



Componenta Corporation

Interim Report 1 January – 30 June 2009

Review period in brief

- Net sales totalled MEUR 158.7 (MEUR 386.0). Net sales fell 59% and the value of production 64%.
- Operating profit excluding one-time items was MEUR -10.5 (MEUR 46.2).
- Result after financial items, excluding one-time items, was MEUR -21.0 (MEUR 33.5).
- Operating result deteriorated significantly mainly due to low production volumes.
- Due to the adaptation measures taken towards the end of 2008 and in the first half of 2009, Group's operating costs in the review period fell 56% in proportion to the value of production.
- Cash flow from operations was MEUR 10.5 (MEUR 26.0).
- Unused credit facilities and cash funds totalled MEUR 32.5 at the end of the review period.

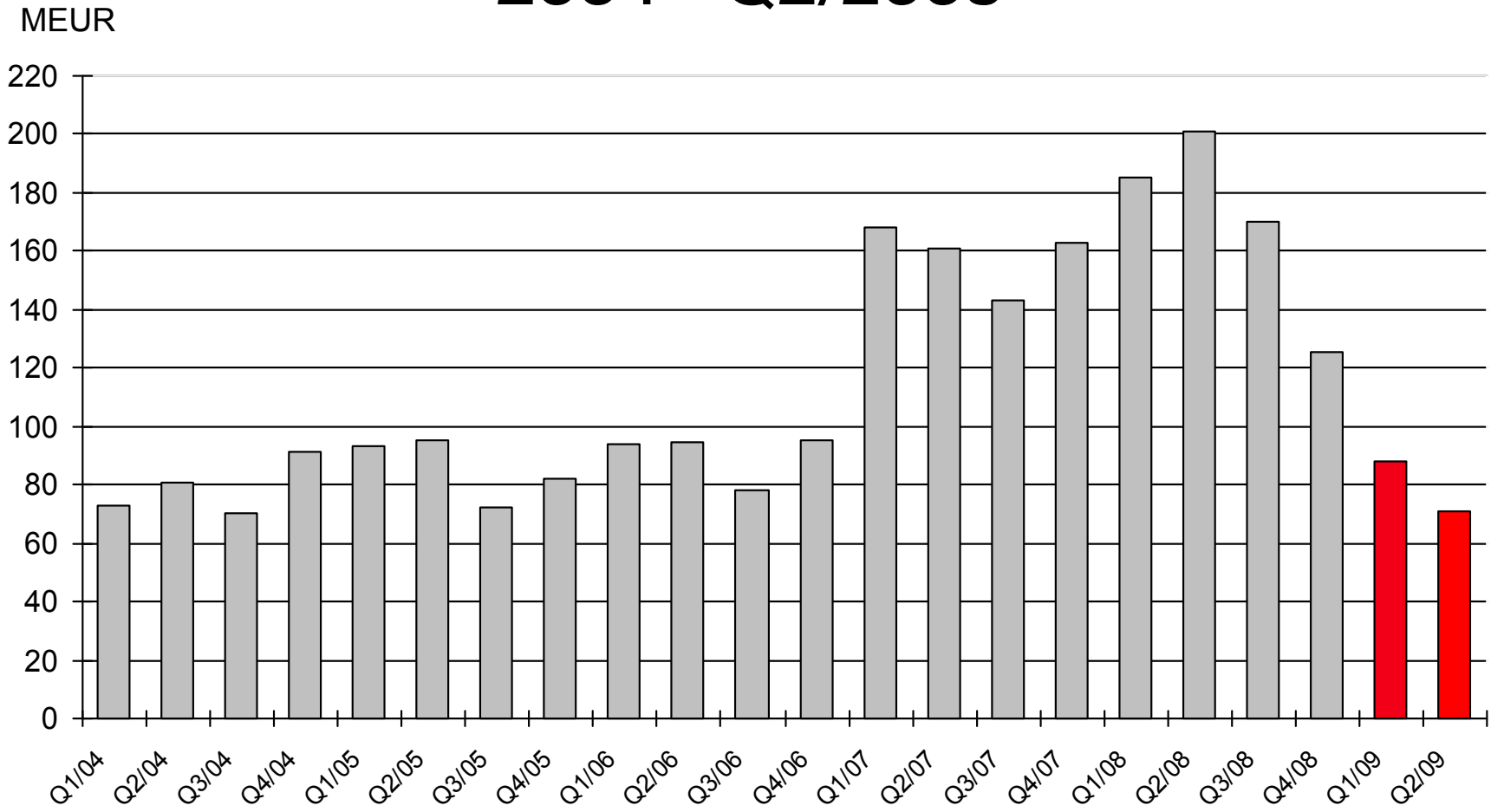
Income statement

	2009	2008	2008
MEUR	1 - 6	1 - 6	1 - 12
Net sales	158.7	386.0	681.4
Operating profit, excluding one-time items	-10.5	46.2	47.9
Financial income and expenses	-10.5	-12.7	-28.7
One-time items	0.0	0.0	-0.6
Result after financial items	-21.0	33.6	18.6
Net result	-15.8	25.1	13.9
Earnings per share, EUR	-1.43	2.20	1.24

Income statement Q2

MEUR	2009	2008
	4 - 6	4 - 6
Net sales	70.6	201.0
Operating profit, excluding one-time items	-4.4	23.1
Financial income and expenses	-5.7	-4.5
One-time items	0.0	0.0
Result after financial items	-10.1	18.7
Net result	-7.5	14.0
Earnings per share, EUR	-0.68	1.24

Quarterly development of net sales 2004 - Q2/2009



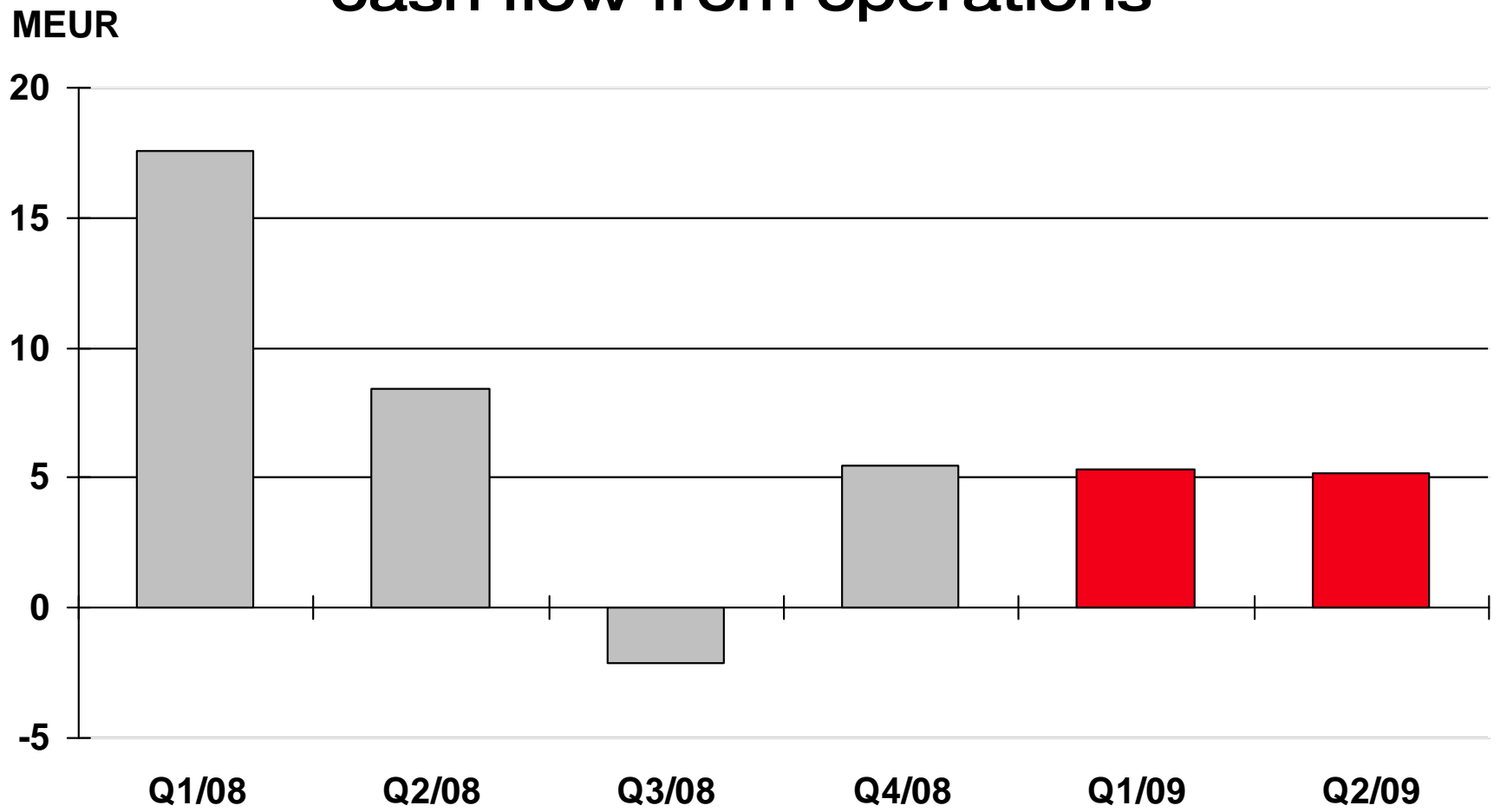
Key ratios

	30.6.2009	30.6.2008	31.12.2008
Equity ratio, % (preferred capital note in equity)	24.6	31.8	27.8
Return on equity, %	-51.3	51.7	14.5
Return on investment, %	-5.7	25.7	13.6
Net interest bearing debt, MEUR (preferred capital note in equity)	221.3	186.0	211.2
Net gearing, % (preferred capital note in equity)	226.6	116.7	168.9
Order book, MEUR	51.7	138.0	73.6
Investments in production facilities, MEUR	7.1	19.6	42.3
Personnel at the end of period (incl. leased personnel)	3,776	5,489	4,488

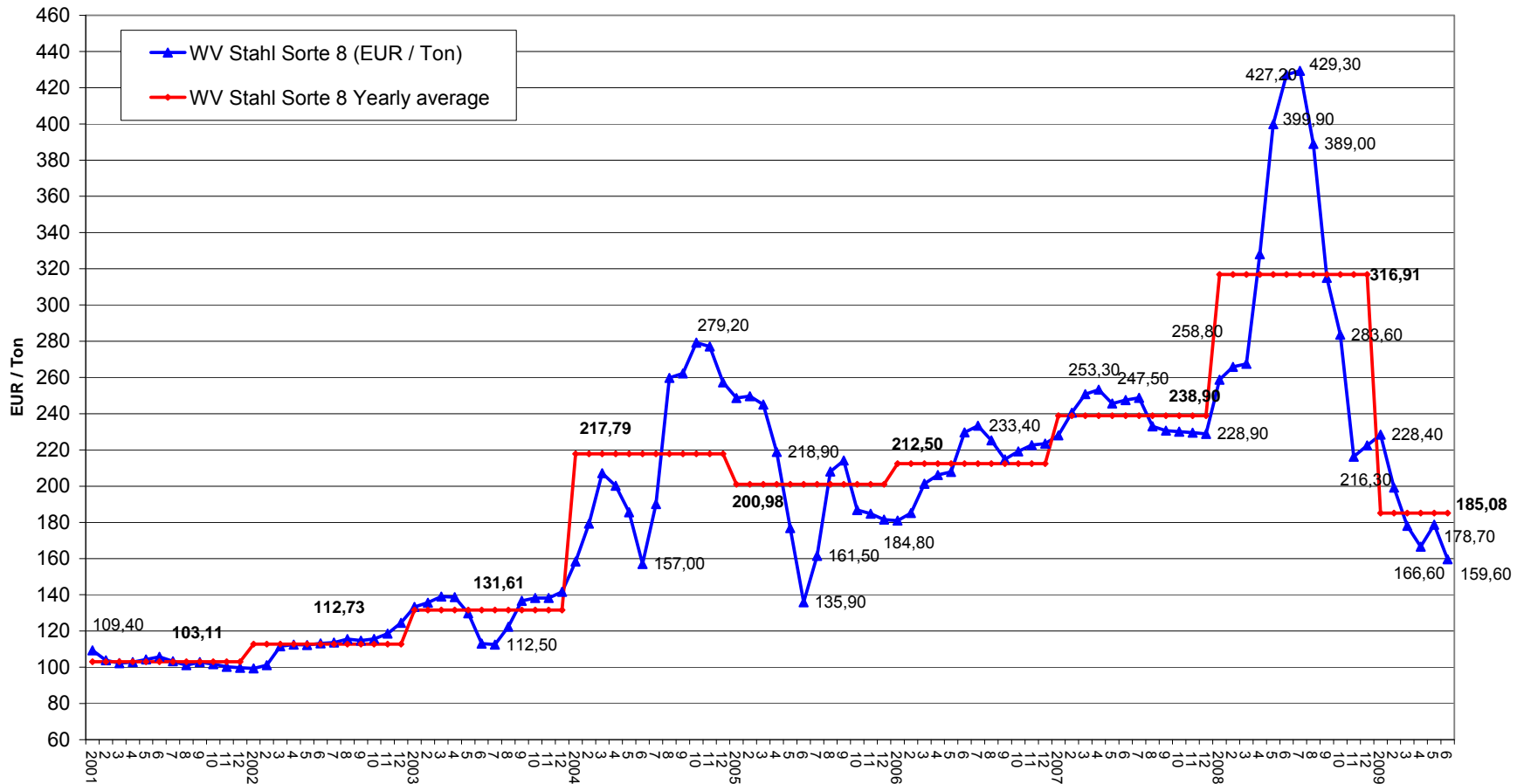
Cash flow

MEUR	2009 1 – 6	2008 1 – 6	2008 1 – 12
Cash flow from operations before change in net working capital, financial items and taxes	-4.1	59.8	68.6
Change in net working capital	22.2	-16.9	-4.2
Cash flow from operations before financial items and taxes	18.1	42.9	64.4
Cash flow from operations	10.5	26.0	29.4
Cash flow from investments	-6.8	-18.1	-40.6
Cash flow from financing activities	-4.0	-28.5	-8.7
Change in liquid assets	-0.3	-20.6	-20.0

Quarterly development of cash flow from operations



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



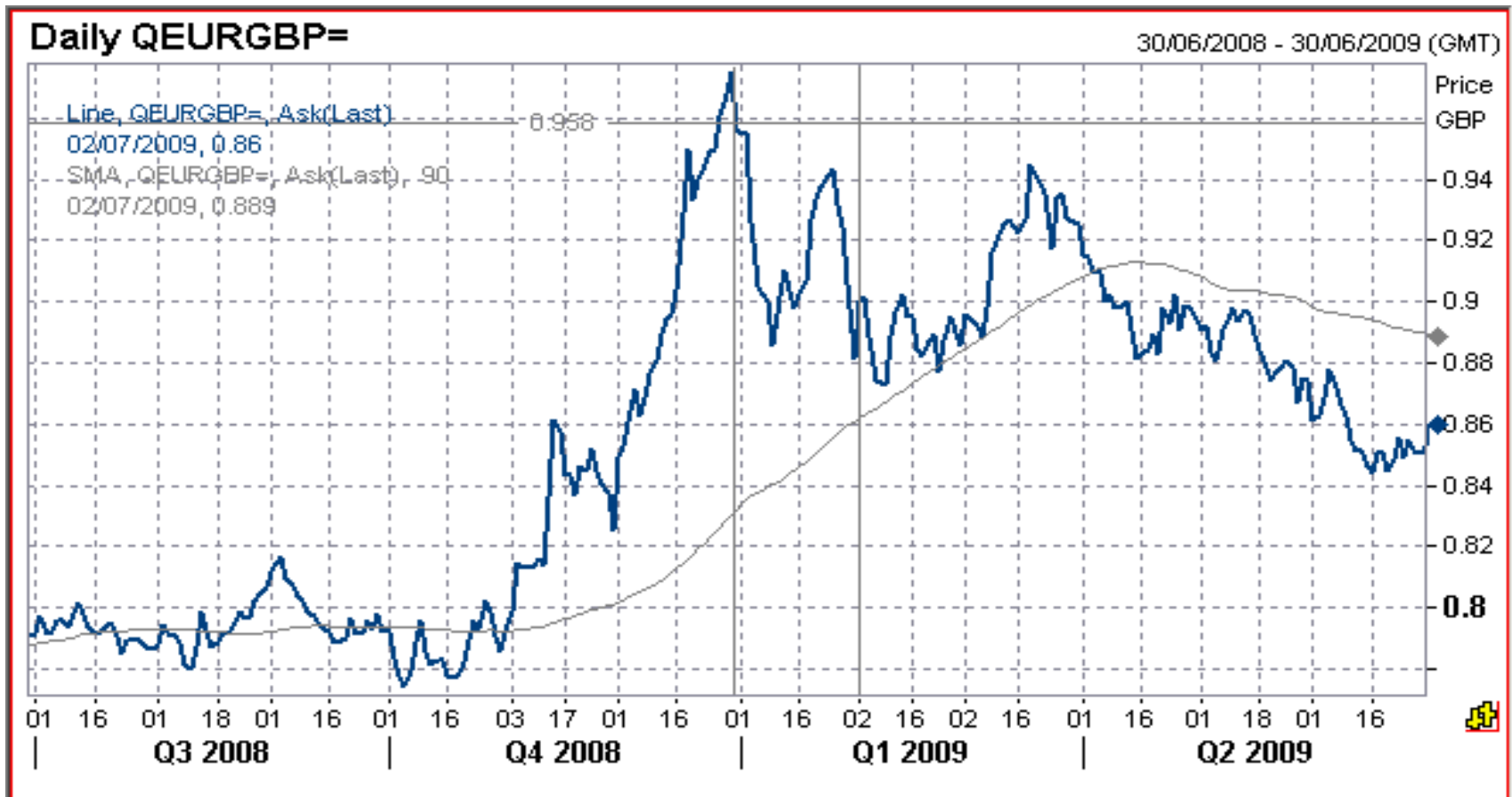
Source: Wv Stahl

Development in exchange rates Turkish lira



Source: Reuters

Development in exchange rates Great Britain pound



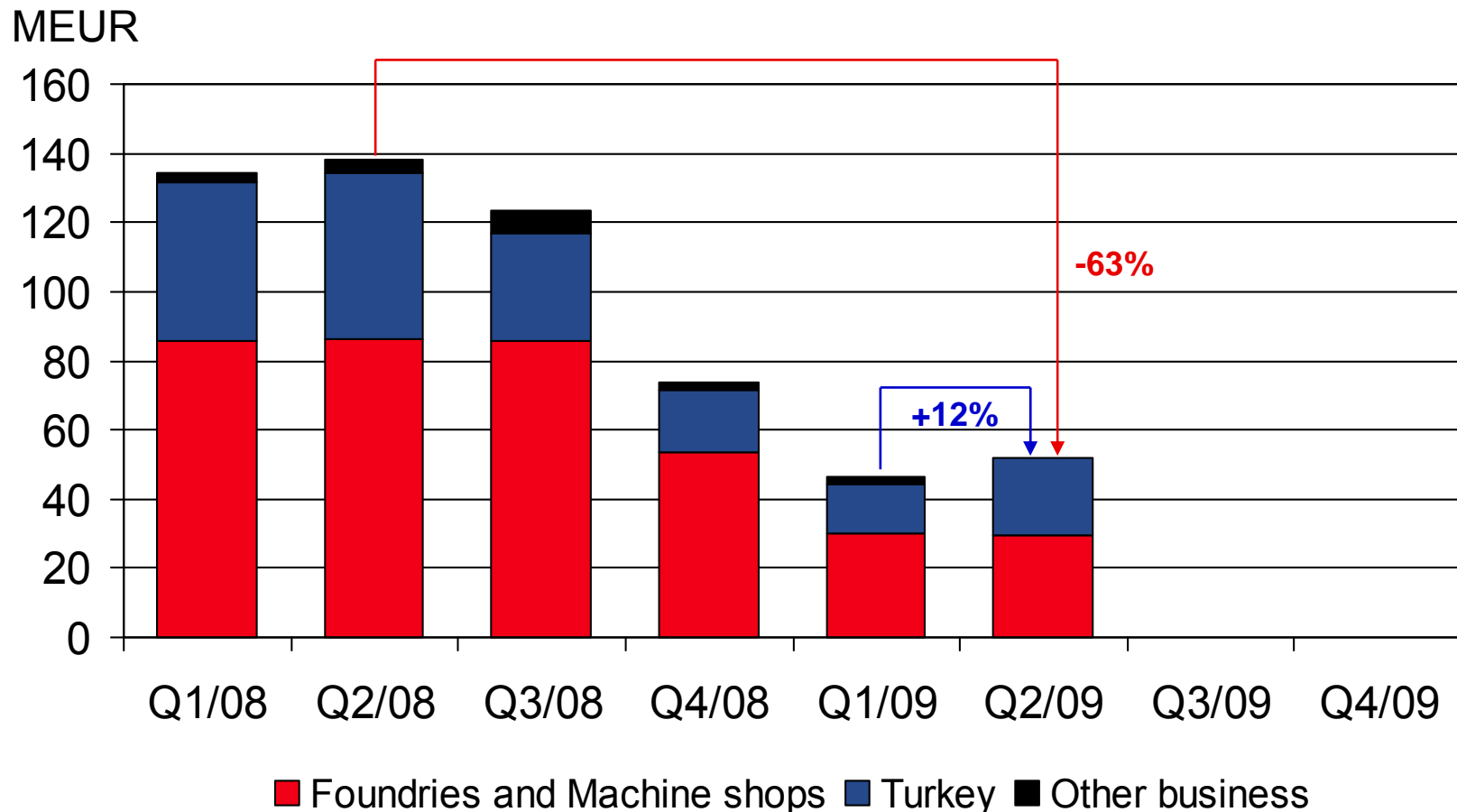
Source: Reuters

Development in exchange rates Swedish krona



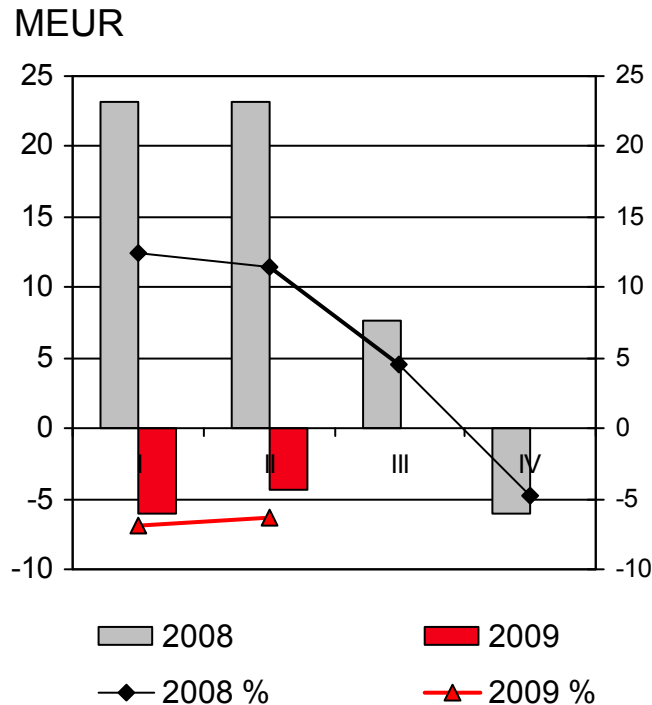
Source: Reuters

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

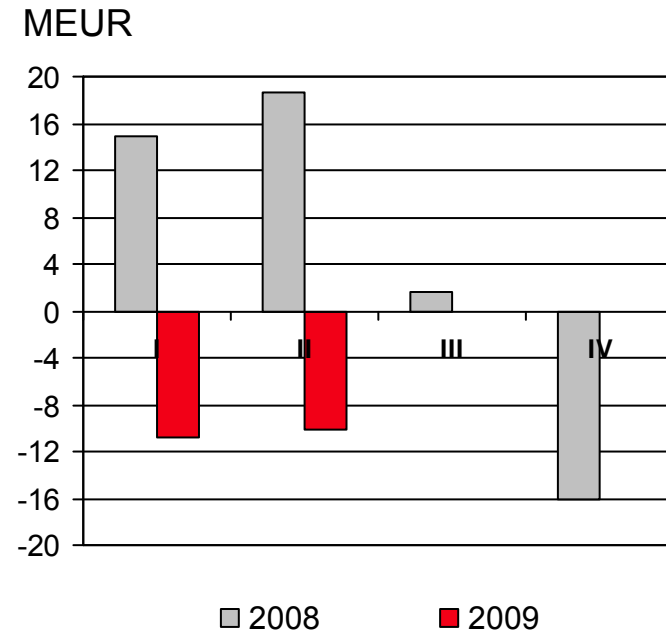


Quarterly operating profit and result after financial items excluding one-time items

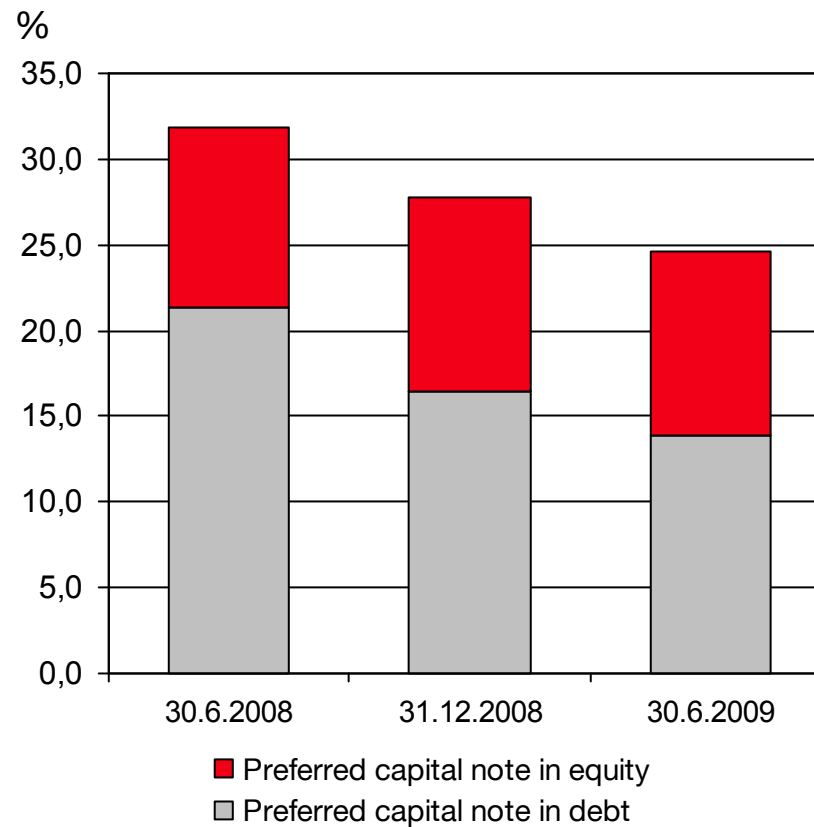
Operating profit
excluding one-time items



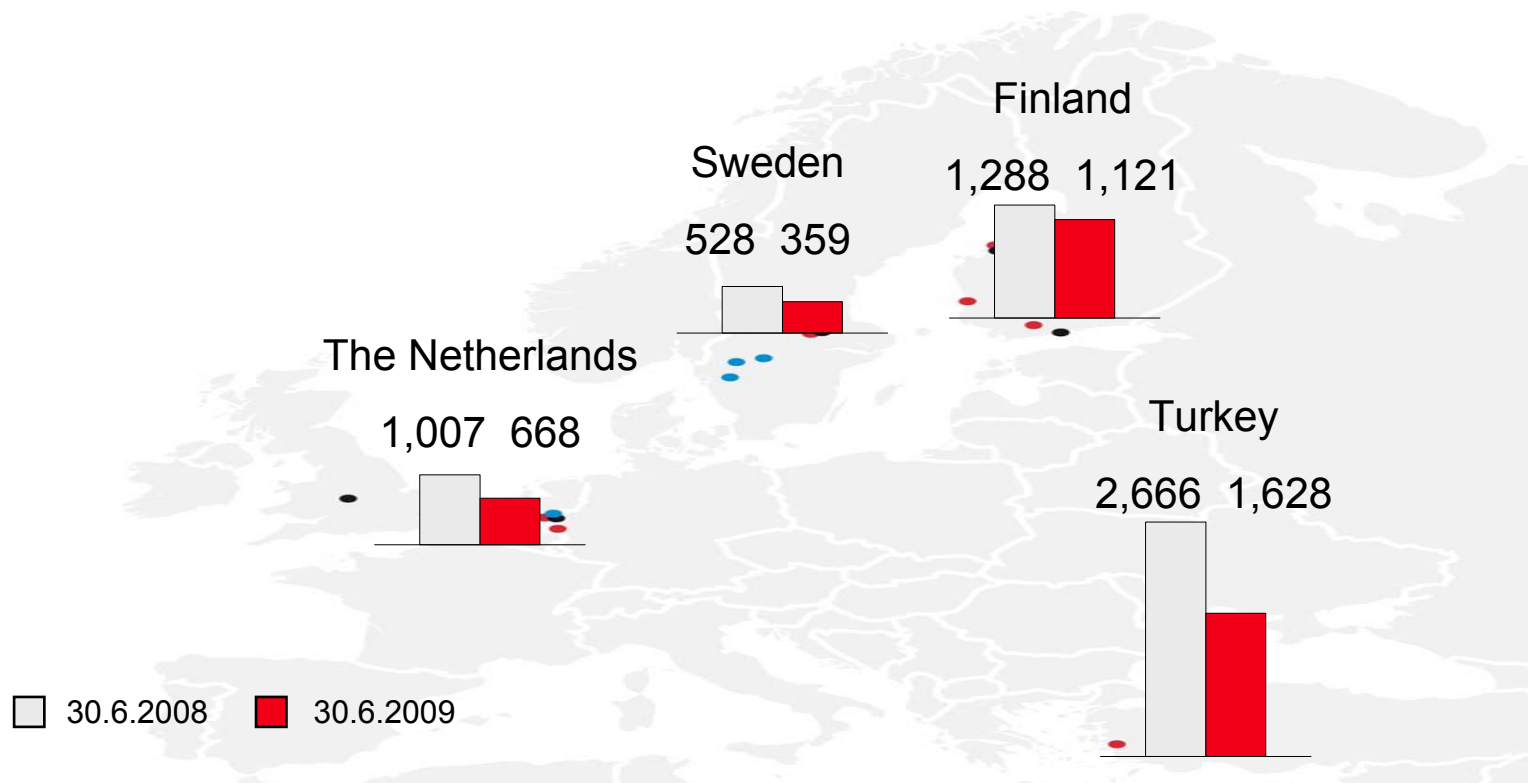
Result after financial items
excluding one-time items



Equity ratio, %

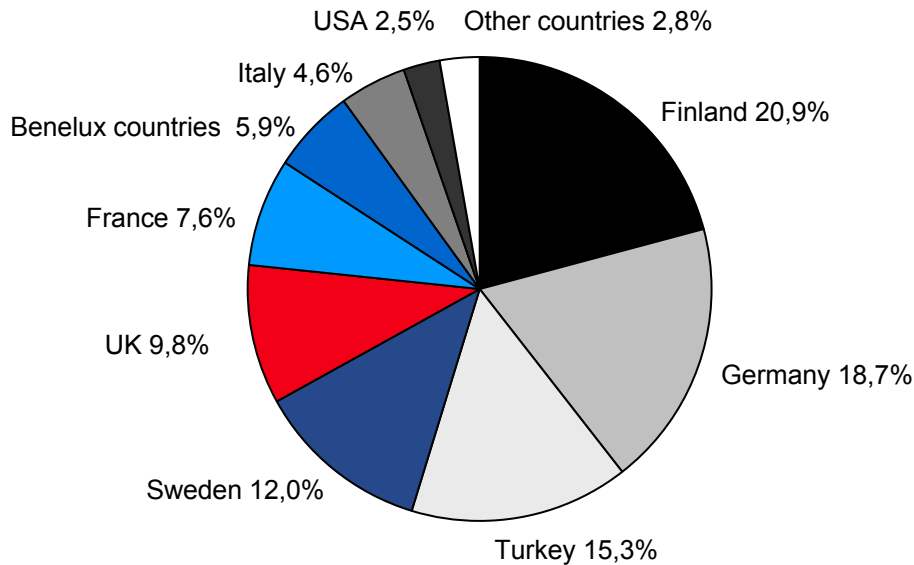


Personnel by country including leased personnel



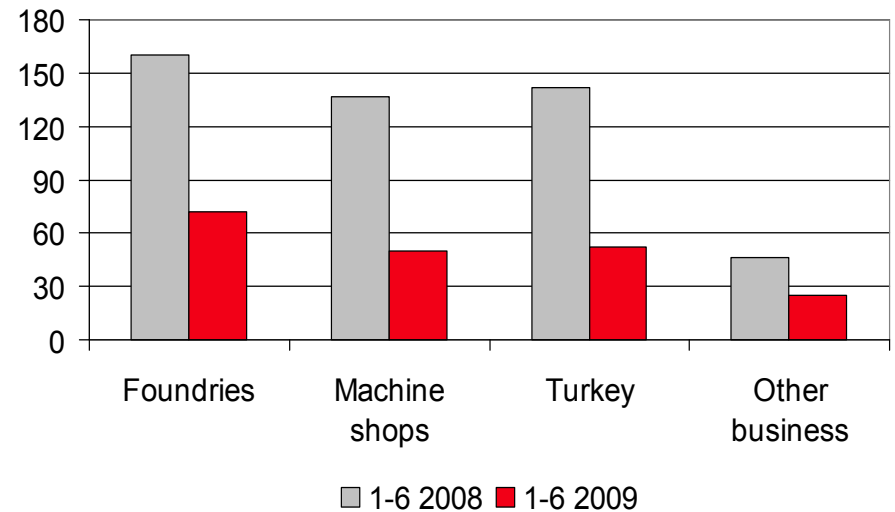
Distribution of sales

Sales by market area
Q1-Q2/2009



Sales by division
excluding one-time items

MEUR



Comparable sales to customer industries



Off-road

30% (36%)



Heavy trucks

18% (29%)



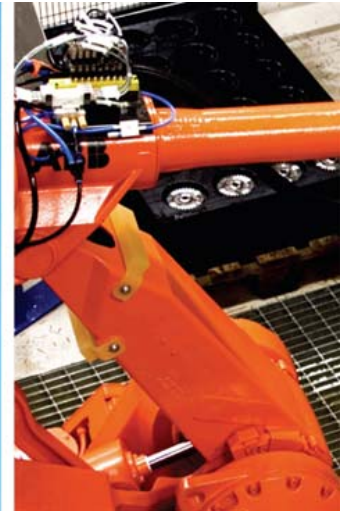
Automotive

18% (15%)



Diesel & wind

14% (6%)

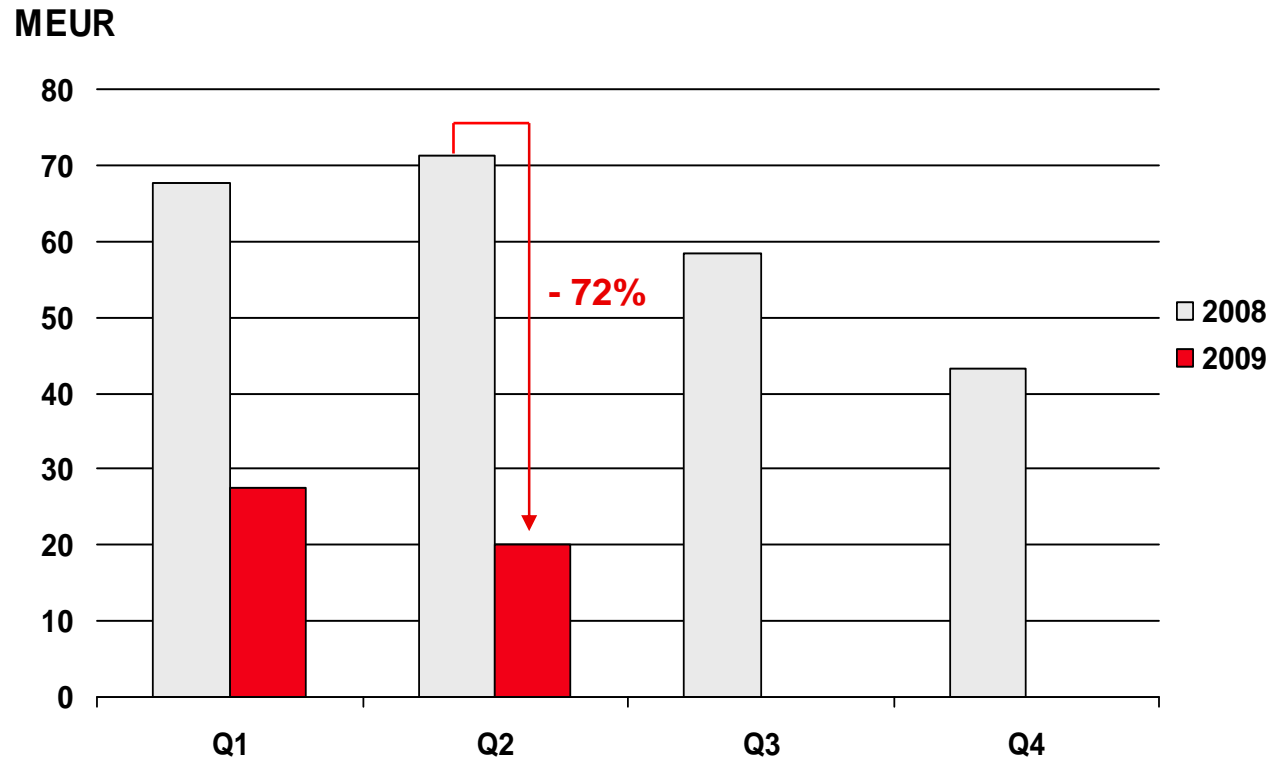


Machine building

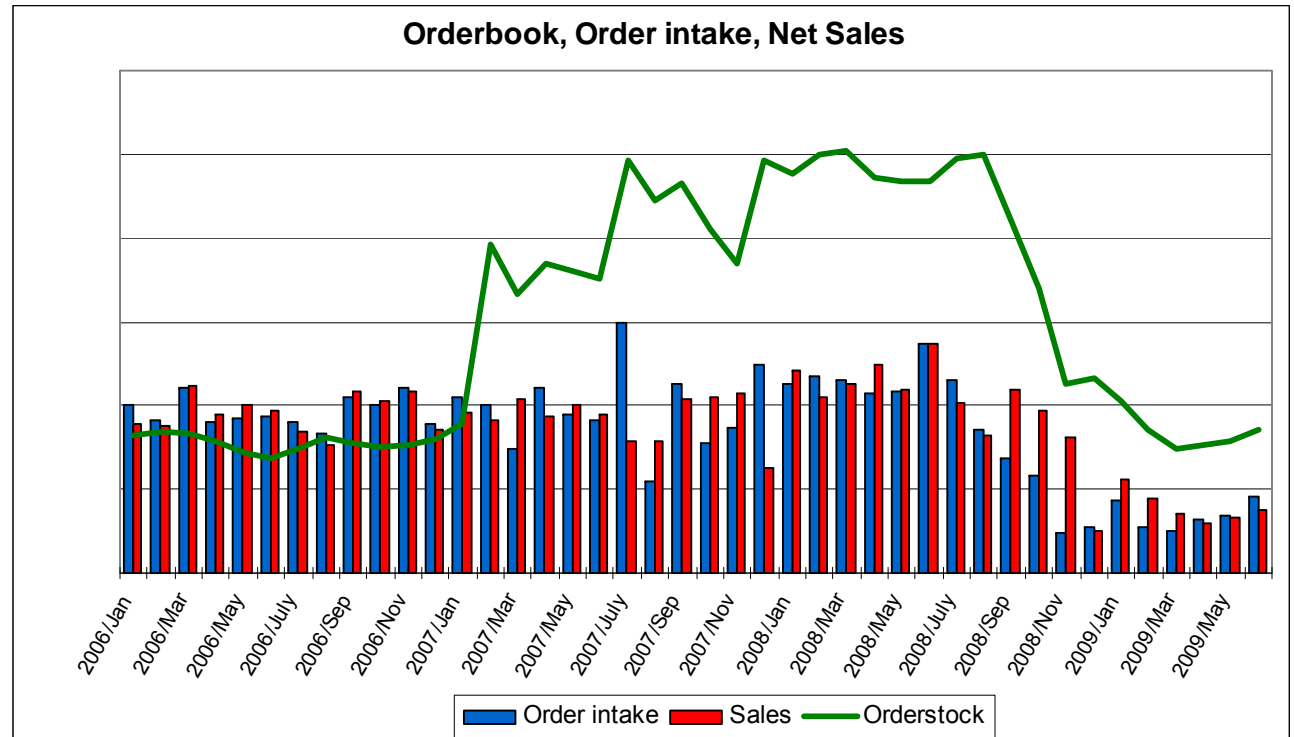
19% (14%)

Note: Other sales 1% (1%)

Comparable sales to off-road industry quarterly

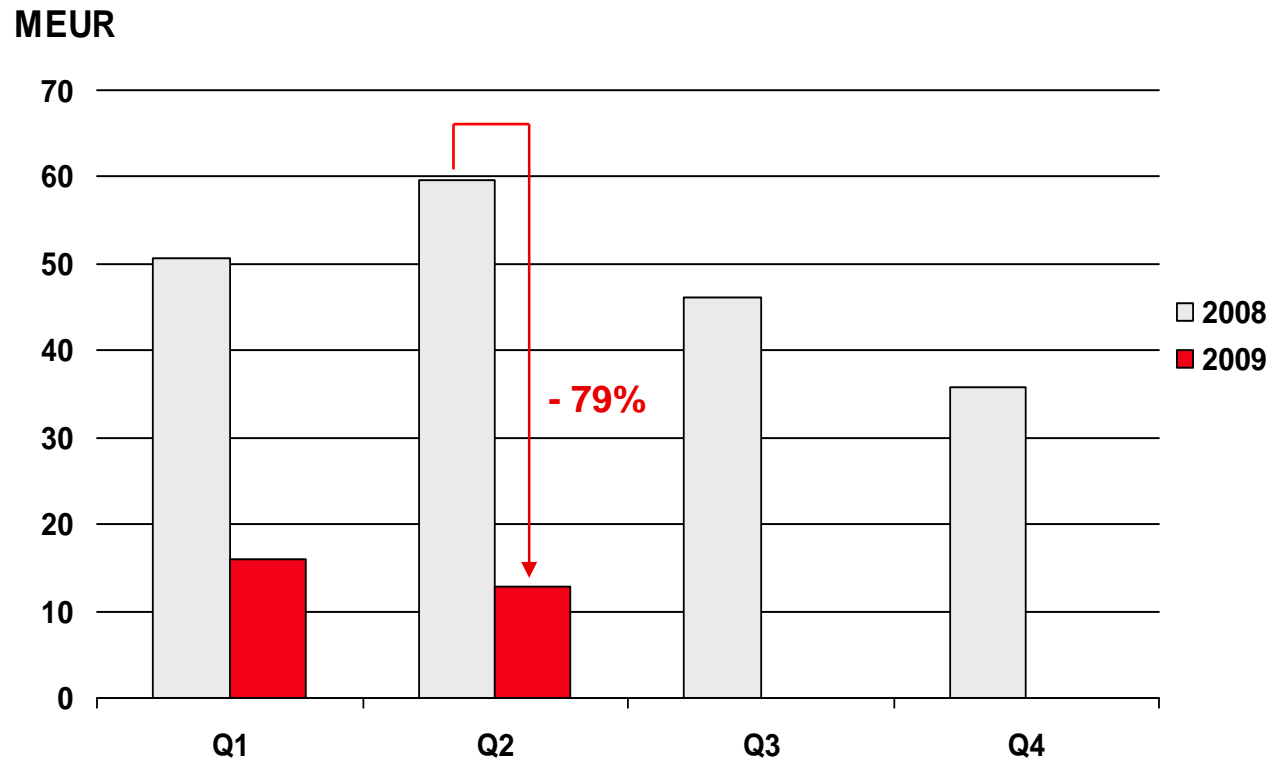


Development of order book and sales in off-road

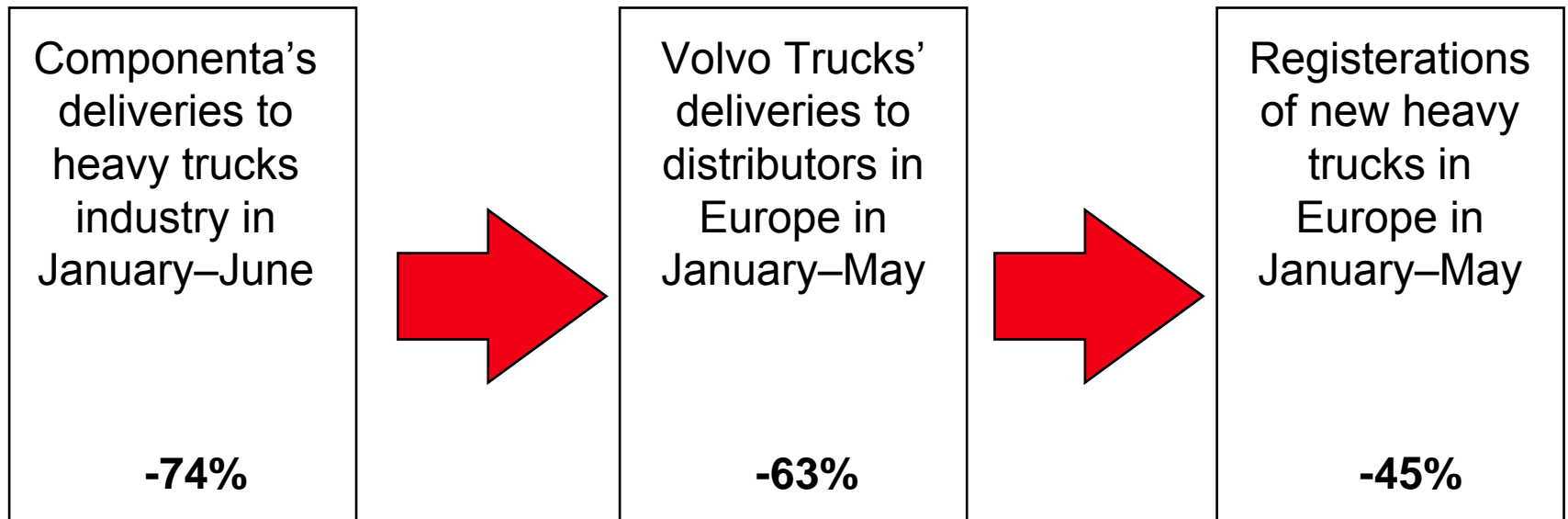


Largest customers: AGCO, JCB, Caterpillar, T.T.F., Carraro

Comparable sales to heavy truck industry quarterly

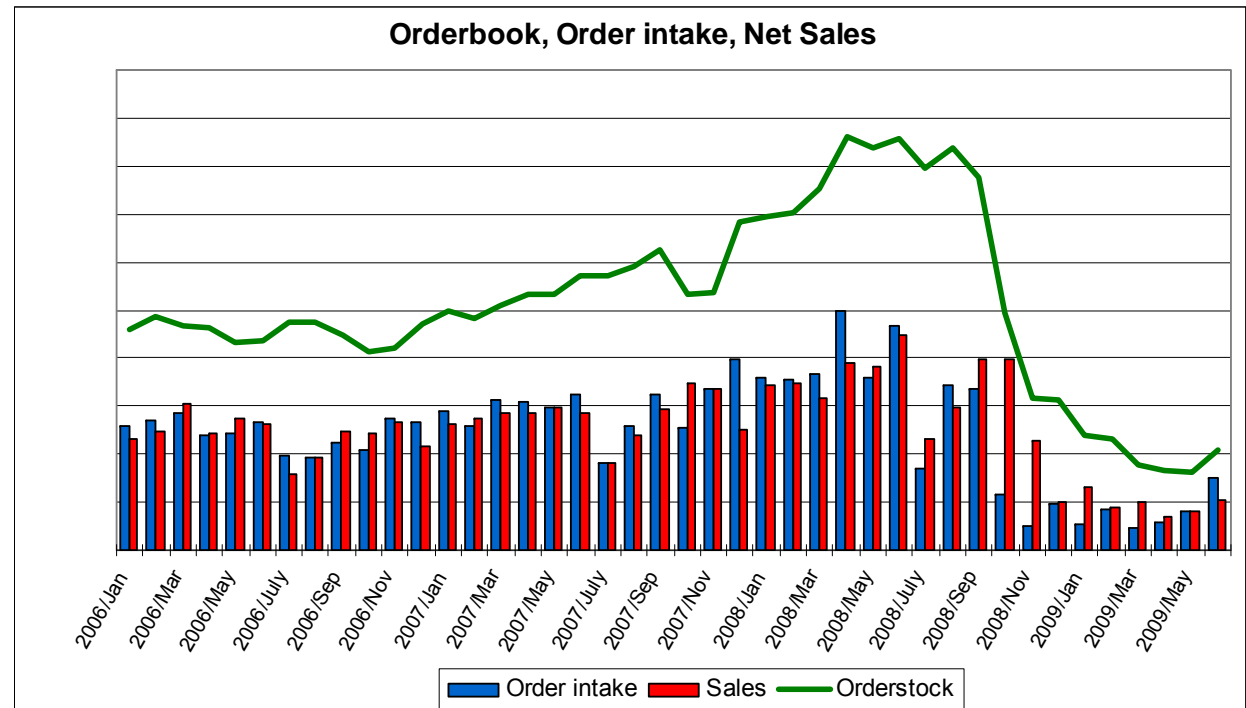


Development of supply chain in heavy truck industry



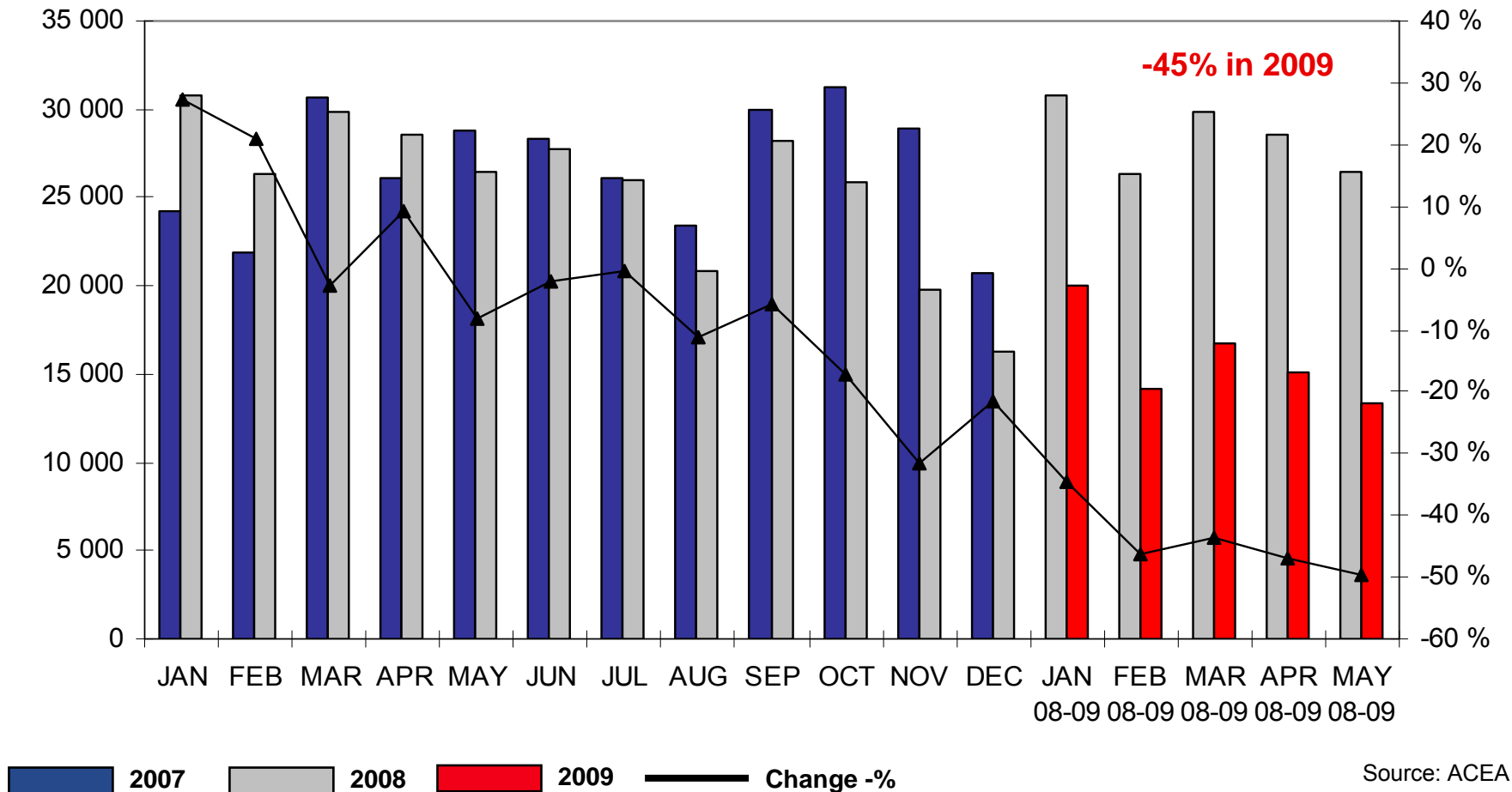
Source: Volvo's web pages, ACEA

Development of order book and sales in heavy trucks

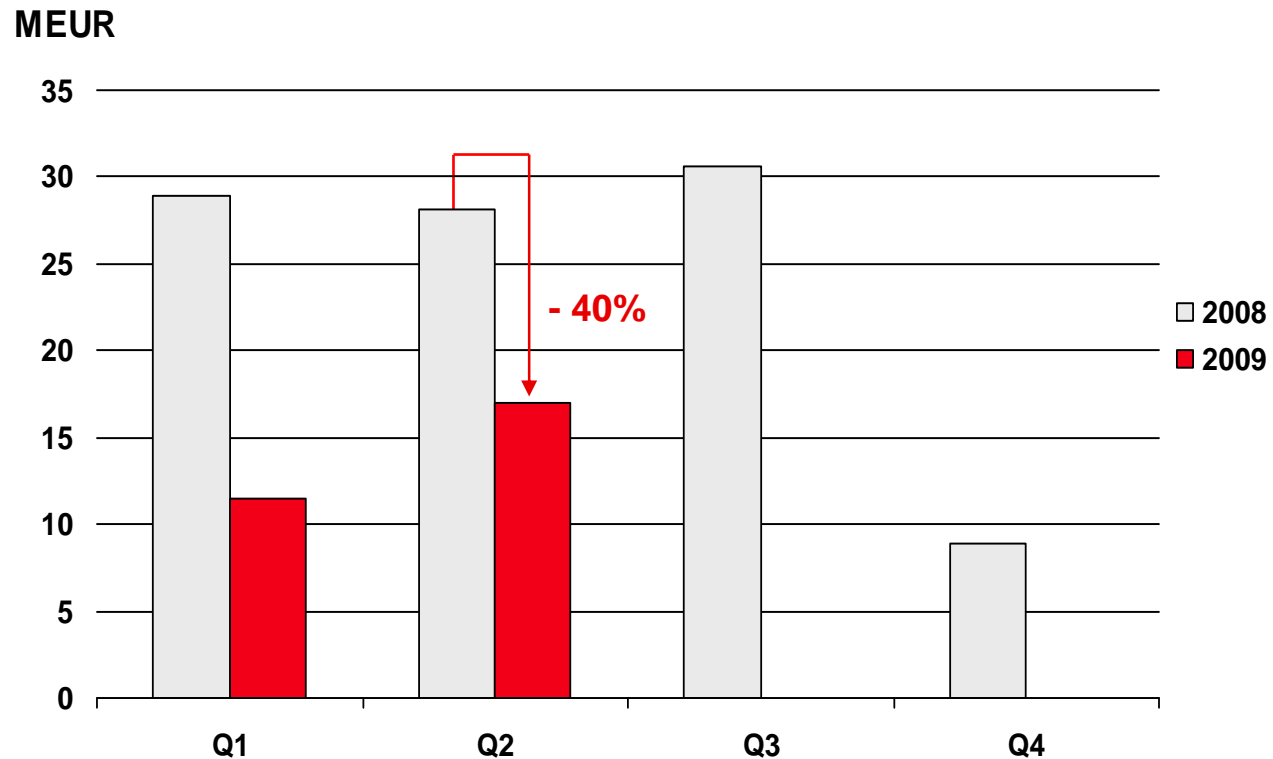


Largest customers: Volvo Trucks, Scania, Daimler, MAN, Iveco

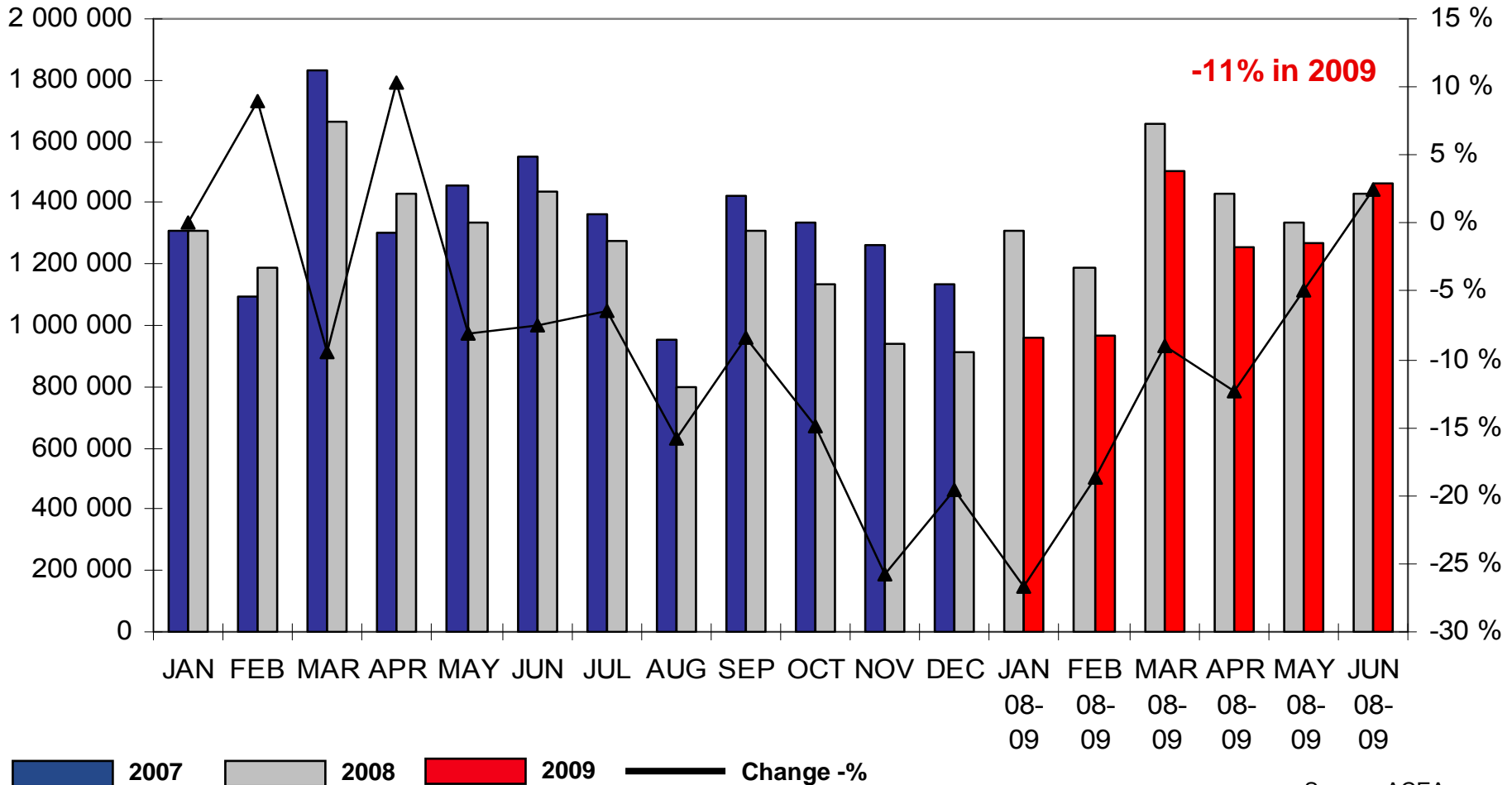
Registrations of new heavy trucks in Europe (Total EU27+EFTA)



Comparable sales to automotive industry quarterly

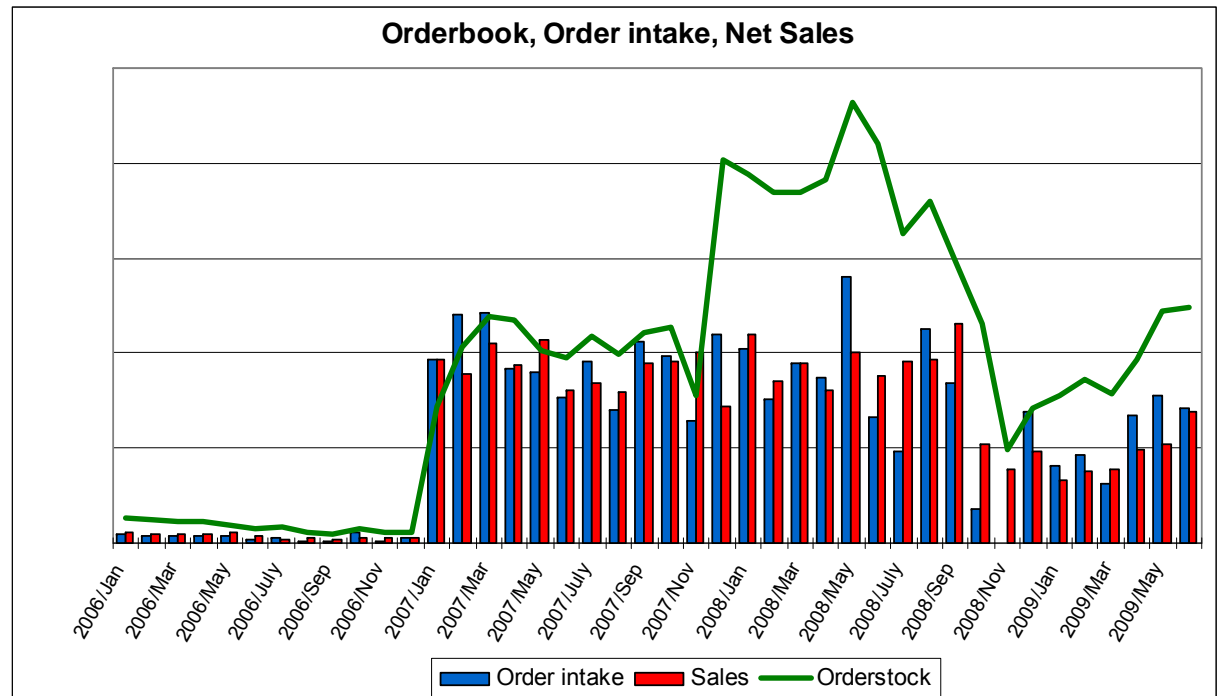


Registrations of new passenger cars in Europe (Total EU27+EFTA)



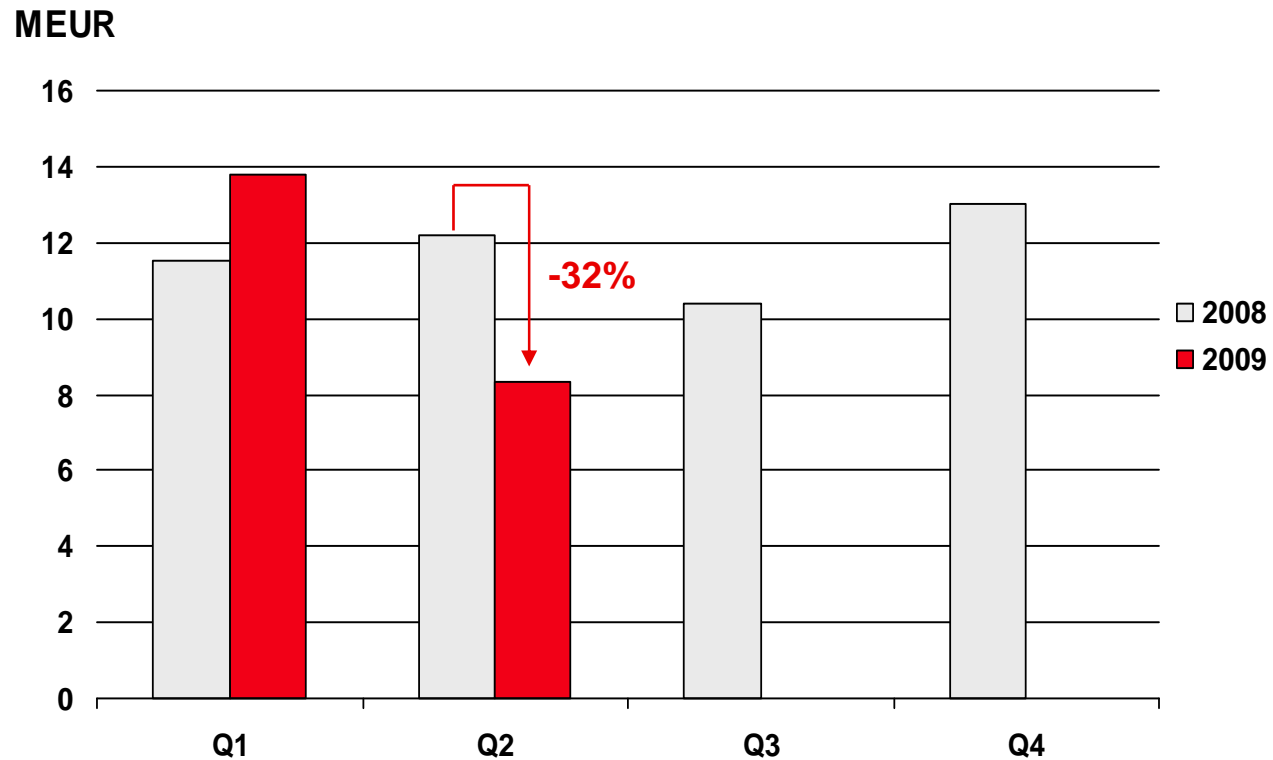
Source: ACEA

Development of order book and sales in automotive

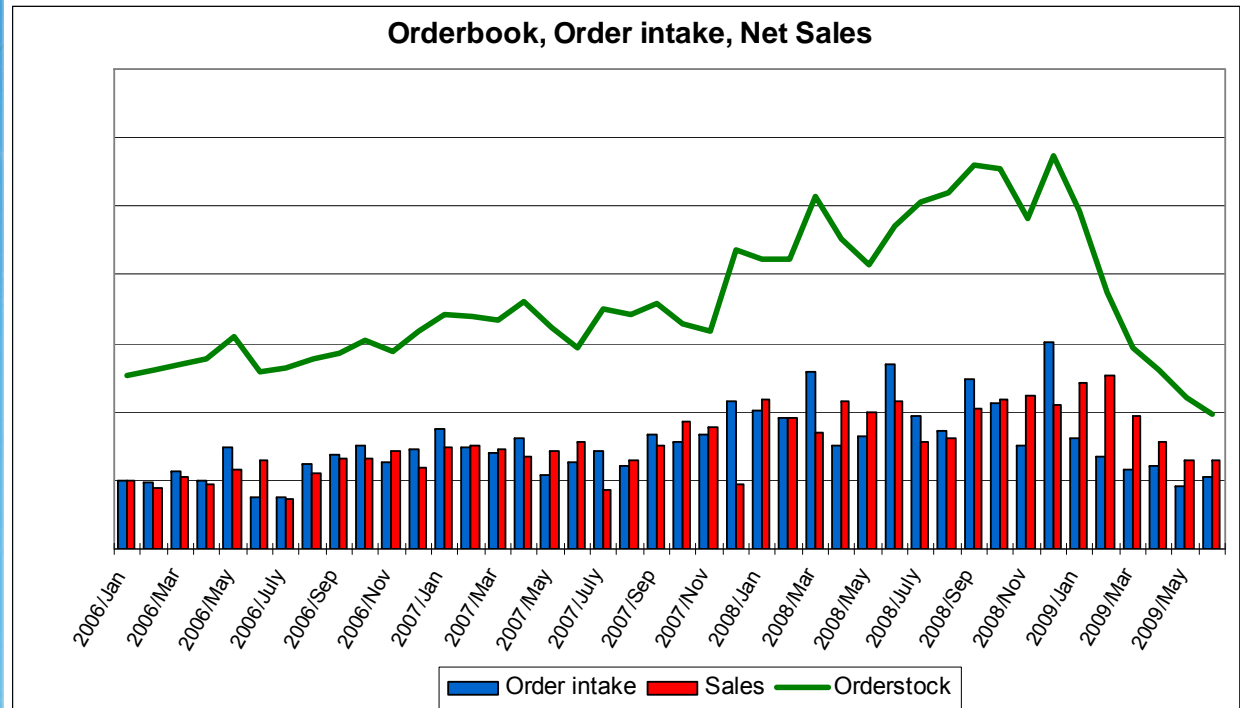


Largest customers: Tofas, Ford Otosan, Ford of Europe, ATU, Oyak-Renault

Comparable sales to diesel & wind industry quarterly

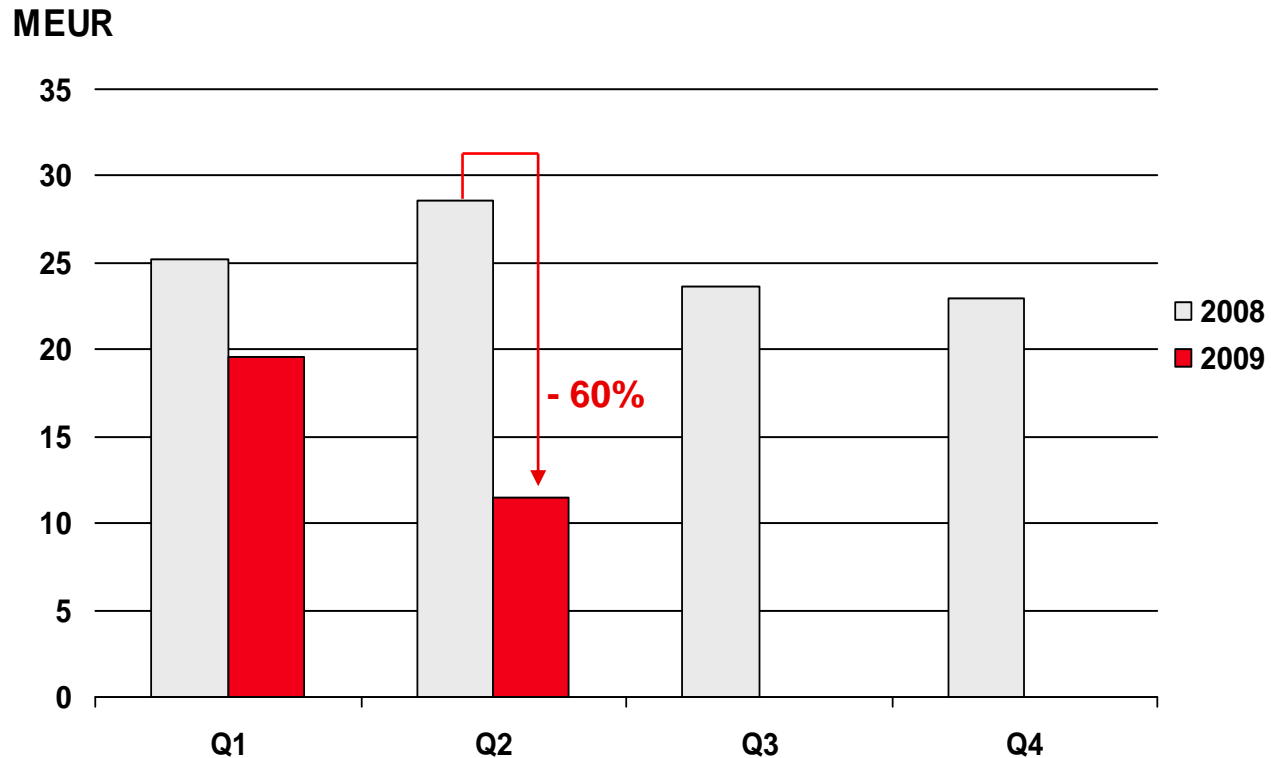


Development of order book and sales in diesel & wind

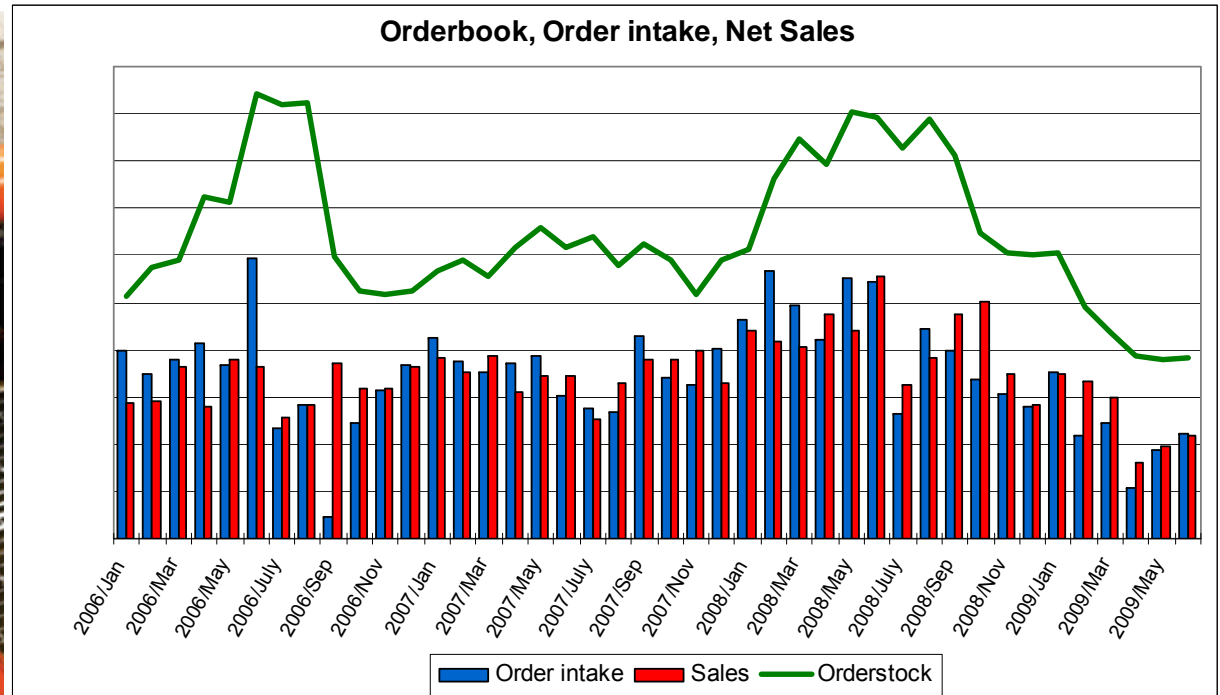
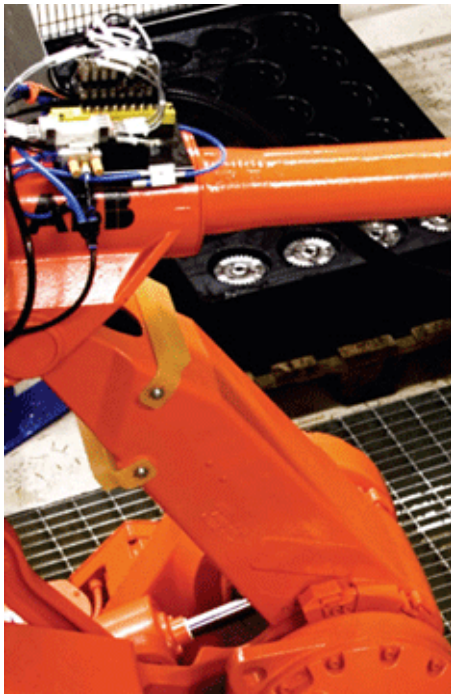


Largest customers: Wärtsilä, Moventas, Caterpillar, Mahle, Voith

Comparable sales to machine building industry quarterly



Development of order book and sales in machine building



Largest customers: Atlas Copco, ABB, NCB Lohmann, Kone Elevators, Konecranes

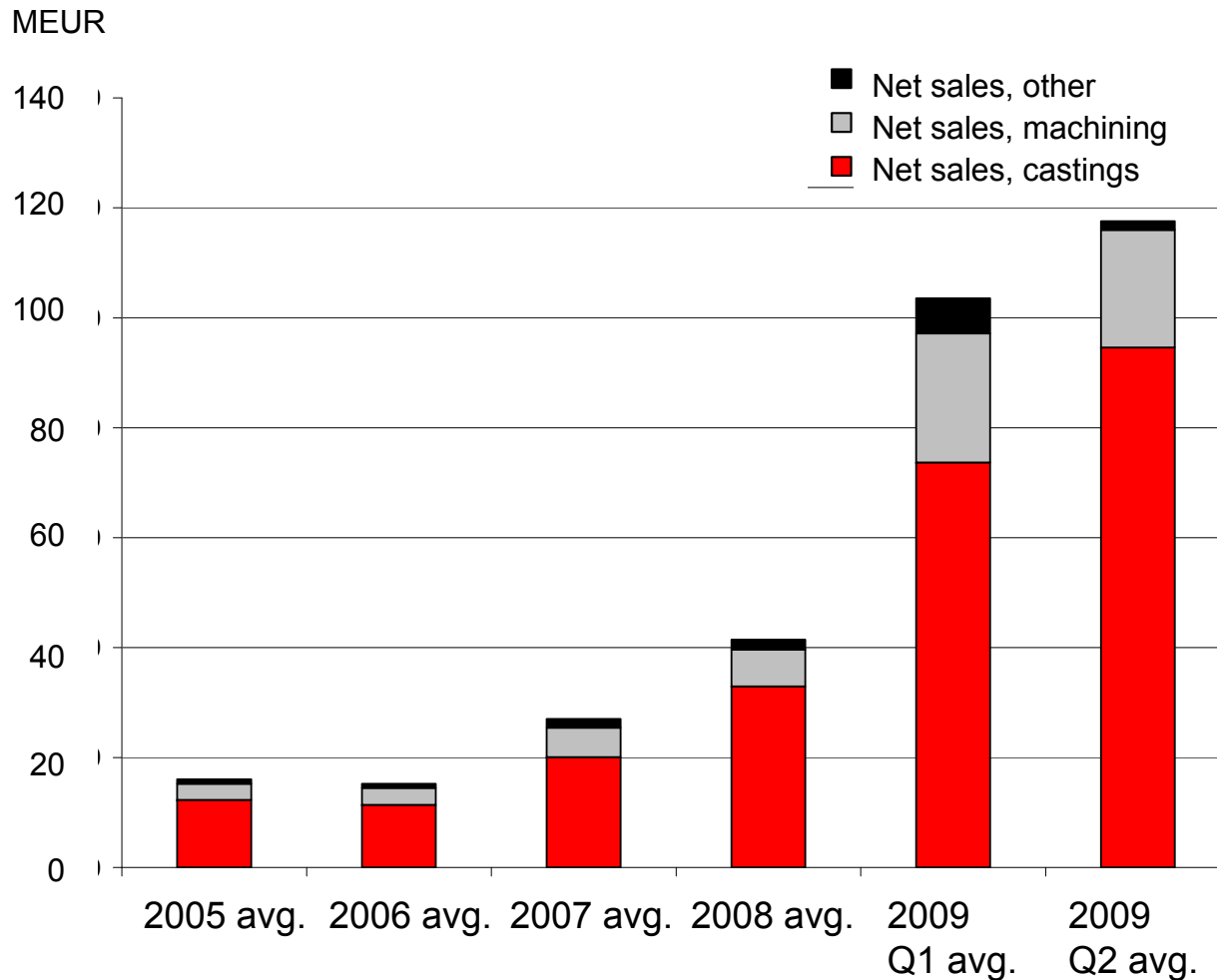
We focus now on four task forces

Operations and cost efficiency	→	Improvement of the productivity in the foundries and machine shops.
Cash flow	→	Reduction of working capital and raw material inventories, collection of trade receivables and shortening of customers' payment terms.
Internal sourcing	→	Cost savings by optimization of production.
Sales	→	Focusing on new sales in 2009.

Analysis of changes in quarterly income statements

MEUR	Q1/2009	Q1/2008	Diff. %	Q2/2009	Q2/2008	Diff. %
Net Sales	88,1	185,0	-52 %	70,6	201,0	-65 %
Value of production	75,3	185,9	-59 %	66,1	207,3	-68 %
Materials	-24,1	-67,4	-64 %	-20,6	-76,6	-73 %
Direct wages and external services	-25,1	-46,9	-47 %	-21,3	-45,9	-54 %
Other variable and fixed costs	-29,2	-42,5	-31 %	-25,6	-55,7	-54 %
Total costs	-78,3	-156,8	-50 %	-67,5	-178,2	-62 %
EBITDA	-3,0	29,1	-110 %	-1,5	29,0	-105 %

Offers and new sales

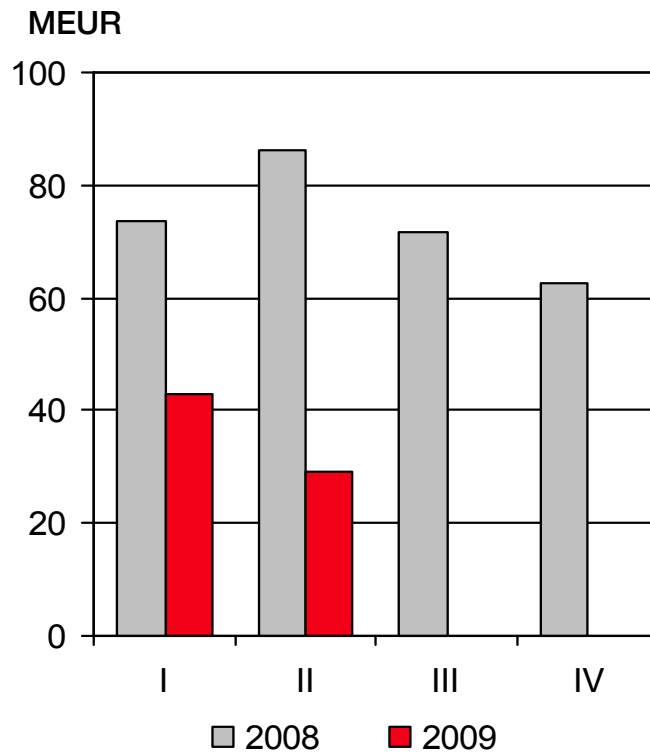


The Group has submitted a record number of offers during the first and second quarters.

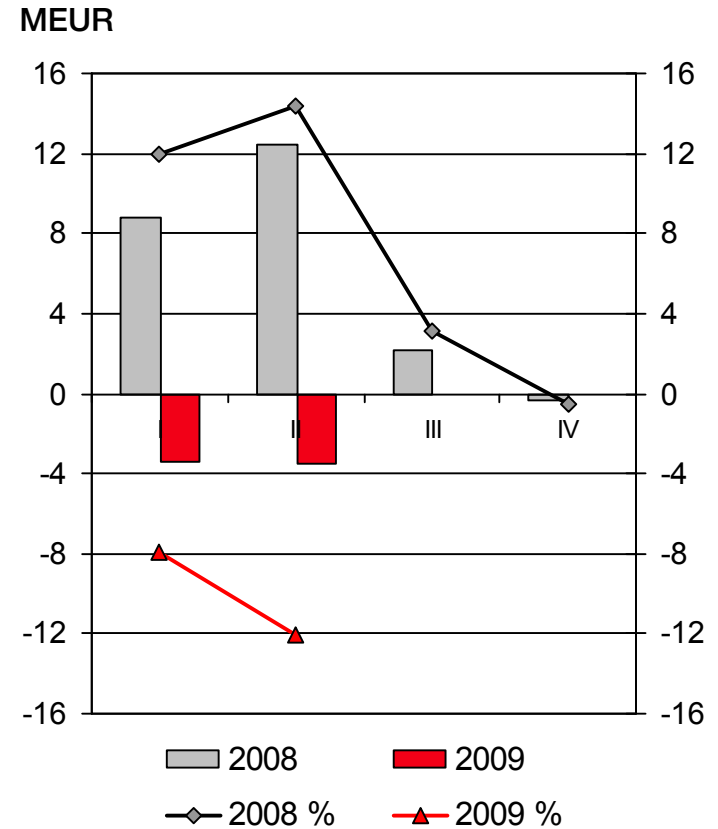
At the same time Componenta has performed well with new sales. Biggest part of the new sales will materialize in year 2010 net sales.

Foundries division

Net sales



Operating profit excluding one-time items

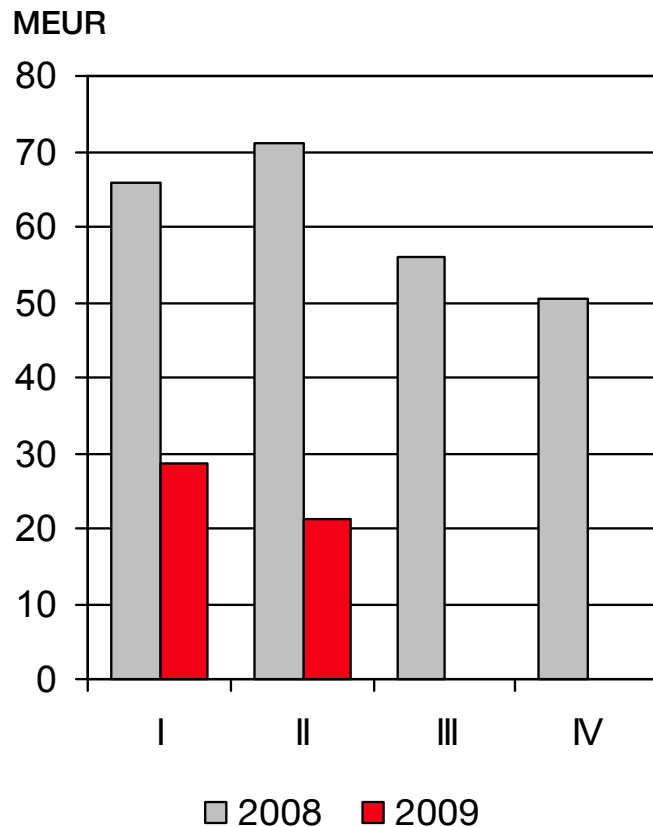


Performance of the Foundries division

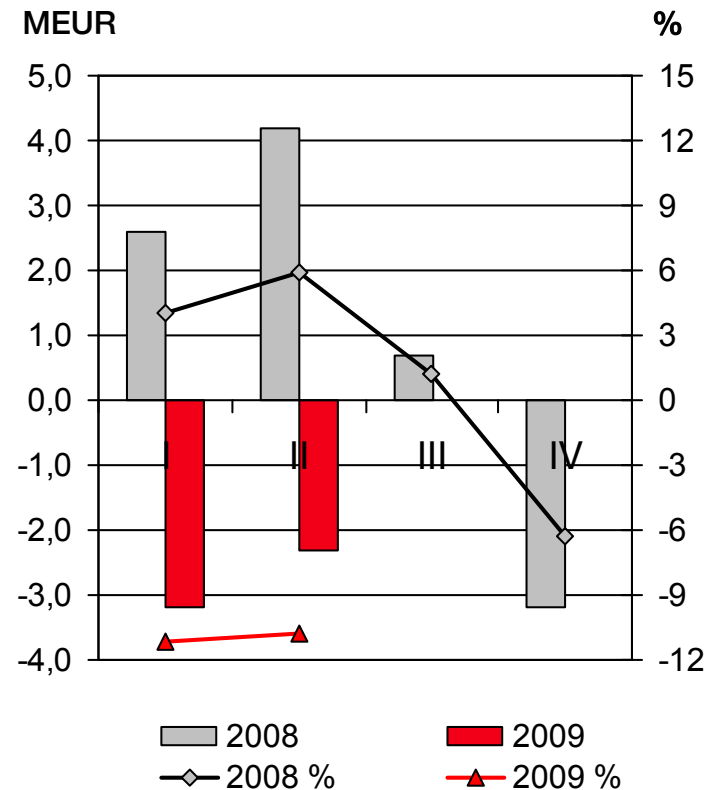
- Net sales in the review period were MEUR 72.1 (MEUR 160.0) and operating profit MEUR -7.0, or -9.7% of net sales (MEUR 21.2; 13.3%).
- Division's operating result was affected negatively mainly due to very low capacity utilization.
- Second quarter net sales totalled MEUR 29.0 (MEUR 86.4) and operating profit MEUR -3.5 (MEUR 12.4).

Machine shops division

Net sales



Operating profit excluding one-time items

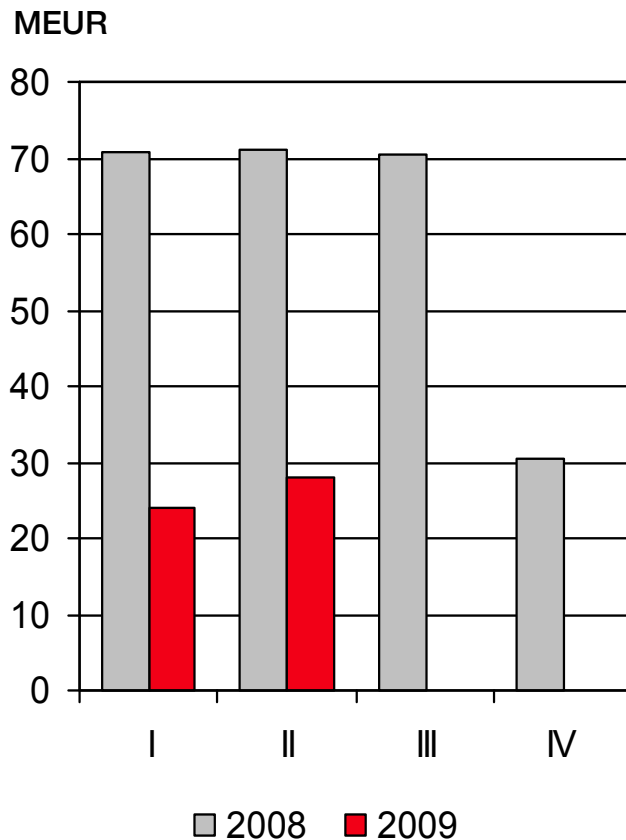


Performance of the Machine shops division

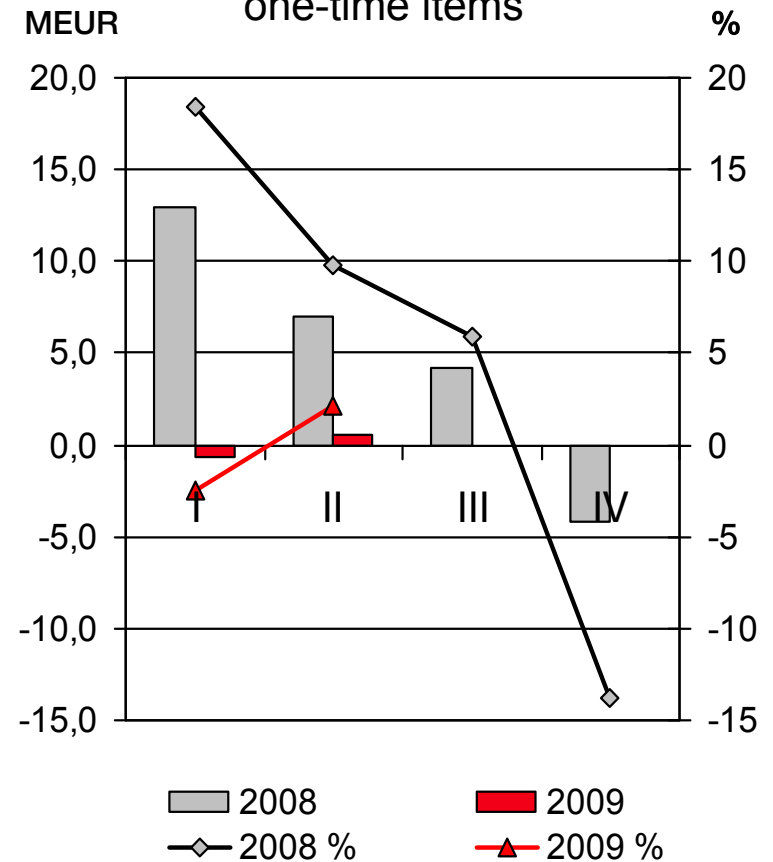
- Net sales in the review period were MEUR 49.9 (MEUR 136.7) and operating profit MEUR -5.5, or -11.0% of net sales (MEUR 6.8; 5.0%).
- The division's operating result was weakened mainly due to very low volumes. In addition, a large part of the division's personnel is in Sweden, where adjusting the number of personnel has been slower than in the Group's other countries.
- Second quarter net sales totalled MEUR 21.3 (MEUR 71.0) and operating profit MEUR -2.3 (MEUR 4.2).

Turkey division

Net sales



Operating profit excluding one-time items



Performance of the Turkey division

- Net sales in the review period were MEUR 52.1 (MEUR 141.7) and operating profit MEUR 0.1, or 0.2% of net sales (MEUR 20.0; 14.1%).
- The division's operating profit for the review period was hit by the extremely sharp decline in volumes.
- Adaptation of the costs succeeded well in Turkey, and despite of the very low capacity utilization rate the division's operating result turned positive in the second quarter.
- Second quarter net sales totalled MEUR 28.0 (MEUR 71.1) and operating profit MEUR 0.6 (MEUR 7.0).

Prospects for 2009

- Componenta's prospects for the latter part of 2009 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 remains weak at the beginning of the third quarter of 2009, due to the current recession in the global economy.
- The slow down in construction in the USA and Europe has reduced demand considerably in the off-road industry. Investments in the mining industry are expected to decrease significantly in 2009. Because of the recession, many countries have initiated infrastructure projects, and it is estimated that these projects will start to increase the demand for off-road vehicles in 2010. The demand for agriculture machinery and equipment has decreased less than the other sectors in the off-road industry.

Prospects for 2009 (cont.)

- The number of heavy trucks registered in Europe in the period of January–May was 45% less than in the previous year. Production volumes in this year are expected to decline 50–60% from 2008. Manufacturers of heavy trucks have been heavily clearing their own excess stocks in the first half of 2009. It is estimated that the manufacturers' stocks will reach the level to correspond with the current demand during the third quarter of 2009 or latest by the end of this year.
- The number of new passenger cars registered decreased 11% in the period of January – June from the previous year. Automotive production in Europe increased in the second quarter compared to the beginning of this year. The reason for the increase is various subsidy measures taken in many countries, aimed at renewing the fleet of cars.
- Demand in the wind power sector has weakened during the review period as wind power projects have faced problems with financing. Demand for diesel engines has lately started to decrease. However, due to the long order book, deliveries to the manufacturers of diesel engines have remained on a reasonable level. Weakened prospects in the diesel engine industry will decrease the number of components delivered to customers as they have started to clear their own stocks.
- Demand in the machine building industry is expected to remain at low level.

Prospects for 2009 (cont.)

- Componenta's order book at the end of the second quarter of 2009 was 63% lower than at the same time in the previous year. The order book has been heavily reduced by the sharp fall in demand, which is largely due to the current crisis in the global economy and recent measures taken by customers to reduce their own stocks. On the other hand, at the end of the second quarter the order book stood 12% higher than at the end of previous quarter.
- Adaptation actions taken at the end of the previous year and in the first half of 2009 reduced the Group's operating costs in the second quarter altogether by 62% from the corresponding period in 2008. Investments in production facilities are estimated to be around MEUR 10 (MEUR 42.3) in 2009.
- Componenta Group's 2009 net sales are expected to fall more than 50% from the previous year and the result after financial items, excluding one-time items, is expected to be clearly negative. However, it is estimated that the Group's cash flow from operations will be positive due to the major reduction in working capital.