

COMPONENTA

Componenta Corporation

Interim report 1 January – 31 March 2010

Q1/2010 in brief

- Net sales increased 4% to MEUR 91 (88).
- Value of production rose 25% and was MEUR 94 (75).
- Operating profit was MEUR 0.3 (-6.1).
- Result after financial items was MEUR -5.6 (-10.9).
- Basic earnings per share was EUR -0.24 (-0.75).
- Order book rose 47% and was MEUR 68 (46).

- Operating profit improved from the previous year due to higher production volumes and cost adaptation measures implemented earlier.
- The first quarter result was weakened by rapid increase in raw material prices and by the exceptional peaks in the energy prices in the Nordic countries, with the total impact of some EUR 3 million.
- Unused, committed credit facilities and cash in bank at the end of the review period were MEUR 39.5.
- Cash flow from operations was positive, MEUR 3.5 (5.3).

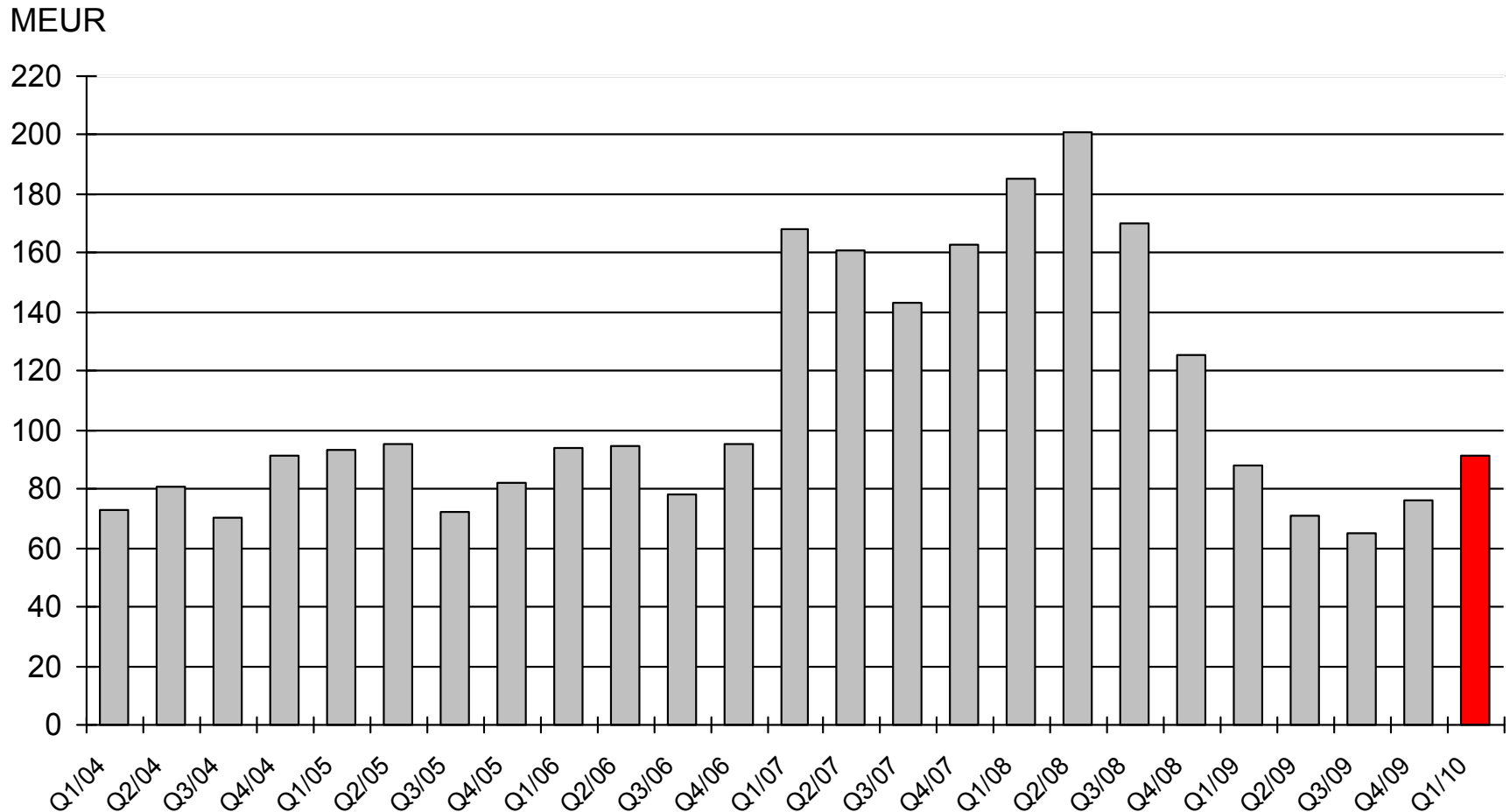
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Income statement

MEUR	2010	2009	2009
	1 - 3	1 - 3	1 - 12
Net sales	91.2	88.1	299.6
Operating profit	0.3	-6.1	-15.4
Financial income and expenses	-5.9	-4.7	-21.8
Result after financial items	-5.6	-10.9	-37.2
Net result	-4.1	-8.3	-28.7
Earnings per share, EUR	-0.24	-0.75	-2.30

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Quarterly net sales development 2004 - Q1/2010



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Key ratios

MEUR	31.3.2010	31.3.2009	31.12.2009
Equity ratio, % (preferred capital note in equity)	23.6	23.0	26.5
Return on equity, %	-23.5	-53.4	-45.1
Return on investment, %	1.1	-6.6	-4.1
Net interest bearing debt, MEUR (preferred capital note in equity)	214.9	223.4	206,5
Net gearing, % (preferred capital note in equity)	218.2	232.9	200.8
Order book, MEUR	68.0	46.2	58.8
Investments in production facilities, MEUR	0.8	5.2	15.5
Personnel at the end of period (incl. leased personnel)	3,845	3,858	3,698

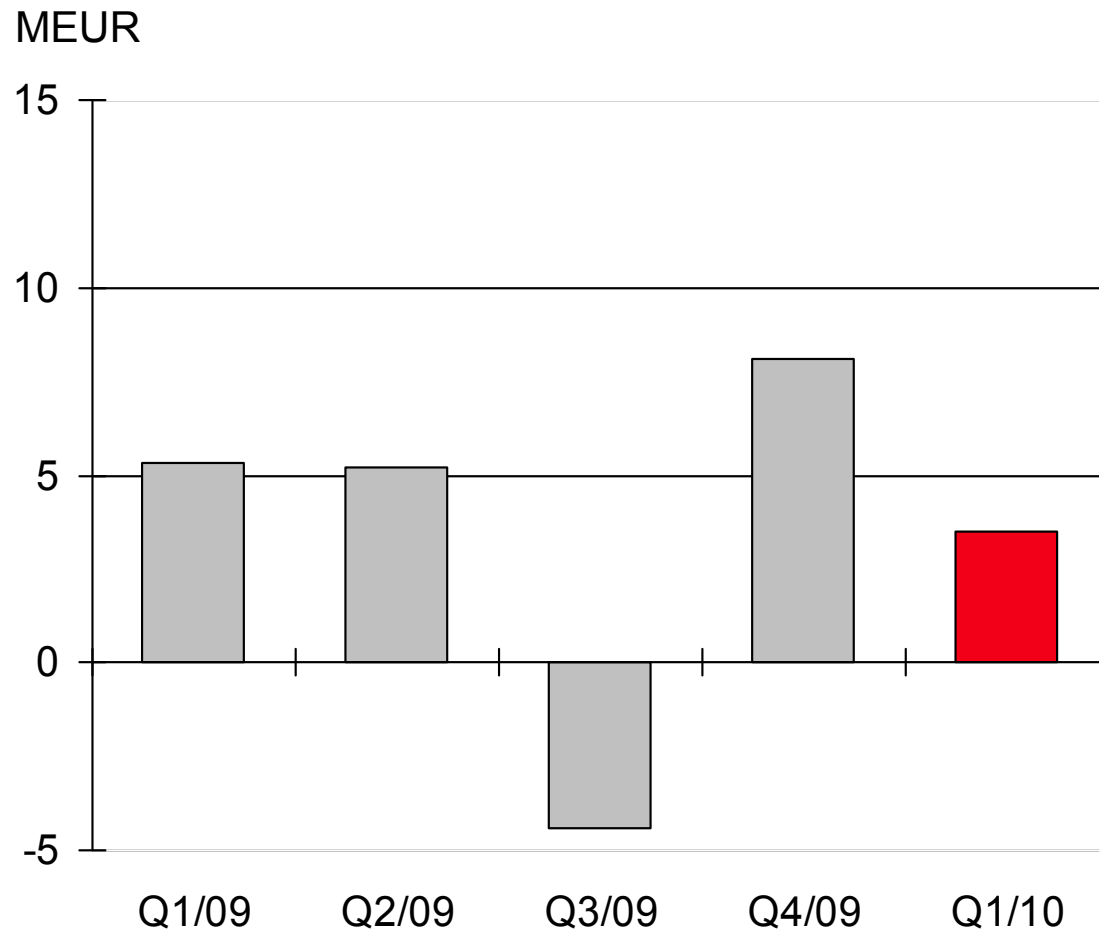
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Cash flow statement

MEUR	2010 1 – 3	2009 1 – 3	2009 1 – 12
Cash flow from operations before change in net working capital, financing and taxes	4.9	-2.8	-2.5
Change in net working capital	3.1	11.2	37.5
Cash flow from operations before financing and taxes	8.0	8.4	35.0
Cash flow from operations	3.5	5.3	14.2
Cash flow from investments	-3.2	-4.4	-12.6
Cash flow from financing activities	5.4	8.5	0.9
Change in liquid assets	5.6	9.4	2.5

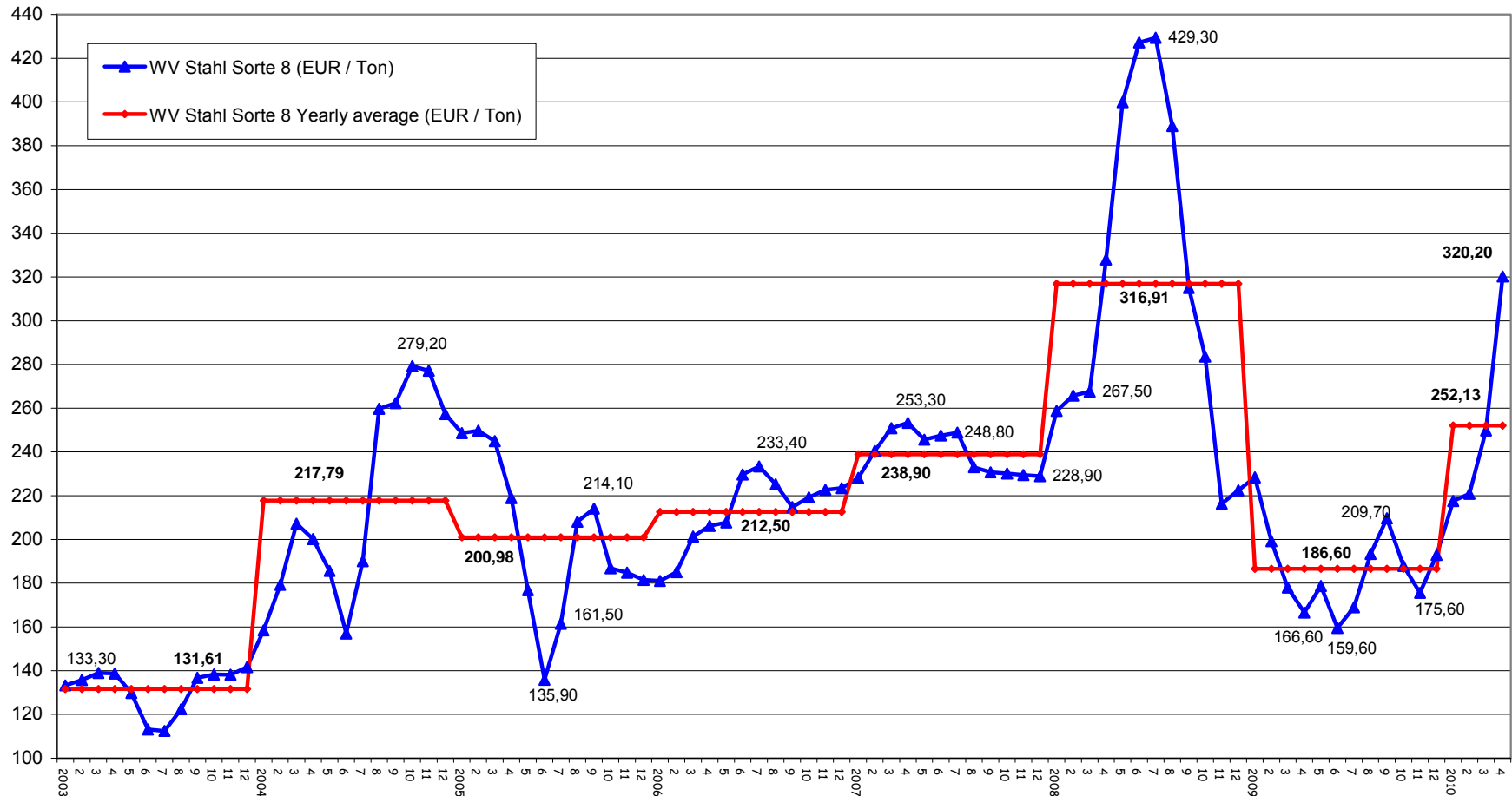
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Cash flow from operations



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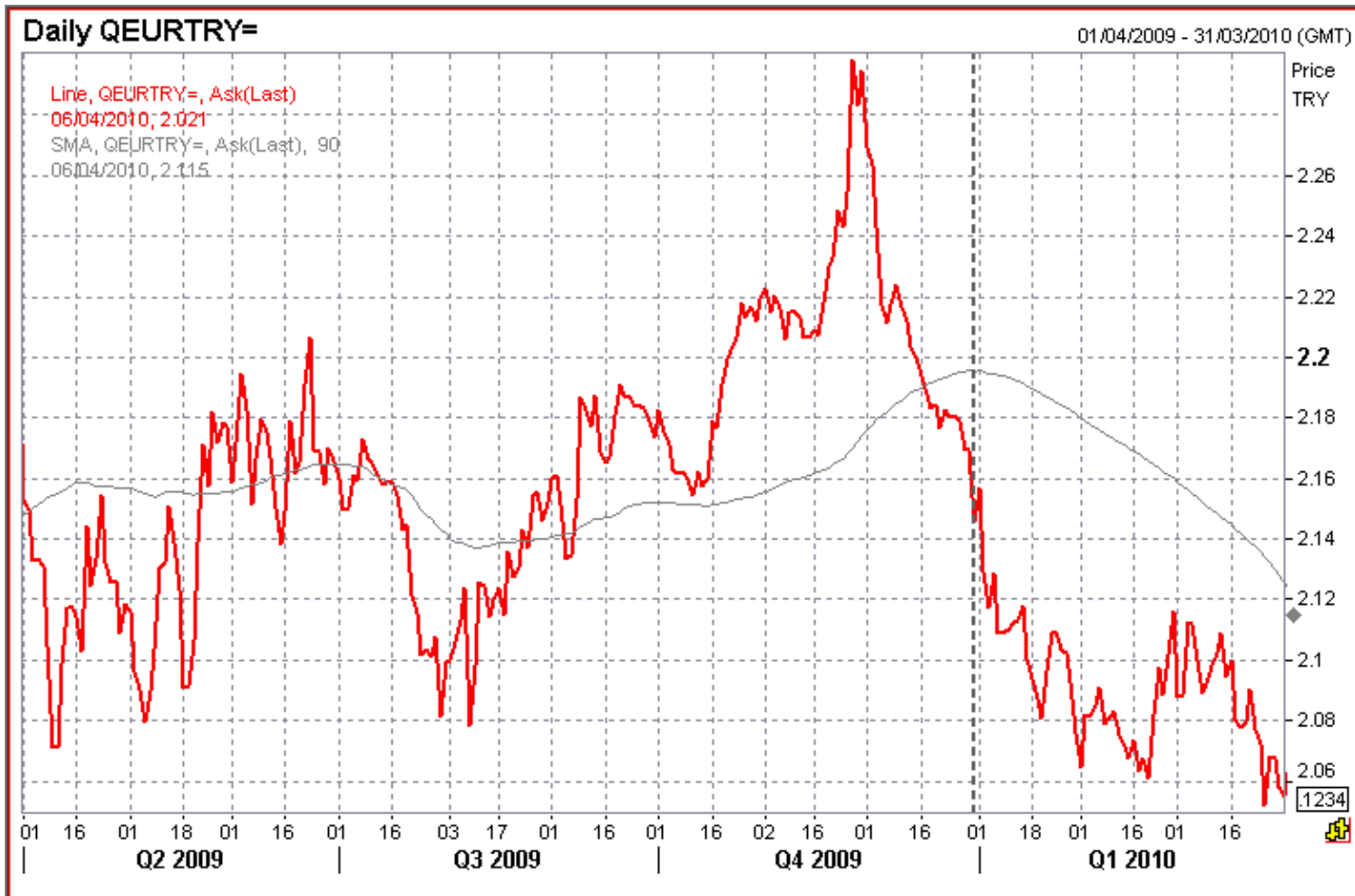
Wvstahl Sorte 8/package recycled metal (EUR/Ton)



Source: WV Stahl

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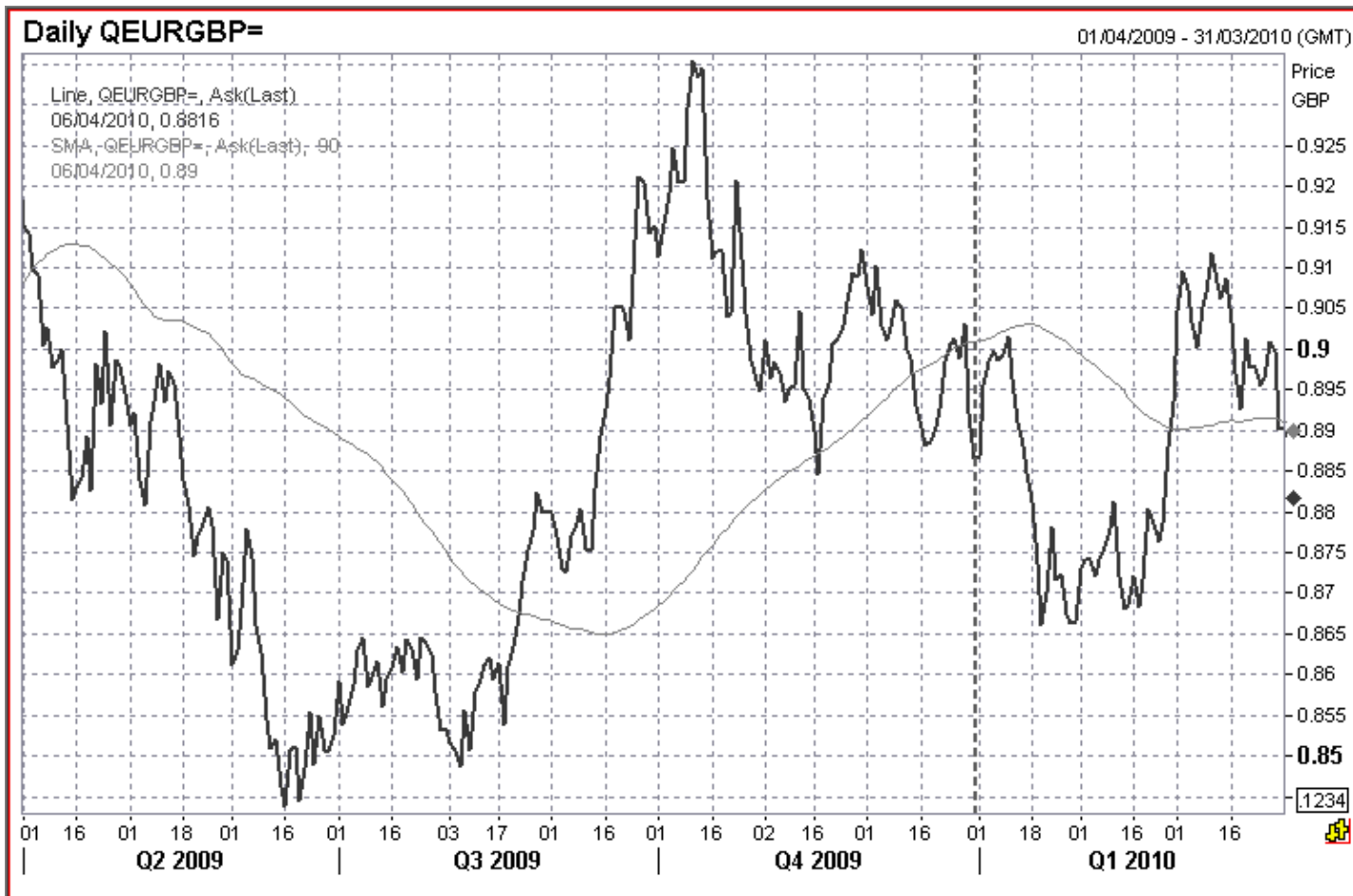
Development in exchange rates Turkish lira



Source: Reuters

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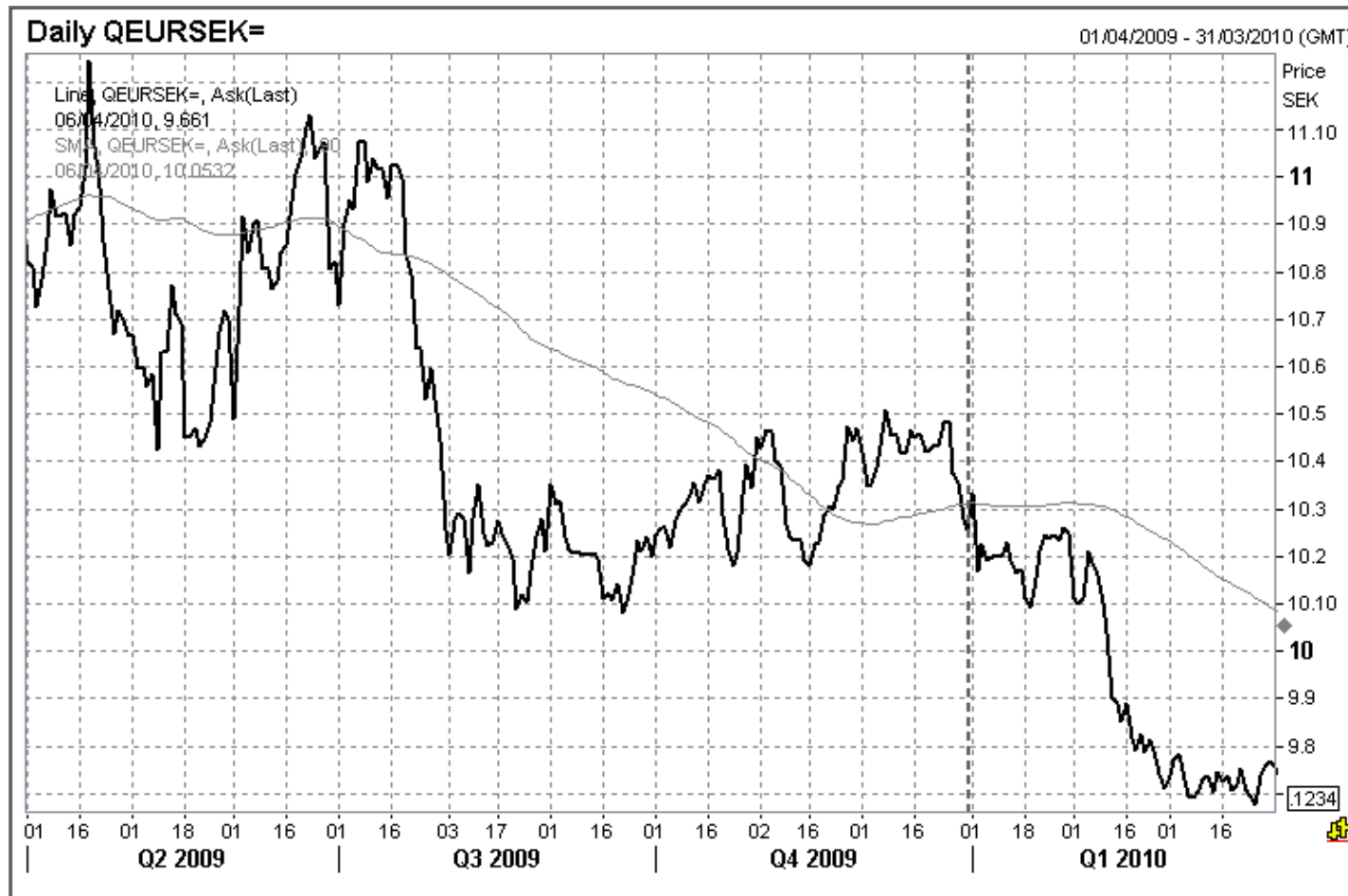
Development in exchange rates Great Britain pound



Source: Reuters

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Development in exchange rates Swedish krona

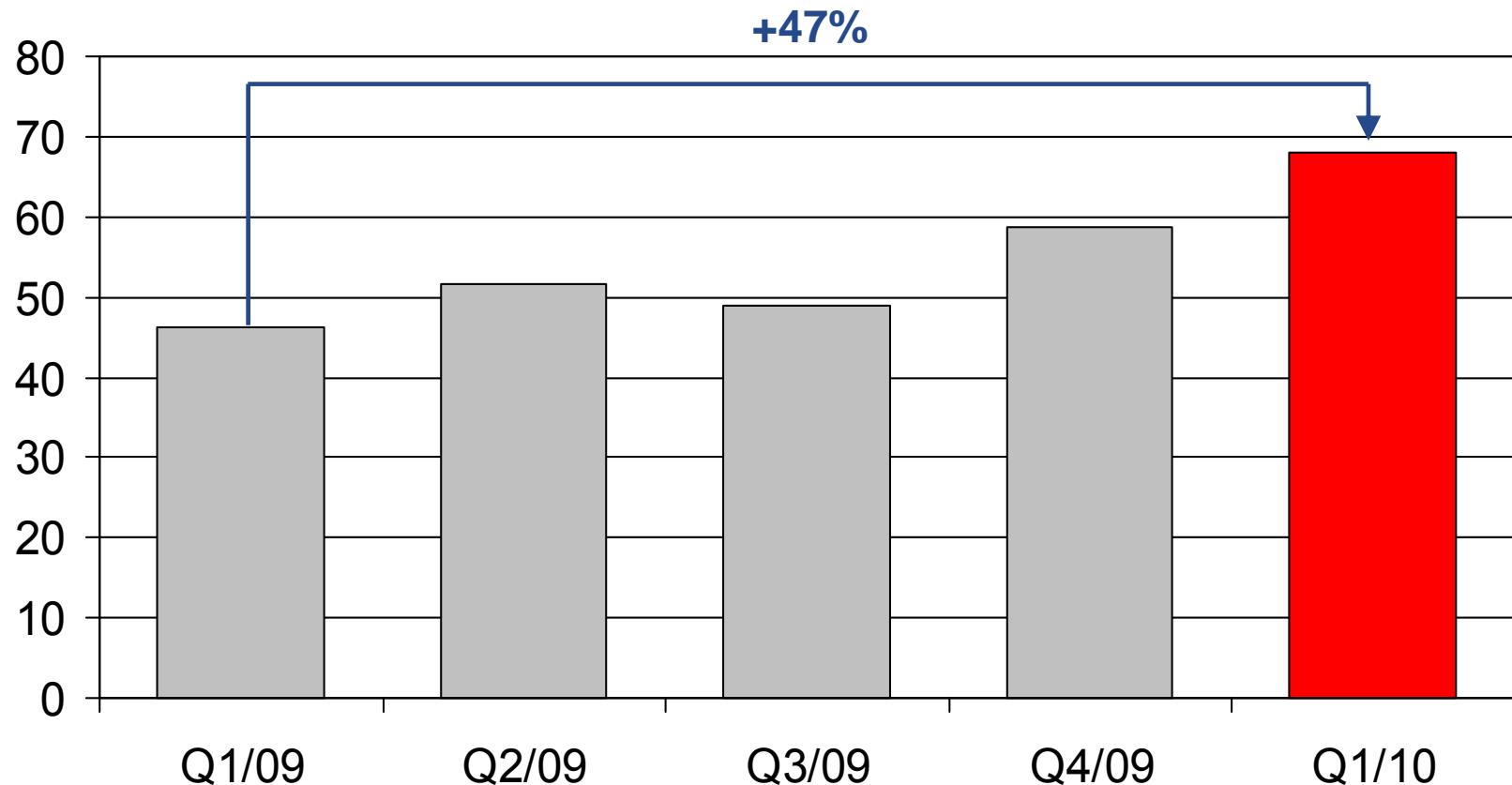


Source: Reuters

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

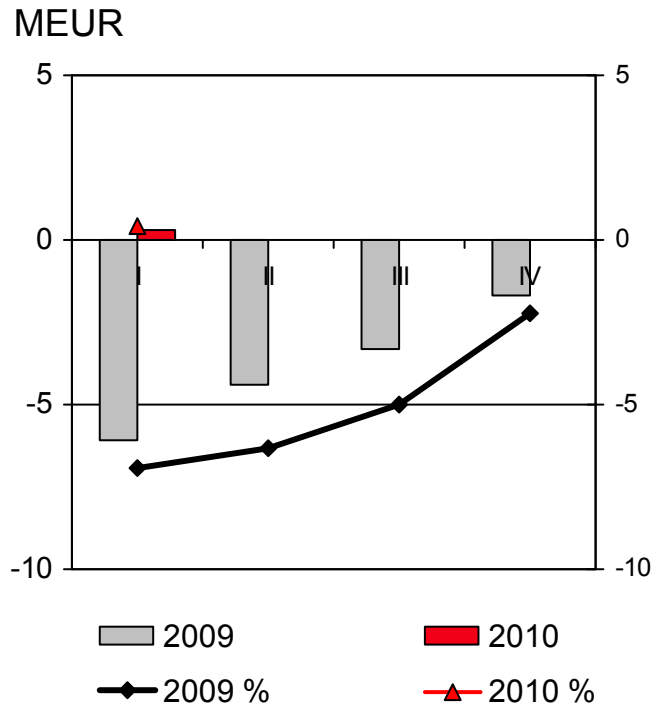
MEUR



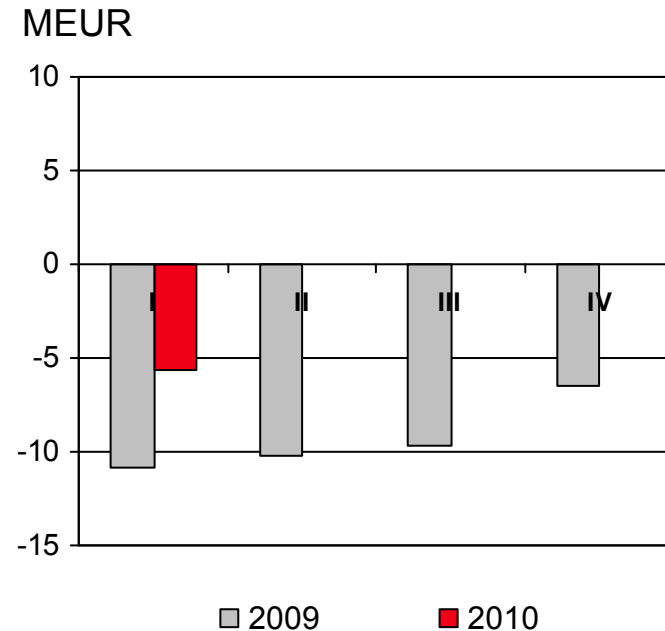
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Quarterly operating profit and result after financial items

Operating profit

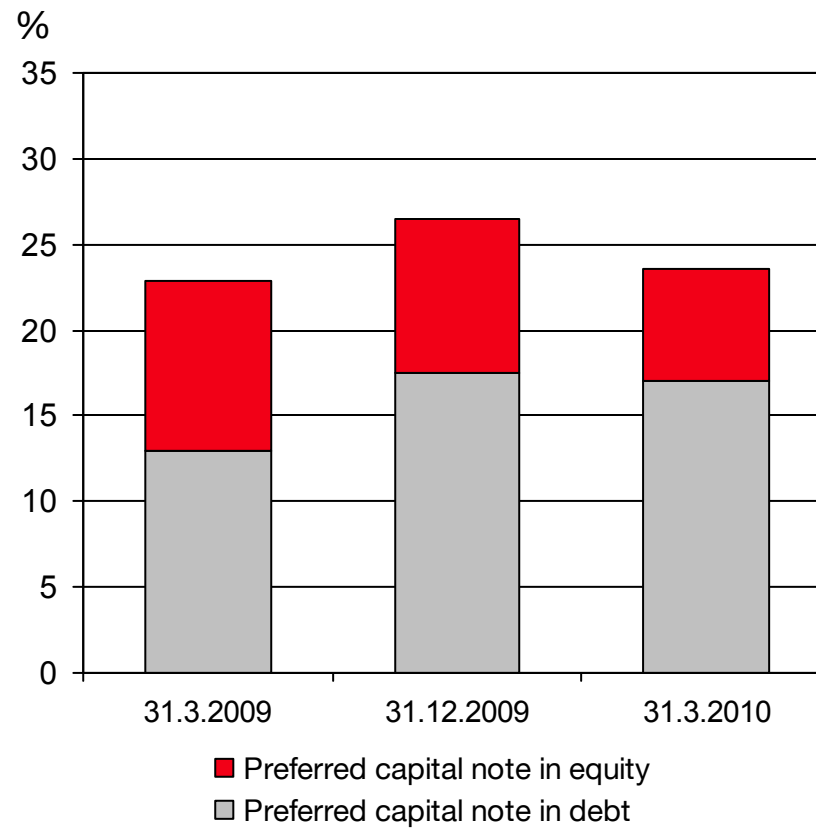


Result after financial items



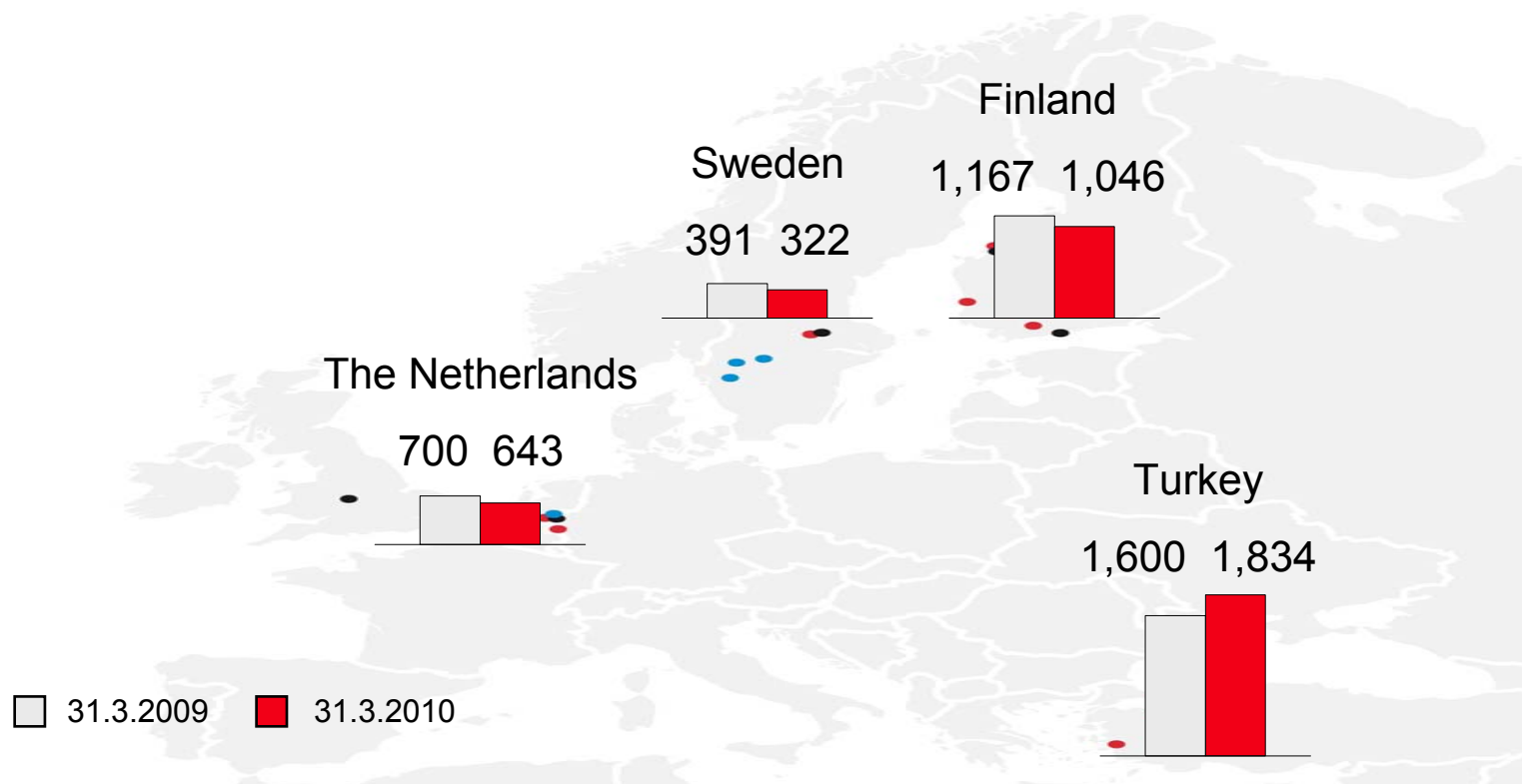
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Equity ratio



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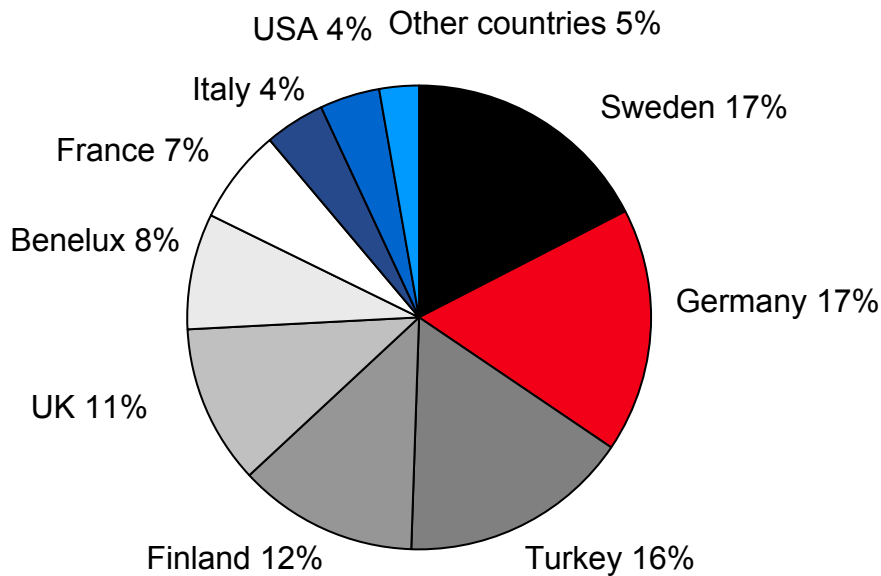
Personnel by country including leased personnel



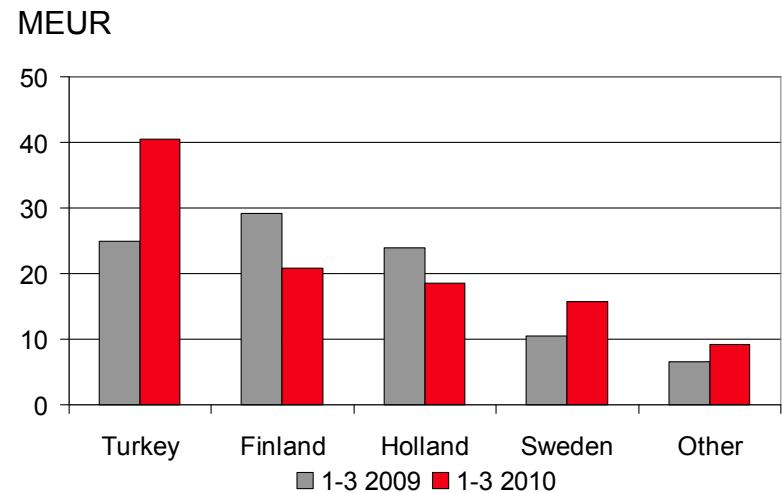
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Distribution of sales

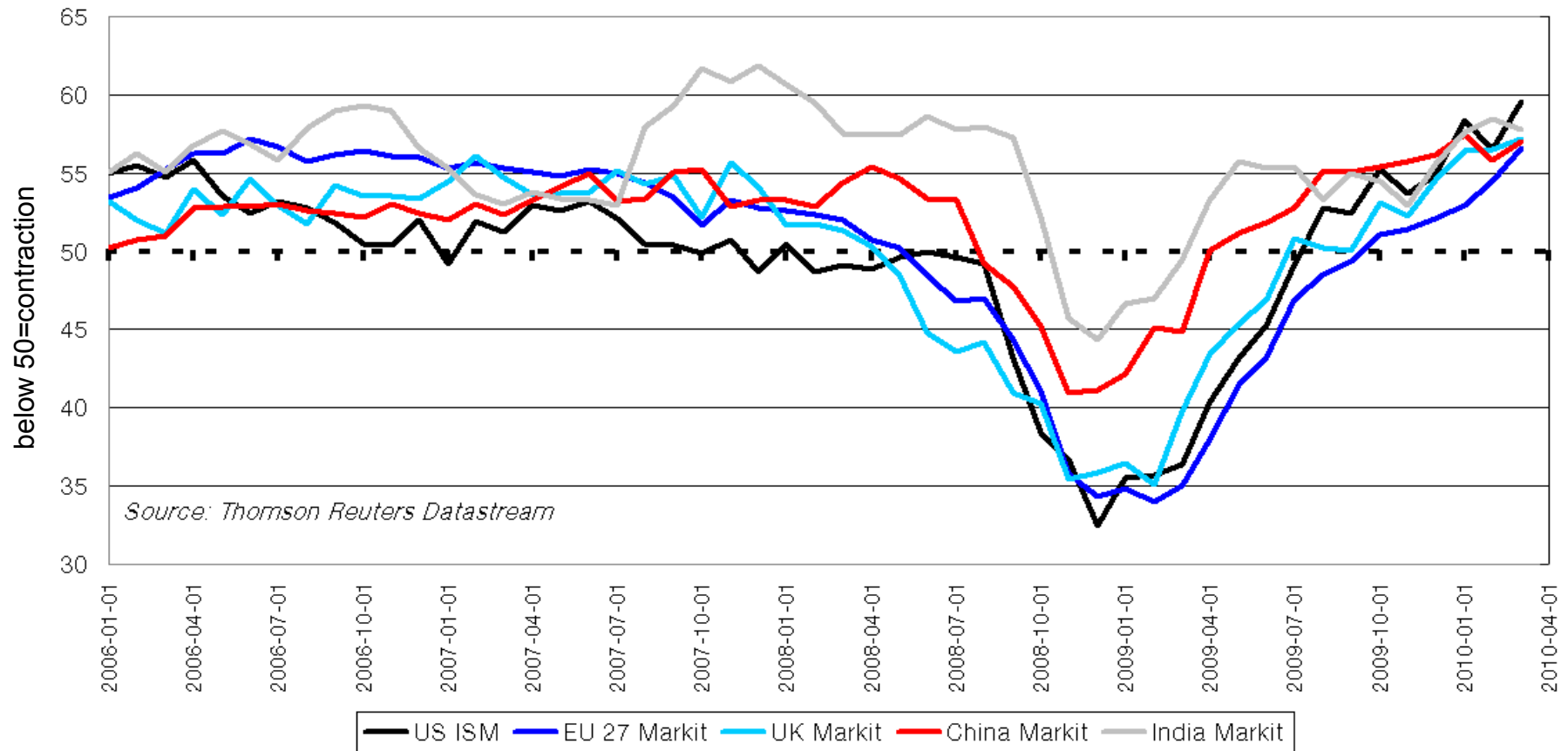
Sales by market area Q1/2010



Sales by operations

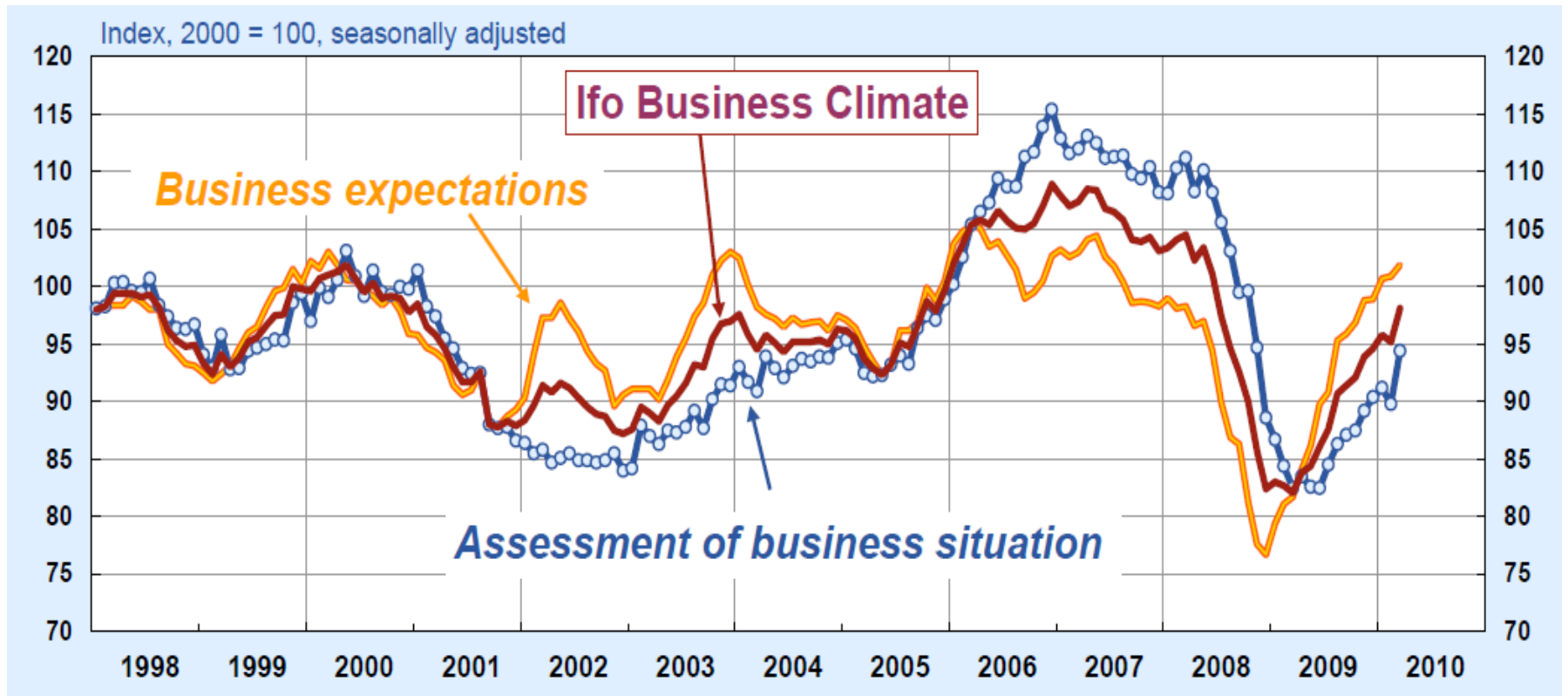


Manufacturing Purchasing Manager indices



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IFO expectations



Source: IFO

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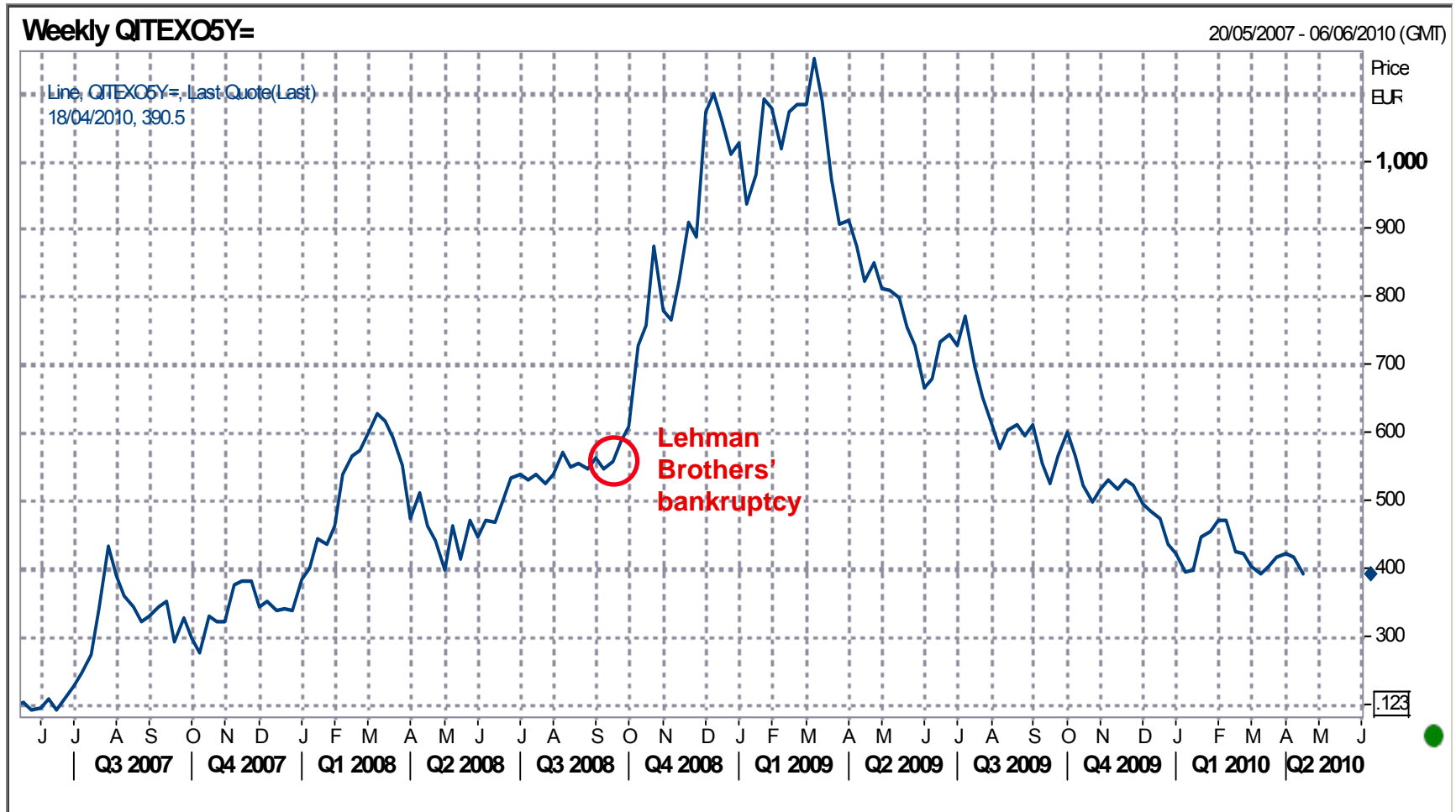
Investors confidence index



Source: SSaA

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CDS index



Source: Reuters

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Comparable sales to customer industries



Heavy trucks

24% (18%)



Machine building

21% (36%)



Construction & mining

21% (13%)



Automotive

20% (13%)



Agriculture

13% (14%)



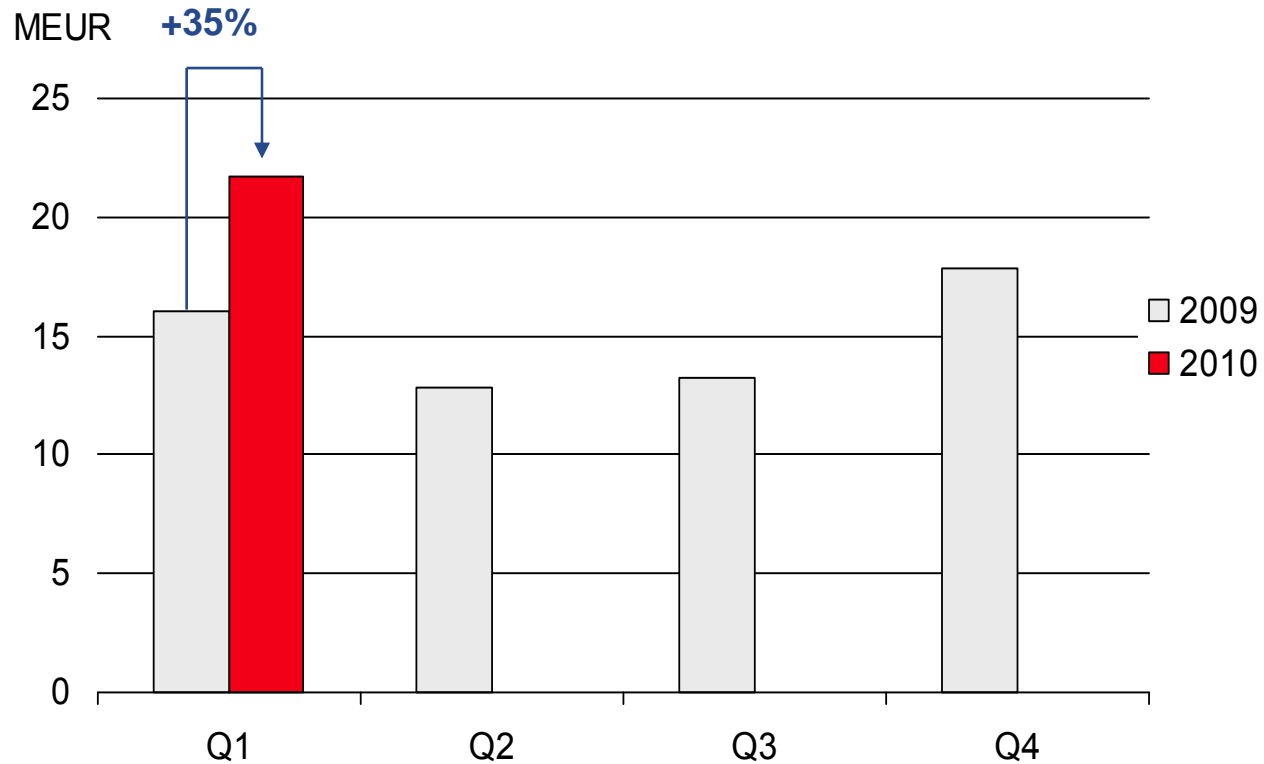
Wind power

1% (5%)

Note: Other sales 1% (1%)

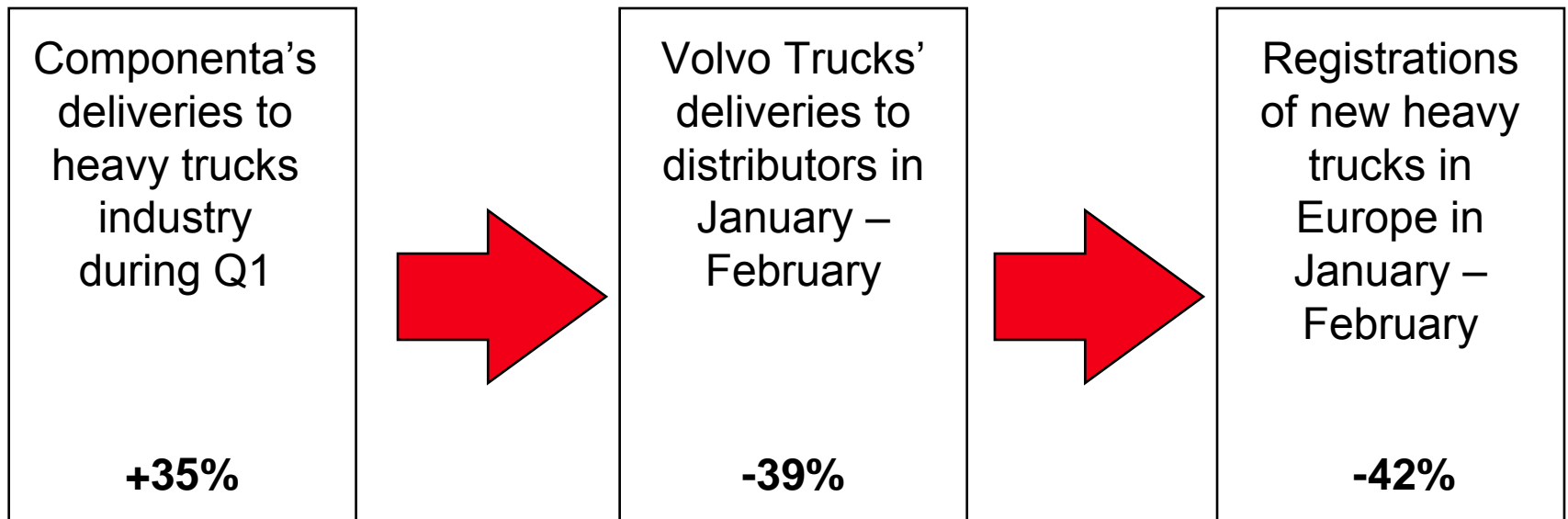
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Comparable sales to heavy trucks industry quarterly



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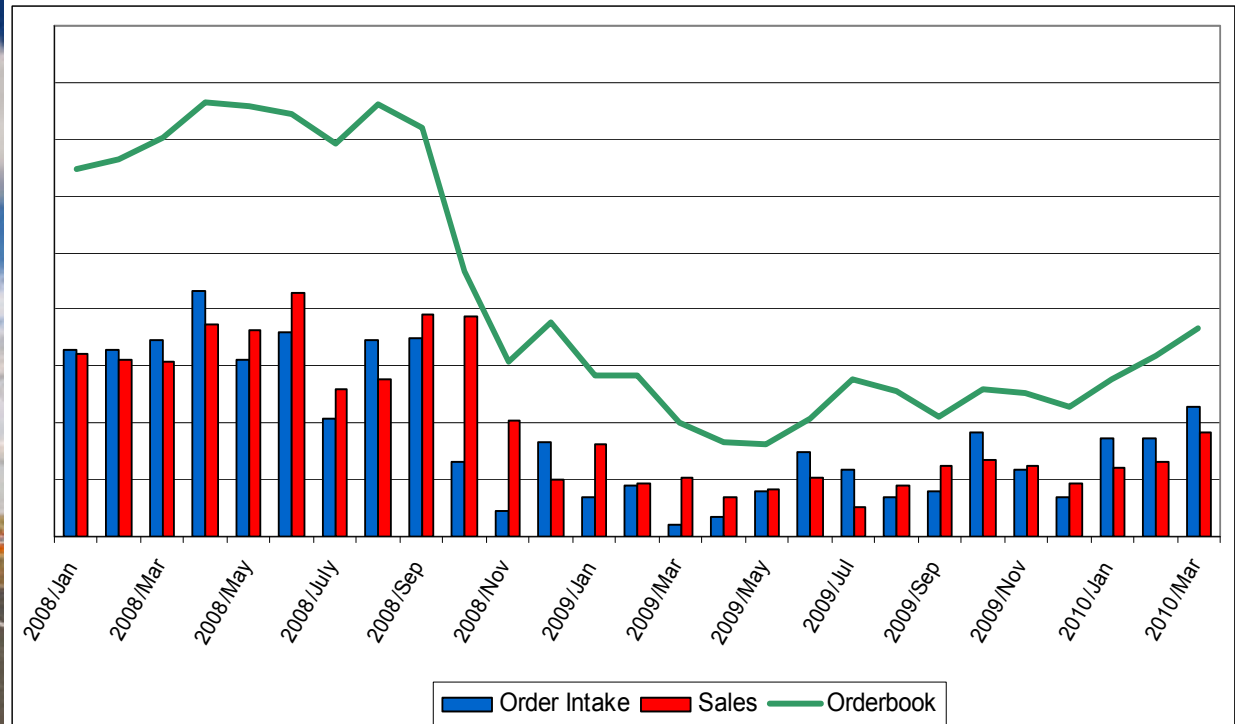
Development of supply chain in heavy trucks industry



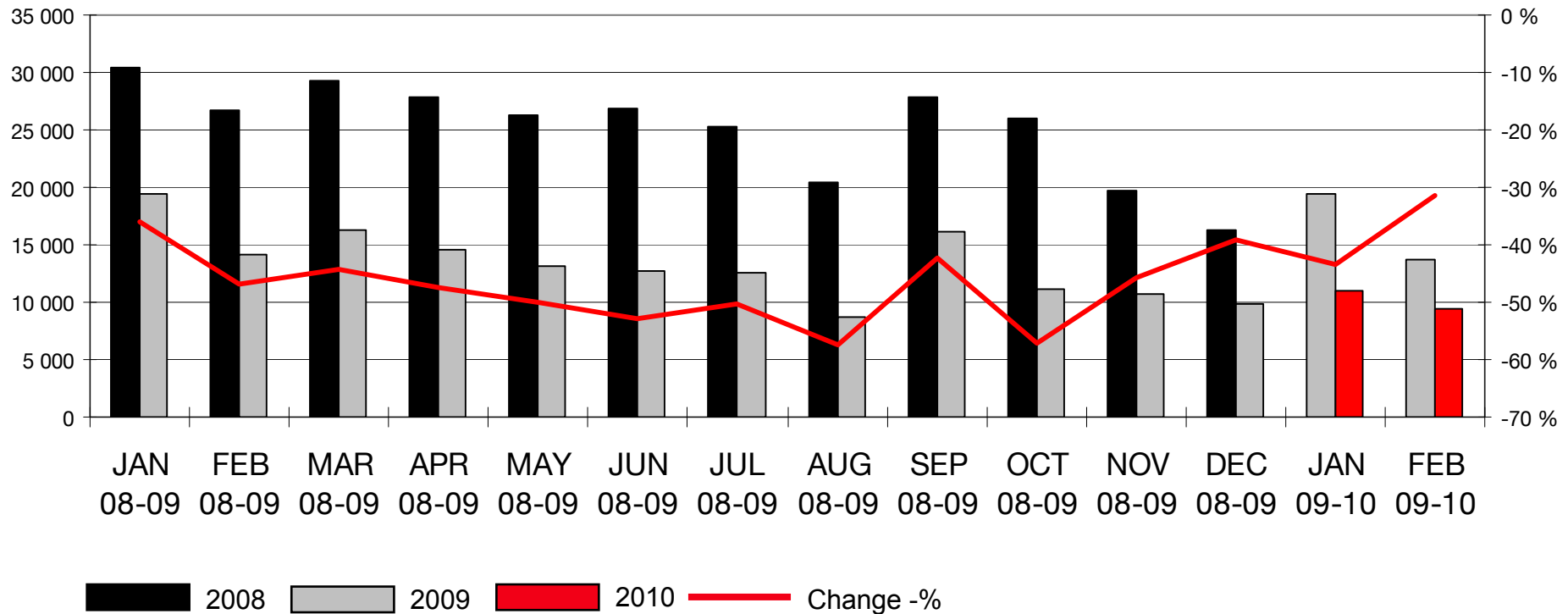
Sources: Volvo web pages, ACEA

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Development of order book and sales in heavy trucks industry



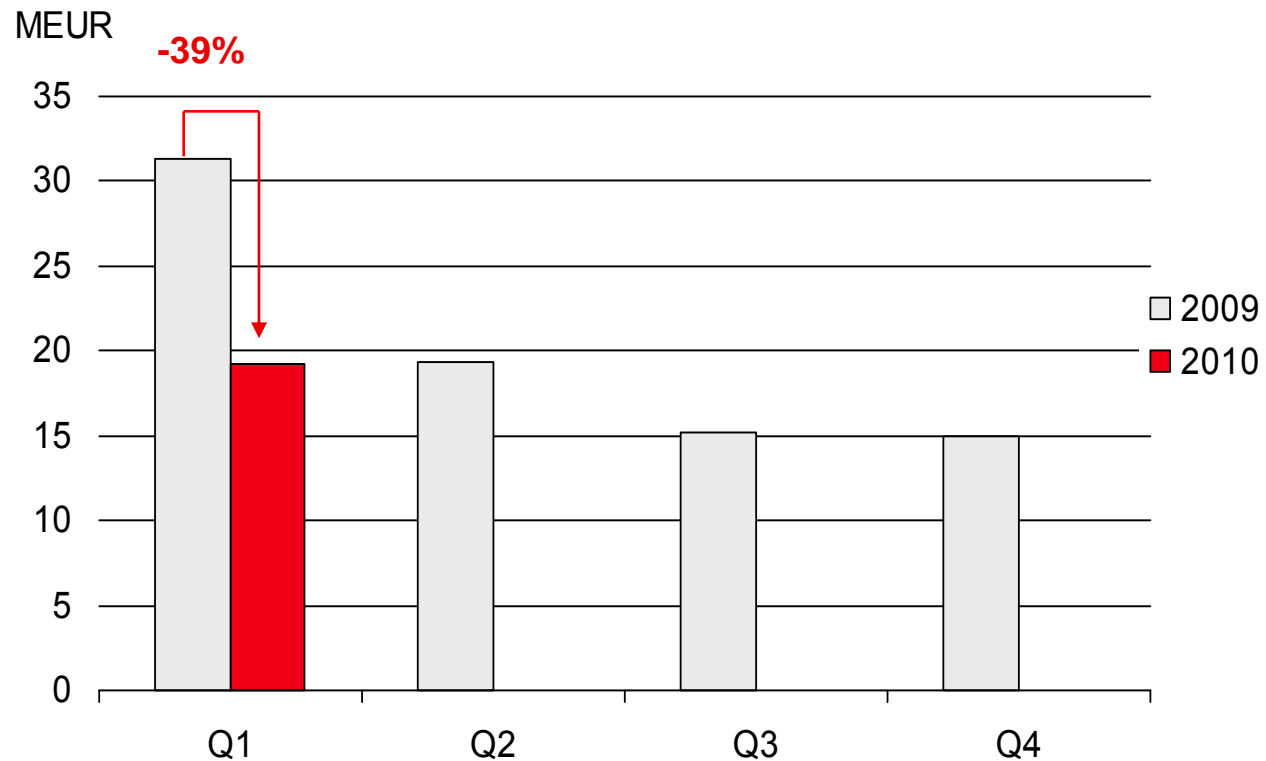
Registrations of new heavy trucks in Europe (EU27)



Source: ACEA

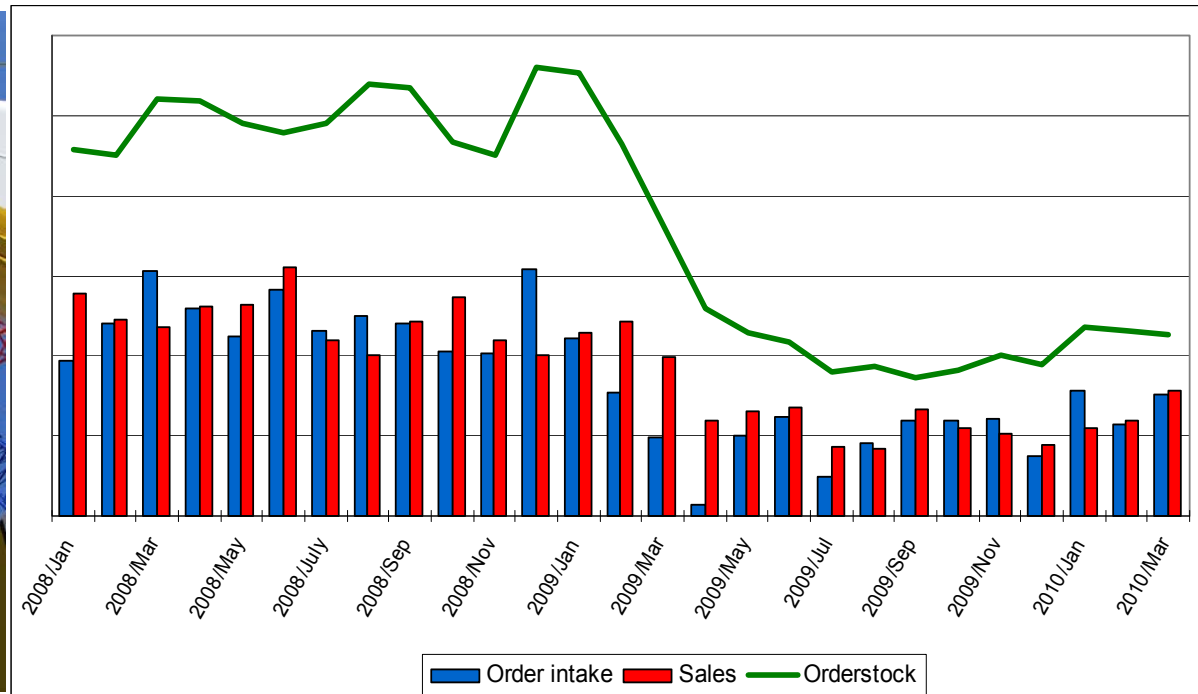
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Comparable sales to machine building industry quarterly



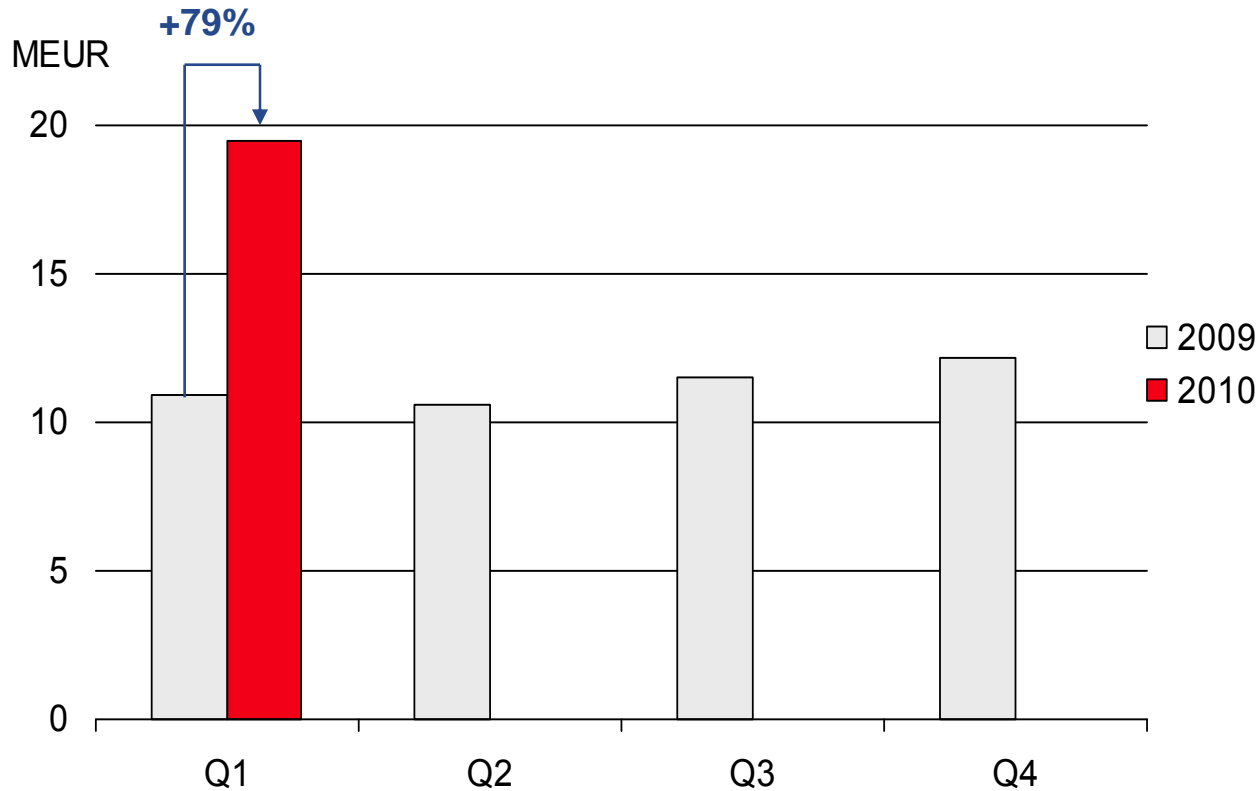
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Development of order book and sales in machine building industry



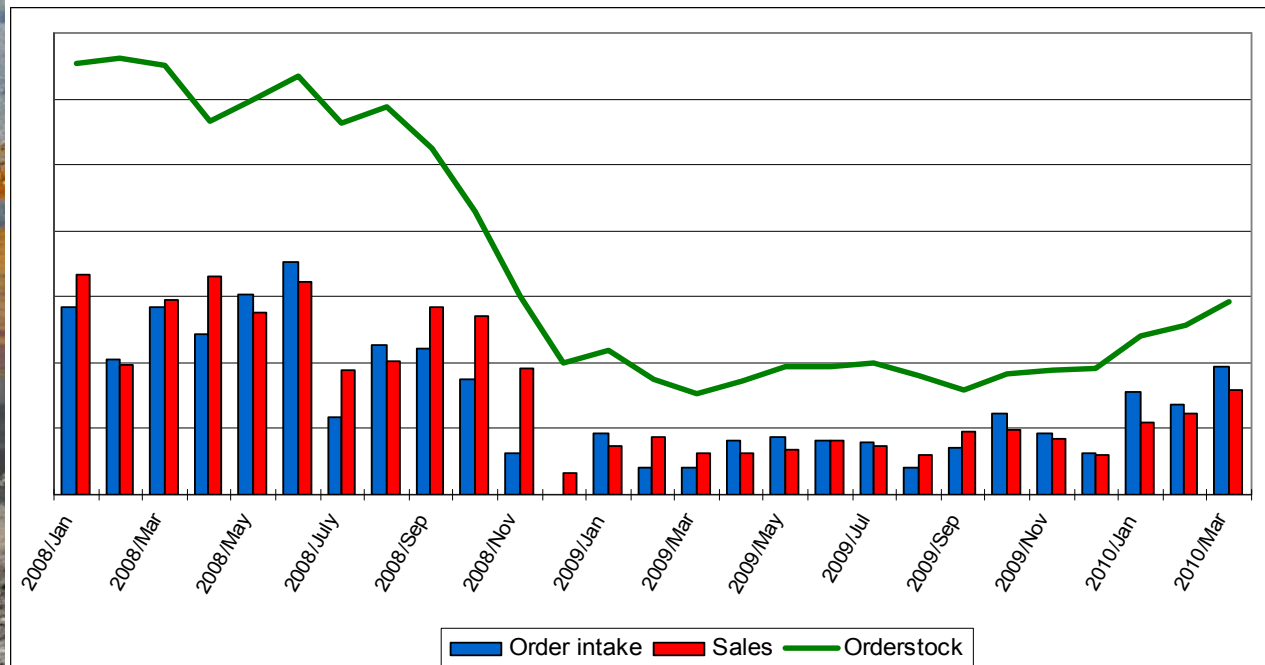
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Comparable sales to construction & mining industry quarterly



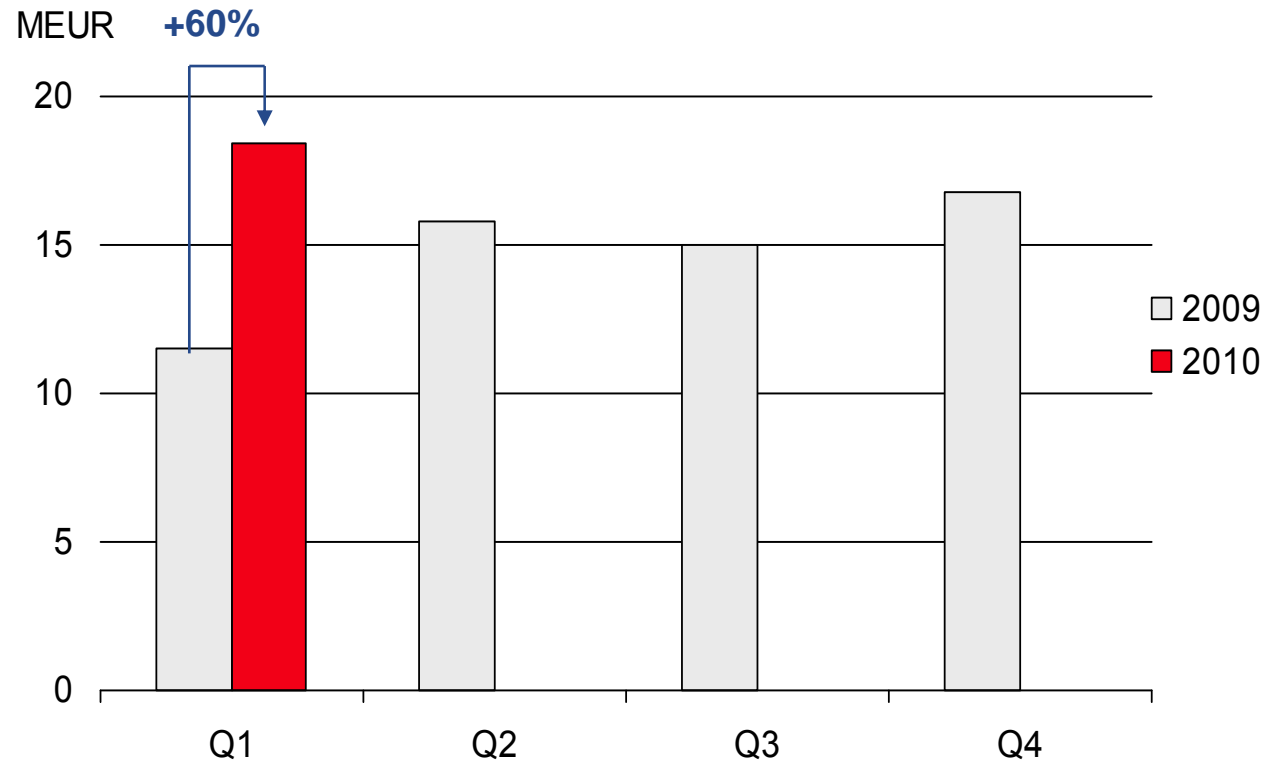
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Development of order book and sales in construction & mining industry



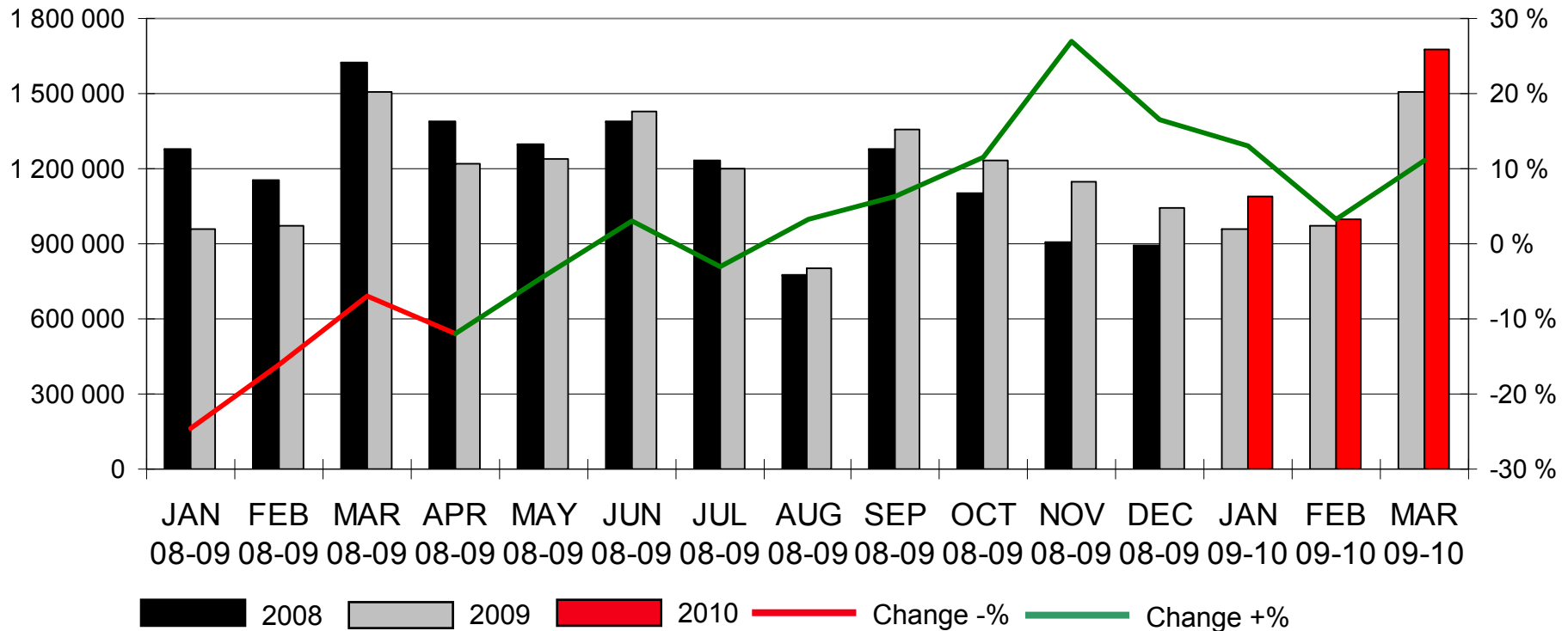
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Comparable sales to automotive industry quarterly



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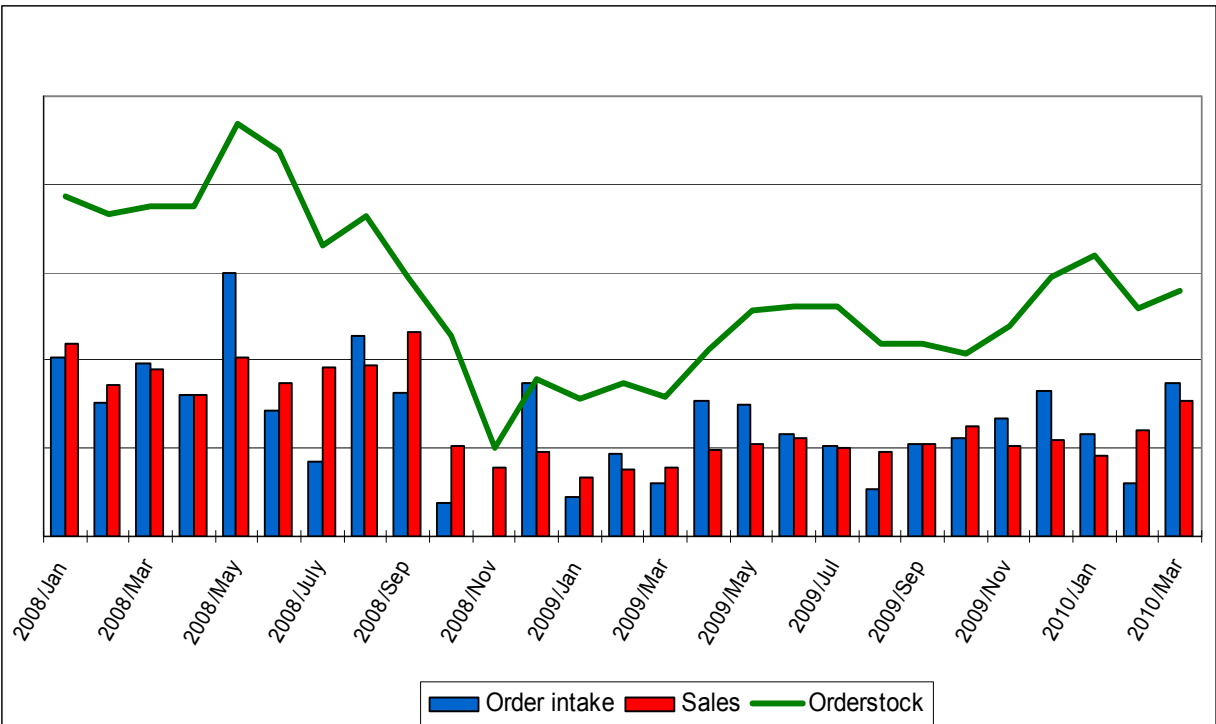
Registrations of new passenger cars in Europe (Total EU27+EFTA)



Source: ACEA

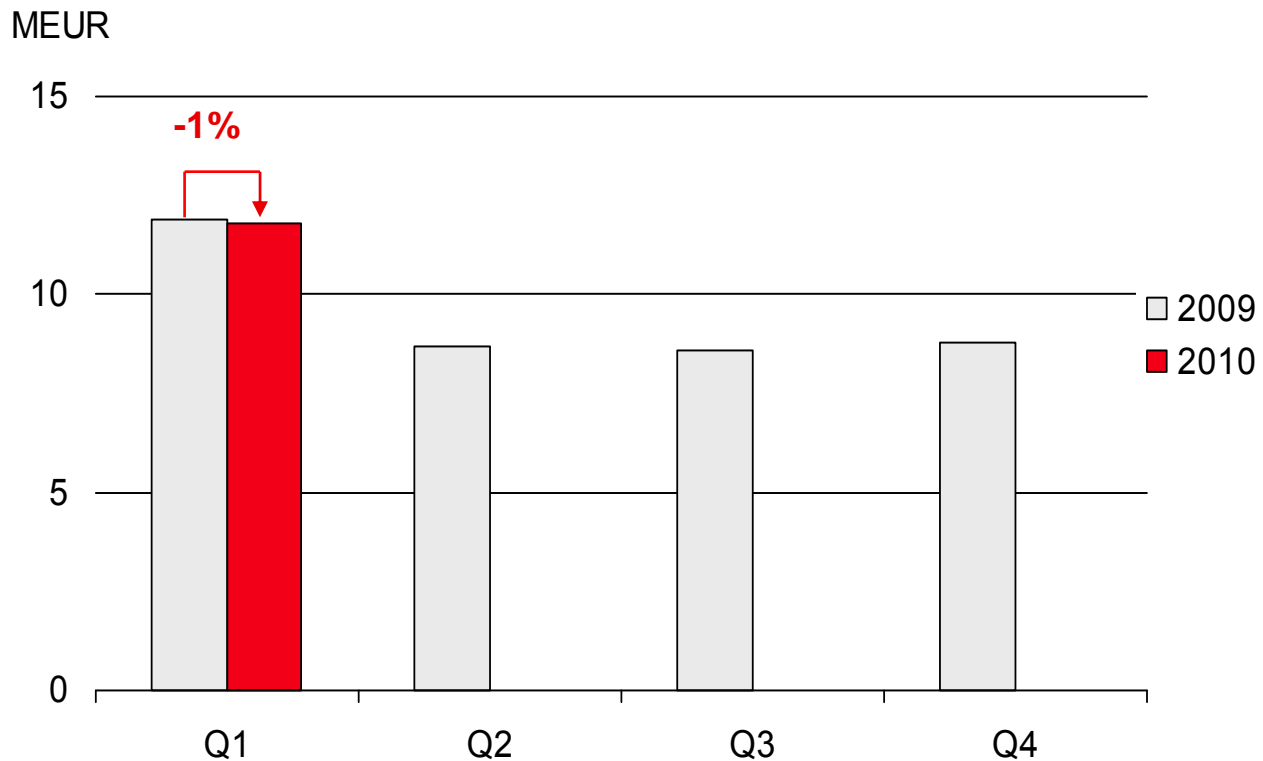
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Development of order book and sales in automotive industry



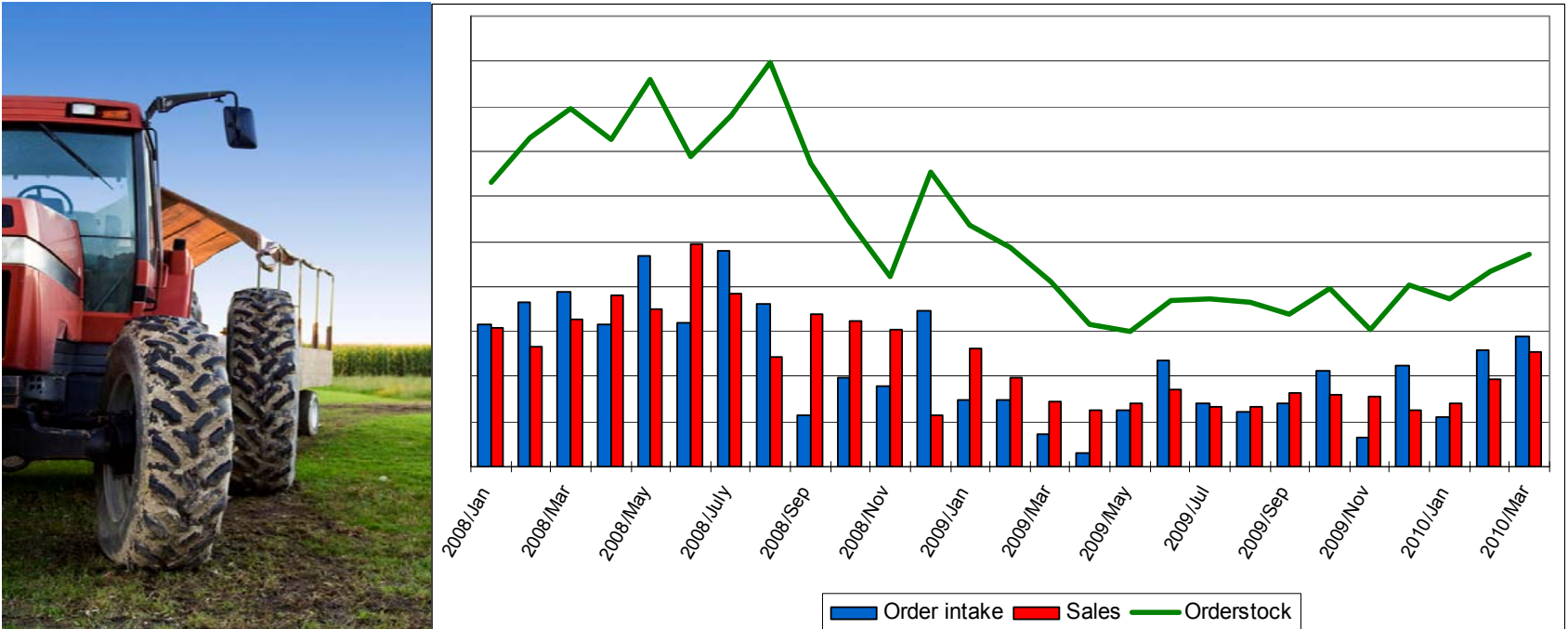
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Comparable sales to agriculture industry quarterly



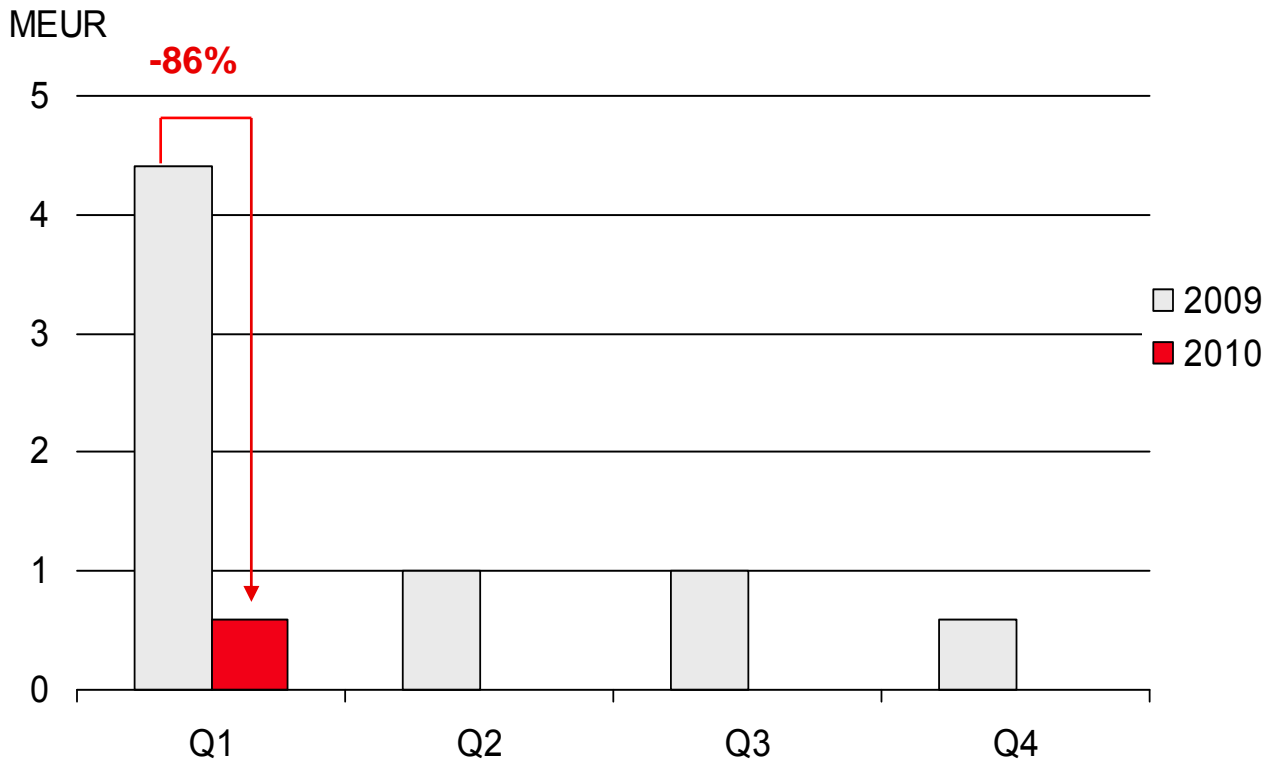
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Development of order book and sales in agriculture industry



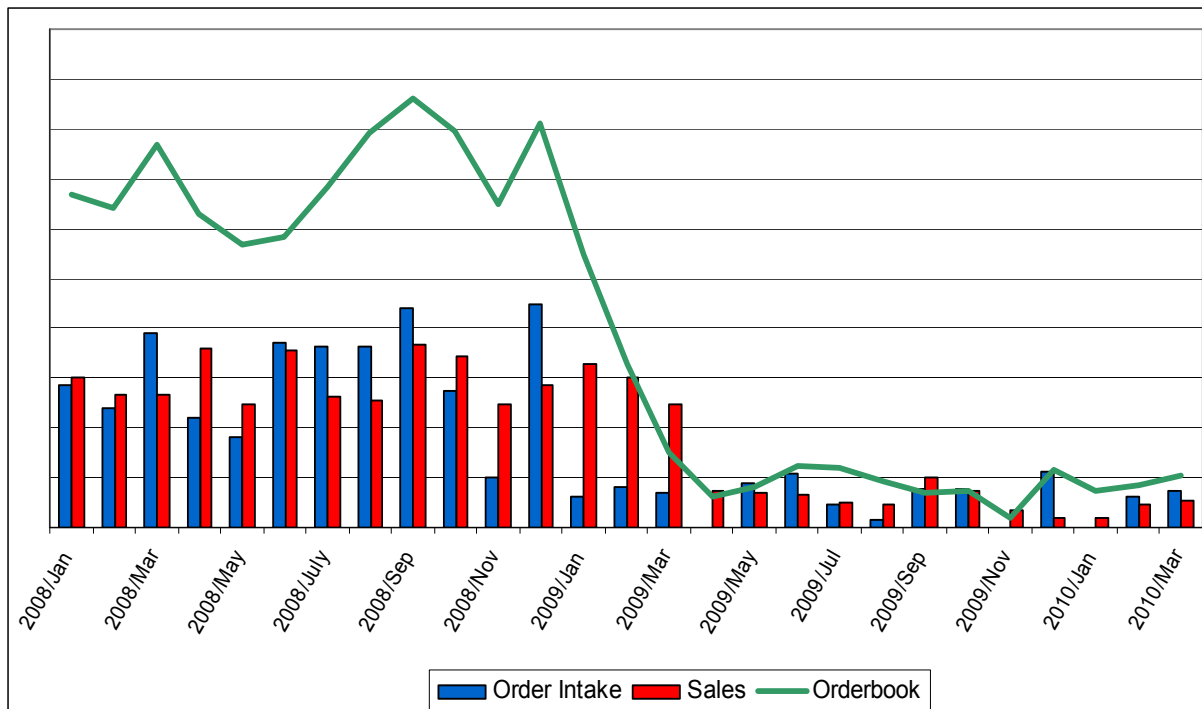
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Comparable sales to wind power industry quarterly



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Development of order book and sales in wind power industry

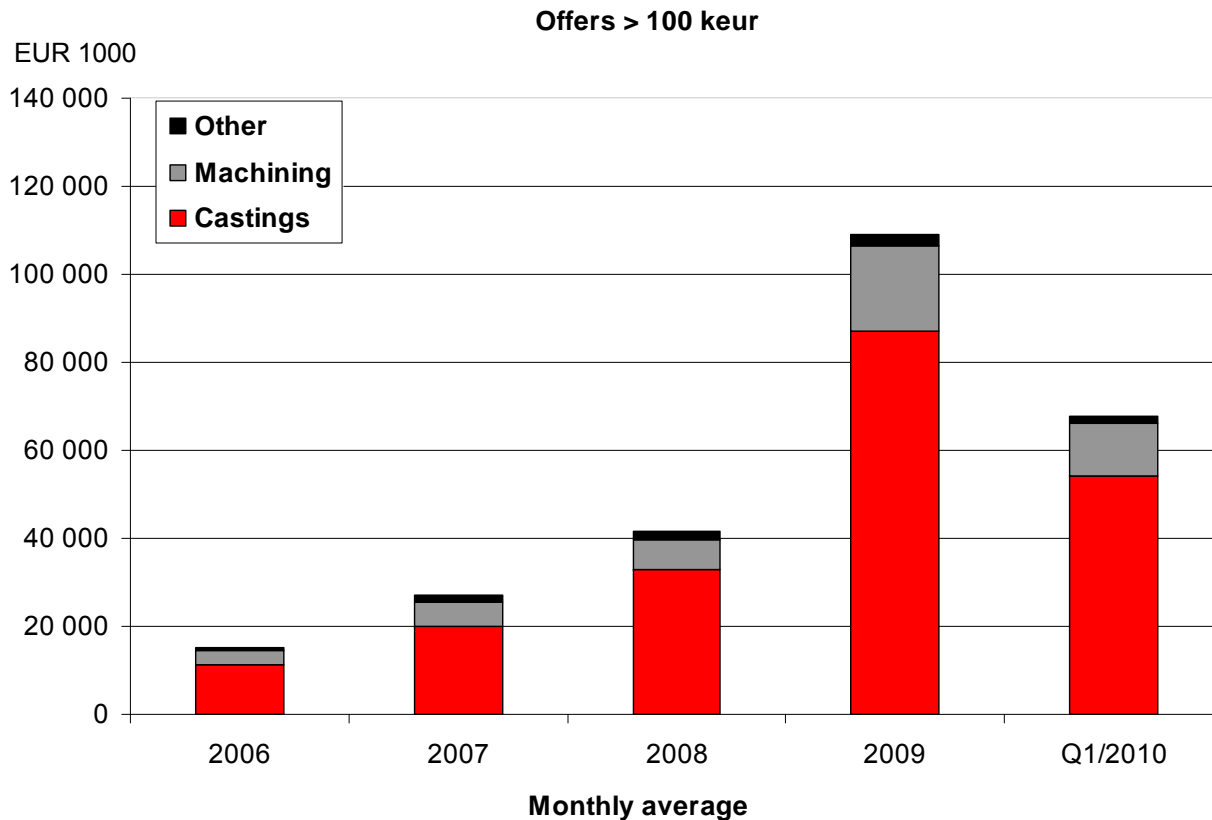


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Analysis of changes in income statement Q1/2010 vs. Q1/2009

MEUR	Q1/10	Q1/09	Diff %
Net sales	91,2	88,1	4 %
Value of production	94,4	75,3	25 %
Materials	-34,3	-24,1	43 %
Direct wages and external services	-24,2	-25,0	-3 %
Other variable and fixed costs	-32,3	-29,3	10 %
Costs total	-90,8	-78,3	16 %
EBITDA	3,6	-3,0	-221 %

Offers and new sales

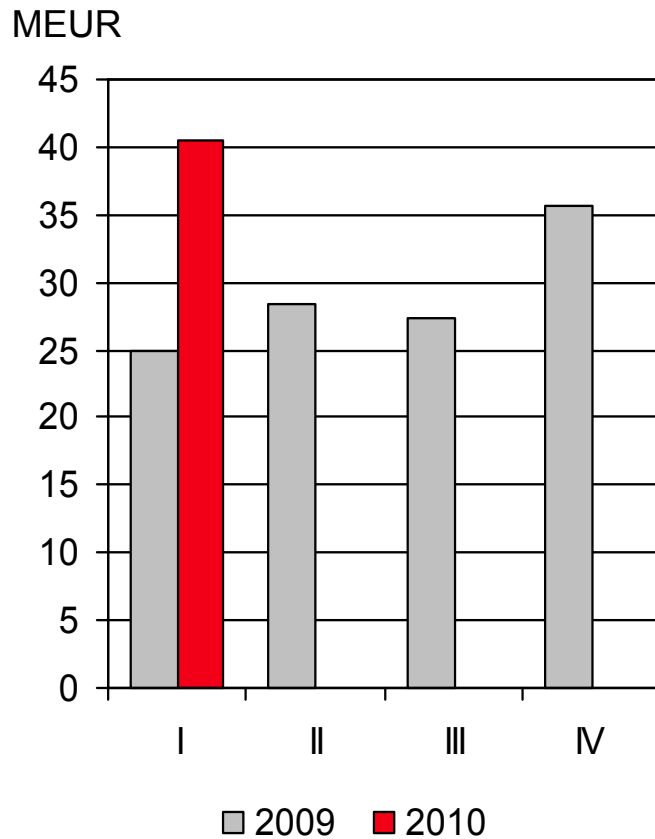


- The offers submitted by the Group have stayed at high level also in Q1/2010.
- Componenta's new sales have developed well during Q1/2010.

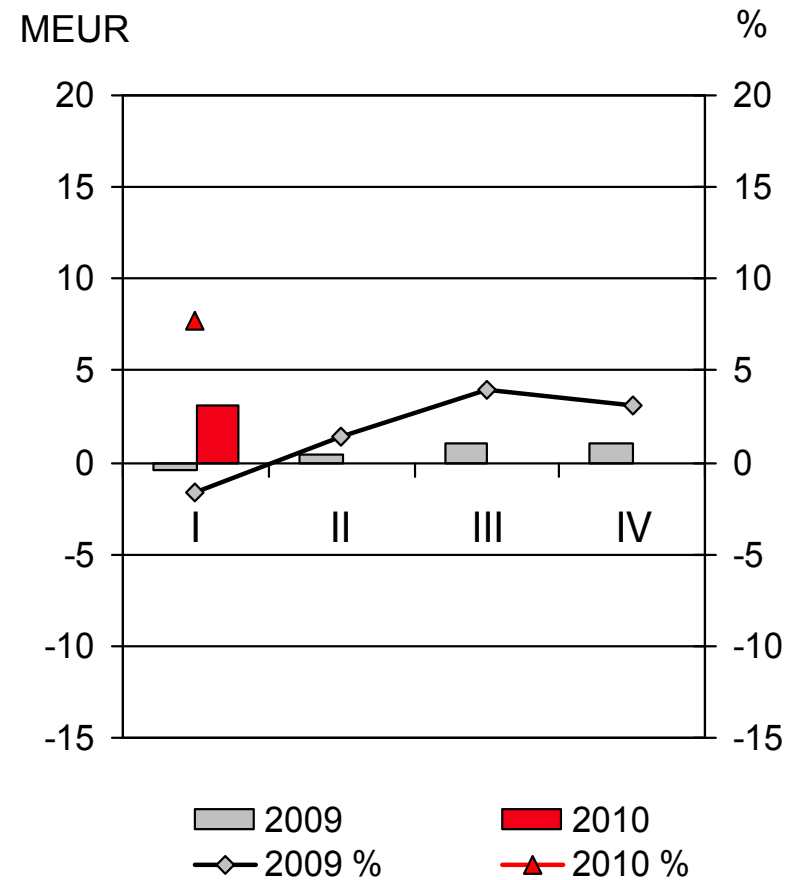
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Turkey operations

Net sales



Operating profit



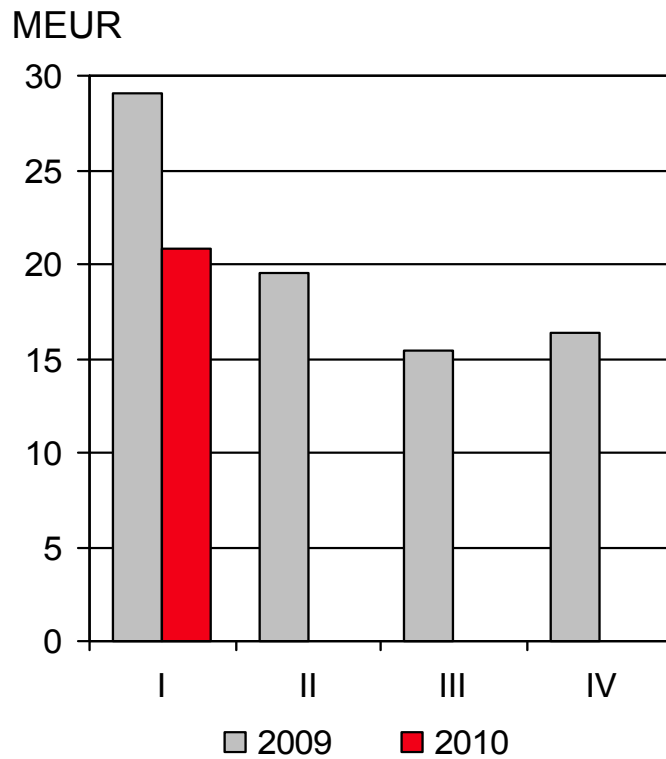
Performance of the Turkey operations

- The Turkey operations comprise the iron foundry and machine shop in Orhangazi and the aluminium foundry and production unit for aluminium wheels in Manisa.
- Net sales in the review period were MEUR 40.6 (24.9) and operating profit MEUR 3.2, corresponding 7.9% of net sales (MEUR -0.4; -1.6%).
- The significant improvement in volumes and implemented cost adjustment measures were major factors in boosting the operating profit of operations in Turkey in the review period.

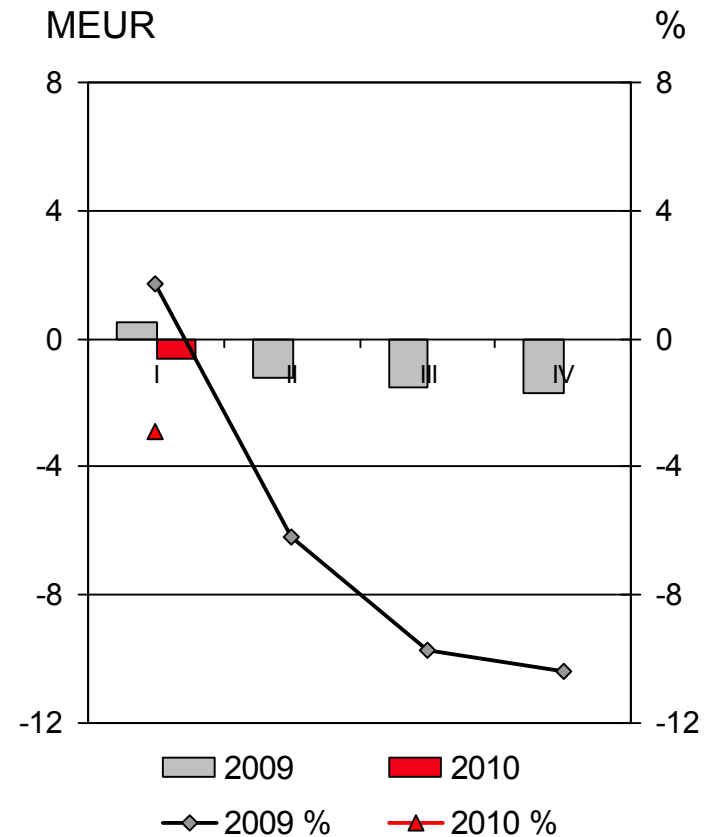
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Finland operations

Net sales



Operating profit



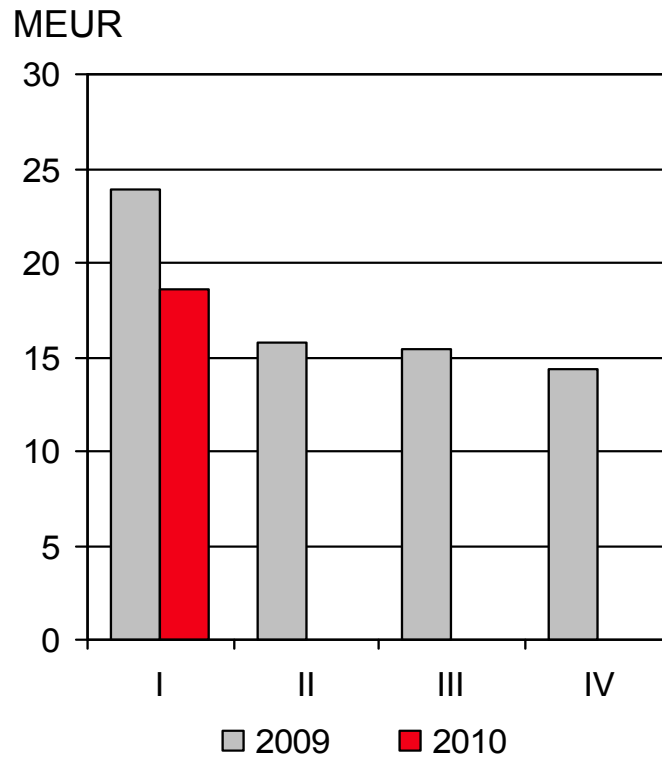
Performance of the Finland operations

- The operations in Finland include the iron foundries in Iisalmi, Karkkila, Pietarsaari and Pori and the machine shops in Lempäälä and Pietarsaari. The operations also include the production unit for pistons in Pietarsaari.
- Net sales in the review period were MEUR 20.8 (29.1) and operating profit MEUR -0.6 or -2.8% of net sales (MEUR 0.5; 1.7%).
- Lower capacity usage than in the previous year had a negative impact on the operating profit.

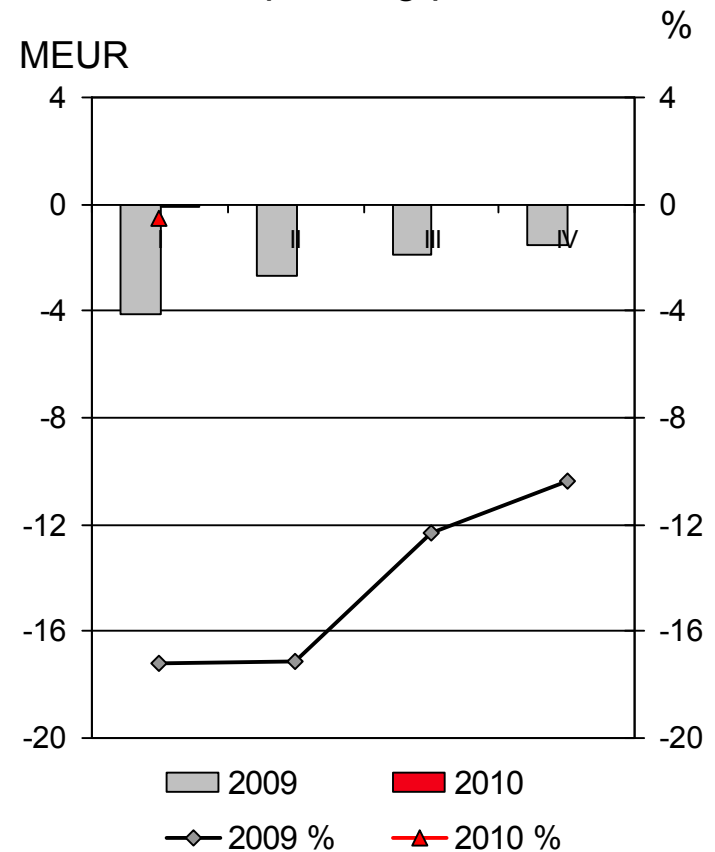
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Holland operations

Net sales



Operating profit



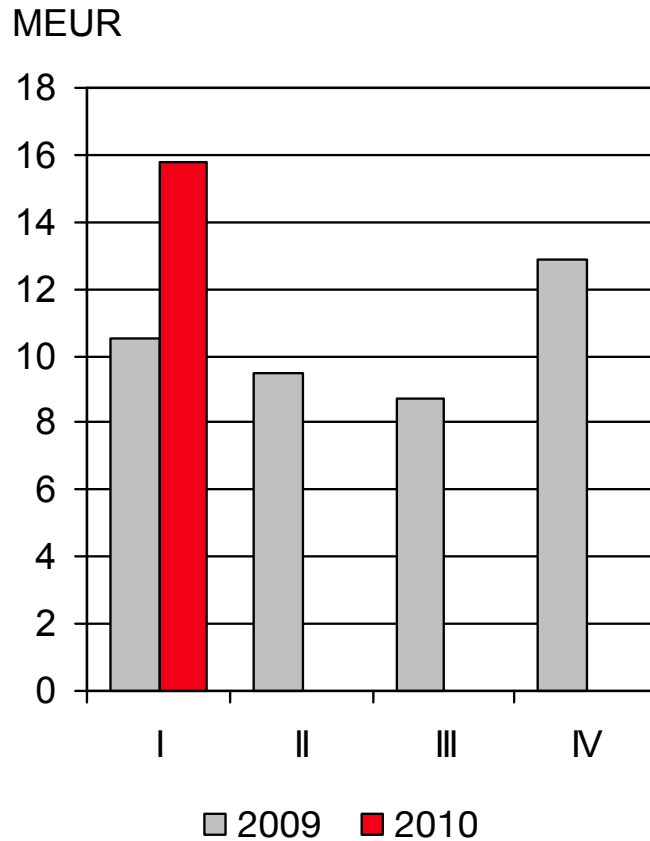
Performance of the Holland operations

- The operations in Holland consist of the iron foundries in Weert and Heerlen, the machine shop operations in Weert and pattern shop in Tegelen.
- Net sales in the review period were MEUR 18.7 (23.9) and operating profit was MEUR -0.1 or -0.5% of net sales (MEUR -4.1; -17.2%).
- The improvement in the operating profit for the review period from the previous year was particularly due to the largescale cost adjustment measures taken in 2009.

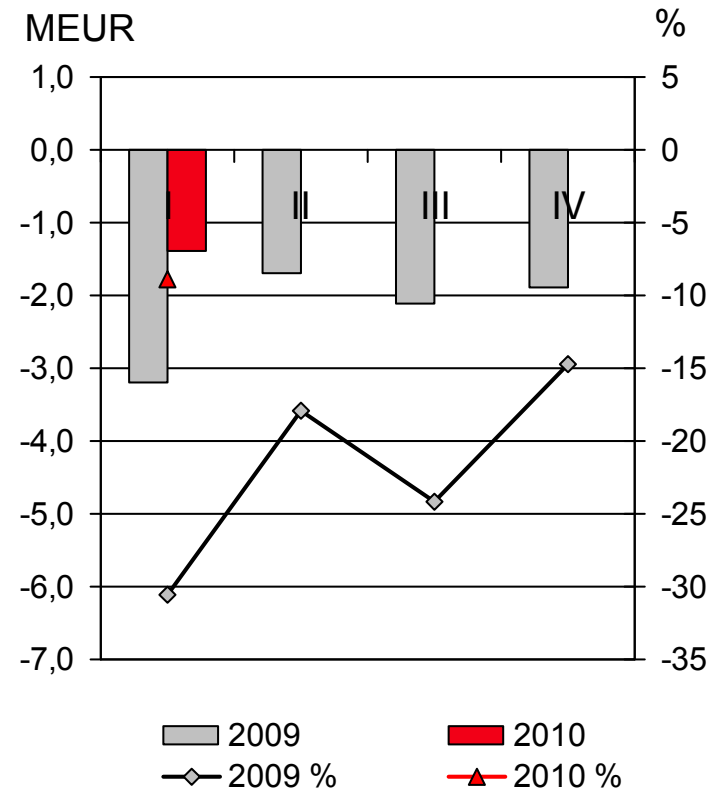
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Sweden operations

Net sales



Operating profit



Performance of the Sweden operations

- The operations comprise the Främmestad machine shop and the Wirsbo forge.
- Net sales in the review period were MEUR 15.8 (10.5) and the operating profit was MEUR -1.4, or -8.9% of net sales (MEUR -3.2; -30.5%).
- The operating loss of the Swedish operations decreased from the previous year due to higher volumes and reductions of operative costs.

Prospects for 2010

- Componenta's prospects for the remainder of 2010 are based on general external economic 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 have improved during the beginning of 2010. The production volumes of the customers have in the beginning of the year improved also due to the fact that destocking has come to an end.
- The slowdown in construction in the USA and Europe reduced demand for construction machinery in 2009. Many countries initiated infrastructure projects in 2009 because of the recession, and these are expected to increase demand for construction machinery in 2010.
- The recent strong rise in raw materials prices is expected to increase the demand for mining machinery in 2010.
- The demand for agricultural machinery is expected to remain at the same level as in the previous year.

Prospects for 2010 (cont.)

- Componenta's deliveries for the heavy truck industry are expected to increase significantly from the previous year. Delivery volumes have increased as inventory levels have returned to normal, despite the low level of new registrations of heavy trucks.
- The number of passenger cars registered in Europe in January – March increased 9.2% from the previous year. However, the figures for the registration of passenger cars in 2010 are expected to remain below those for 2009.
- Demand in the wind power industry is expected to pick up at the earliest in the second half of 2010.
- Demand in the machine building industry is expected to recover gradually during 2010.

Prospects for 2010 (cont.)

- Componenta's order book at the end of the first quarter in 2010 was 47% higher than at the same time in the previous year.
- Due to the exceptionally rapid increase in raw material prices, Componenta is having to speed up the updating of customer prices as from the beginning of May 2010. Despite this step, the rise in raw material prices will have negative effect on the result for the second quarter.
- Componenta Group's net sales in 2010 are expected to increase and the result after financial items is expected to improve clearly from the previous year.
- Componenta's investments in production facilities in 2010 are expected to halve from the previous year (EUR 16 million in 2009).
- The Group's cash flow from operations is expected to remain positive. Should the raw material prices continue to rise, this may tie up more funds in working capital than previously estimated.