



# COMPONENTA

## **Componenta Corporation Interim report**

**1 January - 31 March 2007**

# COMPONENTA

## Income statement

MEUR		pro forma	pro forma
	2007	2006	2006
	1 - 3	1 - 3	1 - 12
Net sales	167.9	152.3	602.3
Operating profit before one-time items	13.7	9.6	40.4
Financial income and expenses	-4.4	-4.2	-18.8
Result after financial items (before one-time items)	9.3	5.4	21.7
One-time items	12.9	0.0	13.8
Result after financial items	22.2	5.4	35.5
Net result	20.9	4.0	27.2
Earnings per share, EUR (excluding one-time items)	0.69	0.44	1.56
Earnings per share, EUR	2.06	0.44	2.80

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## Key Ratios

	31.3.2007	31.3.2006	31.12.2006
Equity ratio, % (preferred capital note in equity)	29.4	31.6	32.5
Return on equity, %	102.4	17.9	*) 33.9
Return on equity, % (excluding one-time items)	33.1	17.9	*) 19.0
Return on investment, %	29.6	11.5	*) 11.3
Return on investment, % (excluding one-time items)	15.4	11.5	*) 11.4
Net interest bearing debt, MEUR (preferred capital note in equity)	210.7	107.9	186.9
Net gearing, % (preferred capital note in equity)	148.0	124.8	123.1
Order book, MEUR	104.7	*) 103.6	*) 95.4
Investments in non-current assets	42.6	2.3	123.6
Average number of personnel	4 235	*) 3 992	*) 4 316

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## Cash flow

MEUR	2007	2006	2006
	1 - 3	1 - 3	1 - 12
Profit before extraordinary items	22.2	3.1	4.6
Depreciation and amortization	7.3	4.3	17.4
Net financial income and expenses	4.4	2.2	9.9
Other income and expenses, adjustments to cash flow	-14.2	3.8	0.2
Change in net working capital	-15.5	-6.5	1.6
<b>Cash flow before financing and income taxes</b>	<b>4.1</b>	<b>6.9</b>	<b>33.7</b>
Interests paid and received and dividends received	-3.3	-2.3	-7.6
Taxes paid	-1.2	0.0	0.0
<b>Cash flow from operations</b>	<b>-0.3</b>	<b>4.6</b>	<b>26.2</b>
<b>Cash flow from investing activities</b>	<b>-19.2</b>	<b>-1.4</b>	<b>-104.2</b>
<b>Cash flow from financing activities</b>	<b>24.2</b>	<b>-5.6</b>	<b>88.1</b>
<b>Increase (+)/ decrease(-) in cash and bank accounts</b>	<b>4.8</b>	<b>-2.4</b>	<b>10.0</b>

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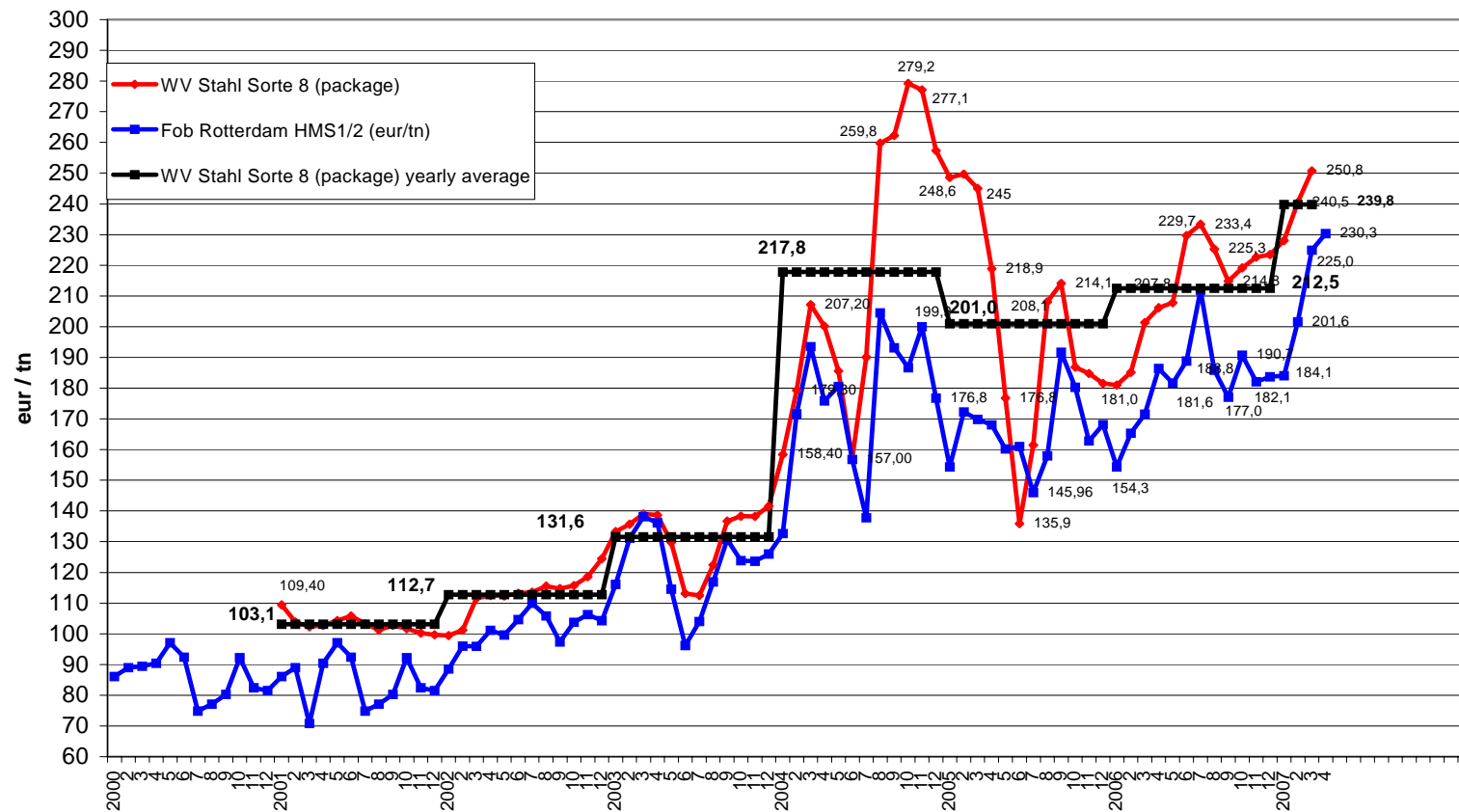
## Review period in brief

- Comparable net sales increased 12.2% to MEUR 167.9 (MEUR 152.3)
- Operating profit increased 42.7% to MEUR 13.7 (MEUR 9.6)
- Result after financial items improved 72.2% to MEUR 9.3 (MEUR 5.4)
- Earnings per share improved 56.8% to EUR 0.69 (EUR 0.44)
- Operating result at Karkkila foundry and Heerlen furan foundry improved considerably in review period.
- The integration of Döktas has proceeded according plans. Some of the synergies will start to have an impact during the current year.
- Price of scrap steel continued to rise in first quarter.

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## Wvstahl Sorte 8 / package scrap (eur/tn) (Source: Wvstahl)

Updated 03.04.2007



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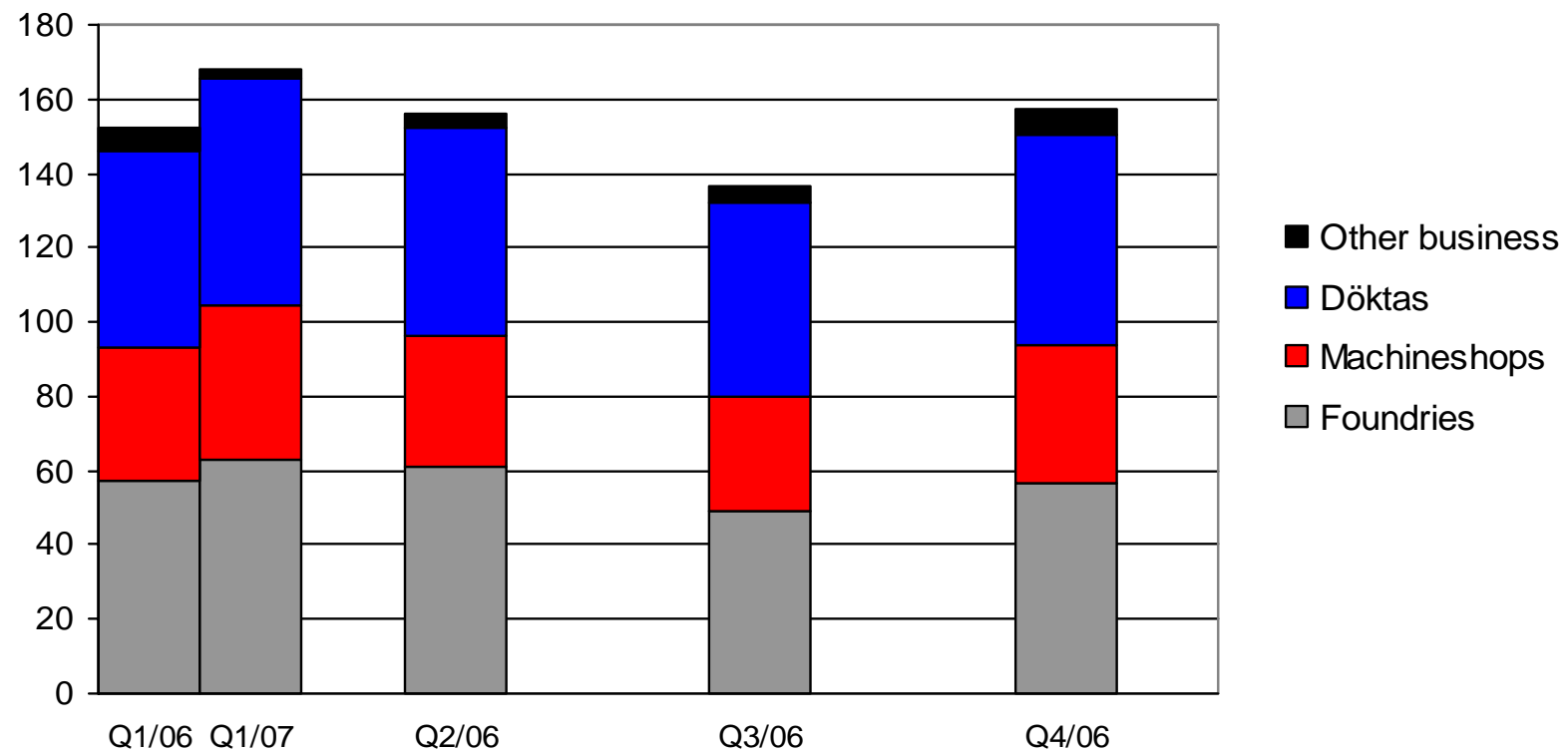
## Net sales and order book

- Comparable deliveries by customer sector:
  - Heavy truck industry +2%
  - Off-road manufacturers +11%
  - Power and transmission +31%
  - Machine building +12%
  - Car and light truck manufacturers +12%
- Componenta's order book stood at MEUR 104.7 (MEUR 103.6) at end of March.

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## Net sales

MEUR

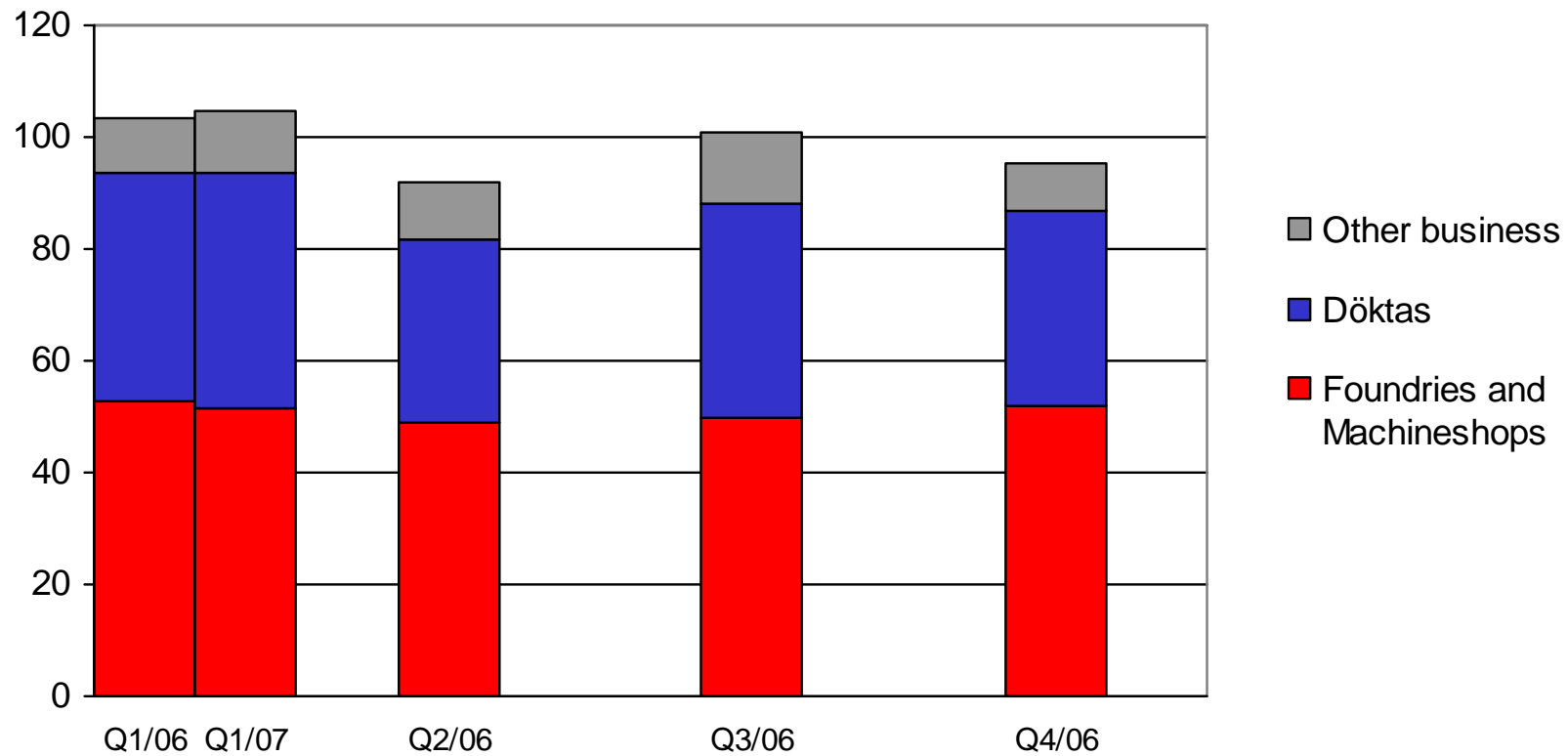




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## Order book

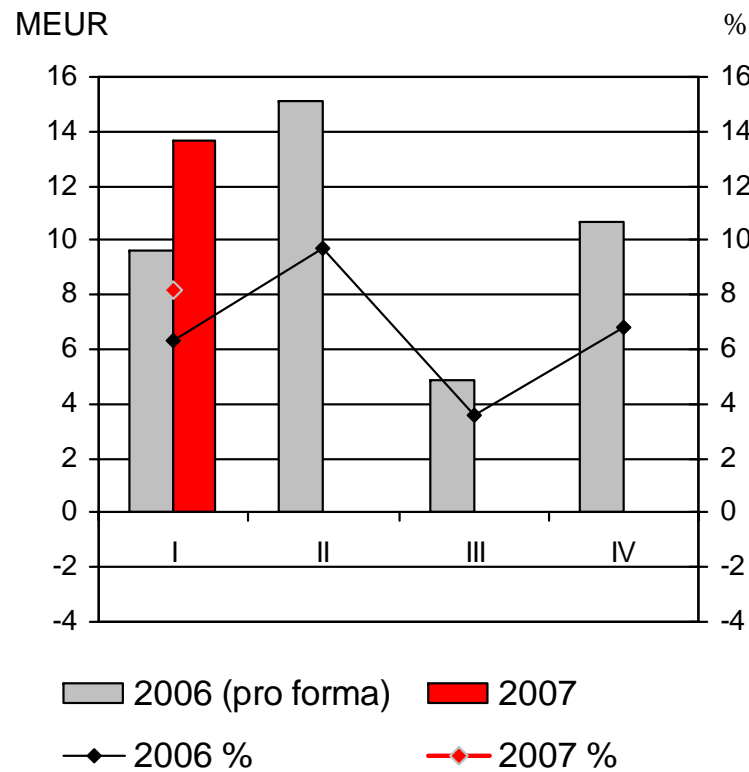
MEUR



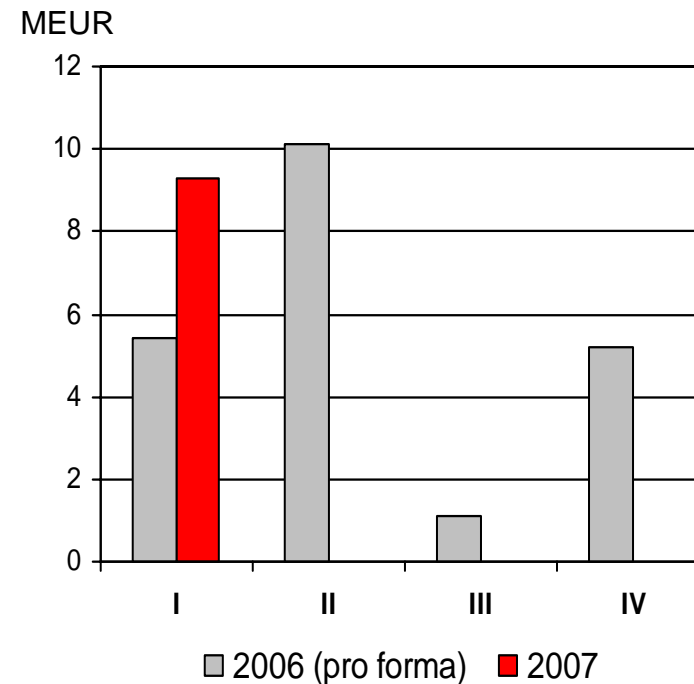
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## Operating profit and result after financial items before one-time items

### Operating profit

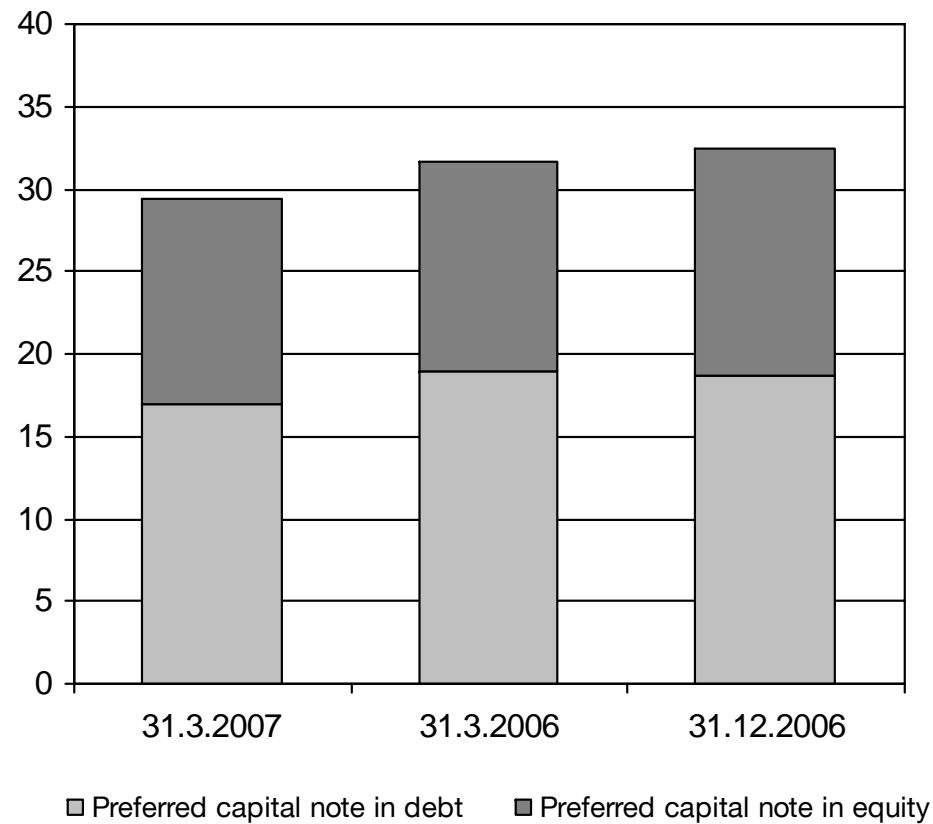


### Profit after financial items



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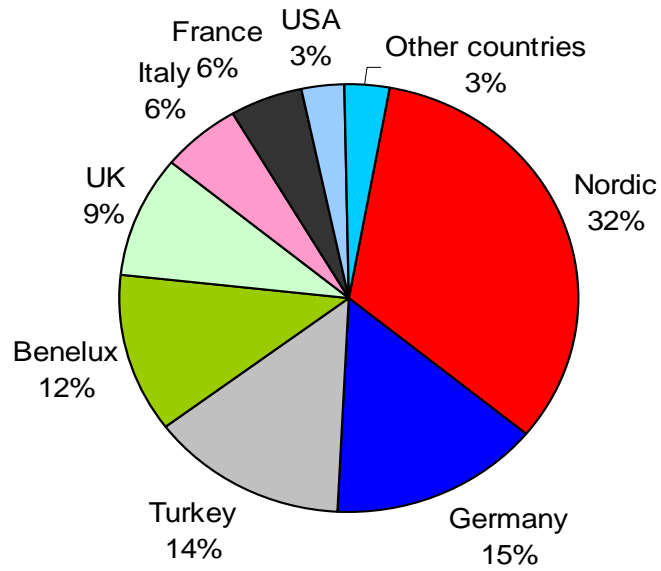
## Equity ratio, %



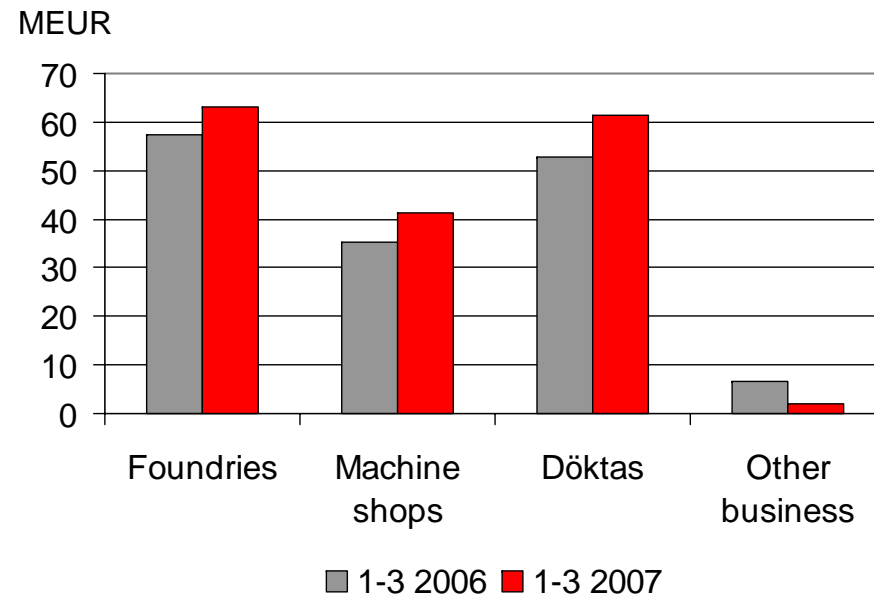
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## Division of sales

### Sales by market area



### Sales by business group



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## Sales to customer industries



**Heavy  
trucks**

**28% (30%)**

**Off-road**

**35% (35%)**

**Machine  
building**

**11% (10%)**

**Power and  
transmission**

**9% (7%)**

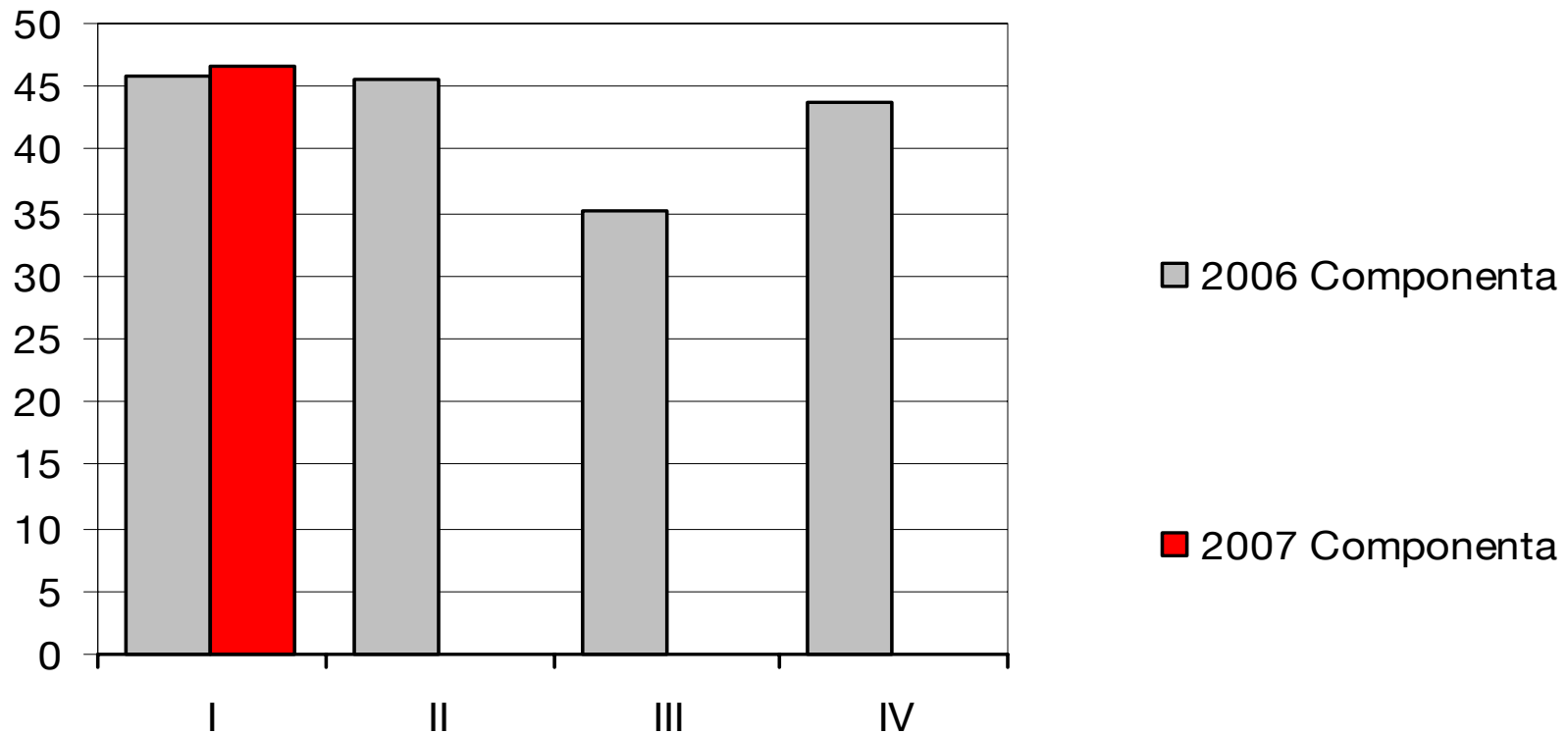
**Light  
vehicles**

**17% (17%)**

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## Sales to heavy truck industry

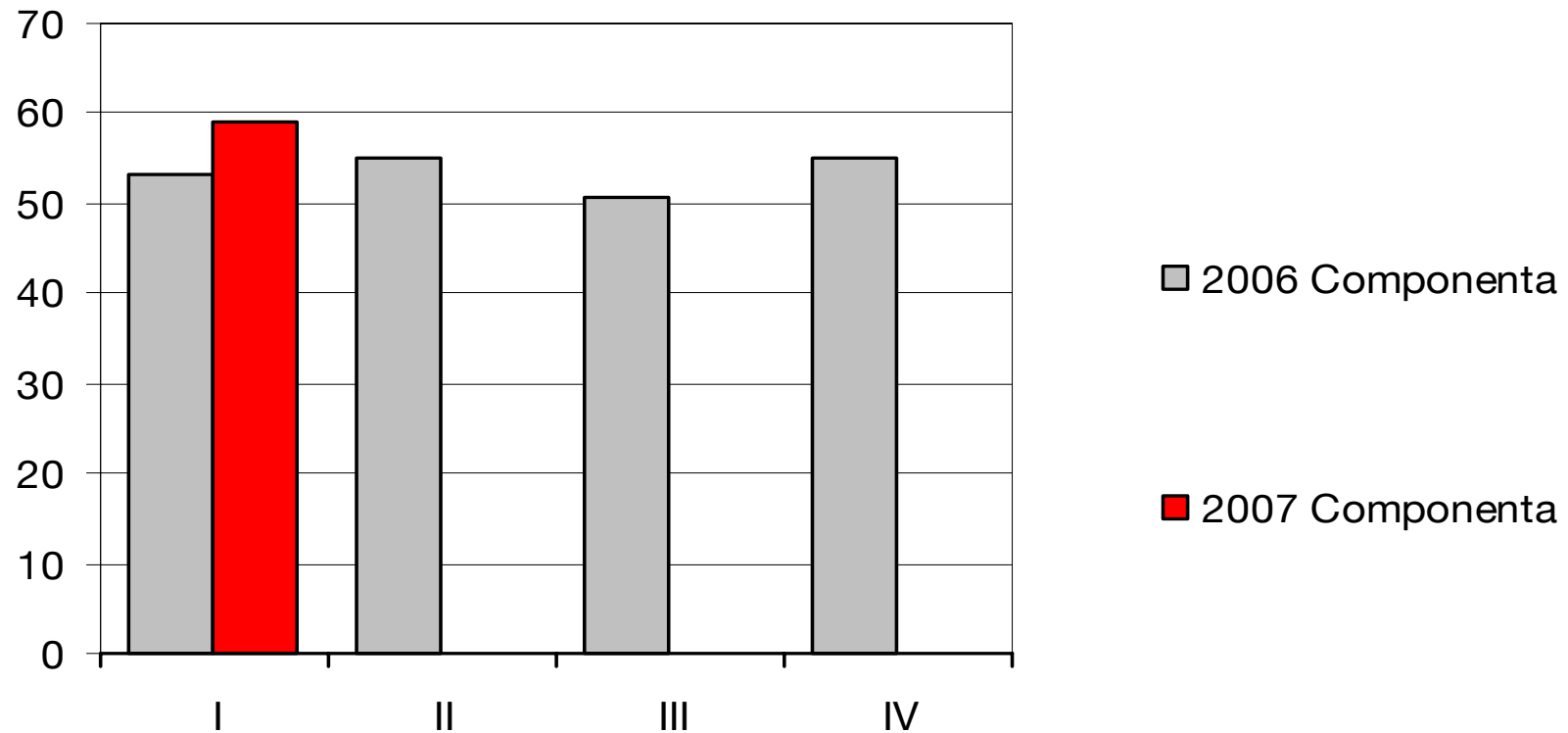
MEUR



# COMPONENTA

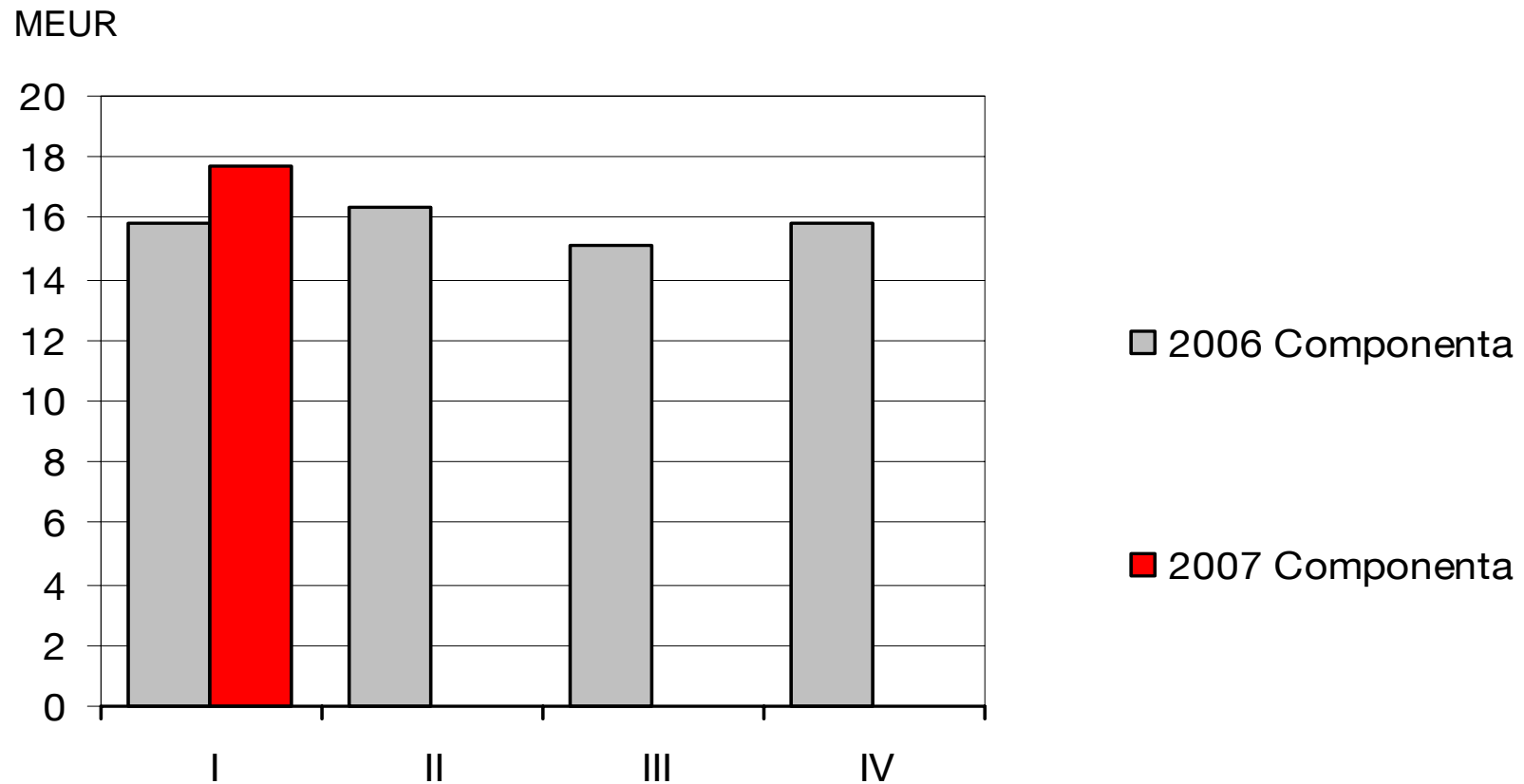
## Sales to off-road industry

MEUR



# COMPONENTA

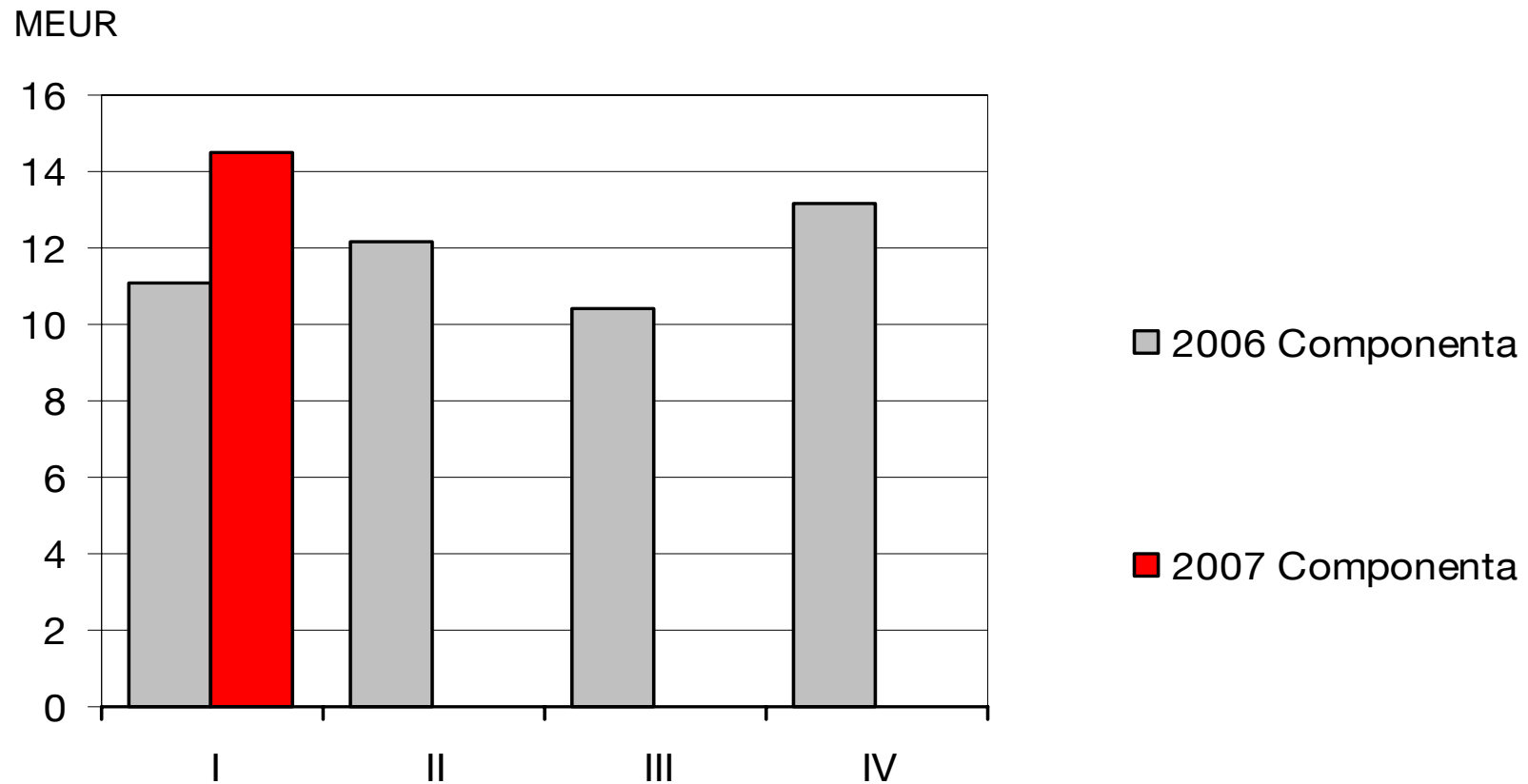
## Sales to machine building industry





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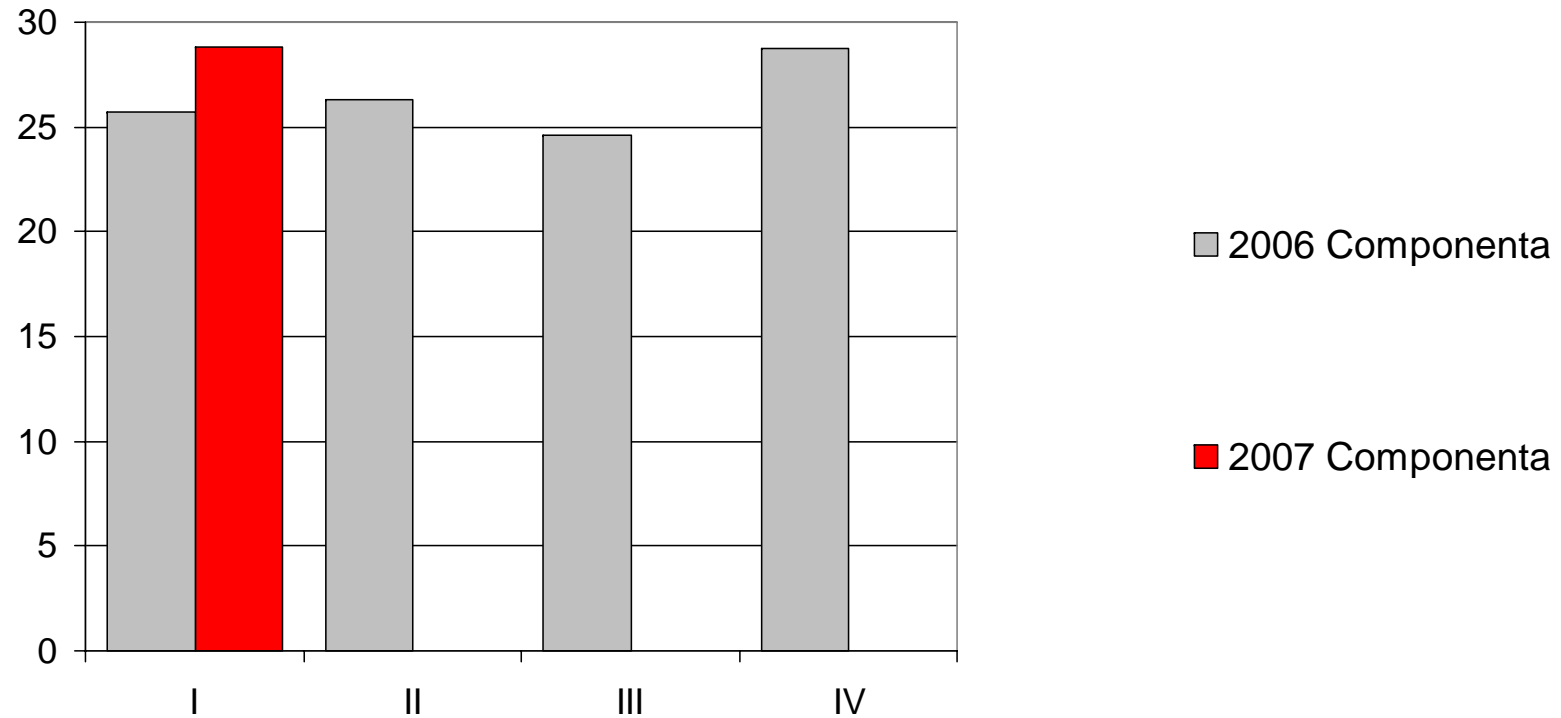
## Sales to power and transmission industry



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## Sales to light vehicle industry

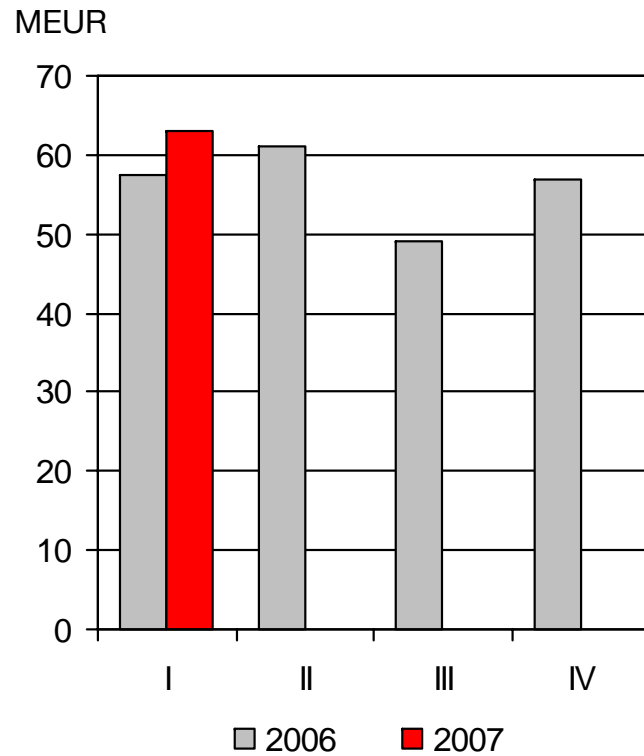
MEUR



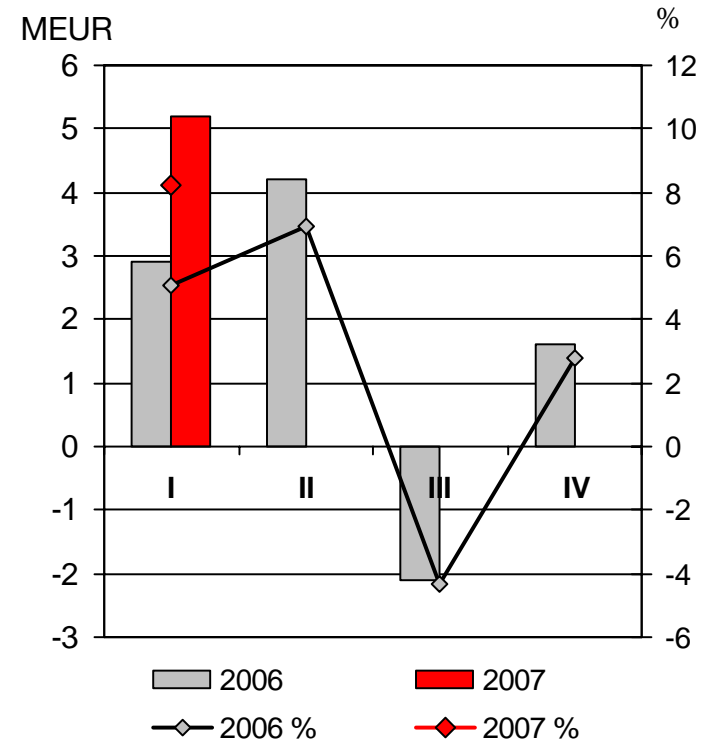
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## Foundries

### Net sales



### Operating profit before one-time items



# COMPONENTA

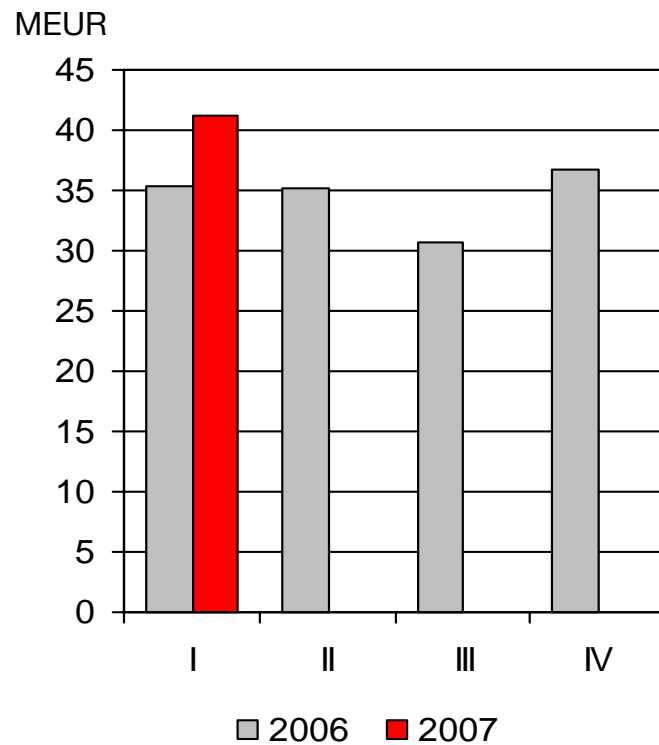
## Performance of Foundries division

- The division contains the Group's foundries in Karkkila, Pori, Pietarsaari, Iisalmi, Weert and Heerlen.
- Net sales were MEUR 63.1 (MEUR 57.5) and operating profit MEUR 5.2 , 8.2% of net sales (MEUR 2.9, 5.0%).
- The division's operating result suffered from the rise in raw material prices in the review period, but the division can pass on most of the price increase to products supplied to customers mainly during the next quarter.
- Operating profit improved from previous year as a result of higher volumes and improved efficiency.
- Operating result of Karkkila and Heerlen Furan foundries improved significantly in first quarter.

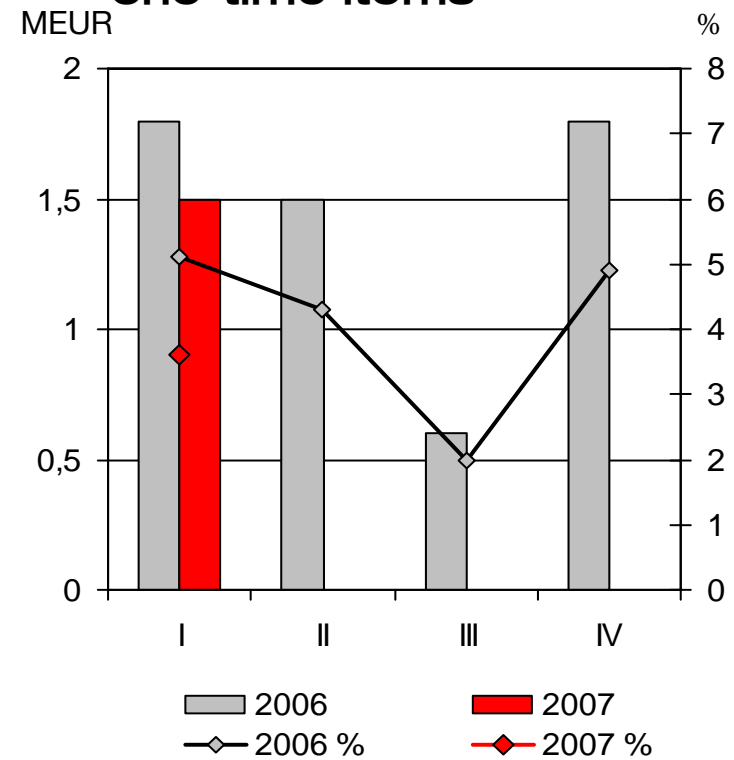
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## Machine shops

### Net sales



### Operating profit before one-time items



# COMPONENTA

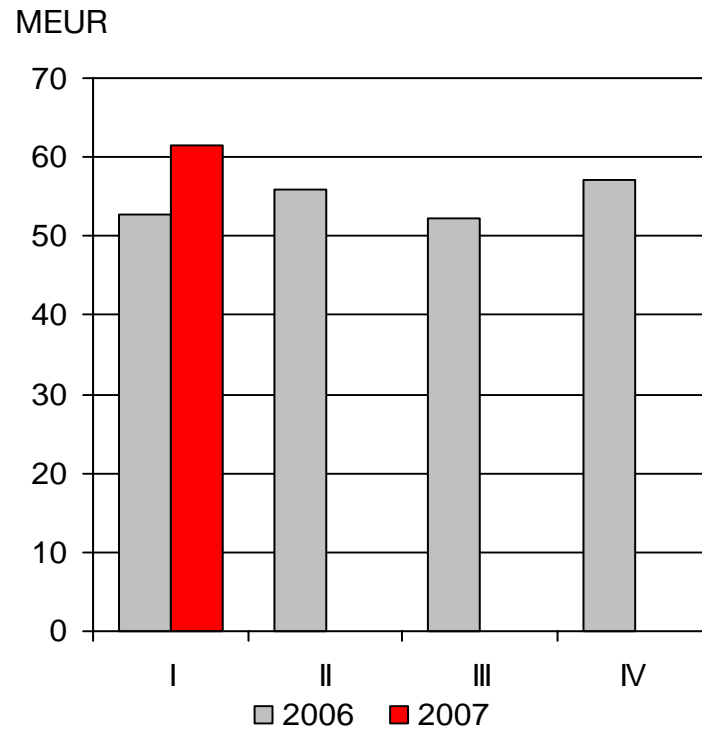
## Performance of Machine shops division

- The division consists of the Främmestad and Åmål machine shops in Sweden, the machine shops in Pori, Pietarsaari and Lempäälä in Finland, and machine shop operations in the Netherlands.
- Net sales in January – March were MEUR 41.2 (MEUR 35.4) and operating profit was MEUR 1.5, 3.6% of net sales (MEUR 1.8, 5.1%).
- The business operations of Componenta Albin Ab were sold to the acting management in a transaction confirmed on 15 March 2007. A profit of MEUR 13 was recorded on the sale.
- On 21 March 2007 Componenta started negotiations with personnel of Componenta Åmål concerning the proposal to consolidate the operations of the Componenta Åmål machine shop with Componenta Främmestad in Sweden.
- A provision of MEUR 4.7 was recorded in one-time costs for the review period for the financial impact of the merger proposal being negotiated.
- Consolidation operations are expected to improve the combined result of the units by some MEUR 2 as from 2008.

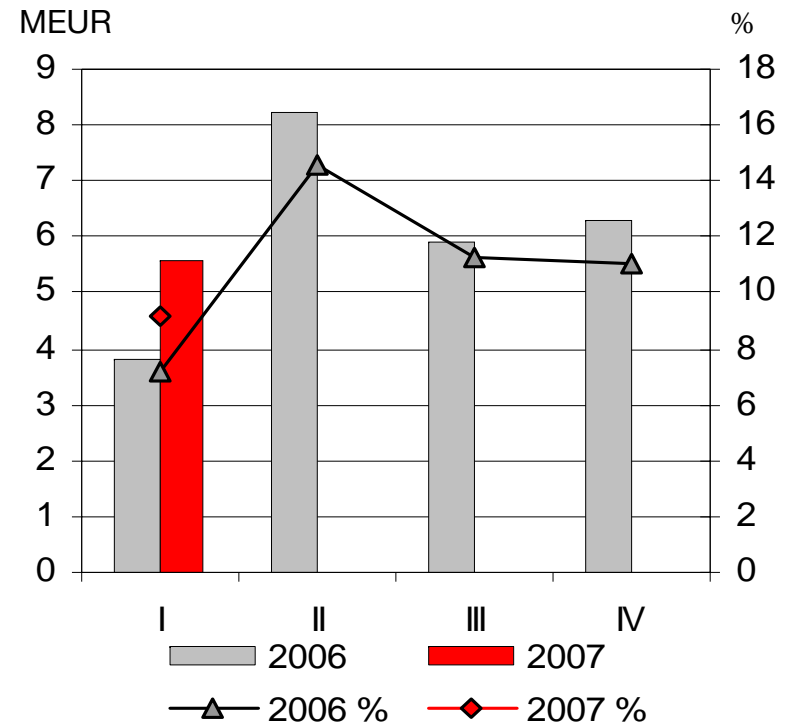
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## Döktas

### Net sales



### Operating profit before one-time items



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## Performance of Döktas

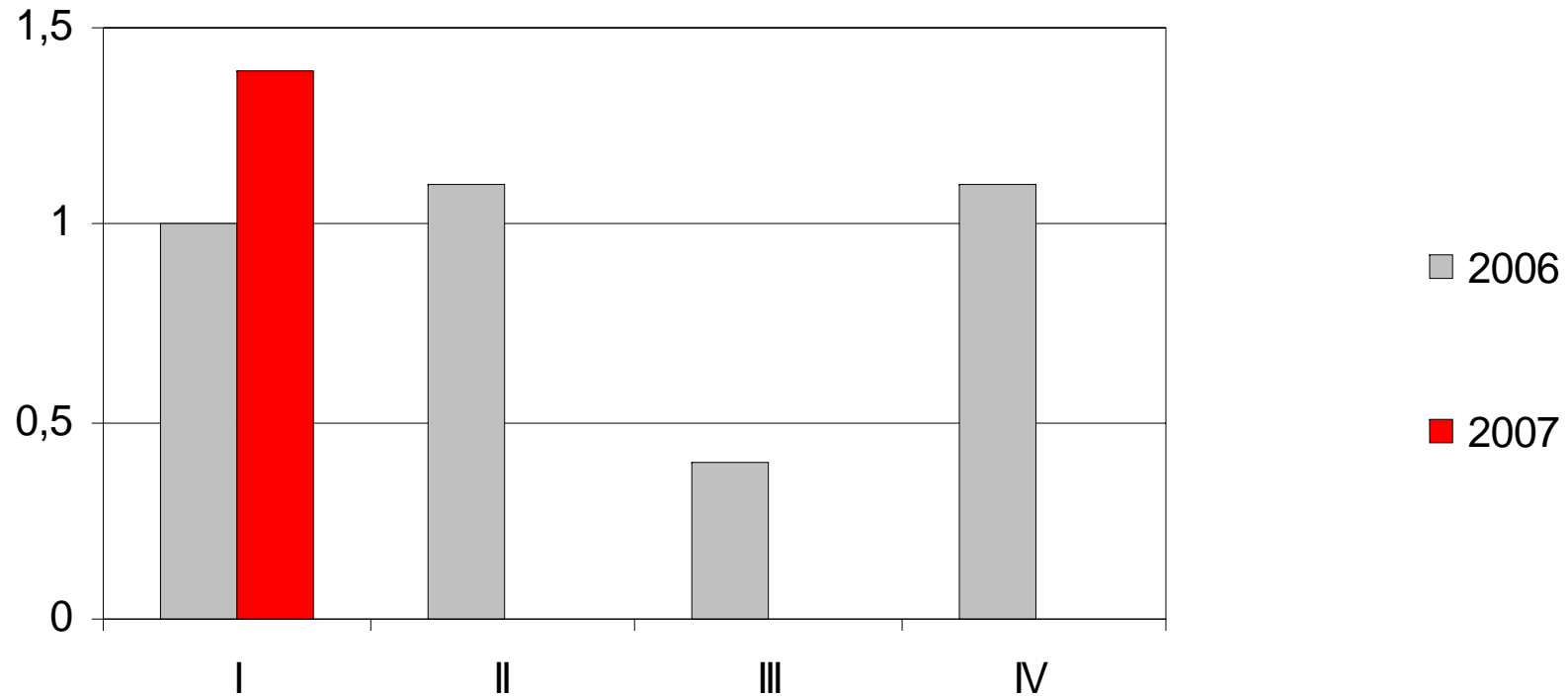
- The division comprises the iron foundry and machine shop in Orhangazi and the aluminium foundry and machine shop in Manisa.
- Döktas had net sales of MEUR 61.5 (MEUR 52.8) and operating profit of MEUR 5.6, 9.1% of net sales (3.8, 7.2%).
- Net sales of the Orhangazi foundry producing iron cast components were MEUR 41.3 (MEUR 35.4) and operating profit MEUR 4.0, 9.7% of the net sales (MEUR 2.2, 6.2%).
- Net sales of the Manisa foundry producing aluminium cast components were MEUR 20.2 (MEUR 17.4) and operating profit MEUR 1.6, 7.9% of the net sales (MEUR 1.6, 9.2%).



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## Other Business

MEUR **Operating profit before one-time items**



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## Performance of Other Business

- Other Business contains the service companies, the Componenta Wirsbo forges, the Sherbrook sales company, Componenta Pistons, eliminations in internal items, the operations of Componenta Albin that have been sold and the Group's share of the associated company Ulefos NV that has been sold.
- In January – March Other Business had operating profit excluding one-time items of MEUR 1.4 (MEUR 1.0).
- The sale of Componenta's Ulefos NV AS shares was confirmed on 28 February 2007. In this transaction, which was signed on 16 February 2007, Componenta sold its 50% holding in the shares of Ulefos to the company's other owner, Cappelen Holding AS. The selling price was MEUR 14. Componenta recorded a profit of MEUR 6.4 on the sale.

# COMPONENTA

## Prospects Q2/2007

- Componenta's prospects in 2007 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 the Group's customer sectors looks good at the start of 2007. Rising interest rates and unfavourable developments in exchange rates in Europe may weaken prospects during the year.
- Combining the operations of Componenta and Döktas is expected to achieve synergy benefits of EUR 10 million by the end of 2008. Some of the synergies are expected to have a positive impact already on the operating profit of the current year.
- The performance of the Karkkila and Heerlen units is expected to improve in 2007.

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## Prospects Q2/2007

- Componenta's order book at the end of the first quarter of 2007 stood at the same level as at the same time in the previous year.
- 2007 net sales and result after financial items, excluding one-time items, are expected to increase on the corresponding pro forma figures for 2006.