cost at 31 Dec.	21.8	17.1
Accumulated depreciation at 1 Jan.	-4.8	-3.6
Accumulated depreciation on decreases	0.0	0.0
Translation differences	-0.1	0.3
Depreciation during the period	-0.9	-1.5
Accumulated depreciation at 31 Dec.	-5.8	-4.8
Book value at 31 Dec.	16.0	12.3
Other tangible assets		
Acquisition cost at 1 Jan.	16.9	14.7
Additions	0.3	3.5
Disposals	-4.8	-0.2
Reclassifications	0.0	0.0
Translation differences	-0.2	-1.2
Acquisition cost at 31 Dec.	12.2	16.9
Accumulated depreciation at 1 Jan.	-11.0	-11.3
Accumulated depreciation on decreases and reclassifications	4.7	0.2
Translation differences	0.0	0.9
Depreciation during the period	-0.6	-0.7
Accumulated depreciation at 31 Dec.	-6.8	-11.0
Book value at 31 Dec.	5.5	5.8

	2009	2008
Advance payments and fixed assets under construction		
Acquisition cost at 1 Jan.	8.9	6.3
Translation differences	0.0	-1.0
Additions	3.7	5.4
Disposals	0.0	-0.1
Reclassifications	-7.3	-1.6
Book value at 31 Dec.	5.3	8.9
Total tangible assets	244.2	240.2

13. GOODWILL

	2009	2008
Acquisition cost at 1 Jan.	34.0	43.1
Additions	-	0.0
Disposals	-	-1.4
Translation differences	-0.2	-7.7
Acquisition cost at 31 Dec.	33.8	34.0
Accumulated amortization at 1 Jan.	-2.3	-2.3
Accumulated amortization at 31 Dec.	-2.3	-2.3
Book value at 31 Dec.	31.5	31.7

Disposal of goodwill EUR 1.4 million in 2008 is related to the acquisition of Componenta Dökümcülük Sanayi ve Ticaret A.S. (previously Döktas) in December 2006. In 2008 Componenta received EUR 1.4 million as a purchase price compensation from the Koc Group which was one of the selling parties. The received amount was recorded as a decrease of goodwill. There were no increases or decreases of goodwill in 2009.

Allocation of goodwill and impairment testing

Goodwill is allocated to cash generating units and most of the goodwill is recorded under the Turkey segment (see note 2). The goodwill allocated to Turkey was EUR 30.0 million (EUR 30.3 million) at the end of 2009.

The fair value of the Turkey segment has been defined by using the present value method. The calculations have used 5-year discounted cash flow plans that are based on strategic plans approved by the management. The estimated cash flow of the segment is based on the use of property, plant and machinery in their present condition without any possible acquisitions. Cash flows beyond five years are calculated using the residual value method. Stable 1% annual growth in operating profit has been assumed when defining the residual value.

The discount rate used is the weighted average cost of capital before tax defined by Componenta. The factors in this are risk-free interest rate, market risk premium, the industry beta, borrowing costs and the target ratio for shareholders' equity to liabilities. Componenta has used a weighted cost of capital of 11.5% in its calculations.

There was no need to record impairment losses on the basis of impairment testing in 2008 and in 2009.

Sensitivity analysis:
A sensitivity analysis was carried out on the Turkey segment using a variety of scenarios. These were achieved by altering the assumed values as follows:

- by reducing profitability (EBITDA) 1-10%
- by raising the weighted average cost of capital 1-15%

It is the opinion of management that the changes in the basic assumptions in the theoretical scenarios mentioned above should not be interpreted as evidence that they are likely to occur. However, none of these scenarios would have resulted in the need to recognize an impairment loss for goodwill.

14. INTANGIBLE ASSETS

	2009	2008
Capitalized development costs		
Acquisition cost at 1 Jan.	-	-
Additions	0.0	-
Acquisition cost at 31 Dec.	0.0	-
Accumulated amortization at 1 Jan.	-	-
Accumulated amortization on decreases	-	-
Amortization during the period	0.0	-
Accumulated amortization at 31 Dec.	0.0	-
Book value at 31 Dec.	0.0	-
Intangible rights		
Acquisition cost at 1 Jan.	1.1	1.1
Additions	0.3	0.2
Disposals	0.0	-0.1
Translation differences	0.0	-0.1
Acquisition cost at 31 Dec.	1.3	1.1
Accumulated amortization at 1 Jan.	-0.8	-1.0
Accumulated depreciation on increases	0.0	0.0
Accumulated amortization on decreases and reclassifications	-0.0	-0.0
Translation differences	0.0	0.2
Amortization during the period	-0.1	-0.1
Accumulated amortization at 31 Dec.	-0.9	-0.8
Book value at 31 Dec.	0.5	0.3
Other capitalized expenditure		
Acquisition cost at 1 Jan.	11.2	7.9
Additions	2.9	2.8
Disposals	-1.5	-0.0
Reclassifications	0.2	0.5
Acquisition cost at 31 Dec.	12.8	11.2
Accumulated amortization at 1 Jan.	-7.0	-6.2
Accumulated amortization on decreases and reclassifications	1.5	0.0
Amortization during the period	-1.6	-0.8
Accumulated amortization at 31 Dec.	-7.1	-7.0
Book value at 31 Dec.	5.7	4.2
Advance payment for intangible assets		
Acquisition cost at 1 Jan.	0.2	0.5
Additions	0.3	0.2
Reclassifications	-0.2	-0.5
Book value at 31 Dec.	0.2	0.2
Total intangible assets	6.4	4.6

15. INVESTMENT PROPERTY

	2009	2008
Acquisition cost at 1 Jan.	2.3	2.2
Additions	0.0	0.0
Acquisition cost at 31 Dec.	2.2	2.3
Accumulated depreciation at 1 Jan.	-0.4	-0.3
Depreciation during the period	0.0	-0.0
Accumulated depreciation at 31 Dec.	-0.5	-0.4
Book value at 31 Dec.	1.8	1.8

The fair values of investment property do not significantly deviate from the book values.

16. SHARES IN ASSOCIATED COMPANIES

	2009	2008
Acquisition cost at 1 Jan.	0.9	0.9
Disposals	0.0	-0.1
Share of results of associated companies	0.2	0.2
Translation differences	0.0	-0.1
Book value at 31 Dec.	1.1	0.9

Associated companies 31 Dec. 2009

	Assets, MEUR	Liabilities, MEUR	Net sales MEUR	Profit/ loss, MEUR	Group share of holding %
Kumsan A.S., Turkey	4.6	1.0	5.0	0.9	25.1
Kiinteistö Oy Niliharju, Helsinki					25.0

Associated companies 31 Dec. 2008

	Assets, MEUR	Liabilities, MEUR	Net sales MEUR	Profit/ loss, MEUR	Group share of holding %
Kumsan A.S., Turkey	4.4	1.1	5.2	1.0	25.1
Kiinteistö Oy Niliharju, Helsinki					25.0

The value of shares in associated companies do not include goodwill at 31 Dec. 2009. All associated companies are unlisted.

17. FINANCIAL ASSETS

	2009	2008
Available-for-sale investments		
Acquisition cost at 1 Jan.	0.4	0.3
Additions	0.1	0.1
Disposals	-	-0.0
Book value at 31 Dec..	0.4	0.4

Available-for-sale investments consist of non-listed shares. Since the fair value of these shares is difficult to determine reliably, they are recognized at acquisition cost less any impairment losses. There were no gains or losses on the sale of available-for-sale investments in 2009.

18. NON-CURRENT RECEIVABLES

	2009	2008
From associates		
Loan receivables	0.1	0.1
Other non-current receivables		
Loan receivables	4.2	3.7
Other receivables	0.7	0.7
	4.8	4.3
Total non-current receivables	4.9	4.4

EUR 0.3 (0.2) million (nominal currency SEK) of other non-current loans receivable mature in 2012, EUR 3.9 (3.4) million (nominal currency SEK) in 2015 and EUR 0.0 (0.0) million (nominal currency EUR) in 2017. The Group's loans receivable relate mainly to company reorganizations and acquisitions or investments.

19. DEFERRED TAX ASSETS AND LIABILITIES

Changes in deferred taxes during the financial year 2009

	at 1 Jan. 2009	Recognized in income	Recognized in equity	Translation differences	at 31 Dec. 2009
Deferred tax assets					
Intercompany gain on sale of fixed assets	1.8	-0.4			1.5
Intercompany margin in inventory	0.3	-0.1		0.0	0.1
Provisions	0.1	0.0			0.1
Tax losses carried forward	11.6	9.7		0.2	21.5
Revaluation of real estate at fair value	0.9				0.9
Other differences	3.1	2.9	-0.4	0.0	5.6
Total	17.7	12.1	-0.4	0.1	29.6
Offset with deferred tax liabilities	-7.1				-12.9
Total	10.6				16.6

Deferred tax assets recognized for losses in Finland, in Sweden and in the Netherlands are based on the expected taxable income of the companies in these countries. It is estimated that these deferred tax assets can be utilized in in 2-6 years.

	at 1 Jan. 2009	Recognized in income	Recognized in equity	Translation differences	at 31 Dec. 2009
Deferred tax liabilities					
Valuing tangible assets at fair value when merging businesses	4.9	-0.3		0.0	4.6
Accumulated depreciation in excess of plant	0.1	0.0			0.1
Revaluation on investment property at fair value	0.1				0.1
Revaluation of other real estate at fair value	4.8	0.0	0.0	0.0	4.8
Other differences	5.6	4.0	-0.2	0.0	9.4
Total	15.5	3.7	-0.2	0.0	19.0
Offset with deferred tax assets	-7.1				-12.9
Total	8.5				6.1

Changes in deferred taxes during the financial year 2008

	at 1 Jan. 2008	Recognized in income	Recognized in equity	Translation differences	at 31 Dec. 2008
Deferred tax assets					
Intra-group gain on sale of fixed assets	2.2	-0.4			1.8
Intra-group margin in inventory	0.2	0.1			0.3
Provisions	0.1	-0.1			0.1
Tax losses carried forward	12.1	-0.4		-0.1	11.6
Revaluation of real estate at fair value	0.9				0.9
Other differences	0.6	1.8	0.9	-0.1	3.1
Total	16.1	1.0	0.9	-0.3	17.7
Offset with deferred tax liabilities	-6.6				-7.1
Total	9.4				10.6
Deferred tax liabilities					
Valuing tangible assets at fair value when merging businesses	6.5	-0.3		-1.3	4.9
Accumulated depreciation in excess of plan	0.3	-0.2			0.1
Revaluation on investment property at fair value	0.1				0.1
Revaluation of other real estate at fair value	4.8	0.0	0.0	0.0	4.8
Other differences	4.5	1.5	0.2	-0.5	5.6
Total	16.1	1.0	0.2	-1.8	15.6
Offset with deferred tax assets	-6.6				-7.1
Total	9.4				8.5

No deferred tax liability has been recognized for the undistributed profit of non-Finnish subsidiaries since possible distribution of profits would not give rise to any substantial tax effect.

20. INVENTORIES

	2009	2008
Raw materials and consumables	14.8	37.2
Work in progress	5.4	11.2
Finished products and goods	16.1	31.7
Other inventories	4.3	3.1
Advance payments	0.4	0.6
Total inventories	41.0	83.8

During the financial year an expense of EUR -0.2 (-1.4) million was recognized to reduce the book value of inventories to their net realisable value.

21. TRADE AND OTHER SHORT-TERM RECEIVABLES

	2009	2008
Trade receivables	20.5	47.9
Loan receivables	1.0	0.0
Other receivables	5.0	7.1
Derivative financial instruments	0.9	1.3
Income tax receivable	0.2	2.3
Prepayments and accrued income	5.4	6.0
Total trade and other short-term receivables	32.8	64.6

Trade receivables by currency

	2009 %	2008 %
EUR	81.8	81.7
SEK	9.5	13.1
GBP	4.4	3.0
YTL	4.3	2.1
USD	0.1	0.1

22. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT AND LOSS

Financial assets held for trading are recognized at fair value through profit and loss. This category includes derivative instruments that are held for operative hedging purposes but are not included in the hedge accounting designated by IAS 39. The fair values and nominal values of these instruments are presented in Note 33.

Fair value measurements

Financial assets and liabilities that are valued in the income statement at fair value are classfified in three levels, depending on the estimated reliability of the valuation method:

LEVEL 1: A reliable quoted market price exists for identical instruments quoted on an active market. Electricity price forwards are classified on this level, since their valuations are based on market prices for Nord Pool's similar standardized products.

LEVEL 2: A market price quoted on the active market exists for similar but not identical instruments. The price may however be derived from observable market information. The fair values of interest rate and currency derivatives are calculated by deriving them from price information obtained on the active market and using valuation tachniques that are commonly applied in the market.

LEVEL 3: There is no active market for the instrument, a fair market price cannot be reliably derived, and defining the fair value requires significant assumptions.

Fair values by classification of valuation method

	LEVEL 1	LEVEL 2	LEVEL 3
Financial assets and liabilities recognized at fair value in the income statement			
Foreign exchange rate derivatives (OTC)	-	0.2	-
Interest rate options (OTC)	-	0.4	-
Interest rate swaps (OTC)	-	-0.5	-
Financial assets and liabilities recognized at fair value in equity (cash flow hedge accounting, effective and ineffective portion)			
Interest rate swaps (OTC)	-	-1.5	-
Electricity price forwards	-0.2	-	-

No financial assets or liabilities were transferred from one level to another during the financial year.

23. CASH AND CASH EQUIVALENTS

	2009	2008
Cash and cash equivalents included in the statement of financial position		
Cash at bank and in hand	7.6	5.2
Cash and cash equivalents included in the cash flow statement		
Cash at bank and in hand	7.6	5.2

24. SHARE CAPITAL, SHARE PREMIUM RESERVE AND OTHER RESERVES

	Number of shares. (1,000)	Share capital MEUR	Share Premium MEUR	Unrestricted equity reserve MEUR	Total MEUR
At 1 Jan. 2008	10,942	21.9	14.9	3.4	40.3
Exercise of 2005 convertible capital notes	1	0.0	0.0	-	0.0
Exercise of 2006 convertible capital notes	2	0.0	-	0.0	0.0
At 31 Dec. 2008	10,946	21.9	15.0	3.4	40.3
Share based payment	12	-	-	-	-
Share issue 2009	6,500	-	-	29.1	29.1
At 31 Dec. 2009	17,458	21.9	15.0	32.5	69.4

All shares in circulation are fully paid.

The translation difference reserve contains the translation differences arising from translating the financial statements of non-Finnish business units. Gains and losses from hedging the net investments in non-Finnish units are also included in translation differences if the conditions for hedging are met.

Other reserves include the unrestricted equity reserve, changes to the fair values of available-for-sale investments and of derivative instruments used to hedge cash flow, and the shareholders' equity component separated from convertible bonds.

The share premium reserve contains the amount paid for shares in a share issue that exceeds the nominal value of the share if the decision concerning the issue of convertible capital notes on which the subscriptions are based was taken before the 2006 change in the Finnish Company Act.

The amount exceeding the nominal value when converting convertible capital notes issued after the new Company Act came into force (1 September 2006) is recognized in the unrestricted equity reserve.

After the closing date the Board of Directors has proposed to the Annual General Meeting that no dividend will be paid for 2009.

25. SHARE-BASED PAYMENT

Share-based incentive scheme

The Board of Directors of Componenta Corporation decided on 3 April 2007 to establish a share-based incentive scheme for the period 2007 - 2009. The scheme comprised three one-year earnings periods, which were the calendar years 2007, 2008 and 2009. The bonuses are being 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.

Potential yield from the scheme in 2009 was based on the Group's positive operative cash flow development. At the end of 2009 the target group contained 45 persons. If the targets set for the scheme had been met in full, the scheme would have paid a bonus of a maximum of 132,000 Componenta Corporation shares for the 2009 earnings period. For the 2009 earnings period, the Board resolved not to allocate any shares in the scheme because the set targets were not met. For the 2008 earnings period the Board allocated altogether 12,100 Componenta Corporation shares, including 1,905 shares as accruals from the 2007 allocation, to the President & CEO and other key personnel. Of these, the President & CEO received 3,300 shares and other key personnel altogether 8,800 shares. The scheme had an impact before taxes on the 2009 result of EUR 0.0 (0.1) million.

Share-based incentive scheme 2009	
Vesting period begins	1.1.2009
Vesting period ends	31.12.2009
Maximum number of shares	132,000
Release date of shares	1.1.2012
Binding time left, years	2 years
Share price at grant date	5.50
Share price at end of accounting period	4.12
Criteria	100% Net cash flow from operating activities
Pay-out of earnings criteria, %	0%
Share ownership obligation, years	2
Vesting date of shares	1.1.2012
Number of personnel in scheme	45

Calculation of fair value of share bonus in 2009	
Number of shares granted	132,000
Share price upon grant, EUR	5.50
Assumed dividend before payment of bonus, EUR	0.30
Fair value (proportion in shares), EUR	5.20
Share price 31 December 2009, EUR	4.12
Pay-out of earnings criteria, %	0%
Fair value of reward 31 December, 2009, MEUR	0.0

26. PENSION OBLIGATIONS

Most of the Group's pension plans are defined contribution plans. In Sweden Componenta has pension schemes, Alecta/ITP and AMF Pension/Avtalspension SAF-LO, classified as multi-employer defined benefit schemes. However, since Alecta and AMF Pension have not been able to supply the required actuarial valuations, the Swedish pension plans have been treated as defined contribution plans in accordance with IAS 19.30 (a).

In Turkey, pension obligations are booked as a provision in accordance with local legislation.

27. PROVISIONS

Current

	Pension provisions	Re-organisation provision	Other provisions	Total
1 Jan. 2009	-	0.5	1.4	1.8
Translation differences	-	0.0	0.0	0.0
Additions to provisions	-	-	0.4	0.4
Utilized during the period	-	-0.4	-0.8	-1.1
31 Dec. 2009	-	0.1	1.0	1.1
1 Jan. 2008	0.4	0.8	2.3	3.5
Translation differences	-	-	-0.3	-0.3
Additions to provisions	-	0.5	1.4	1.9
Utilized during the period	-0.4	-0.8	-2.1	-3.3
31 Dec. 2008	-	0.5	1.4	1.8

The reorganisation provision is related to the restructuring of Componenta Wirsbo AB.

Non-current

	Pension provisions	Re-organisation provision	Other provisions	Total
1 Jan. 2009	4.7	0.0	1.0	5.8
Translation differences	0.0	-	-	0.0
Additions to provisions	1.1	-	0.3	1.4
Utilized during the period	-	-	-0.4	-0.4
31 Dec. 2009	5.8	0.0	0.9	6.7
1 Jan. 2008	5.7	0.0	0.7	6.4
Translation differences	-1.2	-	-	-1.2
Additions to provisions	0.9	0.0	0.3	1.2
Utilized during the period	-0.7	-	-	-0.7
31 Dec. 2008	4.7	0.0	1.0	5.8

	2009	2008
Change in provisions recognized as operating expenses in income statement	-0.2	1.0

28. INTEREST-BEARING LIABILITIES

	2009	2008
Non-current interest-bearing financial liabilities		
Loans from financial institutions	139.7	136.8
Finance lease liabilities	9.7	8.5
Pension loans	16.0	19.8
Capital notes	23.0	13.6
Convertible capital notes - liability portion *)	4.7	28.1
Other liabilities	-	0.2
	193.0	207.0
Current interest-bearing financial liabilities		
Loans from financial institutions	40.2	27.7
Finance lease liabilities	3.3	1.9
Pension loans	3.9	3.9
Capital notes	-	9.5
Convertible capital notes, liability portion *)	7.4	-
Other liabilities **)	1.4	17.7
	56.1	60.7
Total interest-bearing liabilities	249.1	267.7

*) The conversion options' values of the convertible notes are included in other reserves of equity.

**) The item 'Other non-current liabilities' includes in the 2008 figures commercial paper loans issued by the Group for EUR 17.6 million.

Currency breakdown of interest-bearing financial liabilities

		2009 %	2008 %
Non-current	EUR	97.4	96.3
	SEK	2.6	3.7
Current	EUR	37.6	76.6
	SEK	6.3	1.8
	YTL	56.1	21.6

Cash flows are settled in the nominal currency of each liability agreement.

Range of nominal and effective interest rates for interest-bearing financial liabilities

	2009 Nominal interest rates %	2009 Effective interest rates %	2008 Nominal interest rates %	2008 Effective interest rates %
Loans from financial institutions	1.9 - 9.2	1.9 - 9.2	3.7 - 22.0	3.7 - 22.0
Finance lease liabilities	1.0 - 7.8	1.5 - 7.8	3.1 - 7.8	3.1 - 7.8
Pension loans	3.8 - 5.4	3.8 - 5.4	3.8 - 5.4	3.8 - 5.4
Convertible capital notes	5.8 - 5.8	6.9 - 9.6	5.8 - 5.8	10.7 - 10.7
Capital notes	6.8 - 10.1	8.6 - 12.1	6.8 - 8.7	8.9 - 8.9
Commercial papers	-	-	3.0 - 5.7	3.0 - 5.7

Repayment schedule for interest-bearing financial liabilities 2009

	2010	2011	2012	2013	2014	2015+
Loans from financial institutions	40.2	4.4	135.2	0.0	0.0	-
Finance lease liabilities	3.3	1.9	1.7	1.7	1.6	2.7
Pension loans	3.9	3.9	2.6	2.6	2.6	4.3
Convertible capital notes	7.4	4.7	-	-	-	-
Capital notes	-	10.9	4.0	4.0	4.0	-
Other interest-bearing liabilities	1.4	-	-	-	-	-
	56.1	25.8	143.6	8.4	8.3	7.0

Repayment schedule for interest-bearing financial liabilities 2008

	2009	2010	2011	2012	2013	2014+
Loans from financial institutions	27.7	7.6	4.2	122.7	-	2.3
Finance lease liabilities	1.9	2.5	1.2	1.2	1.2	2.3
Pension loans	3.9	3.9	3.9	2.6	2.6	6.9
Convertible capital notes	-	15.1	13.0	-	-	-
Capital notes	9.5	-	13.6	-	-	-
Other interest-bearing liabilities	17.7	0.2	-	-	-	-
	60.7	29.3	35.9	126.5	3.8	11.5

Finance lease liabilities

	2009	2008
Minimum lease payments		
Not later than one year	3.8	2.3
Later than one year		
and not later than five years	7.8	7.2
Later than five years	2.8	2.4
	14.4	11.9
Future finance charges	-1.4	-1.5
	13.0	10.4
Present value of minimum lease payments		
Not later than one year	3.3	1.9
Later than one year		
and not later than five years	6.9	6.2
Later than five years	2.7	2.3
	13.0	10.4

Capital notes

Capital Notes 2002

The final instalment of EUR 9.5 million of Componenta Corporation's Capital Notes dated 15 February 2002 was repaid with the interest in acordance with the terms on 19 March 2009. Capital notes totalling EUR 31.1 million were taken out in 2001-2002. The accrued interest on the loan for the period 1 January - 19 March 2009 was recorded as an expense in the income statement.

Convertible Capital Notes 2005

Componenta Corporation issued on 15 March 2005 convertible capital notes with the nominal value of EUR 19.0 million. The notes are due for repayment in full at maturity on 15 March 2010, provided that the restricted shareholders' equity and other non-distributable retained profits for the preceding fiscal year as stated in the Componenta and consolidated balance sheets are fully covered. Should the conditions for repayment not be met on the repayment date, that part of the capital shall be repaid as is possible under the conditions mentioned above. Repayment of the remaining outstanding amount will be deferred to the corresponding date in the following year until the loan has been fully repaid. Componenta has the right to repay the loan, with interest accumulated up until the payment date, before the maturity date if the conditions stated in the terms of the loan are met. The annual fixed interest to be paid is 5.75 percent p.a. The annually paid interest may not exceed the distributable unrestricted shareholders' equity as stated in the Componenta Corporation and consolidated balance sheets.

Any unpaid interest shall remain a liability of Componenta and will earn annual interest of 2 percent in excess of the interest rate payable on the notes. The loan is a subordinated debenture. The loan is not secured. The convertible notes have been classified partly as equity and partly as a liability. The liability is valued at amortized cost and recognized under non-current interest-bearing liabilities. The equity portion of EUR 1.5 million was recorded in the equity reserve. The accrued interest on the loan from 15 March to 31 December 2009 has been recorded as an expense in the income statement and as a liability in accrued expenses.

Each note of EUR 2,000 entitles its holder to subscribe for 200 Componenta Corporation shares at a conversion price of EUR 10.00 per share. Converting the notes can increase the number of shares by a maximum of 1,900,000 new shares and the shareholders' equity by a maximum of EUR 3.8 million. The subscription period started on 1 May 2005 and ends on 1 March 2010. Subscribed shares entitle the shareholder to a dividend in the accounting period in which the notes are converted. By 31 December 2009 1,704 notes had been converted into 340,800 shares. As a result of the conversions, the parent company's share capital has increased by EUR 0.7 million and the share premium reserve by EUR 2.7 million.

In September 2009 Componenta Corporation carried out a share issue and issued new capital notes (Capital Notes 2009). In connection with these issues, holders of capital notes issued previously by Componenta were able to convert the capital notes either to shares or to new capital notes. Altogether EUR 8.2 million of the Convertible Capital Notes 2005 was converted. The outstanding notes can be converted into 737,400 new shares according to the terms and conditions. The balance sheet value of the liability component on 31.12.2009 is EUR 7.4 million.

Convertible Capital Notes 2006

Under the authorization of the Extraordinary General Meeting, the Board of Componenta Corporation decided to issue convertible capital notes in 2006. The notes were issued on 4 December 2006 with the nominal value of EUR 19.7 million. The rate of issue was 95 percent. Notes are due for repayment in full at maturity on 4 December 2011. The annual fixed interest to be paid is 5.75 percent p.a. The loan is a subordinated debenture. The loan is not secured. The principal and interest may be repaid only to the extent that the amount of the unrestricted equity of Componenta and the amount of all capital notes of Componenta upon payment exceeds the amount of loss in accordance with the balance sheet approved for the preceding financial year or with the balance sheet included in more recent financial statements. Should the conditions for repayment not be met at maturity, the principal shall be repaid in part to the extent that this is possible. The repayment of the remaining part is deferred until the financial statements meet the conditions under which it can be paid. Any unpaid interest shall remain a liability of Componenta and will earn annual interest of 2 percent in excess of the interest rate payable on the notes. Componenta has the right to repay the loan, with interest accumulated up until the payment date, before the maturity date if the conditions stated in the terms of the loan are met. The loan is not secured. The convertible notes have been classified partly as a liability and partly as equity. The liability is valued at amortized cost and recorded in non-current interest-bearing liabilities. The equity of EUR 2.2 million is recorded in the equity reserve. The accrued interest on the loan from 4 December to 31 December 2009 has been recorded as an expense in the income statement and as a liability in accrued expenses.

Each note of EUR 1,800 entitles its holder to convert it into 200 Componenta Corporation shares at a conversion price of EUR 9.00 per share. Conversion of the notes can increase the number of shares by a maximum of 2,188,400 new shares and the shareholders' equity by a maximum of EUR 4,376,800. The conversion period started on 2 January 2007 and ends on 15 November 2011. The annual conversion period is from 2 January to 30 November. The dividend rights of the new shares commence from the date on which the new shares are entered in the Trade Register.

By 31 December 2009 2,913 notes had been converted into altogether 582,600 shares. As a result of the conversions parent company's share capital increased by EUR 1.2 million and parent company's unrestricted equity reserve by EUR 4.1 million.

In September 2009 Componenta Corporation carried out a share issue and issued new capital notes (Capital Notes 2009). In connection with these issues, holders of capital notes issued previously by Componenta were able to convert the capital notes either to shares or to new capital notes. Altogether EUR 9.3 million of the Convertible Capital Notes 2006 was converted. The outstanding notes can be converted into 572,800 new shares according to the terms and conditions. The balance sheet value of the liability component on 31.12.2009 is EUR 4.7 million.

Capital Notes 2006

Under the authorization of the Extraordinary General Meeting, the Board of Componenta Corporation decided to issue capital notes in 2006. The notes were issued on 17 November 2006 with the nominal value of EUR 14.2 million. The rate of issue was 95 percent. Notes are due for repayment in full at maturity on 17 November 2011. The annual fixed interest to be paid is 6.75 percent p.a. The loan is a subordinated debenture. The loan is not secured. The principal and interest may be repaid only to the extent that the amount of the unrestricted equity of Componenta and the amount of all capital notes of Componenta upon payment exceeds the amount of loss as stated in the balance sheet approved for the preceding financial year or with the balance sheet included in more recent financial statements. Should the conditions for repayment not be met at maturity, the principal shall be repaid in part to the extent that this is possible. The repayment of the remaining part is deferred until the financial statements meet the conditions under which it can be paid.

Any unpaid interest shall remain a liability of Componenta and will earn annual interest of 2 percent in excess of the interest rate payable on the notes. As from 17 November 2009 Componenta has the right to repay the loan on interest payment dates (each 17 November), with interest accumulated up until the payment date, before the maturity date if the conditions stated in the terms of the loan are met. The accrued interest on the loan from 17 November to 31 December 2009 has been recorded as an expense in the income statement and as a liability in accrued expenses.

In September 2009 Componenta Corporation carried out a share issue and issued new capital notes (Capital Notes 2009). In connection with these issues, holders of capital notes issued previously by Componenta were able to convert the capital notes either to shares or to new capital notes. Altogether EUR 3.0 million of the Capital Notes 2006 was converted. After these changes, the balance sheet value on 31.12.2009 is EUR 10.9 million.

Capital Notes 2009

The Board of Directors of Componenta Corporation decided, under the authorization given by the extraordinary general meeting shareholders in 2009, to offer a subordinated capital loan. The loan issued on 28 September 2009 had a nominal amount of EUR 12.3 million with a rate of issue of 100 percent. If the terms and conditions for repayment are met, the loan will be repaid in three equal instalments on 28 September 2012, 28 September 2013 and 28 September 2014. Fixed interest of 10.10 percent p.a. will be paid in arrears on the loan capital on 28 September.

The loan is not secured. Receivables based on the capital loan rank lower than Componenta Corporation's other debt commitments. The principal and interest may be repaid only to the extent that Componenta Corporation's unrestricted equity and the sum of all the capital notes exceed on the payment date the amount of the loss as stated in Componenta Corporation's balance sheet approved for the previous financial year or in the balance sheet included in more recent financial statements. Should the conditions for repayment not be met on the due payment date, that part of the principal shall be repaid as is possble under the repayment conditions. Repayment of the remaining loan will be deferred to future financial periods such that repayments deferred in 2013 and 2014 will take place, if the conditions for repayment are met, on 28 September and after that annually on the basis of the first financial statements that make it possible to pay. Interest will be paid on unpaid interest, and the rate of interest is 2 percentages in excess of the interest paid on the loan. The loan has a balance sheet value on 31 December 2009 of EUR 12.1 million.

Accrued interest for the period 28 September - 31 December 2009 has been recorded as an expense in the income statement and as a liability in accrued expenses.

29. CURRENT NON-INTEREST BEARING LIABILITIES

	2009	2008
Trade payables to associated companies	-	0.1
Trade payables to others	29.3	54.2
Accrued expenses and deferred income	20.1	27.4
Derivative financial instruments	2.7	5.1
Advances received	0.0	0.2
Other current liabilities	5.4	6.4
Current non-interest bearing liabilities total	57.5	93.3

The main items included in accrued expenses are personnel costs and interest accruals.

Trade payables by currency

	2009 %	2008 %
EUR	58.1	69.2
YTL	22.2	9.7
SEK	17.4	16.0
GBP	2.0	1.3
USD	0.4	3.8
DKK	-	0.0

30. CARRYING VALUES AND FAIR VALUES OF FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

	2009 Carrying value	2009 Fair value	2008 Carrying value	2008 Fair value
Financial assets				
ITEMS RECOGNIZED AT FAIR VALUE				
Financial assets recognized at fair value through profit and loss				
Derivatives classified as held for trading	1.2	1.2	3.6	3.6
Financial items included in hedge accounting				
Derivatives (effective and ineffective portion)	0.2	0.2	-	-
ITEMS RECOGNIZED AT AMORTIZED COST AND AT COST				
Loans and other receivables				
Cash and cash equivalents	7.6	7.6	5.2	5.2
Loan receivables	5.2	5.2	3.8	3.8
Trade and other receivables	20.5	20.5	51.6	51.6
Available-for-sale financial assets				
Shares and holdings	0.4	0.4	0.3	0.3
Financial liabilities				
ITEMS RECOGNIZED AT FAIR VALUE				
Financial liabilities recognized at fair value through profit and loss				
Derivatives classified as held for trading	1.1	1.1	0.9	0.9
Financial items included in hedge accounting				
Derivatives (effective and ineffective portion)	2.1	2.1	4.3	4.3
ITEMS RECOGNIZED AT AMORTIZED COST				
Other financial liabilities				
Loans from financial institutions	179.8	180.4	164.5	164.6
Finance leases	13.0	13.0	10.4	10.4
Pension loans	19.8	20.4	23.7	23.9
Convertible capital notes - liability component	12.1	11.7	28.1	27.5
Capital notes	23.0	22.8	23.1	23.3
Commercial papers	-	-	17.6	17.7
Trade payables and other debt	30.7	30.7	54.7	54.7

The fair values of interest-bearing liabilities have been calculated by discounting the future cash flows for the contract with market rates corresponding to the terms of the contract on the closing date or with estimates of a fair rate. The calculations have taken into account a rise in loan margins for comparable financing instruments in consequence of the credit crisis. On the other hand, the sharp fall in market interest rates has had a significant impact on the values of financial assets and liabilities.

The carrying values of trade receivables and payables and of finance leases tied to short-term market rates can be assumed to correspond with sufficient accuracy to their fair values due to the short maturity and interest rate renewal periods. Trade receivables are recorded in the balance sheet adjusted by any impairment.

31. CAPITAL MANAGEMENT

Componenta Group's objective for capital management is to ensure the Group's viability to operate in all circumstances. The sector in which Group operates is by nature relatively capital intensive and thus requires active measures to optimize the capital structure. The strategically important acquisitions and investments in the past few years have had an impact on the Group's capital structure.

The Board of Directors and Corporate Executive Team regularly monitor the capital structure of the Group. In management reporting the different capital notes are included in shareholders' equity. The Group monitors the equity including capital notes to balance sheet total ratio, in particular, and the company has set the strategic financial target to 40 percent by the end of 2012.

The Group manages capital structure for example with the dividend policy (with the approval of shareholders) and by issuing different types of capital notes.

During 2009 the Group has continued its efforts to reduce working capital, for example by optimizing inventories, boosting the collection of customer receivables and expanding further the sale of receivables. The Group has shortened the payment period for some of its customers as from 1 January 2009. Capital notes of EUR 7.4 million will mature on March 2010.

In addition to internal monitoring, the Group reports to its lenders the financial covenants relating to the capital structure as stated in the loan agreements. The Group aims to achieve the interest margin incentives defined in the loan agreements in order to reduce interest expenses.

Below are the key indicators for capital structure

	31.12.2009	31.12.2008
Net gearing, capital notes included in equity	200.8%	172.6%
Equity ratio, capital notes included in equity	26.5%	27.3%

32. FINANCIAL RISK MANAGEMENT

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

Re-financing and liquidity risks

The Group aims to ensure the availability of financing by spreading the repayment schedules, sources of funding and financial instruments in its loan portfolio. The proportion of one source of funding may not exceed a limit set in the Group Treasury Policy. The most important financing instuments used in the Group are the 5-year syndicated credit facility dated 28 June 2007 with a nominal value of EUR 200 million, various capital notes, bilateral loans, a commercial paper programme (EUR 150 million), the sale of receivables without recourse, and lease financing. In September 2009 the company carried out a share issue (EUR 29.3 million) and issued new capital notes (EUR 12.3 million). Investors were given the opportunity to prematurely redeem capital notes issued in 2005 and 2006 deviating from the original terms and conditions of these notes, and use those as payment in the share issue and in the subscribtion of the new capital notes. Altogether EUR 20.5 million of the previously issued capital notes were used in payment and these arrangements contributed EUR 21.0 million to the cash flow.

The Group Treasury Policy states that the Group's liquidity should cover its near-term commitments. The minimum liquidity is defined in the Group Treasury Policy. In addition to cash reserves, the Group ensures its liquidity with unused committed credit facilities that amounted to EUR 38.5 million (EUR 63.1 million) at the end of the fiscal year.

Installments (nominal values) and interest payments on financial liabilities 2009

	2010	2011	2012	2013	2014	2015+
Loans from financial institutions	-40.4	-4.4	-135.5	-0.0	-0.0	-
Finance leases	-3.3	-1.9	-1.7	-1.7	-1.6	-2.7
Pension loans	-3.9	-3.9	-2.6	-2.6	-2.6	-4.3
Capital notes	-	-11.2	-4.1	-4.1	-4.1	-
Convertible capital notes	-7.4	-5.2	-	-	-	-
Commercial papers	-	-	-	-	-	-
Trade payables and other debt	-30.6	-0.0	-	-	-	-
Interest payable	-14.1	-9.1	-7.4	-1.4	-0.8	-0.4
Interest rate swaps, net	-1.8	-0.6	-	-	-	-
	-101.5	-36.2	-151.3	-9.9	-9.1	-7.3

The figures have not been discounted to correspond to their present values. The figures are valid only on the closing date and the amount of interest on variable rate contracts may vary from actual cash flows. The repayment table for financial liabilities is not meant to portray the Group's expected total cash flow.

There is a significant possibility of variation in future cash flows for currency derivatives concerning the exchange rate difference and for this reason they are not included in the repayment table. Electricity forwards are essentially connected to physical electricity supplies and therefore are treated as part of future electricity purchases. This being the case they are not reported in the Group's cash flow table for financial liabilities. The expected cash flows for currency derivatives, electricity forwards and interest rate options at the closing date correspond to their fair values (Note 33 Derivative instruments).

For finance leases, repayments of the finance lease liability and interest expenses are used as a sufficient approximation of actual rents paid. Only changes in interest rates cause a small difference in the actual cash flow. The interest to be paid has been calculated with prevailing nominal interest rates. The actual interest payments on variable interest contracts will, therefore, probably differ slightly from the figures in the table.

Installments (nominal values) and interest payments on financial liabilities 2008

	2009	2010	2011	2012	2013	2014+
Loans from financial institutions	-27.8	-7.7	-4.3	-123.0	-	-2.3
Finance leases	-1.9	-2.5	-1.2	-1.2	-1.2	-2.4
Pension loans	-3.9	-3.9	-3.9	-2.6	-2.6	-6.9
Capital notes	-9.5	-	-14.2	-	-	-
Convertible capital notes	-	-15.6	-14.5	-	-	-
Commercial papers	-17.6	-	-	-	-	-
Trade payables and other debt	-54.4	-0.2	-	-	-	-
Interest payable	-12.1	-8.2	-7.0	-4.7	-0.5	-0.6
Interest rate swaps, net	-0.7	-0.5	-0.1	-	-	-
	-127.9	-38.6	-45.2	-131.5	-4.3	-12.2

Foreign exchange risk

The Group's foreign exchange risk is divided into transaction risk, which arises from income and expenses denominated in foreign currencies, and translation risk, which arises from equity investments and related profit or loss denominated in foreign currencies. The transaction position is calculated from the foreign currency denominated trade receivables and trade payables in the balance sheet. These form the part of the transaction position in which changes affect 'Operating profit'. The other part of transaction exposure includes items where the impact of changes in exchange rates are recorded in the income statement in 'Financial income and expenses' such as foreign currency cash in hand and at bank and the Group's internal and external foreign currency loans. The hedging level for both parts of the transaction position is set at 90 - 110 percent. If the total exposure for a specific currency is less than EUR 3.0 million, however, the hedging decision is taken on a case by case basis.

It is possible to deviate from this definition of the exposures in order to maintain cost-efficiency. This has been done with Componenta Turkey's foreign currency items; the currency exposure has been calculated from the net value of the trade receivables in the balance sheet and the foreign currency debts, taking advantage of the natural hedging relationship in the 'Result after financial items'. If the trade receivables and foreign currency debts in the balance sheet do not nominally correspond to each other, the hedging level is at the discretion of the Group's President & CEO up to EUR 20.0 million.

The translation position is determined from the shareholders' equity and retained earnings of those foreign subsidiary and associated companies of the Group whose business currency is not the euro. As stated in the Group Treasury Policy, the translation position is hedged 0 - 100 percent at the discretion of the Group's President & CEO.

To hedge against changes in exchange rates, the Group uses foreign currency loans and deposits and other natural hedging relationships, as well as common derivative instruments such as foreign currency forward contracts and options, for which pricing on the market is reliable. Foreign currency derivatives mature in less than one year.

The currencies with the most significant currency risk exposure are the Turkish lira, the British pound sterling and the Swedish krona.

31.12.2009	Average rate 31.12.2009	Open total exposure MEUR	Estimate on potential currency rate change %	Impact of change in currency rate +/- To income statement	To equity
EUR/USD	1.4406	-0.0	5	0.0/-0.0	-
EUR/GBP	0.88810	5.7	5	-0.2/0.2	-0.1/0.1
EUR/TRY	2.1603	120.5	5	0.6/-0.6	-6.3/7.0
EUR/SEK	10.2520	-4.9	5	-0.0/0.0	0.3/-0.3

31.12.2008	Average rate 31.12.2008	Open total exposure MEUR	Estimate on potential currency rate change %	Impact of change in currency rate +/- To income statement	To equity
EUR/USD	1.3917	-1.9	10	0.2/-0.2	-
EUR/GBP	0.95250	5.4	20	-0.5/0.7	-0.2/0.3
EUR/TRY	2.1408	130.7	15	1.5/-2.0	-18.5/25.1
EUR/SEK	10.8700	4.3	10	-0.1/0.1	-0.3/0.3
EUR/DKK	7.4506	0.0	5	0.0/-0.0	-

The Group does not apply cash flow or fair value hedge accounting as stated in IAS 39 for the transaction position.

Interest rate risk

The interest rate risk to which fair values and the cash flow are exposed arise mainly from the Group's loan portfolio, trade receivables that have been sold, and finance leases. Because of the cyclical nature of the Group's customer markets, the treasury policy states that the average period for renewing the interest rates of the Group's net liabilities should be at least one year but no more than two years. On 31 December 2009 the interest rates of net liabilities fell due for renewal on average in 10 months (14 months). To manage the interest rate risk, the loan portfolio is spread between fixed and floating interest rate loans and investments. The interest rate risk is also spread among several interest rate renewal periods, so that changes in interest rates affect the Group's financial position in stages. The interest rate risk is managed also by using interest rate derivatives. Interest rate derivatives have been used to increase the number of fixed interest-bearing liabilities, so as to extend the average interest rate renewal period.

The Group values only derivatives at fair value. Interest rate derivatives hedging the Group's result are divided into derivatives included in cash flow hedge accounting as defined in IAS 39 and assets and liabilities held for trading. Therefore changes in interest rates do not affect the carrying values of interest-bearing items but only interest expenses and income recognized in the income statement, changes in the income statement in the fair values of interest rate derivatives classified as held for trading, and changes in the Group's shareholders' equity in the fair values of interest rate swaps included in cash flow hedge accounting.

INCOME STATEMENT - FINANCIAL EXPENSES	31.12.2009 for 2010 Forecast change in finance expenses	Sensitivity interest rate curve +100bp	31.12.2008 for 2009 Forecast change in finance expenses	Sensitivity interest rate curve +100bp
Interest bearing liabilities	-1.0	-1.5	1.3	-1.5
Interest rate swaps, interest expenses and income net	0.4	0.3	-0.6	0.6
Interest rate swaps, change in fair value	-	0.1	-	0.3

SHAREHOLDERS' EQUITY - HEDGING RESERVE	Change in fair value interest rate curve +100bp	Change in fair value interest rate curve +100bp
Interest rate swaps, net (Included in cash flow hedge accounting)	0.3	0.8

The forecast change in interest expenses shows the change in interest expenses if interest rates actually follow the yield curve as priced by the market at the point of reference. The sensitivity analysis estimates the parallel rise in the interest rate curve at 1.0 percentage points. A positive change indicates a decrease and a negative change an increase in interest expenses.

The assumption in the calculations is that loans that mature are refinanced with comparable instruments. It is also assumed that no repayments are made, so the calculations only take into account the interest rate renewal risk regarding interest-bearing loans and their nominal interest rates.

Credit risk

Each group company is primarily responsible for the credit risk of its own trade receivables. The Group's finance department sets guidelines, monitors credit risk management, and evaluates the creditworthiness of customers and their ability to fulfil their payment obligations.

The Group has no significant concentrations of trade receivables. The customer base is widespread and the trade receivables from any single customer corporation do not exceed 3 percent of the Group's total trade receivables. 95 percent of sales are in Europe, but are spread among several countries.

Many customers are financially sound companies of long standing, but in individual cases reports on payment behaviour and capital adequacy from credit rating companies are used to assist in credit decisions. The Group reduces its credit risk exposure by selling part of trade receivables to financing companies without recourse.

Because of the current economic recession, customer credit risks are considered to have increased. Due to the increased risks, Componenta intensified the collection of customer receivables and shortened payment periods for some of its customers as from the beginning of 2009. Accumulation of overdue trade receivables and customer payment behaviour is monitored on a regular basis at least every fortnight. If overdue trade receivables exceed the limits set by Group's management, credit control is prepared to suspend deliveries until payment obligations have been met.

Credit losses for the financial year were EUR -0.3 (-0.7) million. The Group's credit loss risk of EUR 34.7 (64.5) million corresponds to the carrying value of financial assets, excluding available-for-sale share holdings.

In accordance with the treasury policy approved by the Board of Directors, surplus cash reserves are invested only with institutions that are considered to carry low credit risk. The maximum period of the investment is limited to one week and maximum amounts are defined for each counterparty.

The Group has received bank guarantees and bills of exchange against advances paid and trade receivables from some of its subcontractors, suppliers and customers. The total amount of the guarantees and other commitments received from subcontractors and suppliers is EUR 4.5 million. The total amount of guarantees and other commitments received from customers is EUR 0.5 million. The guarantees cannot be transferred or re-sold and they cannot be pledged forward.

Outstanding trade receivables fall due as follows

	31.12.2009	31.12.2008
Not due	17.3	34.7
Overdue		
less than 1 month	1.7	10.0
1 - 3 months	0.4	4.8
3 - 6 months	0.2	2.3
more than 6 months	0.9	0.5
	20.5	52.3

33. DERIVATIVE INSTRUMENTS

Nominal values of derivative instruments	2009 Nominal value	2008 Nominal value
Foreign exchange rate derivatives *)		
Foreign exchange rate forwards	6.0	5.4
Foreign exchange rate swaps	43.1	30.9
Interest rate derivatives		
Interest rate options	42.0	46.0
Interest rate swaps		
Maturity in less than a year	24.0	42.2
Maturity after one year but less than five years	28.0	52.0
Commodity derivatives		
Electricity price forwards		
Maturity in less than a year	3.9	4.4
Maturity after one year but less than five years	4.2	5.5

*) Foreign exchange rate derivatives mature in less than a year.

Fair values of derivative instruments	2009 Fair value, positive	2009 Fair value, negative	2009 Fair value, net	2008 Fair value, net
Foreign exchange rate derivatives				
Foreign exchange rate forwards	0.1	-0.0	0.1	0.3
Foreign exchange rate swaps	0.3	-0.2	0.1	2.3
Interest rate derivatives				
Interest rate options	0.8	-0.4	0.4	0.6
Interest rate swaps	-	-2.0	-2.0	-2.8
Commodity derivatives				
Electricity price forwards	0.2	-0.6	-0.4	-2.1

The nominal values of the derivative instruments are not presented in order to reflect the payments made by the parties but rather to describe the magnitude of hedging operations taken by using derivative instruments.

The fair value of derivative instruments corresponds to the gain or loss that would be recognized in the income statement if the contract were closed on the balance sheet date. The fair value of interest rate options, foreign exchange and electricity price forwards is calculated using the prevailing market prices. Interest rate swaps are valued using discounted cash flow analysis using the yield curve prevailing on the reporting date.

The realized and unrealized exchange rate differences for currency derivatives hedging against changes in exchange rates for foreign currency trade receivables and trade payables in the balance sheet are recognized in 'Other operating income'. Exchange rate differences for foreign currency derivatives hedging against foreign currency loans and the accumulated interest difference and interest difference valuations are recognized in 'Financial income and expenses'. The fair values of interest rate derivatives that are not included in cash flow hedge accounting as defined in IAS 39 are recognized in 'Financial income and expenses'. Unrealized valuation gains and losses are recognized in current receivables and liabilities.

Sensitiviy analysis of electricity price forwards

Changes in the market prices of electricity price forwards would have the following impact on the fair values:

	2009	2008
Change in market price of electricity price forwards	15%/-15%	30%/-30%
Change in fair value of electricity price forwards	1.2/-1.2	2.3/-2.3

The sensitivity of the open foreign currency and interest rate exposures to changes in market prices is presented in Note 32.

Derivative instruments included in cash flow hedge accounting

	2009 Nominal value	2009 Fair value, effective portion of hedge	2008 Nominal value	2008 Fair value, effective portion of hedge
Interest rate derivatives				
Interest rate swaps	42.0	-1.5	73.0	-2.2
Commodity derivatives				
Electricity price forwards	8.1	-0.2	9.8	-2.1

The fair values of interest rate and commodity derivatives designated as cash flow hedges against changes in market prices have been recognized in the hedging reserve of equity and will be recognized through profit and loss when the hedged item affects profit and loss or its occurance is no longer likely. Income statement effects arising from interest rate derivatives are recognized in 'Financial income and expenses' and from electricy forwards in purchases in Operating Profit. Items hedged against interest rate risks on the closing date will take place within three years, as will hedged electricity purchases. It is very likely that the hedged cash flows will be realized.

No exchange rate differences have been capitalized for the acquisition cost of subsidiaries during the current or previous year.

Derivative instruments included in hedge accounting on net investments in a foreign entities

No foreign exchange derivatives have been designated in the fiscal year or in the previous year as specifically hedges of translation items for foreign currency denominated shareholders equity. Hedge accounting on net investments in a foreign entities does therefore not include derivatives.

Derivate instruments held-for-trading

	2009 Nominal value	2009 Fair value	2008 Nominal value	2008 Fair value
Foreign exchange rate derivatives				
Foreign exchange rate forwards	6.0	0.1	5.4	0.3
Foreign exchange rate swaps	43.1	0.1	30.9	2.3
Interest rate derivatives				
Interest rate options	42.0	0.4	46.0	0.6
Interest rate swaps	10.0	-0.5	21.2	0.0

Derivative instruments classified as held-for-trading are part of the Group's risk management but the hedge accounting principles of IAS 39 are not applied.
The Group has no embedded derivatives at the balance sheet date.

34. OTHER LEASES

Group as lessee

Minimum lease payment schedule for other non-cancellable leases

	2009	2008
No later than one year	1.5	1.5
Later than one year but no later than five years	1.7	2.7
Later than five years	0.2	0.3
Minimum lease payments total	3.5	4.5

Other non-cancellable leases mainly comprise real estate, production equipment and car leases. The leases mature on average in 3 - 5 years. Some of the leases contain call options at a strike price that can be expected to correspond to the fair value at the expiry date.

The 2009 income statement includes lease payments of EUR -2.8 million (EUR -1.6 million) for other non-cancellable leases.

Group as lessor

The minimum lease receivable schedule for other non-cancellable leases

	2009	2008
No later than one year	0.7	0.6
Later than one year but no later than five years	2.7	2.1
Minimum lease payments total	3.4	2.7

Some of the production and office space that is currently not needed by the Group is leased to external parties. The rental agreements are from one to three years in length and normally contain an option to extend the lease period after the lease expires. Some of the property is classified, in accordance with IFRS, as investment property.

35. CONTINGENT LIABILITIES

	2009	2008
Real-estate mortages		
For own debts	15.2	15.2
Business mortages		
For own debts	-	2.2
Pledges		
For own debts	198.1	151.2
Other commitments *)	4.4	13.2

*) Contingent liabilities in 2008 include the European Commission's decision of 20 October 2005 under which Componenta was liable to repay to the City of Karkkila alleged state aid that is contrary to the EC Treaty totalling EUR 2.4 million with interest from the date on which the aid was made available to Componenta. Componenta appealed against the Commission's decision to the Court of First Instance of the European Communities ("CFI") on 29 December 2005. CFI has on 18 December 2008 with its judgment reversed the Commission's decision of 20 October 2005. CFI has also ordered the Commission to compensate Componenta's legal costs.

On the basis of the European Commission's decision on 20 October 2005, the State of Finland initiated legal proceedings against Componenta to recover the funds in the Helsinki Administrative Court. After CFI reversed the Commission's decision, the State of Finland withdrew its claim to recover the funds. The proceedings in the Helsinki Administative Court have ended.

In 2007 Componenta supplied Wärtsilä Finland Oy ("Wärtsilä") with main bearing caps for EUR 0.8 million, which Wärtsilä has reported as defective. The defective main bearing caps were repaired or replaced by Wärtsilä. Wärtsilä has informed Componenta that it has suffered considerable damages from inspecting, repairing and replacing these components, from interruptions in production and from delays in its own deliveries. The damages reported exceed the original value of the order. Componenta has informed Wärtsilä that it is not responsible for the aforementioned damages suffered by Wärtsilä. Negotiations between the parties to resolve the issue are continuing and neither party has initiated court proceedings.

Secured liabilities

	2009	2008
Liabilities secured with real estate or business mortages		
Loans from financial institutions	0.4	0.3
Pension loans	9.5	11.5
	9.9	11.8
Liabilities secured with pledges		
Loans from financial institutions	144.0	135.8
Pension loans	0.5	0.8
	144.6	136.6

36. RELATED PARTY DISCLOSURES

Group companies

Company	Domicile	Group share of holding %	Parent company share of holding %
Componenta Belgium N.V.	Sint-Lambrechts-Woluwe, Belgium	100.0	-
Componenta B.V.	Belfeld, The Netherlands	100.0	100.0
Componenta Dökümcülük Ticaret ve Sanayi A.S.	Orhangazi, Turkey	93.6	93.6
Componenta France S.A.S.	Nanterre, France	100.0	-
Componenta Främmestad AB	Essunga, Sweden	100.0	-
Componenta Germany GmbH	Korshenbroich, Germany	100.0	-
Componenta Industri AB	Kristinehamn, Sweden	100.0	-
Componenta Italy Srl	Milan, Italy	100.0	-
Componenta Karkkila Oy	Karkkila, Finland	100.0	100.0
Componenta Netherlands B.V.	Tegelen, The Netherlands	100.0	-
Componenta Nisamo Oy	Lempäälä, Finland	100.0	-
Componenta Pietarsaari Oy	Pietarsaari, Finland	100.0	-
Componenta Pietarsaari MS Oy	Pietarsaari, Finland	100.0	-
Componenta Pori Oy	Pori, Finland	100.0	-
Componenta Suomivalimo Oy	Iisalmi, Finland	100.0	-
Componenta Sweden AB	Kristinehamn, Sweden	100.0	-
Componenta UK Ltd	Staffordshire, United Kingdom	93.6	-
Componenta USA, LCC	Iowa, USA	100.0	-
Componenta Wirsbo AB	Surahammar, Sweden	95.0	-
Högfors-Finance Oy	Karkkila, Finland	100.0	-
Karkkilan Koskikiinteistö Oy	Karkkila, Finland	81.0	66.9
Karkkilan Lääkärikeskus Oy	Karkkila, Finland	100.0	100.0
Karkkilan Valimokiinteistö Oy	Karkkila, Finland	100.0	-
Kiinteistö Oy Ala-Emali	Karkkila, Finland	98.2	98.2
Kiinteistö Oy Pietarsaaren Tehtaankatu 13	Pietarsaari, Finland	100.0	-
Kiinteistö Oy Uusporila	Karkkila, Finland	100.0	31.8
Kiinteistö Oy Ylä-Emali	Karkkila, Finland	100.0	100.0
Luoteis-Uudenmaan Kiinteistöt Oy	Karkkila, Finland	100.0	100.0
Pietarsaaren Vanha Valimo Oy	Pietarsaari, Finland	100.0	-
Uudenmaan Rakennustiimi Oy	Karkkila, Finland	100.0	100.0
Vanhan Ruukin Kiinteistöpalvelu Oy	Karkkila, Finland	100.0	100.0

Transactions with related parties

	2009	2008
Sale of goods to associated companies	-	-
Purchase of goods from associated companies	-0.2	-0.5
Purchase of services from associated companies	-	-0.1
	-0.2	-0.6

The prices of transactions with related parties are based on the Group's general price lists in force during the financial year.

Remuneration of the Chairman and other members of the Board of Directors, Managing Directors and Deputy Managing Directors

	2009	2008
Remuneration and fees, MEUR	-1.4	-1.6
Salaries and fees, 1,000 EUR		
President & CEO	-238	-270
Members of the Board		
Heikki Bergholm	-50	-50
Yrjö Julin	-25	-
Heikki Lehtonen	-25	-25
Marjo Miettinen	-25	-25
Juhani Mäkinen	-25	-25
Matti Tikkakoski	-25	-25

Componenta has no special pension obligations for management.

Receivables from and payables to associated companies are listed in notes 18 and 21.

Other related party disclosures

Componenta has granted loan receivables totalling EUR 0.4 (0.2) million to persons who are related parties in this and previous financial years.

Parent company income statement 1.1.-31.12.

MEUR	2009	2008
NET SALES	19.8	12.0
Other operating income	0.8	0.9
Operating expenses	-14.3	-13.6
Depreciation, amortization and write-downs of non-current assets	-0.4	-0.4
OPERATING PROFIT	5.8	-1.1
Financial income	23.6	51.6
Financial expense	-21.6	-26.3
Financial income and expenses in total	2.0	25.3
PROFIT AFTER FINANCIAL ITEMS	7.8	24.2
Extraordinary items	3.4	-
PROFIT AFTER EXTRAORDINARY ITEMS	11.3	24.2
Change in untaxed reserves	0.0	-
Income taxes	1.2	-0.2
PROFIT/LOSS FOR THE FINANCIAL PERIOD	12.5	24.0

Parent company statement of financial position 31.12.

MEUR	2009	2008
ASSETS		
NON-CURRENT ASSETS		
Intangible assets	1.1	1.2
Tangible assets	0.4	0.5
Investment	208.6	207.1
	210.1	208.8
CURRENT ASSETS		
Non-current receivables	122.4	93.9
Current receivables	12.5	11.6
Cash and cash equivalents	0.7	1.9
	135.7	107.3
TOTAL ASSETS	345.8	316.1
LIABILITIES AND SHAREHOLDERS' EQUITY		
SHAREHOLDERS' EQUITY		
Share capital	21.9	21.9
Share premium account	15.1	15.1
Legal reserve	0.0	0.0
Unrestricted equity reserve	33.3	4.1
Retained earnings	41.4	20.7
Profit/loss for the financial period	12.5	24.0
Shareholders' equity	124.3	85.8
UNTAXED RESERVES	-	0.0
LIABILITIES		
Non-current liabilites		
Capital loans	28.6	44.2
Other interest bearing liabilities	148.7	147.4
Current liabilities		
Capital loans	7.4	9.5
Other interest bearing liabilities	32.8	23.4
Non-interest bearing liabilities	4.1	5.8
Liabilities	221.6	230.3
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	345.8	316.1

GROUP DEVELOPMENT

GROUP DEVELOPMENT 2005 - 2009

MEUR	IFRS 2005	IFRS 2006	IFRS 2007	IFRS 2008	IFRS 2009
Net sales	343.2	362.1	634.7	681.4	299.6
Operating profit	9.9	14.5	42.7	47.3	-15.4
Financial income and expenses	-8.9	-9.9	-20.0	-28.7	-21.8
Profit/loss after financial items	1.0	4.6	22.7	18.6	-37.2
Profit for the financial period	2.2	3.5	21.6	13.9	-28.7
Order book at period end	60.4	95.4	129.0	73.6	58.8*)
Change in net sales, %	8.6	5.5	75.3	7.4	-56.0
Share of export and foreign activities in net sales, %	81.9	82.4	89.1	87.6	82.7

*) Order book on 15 January 2010

GROUP DEVELOPMENT EXCLUDING ONE-TIME ITEMS 2005 - 2009

MEUR	IFRS 2005	IFRS 2006	IFRS 2007	IFRS 2008	IFRS 2009
Net sales	343.2	362.1	634.7	681.4	299.6
Operating profit	6.6	14.9	34.9	47.9	-15.4
Financial income and expenses	-8.9	-9.9	-20.0	-28.7	-21.8
Profit/loss after financial items	-2.4	5.0	14.9	19.2	-37.2

	IFRS 31.12.2005	IFRS 31.12.2006	IFRS 31.12.2007	IFRS 31.12.2008	IFRS 31.12.2009
Statement of financial position total	269	484	497	448	388
Net interest bearing debt	145	251	243	262	242
Invested capital	198	360	371	339	317
Return on investment, %	5.0	6.6	11.9	13.6	-4.1
Return on equity, %	4.2	5.9	23.0	14.8	-45.1
Equity ratio, %	18.1	19.2	20.3	15.9	17.5
Net gearing, %	297.5	270.7	241.3	369.1	356.4
Investments in non-current assets	25.1	123.6	64.5	46.0	17.9
Number of personnel at period end, excluding leased personnel	2,185	4,316	4,314	4,294	3,614
Average number of personnel, excluding leased personnel	2,214	2,196	4,206	4,395	3,684

NET SALES BY MARKET AREA

MEUR	1-12/2008	1-12/2009
Finland	102.4	51.8
Sweden	104.8	39.8
Germany	100.7	58.6
UK	80.7	31.2
Turkey	80.5	49.4
Benelux countries	72.4	19.2
Other European countries	105.2	37.8
Other countries	34.7	11.7
Total	**681.4**	**299.6**

QUARTERLY DEVELOPMENT BY MARKET AREA

MEUR	Q1/08	Q2/08	Q3/08	Q4/08	Q1/09	Q2/09	Q3/09	Q4/09
Finland	34.6	23.0	18.9	26.0	21.4	11.8	9.0	9.6
Sweden	19.8	35.3	25.0	24.8	11.0	8.0	8.7	12.1
Germany	25.5	27.1	28.4	19.7	16.9	12.7	14.4	14.5
UK	26.8	24.1	19.1	10.7	7.6	7.9	7.8	7.8
Turkey	21.6	26.2	26.2	6.5	9.0	15.3	10.2	14.9
Benelux countries	18.8	23.7	18.3	11.7	6.8	2.6	5.0	4.9
Other European countries	30.3	33.2	24.7	16.9	11.6	10.4	6.0	9.8
Other countries	7.7	8.4	9.5	9.2	3.8	1.9	3.7	2.3
Total	**185.0**	**201.0**	**170.1**	**125.3**	**88.1**	**70.6**	**64.8**	**76.1**

GROUP DEVELOPMENT

MEUR	1-12/2008	1-12/2009
Net sales	681.4	299.6
Operating profit	47.3	-15.4
Net financial items *)	-28.7	-21.8
Profit/loss after financial items	18.6	-37.2

*) Net financial items are included in the profit of unallocated items

GROUP DEVELOPMENT BY BUSINESS DIVISION

Net sales, MEUR	1-12/2008	1-12/2009
Foundries	294.0	124.9
Machine shops	243.3	92.3
Turkey	242.7	114.0
Other business	75.7	49.8
Internal and one-time items	-174.2	-81.4
Componenta total	**681.4**	**299.6**

Operating profit, MEUR	1-12/2008	1-12/2009
Foundries	23.2	-11.9
Machine shops	4.3	-11.3
Turkey	19.9	2.4
Other business	-0.3	4.7
Internal and one-time items	0.2	0.7
Componenta total	**47.3**	**-15.4**

Order book, MEUR	12/2008	12/2009*)
Foundries and Machine shops	53.5	33.4
Turkey	17.9	24.2
Other business	2.3	1.2
Componenta total	**73.6**	**58.8**

*) Order book on 15 January 2010

GROUP DEVELOPMENT BY QUARTER

MEUR	Q1/08	Q2/08	Q3/08	Q4/08	Q1/09	Q2/09	Q3/09	Q4/09
Net sales	185.0	201.0	170.1	125.3	88.1	70.6	64.8	76.1
Operating profit	23.1	23.2	7.2	-6.2	-6.1	-4.3	-3.2	-1.7
Net financial items *)	-8.2	-4.5	-5.9	-10.1	-4.7	-5.7	-6.5	-4.9
Profit/loss after financial items	14.9	18.7	1.3	-16.3	-10.9	-10.1	-9.7	-6.5

*) Net financial items are included in the profit of unallocated items

QUARTERLY DEVELOPMENT BY BUSINESS DIVISION

Net sales, MEUR	Q1/08	Q2/08	Q3/08	Q4/08	Q1/09	Q2/09	Q3/09	Q4/09
Foundries	73.6	86.4	71.5	62.6	43.1	29.0	26.8	25.9
Machine shops	65.7	71.0	56.1	50.5	28.6	21.3	19.0	23.4
Turkey	70.7	71.1	70.6	30.4	24.0	28.0	26.8	35.2
Other business	24.8	21.7	16.3	12.8	12.8	12.1	12.3	12.5
Internal and one-time items	-49.9	-49.1	-44.3	-30.9	-20.5	-19.8	-20.1	-21.0
Componenta total	**185.0**	**201.0**	**170.1**	**125.3**	**88.1**	**70.6**	**64.8**	**76.1**

Operating profit, MEUR	Q1/08	Q2/08	Q3/08	Q4/08	Q1/09	Q2/09	Q3/09	Q4/09
Foundries	8.8	12.4	2.2	-0.3	-3.4	-3.5	-2.6	-2.3
Machine shops	2.6	4.2	0.7	-3.2	-3.2	-2.3	-2.9	-2.8
Turkey	13.0	7.0	4.2	-4.2	-0.6	0.6	1.3	1.1
Other business	0.1	-0.2	0.3	-0.5	0.9	1.2	1.1	1.4
Internal and one-time items	-1.5	-0.1	-0.1	1.9	0.2	-0.4	-0.1	1.0
Componenta total	**23.1**	**23.2**	**7.2**	**-6.2**	**-6.1**	**-4.3**	**-3.2**	**-1.7**

Order book at period end, MEUR	Q1/08	Q2/08	Q3/08	Q4/08	Q1/09	Q2/09	Q3/09	Q4/09*)
Foundries and Machine shops	85.7	86.4	85.5	53.5	29.8	29.5	28.8	33.4
Turkey	45.7	48.1	31.2	17.9	14.6	22.2	19.7	24.2
Other business	3.2	3.5	6.5	2.3	1.8	0.0	0.6	1.2
Componenta total	**134.6**	**138.0**	**123.2**	**73.6**	**46.2**	**51.7**	**49.0**	**58.8**

*) Order book on 15 January 2010

GROUP DEVELOPMENT EXCLUDING ONE-TIME ITEMS

MEUR	1-12/2008	1-12/2009
Net sales	681.4	299.6
Operating profit	47.9	-15.4
Net financial items *)	-28.7	-21.8
Profit/loss after financial items	19.2	-37.2

*) Net financial items are included in the profit of unallocated items

GROUP DEVELOPMENT BY BUSINESS DIVISION EXCLUDING ONE-TIME ITEMS

Operating profit, MEUR	1-12/2008	1-12/2009
Foundries	23.2	-11.9
Machine shops	4.3	-11.3
Turkey	19.9	2.4
Other business	-0.3	4.7
Internal items	0.8	0.7
Componenta total	**47.9**	**-15.4**

GROUP DEVELOPMENT BY QUARTER EXCLUDING ONE-TIME ITEMS

MEUR	Q1/08	Q2/08	Q3/08	Q4/08	Q1/09	Q2/09	Q3/09	Q4/09
Net sales	185.0	201.0	170.1	125.3	88.1	70.6	64.8	76.1
Operating profit	23.1	23.1	7.7	-6.0	-6.1	-4.4	-3.3	-1.7
Net financial items *)	-8.2	-4.5	-5.9	-10.1	-4.7	-5.7	-6.5	-4.9
Profit/loss after financial items	14.9	18.6	1.7	-16.1	-10.8	-10.2	-9.7	-6.5

*) Net financial items are included in the profit of unallocated items

QUARTERLY DEVELOPMENT BY BUSINESS DIVISION EXCLUDING ONE-TIME ITEMS

Operating profit. MEUR	Q1/08	Q2/08	Q3/08	Q4/08	Q1/09	Q2/09	Q3/09	Q4/09
Foundries	8.8	12.4	2.2	-0.3	-3.4	-3.5	-2.6	-2.3
Machine shops	2.6	4.2	0.7	-3.2	-3.2	-2.3	-2.9	-2.8
Turkey	13.0	7.0	4.2	-4.2	-0.6	0.6	1.3	1.1
Other business	0.1	-0.2	0.3	-0.5	0.9	1.2	1.1	1.4
Internal items	-1.5	-0.2	0.3	2.1	0.2	-0.4	-0.1	1.0
Componenta total	**23.1**	**23.1**	**7.7**	**-6.0**	**-6.1**	**-4.4**	**-3.3**	**-1.7**

SHAREHOLDERS AND SHARES

LARGEST REGISTERED SHAREHOLDERS ON 31 DECEMBER 2009

	Shareholder	Shares	Share of total voting rights, %
1	Lehtonen Heikki	5,311,340	30.42
	Cabana Trade S.A.	3,501,988	
	Oy Högfors-Trading Ab	1,806,052	
	Lehtonen Heikki	3,300	
2	Etra-Invest Oy Ab	4,237,464	24.27
3	Varma Mutual Pension Insurance Company	978,968	5.61
4	Ilmarinen Mutual Pension Insurance Company	724,266	4.15
5	Finnish Industry Investment Ltd	666,666	3.82
6	FIM Forte Fund	393,403	2.25
7	Finnish Cultural Foundation	236,000	1.35
8	Bergholm Heikki	230,000	1.32
9	Laakkonen Mikko	200,000	1.15
10	Lehtonen Anna-Maria	178,823	1.02
11	Kukkonen Jorma	127,000	0.73
12	Caldanos Oy	101,267	0.58
13	Mutual Fund Evli Wealth Manager (non-UCITS)	95,869	0.55
14	Rausanne Oy	91,200	0.52
15	Mäkelä Kai	66,200	0.38
Nominee-registered shares		274,505	1.57
Other shareholders		3,544,827	20.31
Total		17,457,798	100.00

The members of the Board of Directors own 32.1% 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 29.9 %.

BREAKDOWN OF SHARE OWNERSHIP ON 31 DECEMBER 2009

Number of shares	Shareholders	%	Shares	%
1 - 100	570	22.20	37,570	0.22
101 - 500	1,075	41.86	305,060	1.75
501 - 1 000	408	15.89	333,566	1.91
1 001 - 5 000	385	14.99	910,794	5.22
5 001 - 10 000	46	1.79	342,506	1.96
10 001 - 50 000	63	2.45	1,461,618	8.37
50 001 - 100 000	7	0.27	479,809	2.75
100 001 - 500 000	8	0.31	1,671,471	9.57
500 001 -	6	0.23	11,915,404	68.25
Total = total issued	2,568	100.00	17,457,798	100.00

SHAREHOLDERS BY SECTOR ON 31 DECEMBER 2009

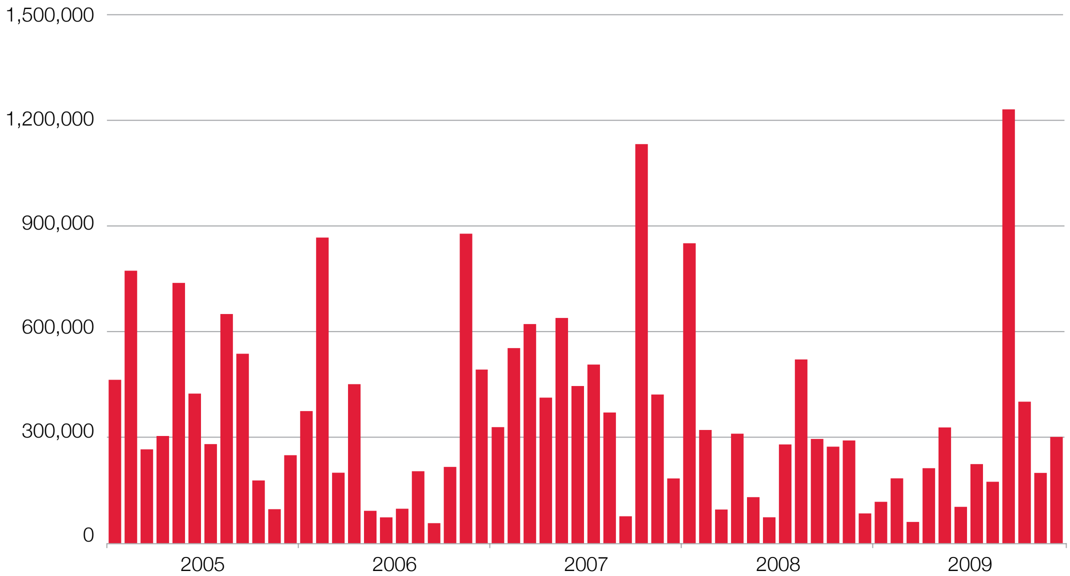
	%
Finnish companies	43.30
Financial institutions and insurance companies	3.08
General government bodies	9.76
Non-profit institutions	1.94
Households	19.69
Nominee-registered shares and other foreign shareholders	22.23
	100.00

PER SHARE DATA

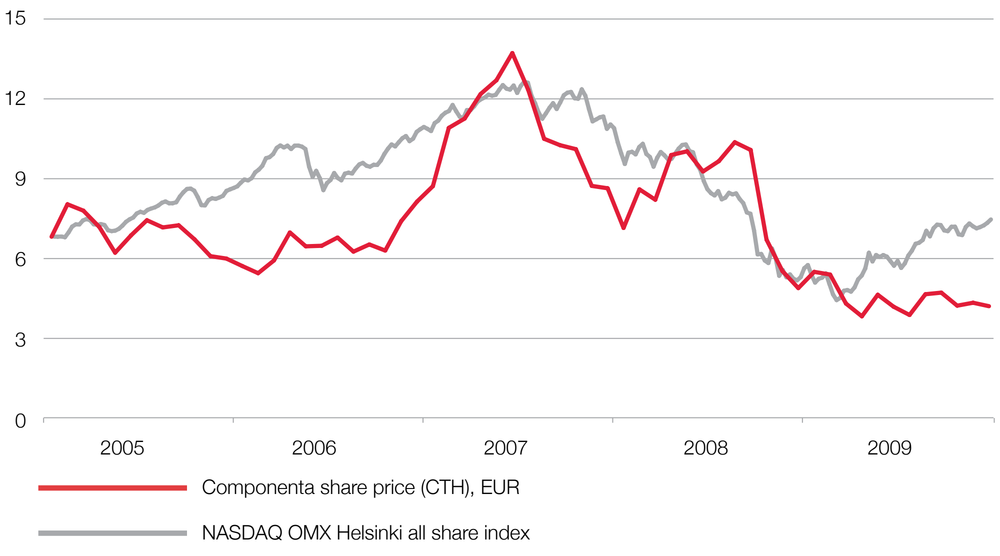
	2009	2008
Earnings per share (EPS), EUR	-2.30	1.24
Earnings per share, with dilution (EPS), EUR	-1.84	1.04
Cash flow per share, EUR	1.16	2.68
Equity per share, EUR	3.51	5.88
Dividend per share, EUR *)	0.00	0.30
Payout ratio, %	0.00	24.29
Effective dividend yield, %	0.00	6.32
P/E multiple	neg.	3.85
Share price at year end, EUR	4.12	4.75
Average trading price, EUR	4.45	8.34
Lowest trading price, EUR	3.60	4.62
Highest trading price, EUR	5.73	11.76
Market capitalization at year end, MEUR	72.0	52.0
Trading volume, 1,000 shares	3,511	3,503
Trading volume, %	20.1	32.0
Weighted average of the number of shares, 1,000 shares	12,312	10,944
Number of shares at year end, 1,000 shares	17,458	10,946

*) For the year 2009 a proposal of the Board of Directors.

COMPONENTA CORPORATION (CTH) MONTHLY SHARE TRADING VOLUME IN 2005 - 2009, PCS



COMPONENTA CORPORATION (CTH) SHARE PRICE DEVELOPMENT IN 2005 - 2009, EUR



CALCULATION OF KEY FINANCIAL RATIOS

Return on equity -% (ROE)	=	$\frac{\text{Profit/loss after financial items – income taxes x 100}}{\text{Shareholders' equity without preferred capital notes + minority interest (quarterly average)}}$
Return on investment -% (ROI)	=	$\frac{\text{Profit/loss after financial items + interest and other financial expenses x 100}}{\text{Shareholders' equity + interest bearing liabilities (quarterly average)}}$
Equity ratio, %	=	$\frac{\text{Shareholders' equity, preferred capital notes excluded + minority interest x 100}}{\text{Balance sheet total - advances received}}$
Earnings per share, EUR (EPS)	=	$\frac{\text{Profit/loss after financial items – income taxes +/- minority interest}}{\text{Average number of shares during the financial period}}$
Earnings per share with dilution, EUR	=	As above, the number of shares has been increased with the warrants outstanding. When calculating the dilution effect of warrants, the number of shares has been adjusted with the number of own shares which, the company could have acquired, if it would have used the funds generated from the warrants to buy back of own shares at market price. (= average trading price). After tax interest expense of the convertible loan has been added to the profit of the period. Number of shares that can be subsricbed by the loan, has been added to the number of total shares.
Cash flow per share	=	$\frac{\text{Net cash generated from operating activities}}{\text{Average number of shares during the financial period}}$
Average trading price, EUR	=	$\frac{\text{Trading volume}}{\text{Number of shares traded during the financial period}}$
Equity per share, EUR	=	$\frac{\text{Shareholders' equity, preferred capital notes excluded}}{\text{Number of shares at period end}}$
Dividend per share, EUR	=	$\frac{\text{Dividend}}{\text{Number of shares at period end}}$
Payout ratio, %	=	$\frac{\text{Dividend x 100}}{\text{Earnings (as in Earnings per share)}}$
Effective dividend yield, %	=	$\frac{\text{Dividend per share x 100}}{\text{Market share price at period end}}$
Market capitalization	=	Number of shares x market share price at period end
P/E multiple	=	$\frac{\text{Market share price at period end}}{\text{Earnings per share}}$
Net interest bearing debt	=	Interest bearing liabilities + preferred capital notes - cash and bank accounts
Net gearing, %	=	$\frac{\text{Net interest bearing debt x 100}}{\text{Shareholders' equity, preferred capital notes excluded + minority interest}}$

THE PROPOSAL BY THE BOARD OF DIRECTORS FOR THE DISTRIBUTION OF PROFITS

The distributable equity of the parent company statement of financial position is EUR 87,244,366.77, of which the net profit for financial year was EUR 12,484,251.63. The Board of Directors proposes to the Annual General Meeting to be held on 10 March 2010 that no dividend will be paid for 2009.

Helsinki 25 January 2010

Heikki Bergholm Chairman	Yrjö Julin	Marjo Miettinen
Juhani Mäkinen	Matti Tikkakoski	Heikki Lehtonen President & CEO

To the Annual General Meeting of Componenta Corporation

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Componenta Corporation for the year ended on 31 December, 2009. The financial statements comprise the consolidated statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and notes to the consolidated financial statements, as well as the parent company's statement of financial position, income statement, cash flow statement and notes to the financial statements.

The responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the financial statements and the report of the Board of Directors and for the fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the fair presentation of the financial statements and the report of the Board of Directors in accordance with laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's responsibility

Our responsibility is to perform an audit in accordance with good auditing practice in Finland, and to express an opinion on the parent company's financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. Good auditing practice requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements and the report of the Board of Directors are free from material misstatement and whether the members of the Board of Directors of the parent company and the Managing Director have complied with the Limited Liability Companies Act.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements or of the report of the Board of Directors, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements and the report of the Board of Directors in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

The audit was performed in accordance with good auditing practice in Finland. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the consolidated financial statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the company's financial statements and the report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki 26 January 2010

Oy Audicon Ab

Authorised Public Accountants

Marja-Leena Turunen

Authorised Public Accountant

Annual General Meeting

The Annual General Meeting of Componenta Corporation will be held at 11.00 a.m. on Wednesday, 10 March 2010 at the company's headquarters in Käpylä, in the auditorium of the Sato building at Panuntie 4, 00610 Helsinki, Finland.

Shareholders who are on 26 February 2010 registered as shareholders in the company's shareholder register maintained by the Euroclear Finland Ltd are entitled to attend the meeting. A shareholder whose shares have been entered into his/her personal book-entry account is registered into the company's shareholder register.

Shareholders who desire to attend the Annual General Meeting shall register no later than on 5 March 2010 at 10.00 am (EET) by letter to Componenta Corporation, Panuntie 4, 00610 Helsinki, Finland, by telephone at +358 10 403 2761, by fax to +358 10 403 2721 or by e-mail to the address ir.componenta@componenta.com. Any powers of attorney are required to be sent to the mentioned address in connection with the registration.

If a holder of nominee registered shares is entitled to be recorded in the company's shareholder register on the record date of the General Meeting, 26 February 2010, the shareholder may in accordance with the instructions of his/her custodian bank request to be notified for temporary registration in the company's shareholder register for participation in the General Meeting at the latest on 5 March 2010 at 10:00 am (EET). A holder of nominee registered shares is considered to be registered for the General Meeting, when he/she is notified for temporary registration in the shareholders' register as described above. A holder of nominee registered shares is advised to request necessary instructions regarding the temporary registration in the shareholders' register of the company, the issuing of proxy documents and registration for the General Meeting from his/her custodian bank well in advance.

Dividend proposal

The Board of Directors proposes to the Annual General Meeting of Shareholders that no dividend will be paid for 2009, in accordance with the Group's current dividend policy.

According to the dividend policy, the goal is to pay a dividend of 30-50% of net profit. The Board of Directors takes the financial performance, financing structure and growth expectations into account when making its proposal for the dividend to be paid.

Other proposals for the Annual General Meeting

The Board of Directors proposes to the AGM that the Board to be authorized to decide on purchasing the company's own shares for a maximum of 1,700,000 shares, in one or several occasions, using the company's unrestricted shareholders' equity. The shares shall be purchased at the market price for Componenta in public trading on the NASDAQ OMX Helsinki, for which reason they will be purchased other than in proportion to the holdings of shareholders. The authorization is proposed to be valid for a period of 18 months from the date of the decision of the AGM. The Board of Directors proposes that the authorization cancels the authorization given the Board by the AGM on 23 February 2009 to decide on purchasing of the company's own shares.

The Board of Directors proposes to the Annual General Meeting that it would remove the current section 7 in the Articles of Association, changing the numbering of sections accordingly, as well as amend the current sections 4, 6, 8, 9 and 11.

Shareholders representing more than 10 percent of all the votes in the company have communicated that they will propose to the Annual General Meeting that M. Sc. (Econ.) Pii Kotilainen is elected to replace Mr. Yrjö Julin, who has been appointed Chief Operating Officer of the company, as member of the Board of Directors and that the other current members of the Board of Directors are re-elected for the following term of office.

Financial information

In 2010 Componenta will publish three interim reports:

- January - March on 22 April 2010
- January - June on 16 July 2010
- January - September on 19 October 2010

The press conferences for representatives of media and analysts held when the interim reports are published will be webcast simultaneously on the company's website at www.componenta.com.

This Annual Report 2009 is available as a printed report, as a web version and as a printable pdf version.

Componenta's publications and releases are available immediately after their release date at www.componenta.com/releases. Printed publications and interim reports will only be sent to those who have requested it from the company. Printed publications can be ordered from Componenta's website at www.componenta.com/orderreports, by telephone at +358 10 403 2761 or by e-mail at ir.componenta@componenta.com.

By registering at Componenta's web pages at www.componenta.com/releaseservice you can order all company releases directly to the receiver's own e-mail.

In addition to the Annual Report, Componenta will publish Sustainability Report 2009 during the spring 2010.

All Componenta's publications are both in Finnish and English.

Information about the share

Componenta Corporation is listed on the NASDAQ OMX Helsinki, starting from 19 March 2001, in OMXH Small Caps in the Industrials sector. Componenta has one series of shares.

Trade code at NASDAQ OMX Helsinki: CTH1V
ISIN code: FI0009010110

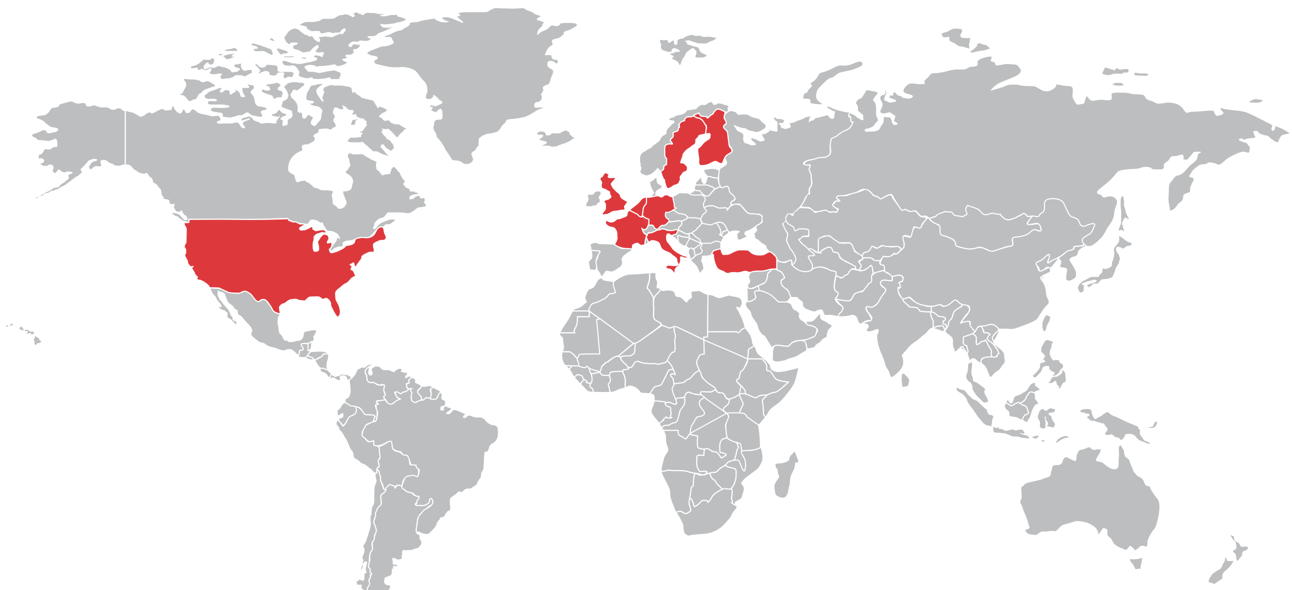
Investor relations

Our target is to provide comprehensive information about Componenta and its business environment to institutional investors, small investors, analysts and the press. It is important for us that information concerning Componenta is always easily available to our stakeholders, regardless of time or place.

30 days prior to the publication of any financial statements or quarterly reports Componenta has a closed window period during which we do not meet with capital market representatives nor comment on result development.

Contact our investor relations by e-mail ir.componenta@componenta.com.

COMPONENTA CONTACTS



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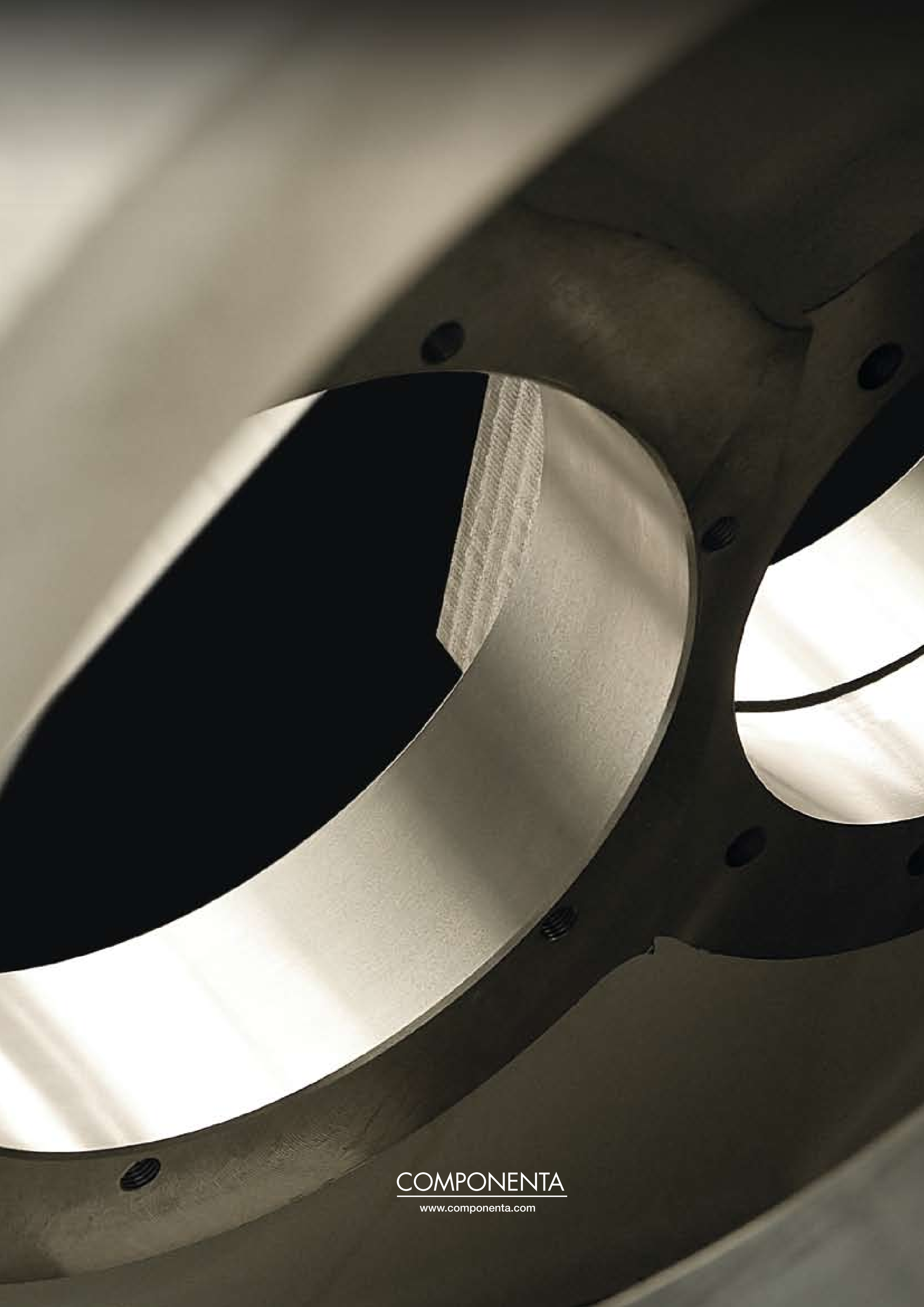
COMPONENTA
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