



Componenta Corporation

Interim Report

1 January – 30 September 2009

Review period in brief

- Net sales totalled MEUR 223.5 (MEUR 556.1). Net sales fell 60% and the value of production 63%.
- Operating profit excluding one-time items was MEUR -13.8 (MEUR 53.9).
- Result after financial items, excluding one-time items, was MEUR -30.7 (MEUR 35.3).
- Operating result deteriorated significantly mainly due to the low production volumes.
- Due to the adaptation measures carried out at the end of 2008 and in the beginning of 2009 coupled with lower production volumes, Group's operating costs in the review period fell 57% in proportion to the value of production.
- Cash flow from operations was MEUR 6.1 (MEUR 23.9).
- The balance sheet was strengthened by share issue and new capital loan during the third quarter by altogether MEUR 41.5, of which the share of conversions was MEUR 20.5.
- Unused committed credit facilities and cash funds totalled MEUR 32.8 at the end of the review period, in addition to which the company received share issue and capital loan payments altogether of MEUR 10.0 after the end of the review period.

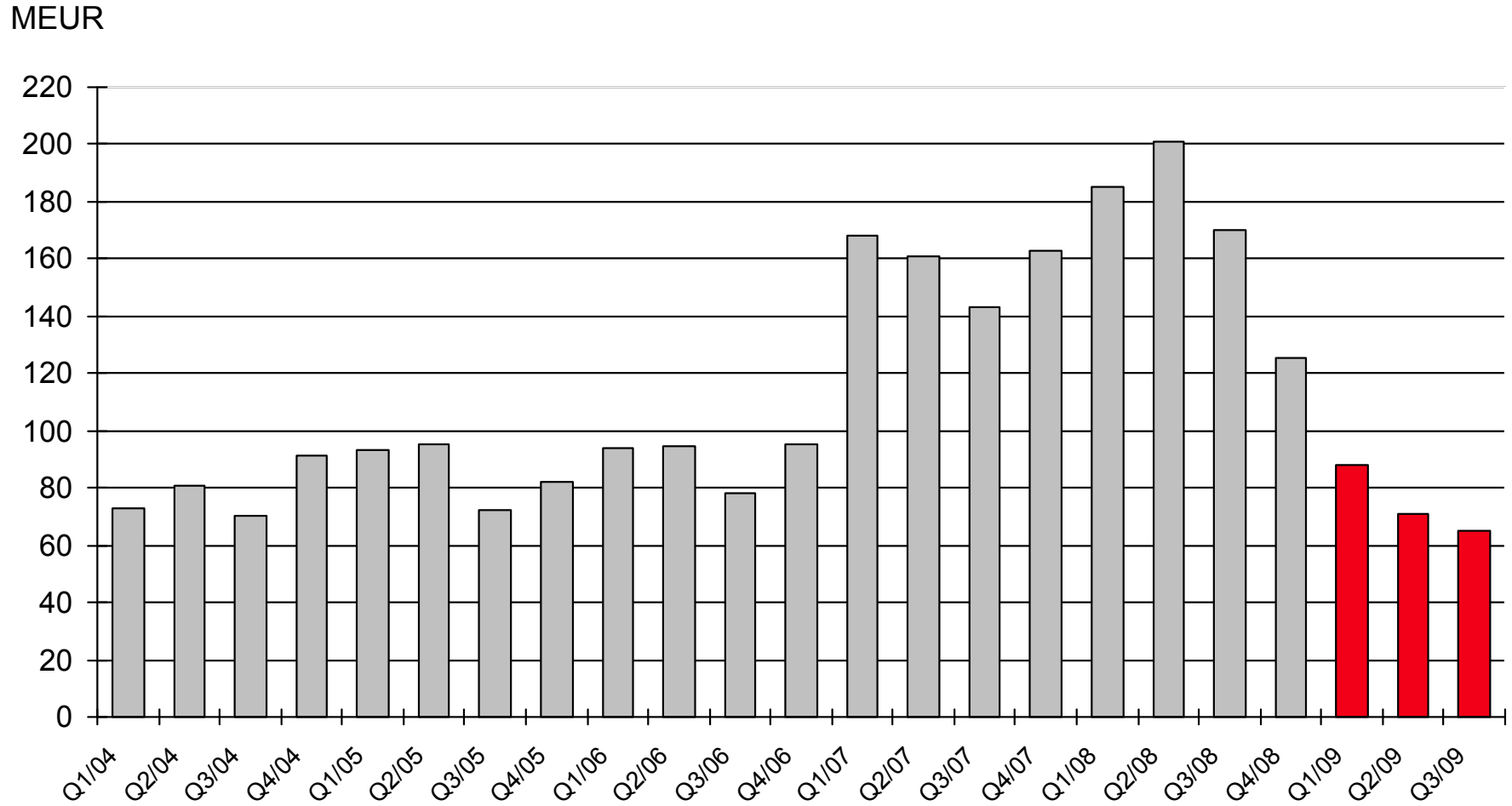
Income statement

MEUR	2009	2008	2008
	1 - 9	1 - 9	1 - 12
Net sales	223.5	556.1	681.4
Operating profit, excluding one-time items	-13.8	53.9	47.9
Financial income and expenses	-16.9	-18.7	-28.7
One-time items	0.1	-0.4	-0.6
Result after financial items	-30.7	34.9	18.6
Net result	-23.3	26.5	13.9
Earnings per share, EUR	-2.11	2.32	1.24

Income statement Q3

Me	2009	2008
	7 - 9	7 - 9
Net sales	64.8	170.1
Operating profit, excluding one-time items	-3.3	7.7
Financial income and expenses	-6.5	-5.9
One-time items	0.0	-0.5
Result after financial items	-9.7	1.3
Net result	-7.5	1.4
Earnings per share, EUR	-0.68	0.11

Quarterly development of net sales 2004 – Q3/2009



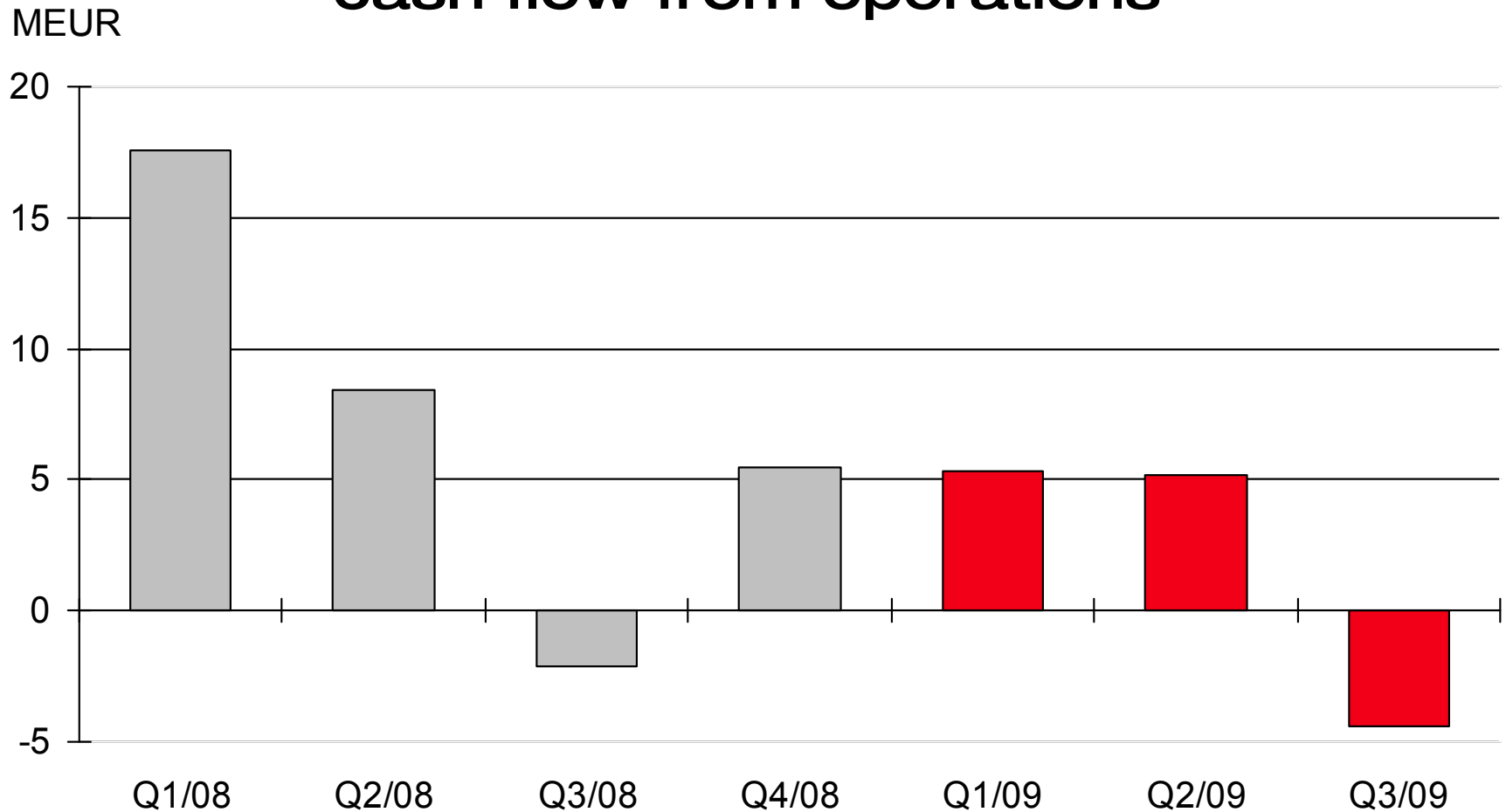
Key ratios

MEUR	30.9.2009	30.9.2008	31.12.2008
Equity ratio, % (preferred capital note in equity)	26.4	32.7	27.8
Return on equity excluding one-time items, %	-47.8	35.1	14.9
Return on investment excluding one-time items, %	-4.9	19.9	13.7
Net interest bearing debt, MEUR (preferred capital note in equity)	213.3	204.2	211.2
Net gearing, % (preferred capital note in equity)	194.6	121.6	168.9
Order book, MEUR	49.0	123.2	73.6
Investments in production facilities, MEUR	10.9	31.9	42.3
Personnel at the end of period (incl. leased personnel)	3,734	5,332	4,488

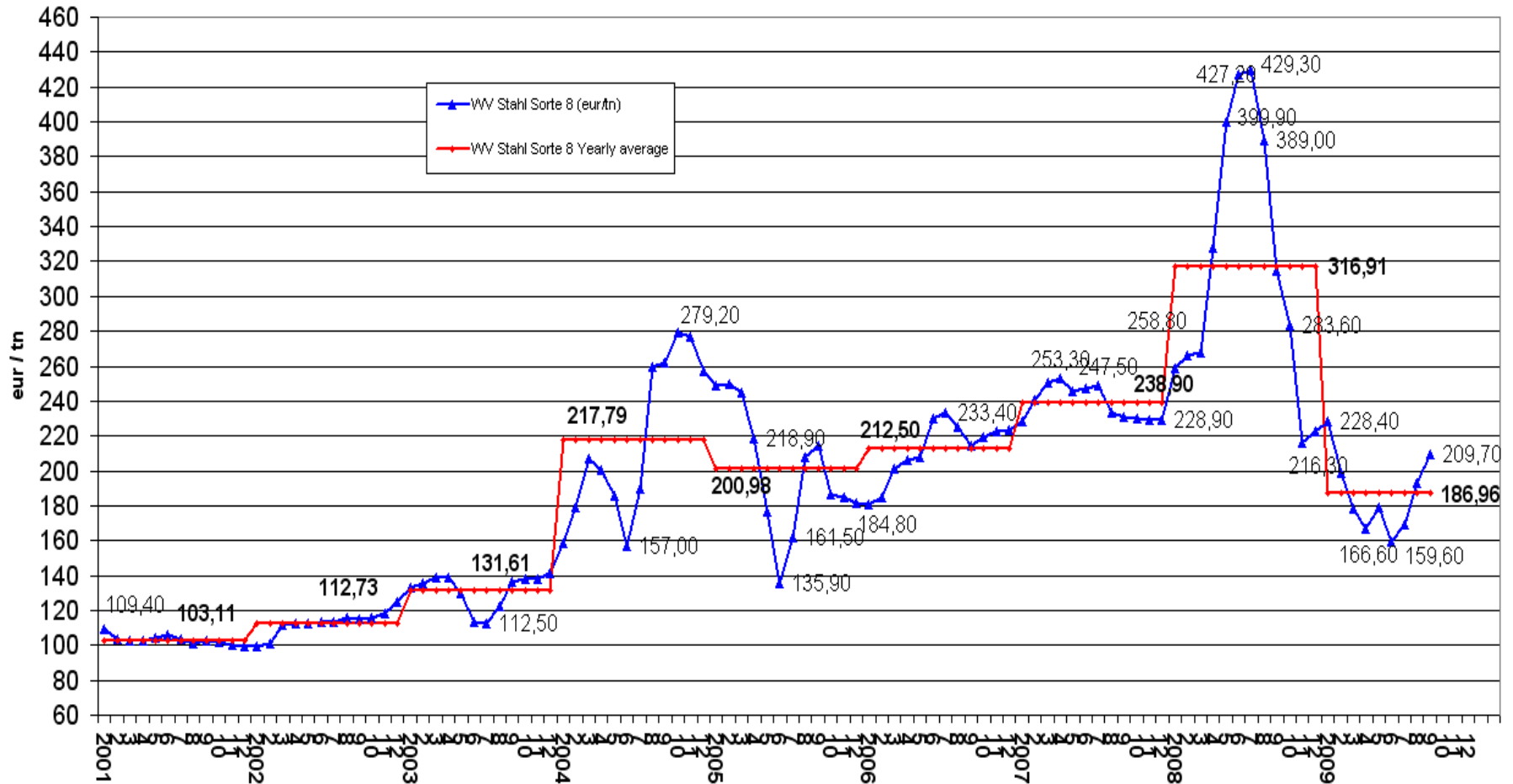
Cash flow

MEUR	2009 1 – 9	2008 1 – 9	2008 1 – 12
Cash flow from operations before change in net working capital, financial items and taxes	-4.8	70.4	68.6
Change in net working capital	24.3	-21.7	-4.2
Cash flow from operations before financial items and taxes	19.5	48.7	64.4
Cash flow from operations	6.1	23.9	29.4
Cash flow from investments	-9.8	-30.0	-40.6
Cash flow from financing activities	5.4	-15.0	-8.7
Change in liquid assets	1.7	-21.1	-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



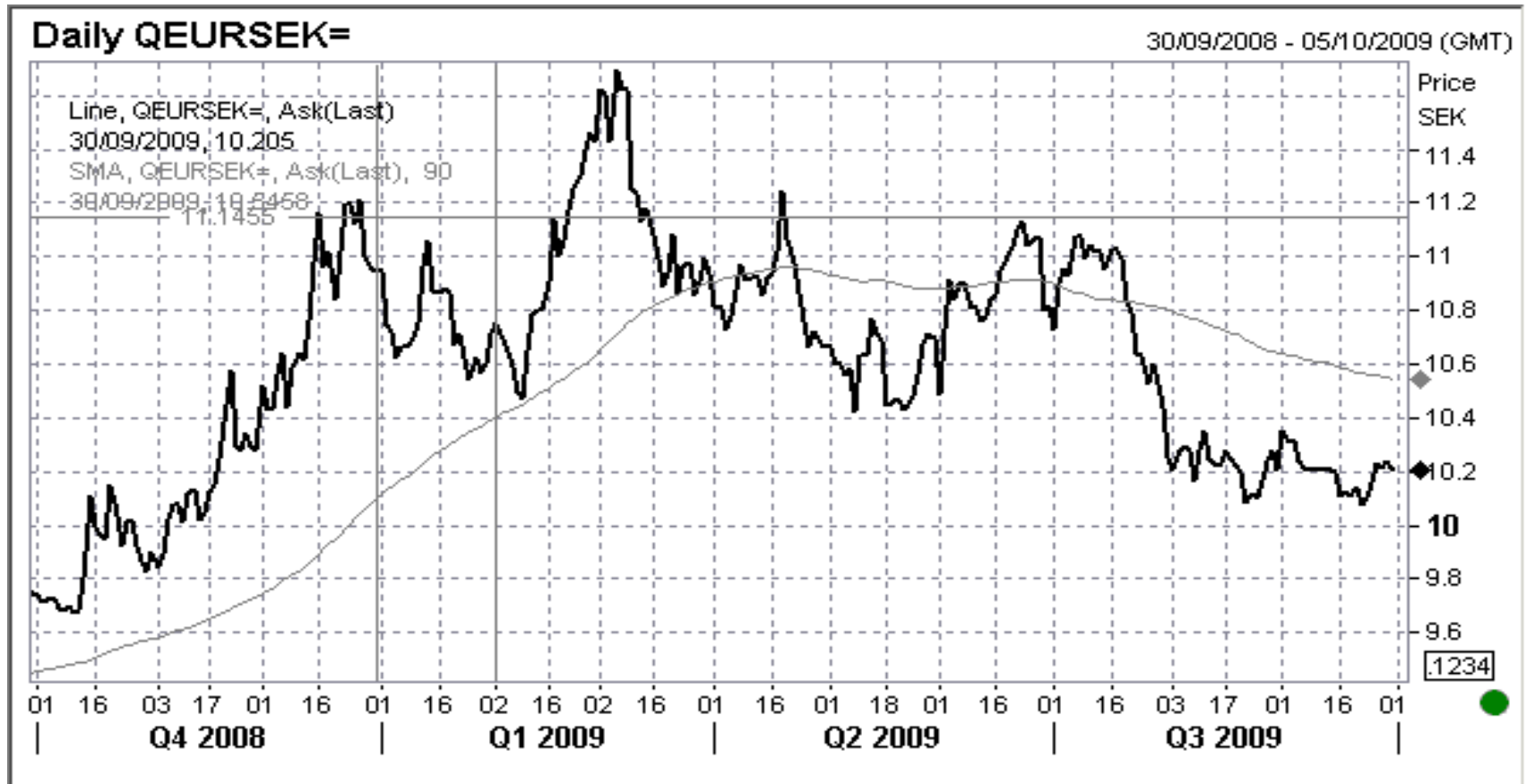
Source: Reuters

Development in exchange rates Great Britain pound



Source: Reuters

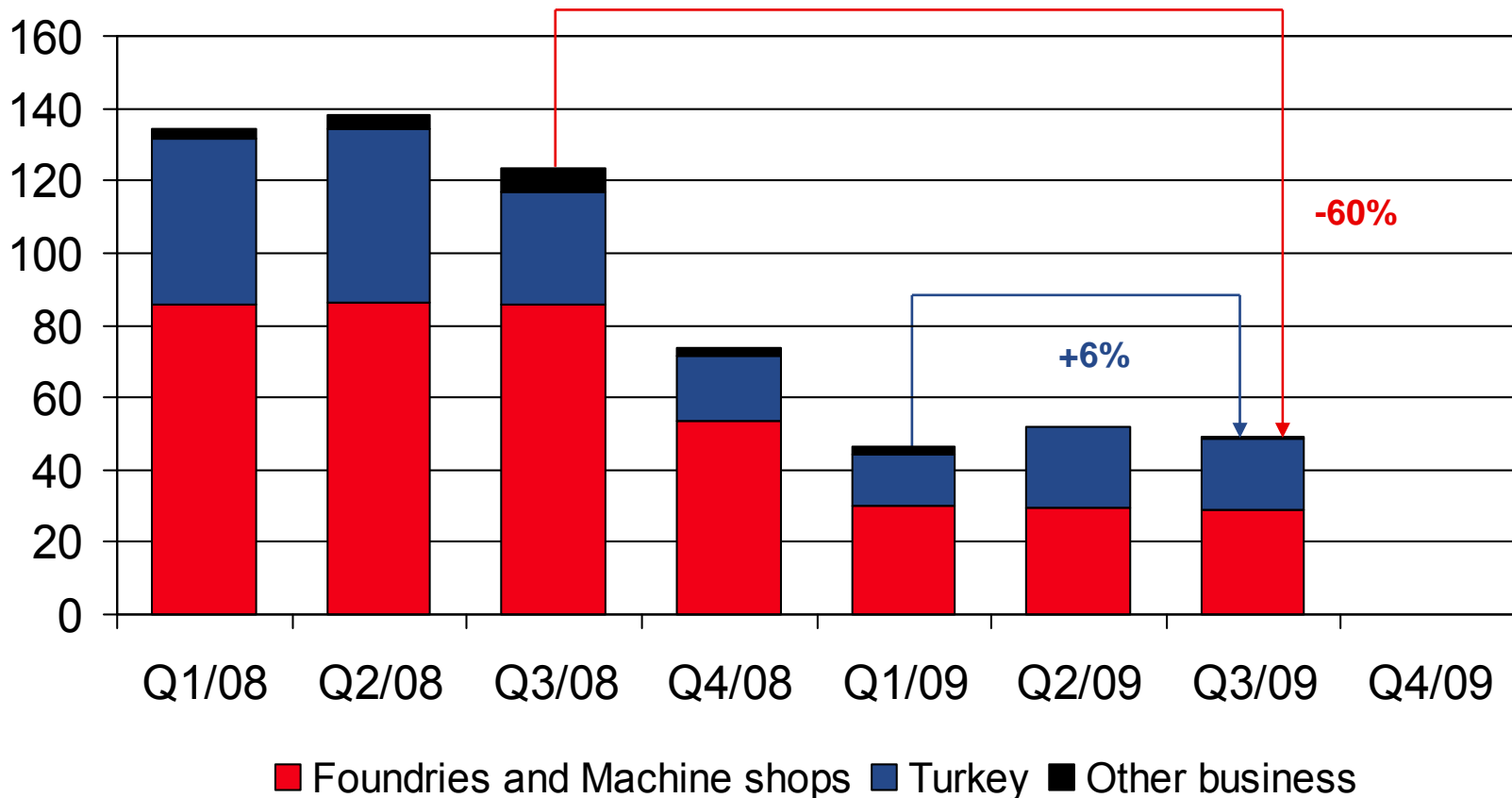
Development in exchange rates Swedish krona



Source: Reuters

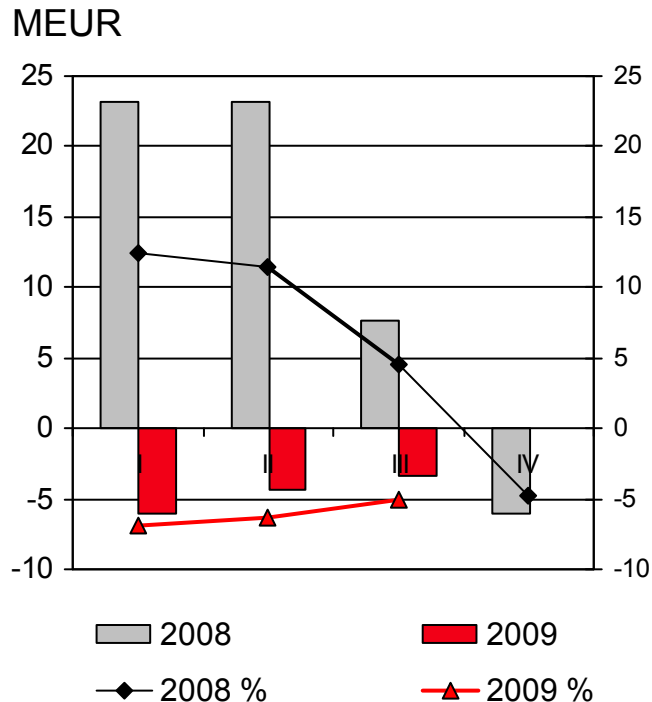
Quarterly development of order book (includes orders for coming two months)

MEUR

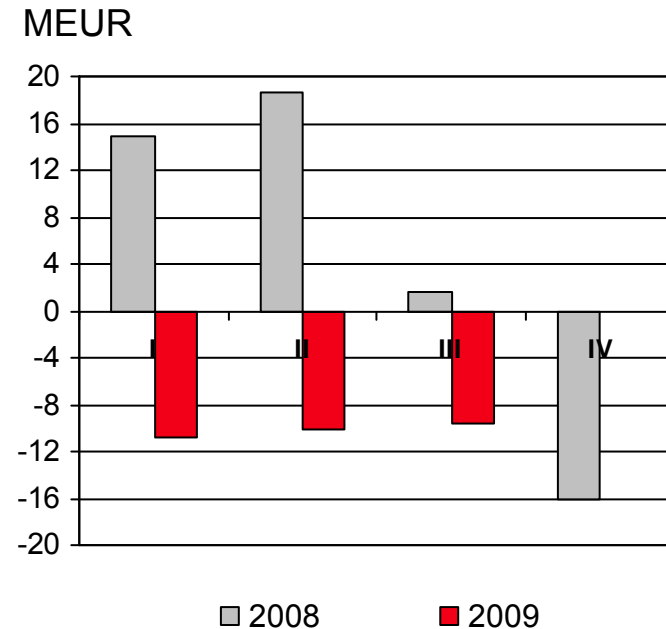


Quarterly operating profit and result after financial items excluding one-time items

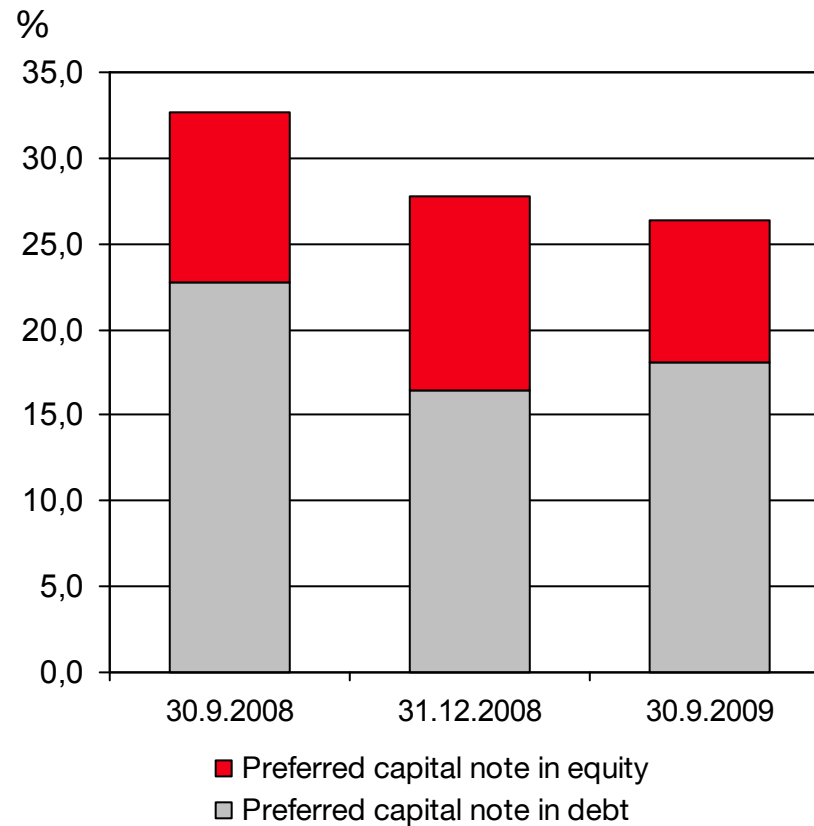
Operating profit
excluding one-time items



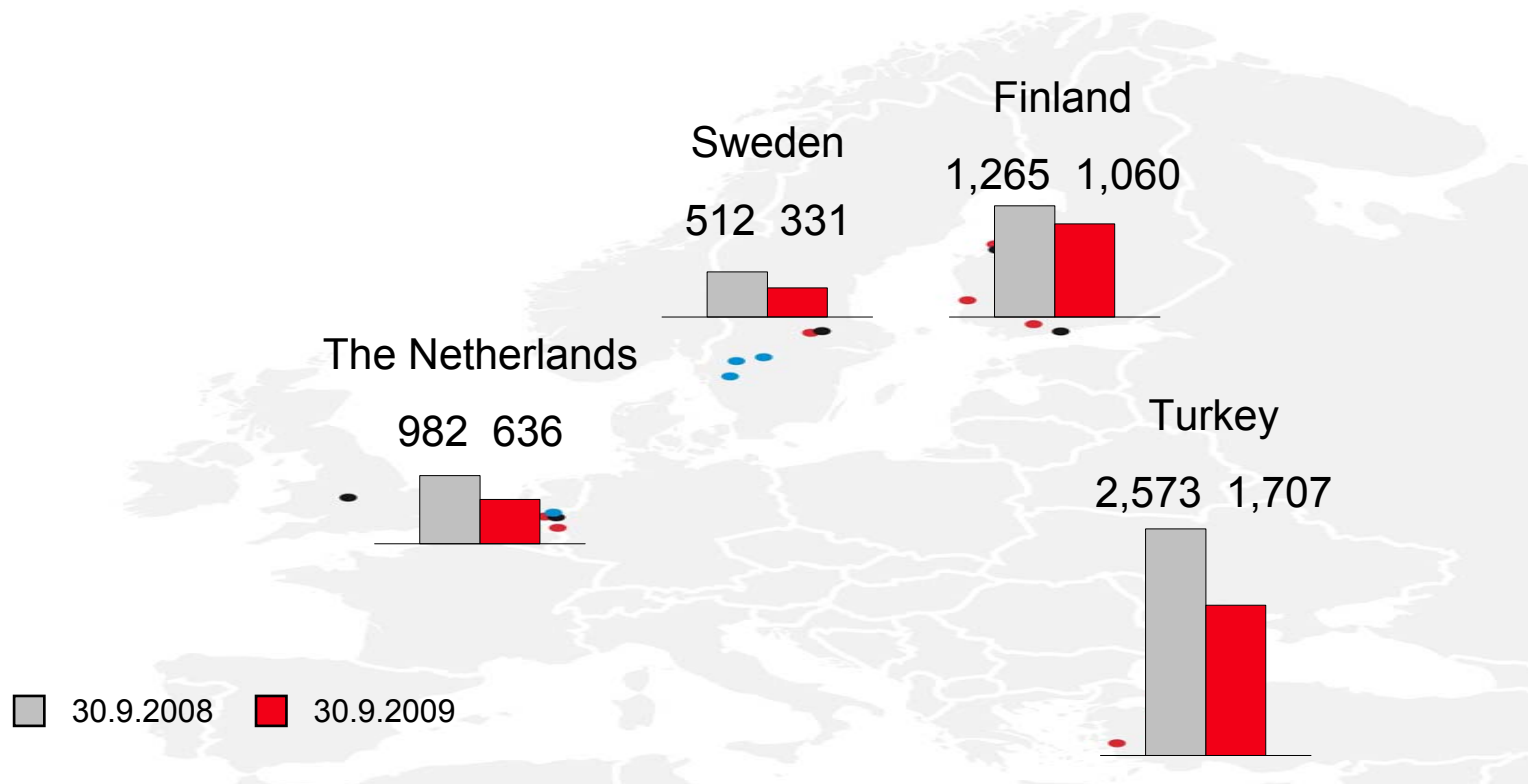
Result after financial items
excluding one-time items



Equity ratio, %

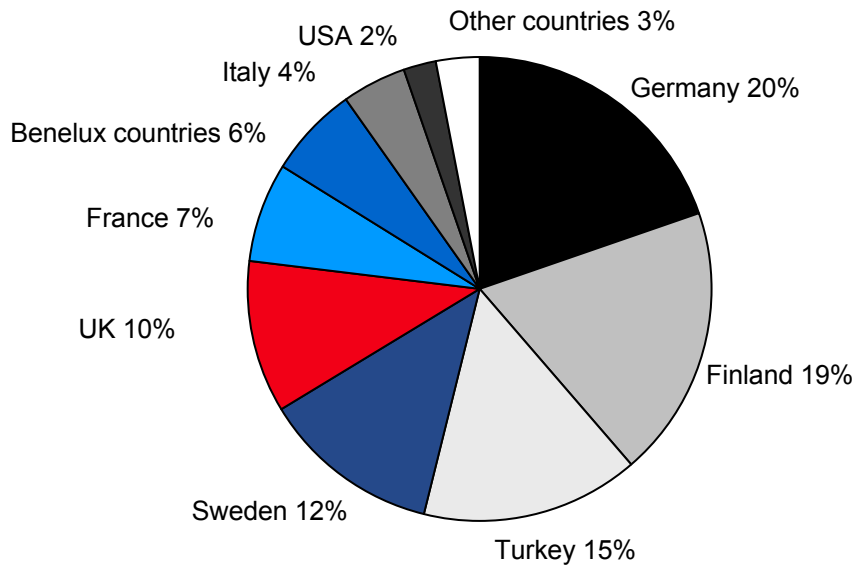


Personnel by country including leased personnel



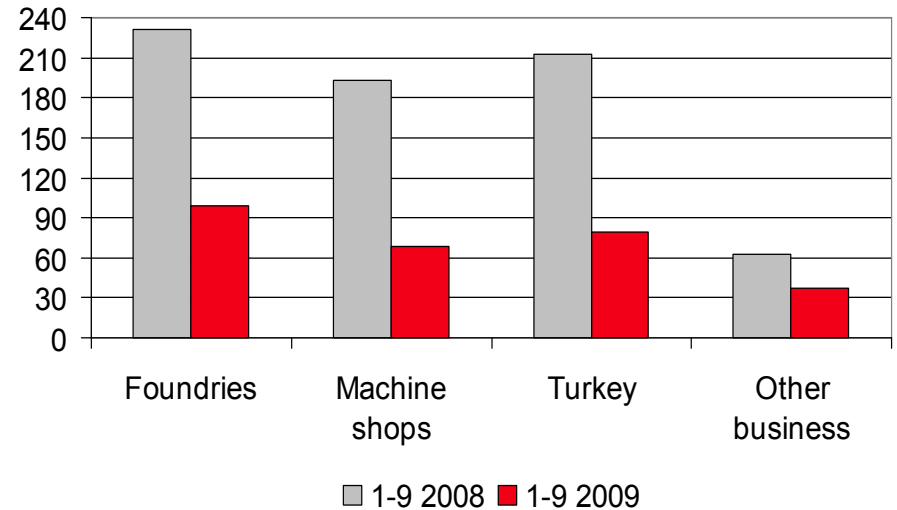
Distribution of sales

Sales by market area
Q1-Q3/2009



Sales by division
excluding one-time items

MEUR



Comparable sales to customer industries



Off-road

30% (35%)



Heavy trucks

19% (28%)



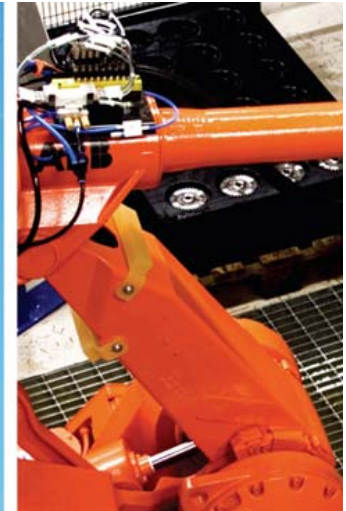
Automotive

19% (16%)



Diesel & wind

12% (6%)

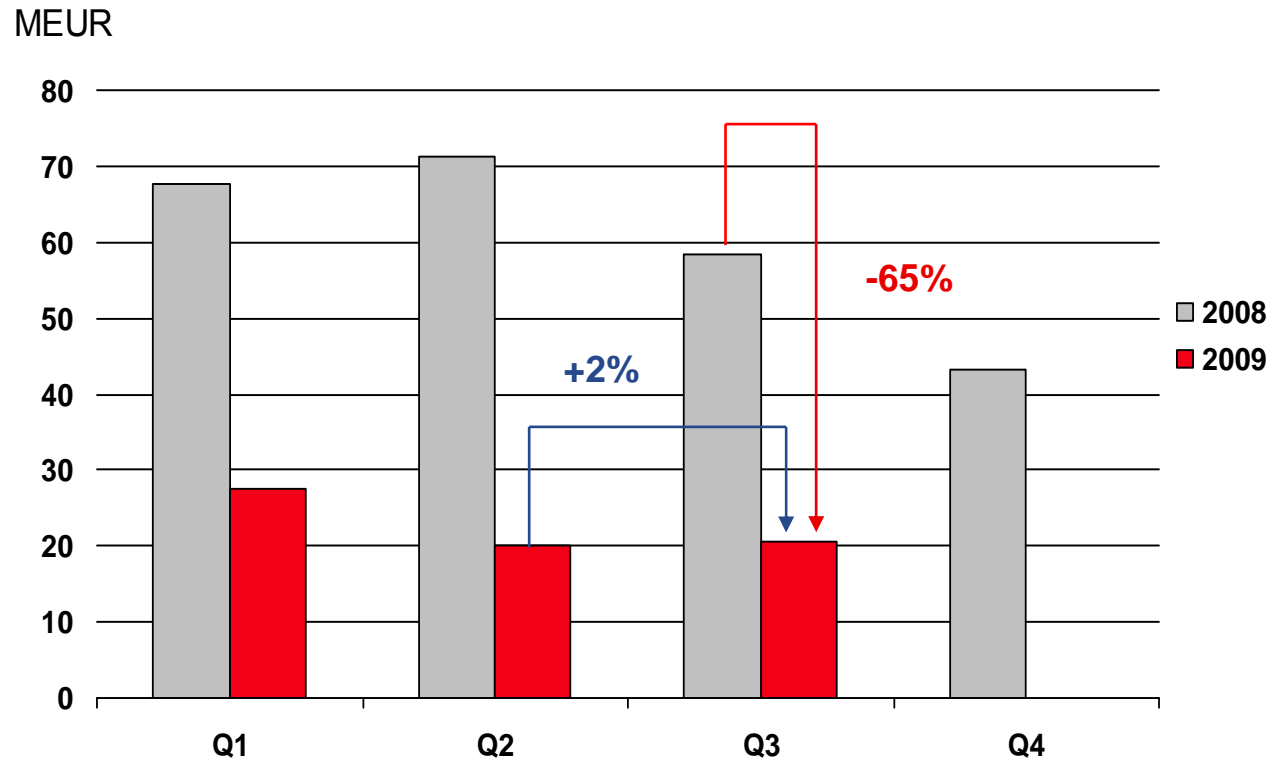


Machine building

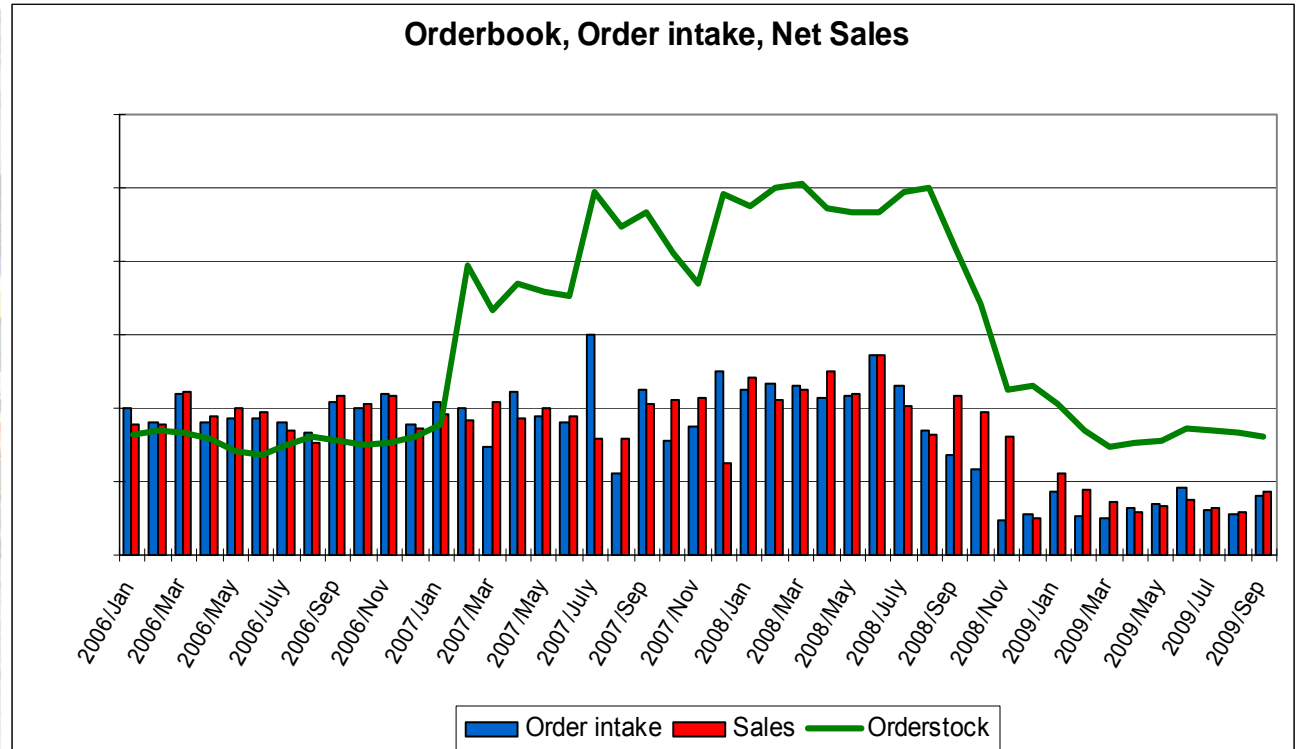
19% (14%)

Note: Other sales 1% (1%)

Comparable sales to off-road industry quarterly

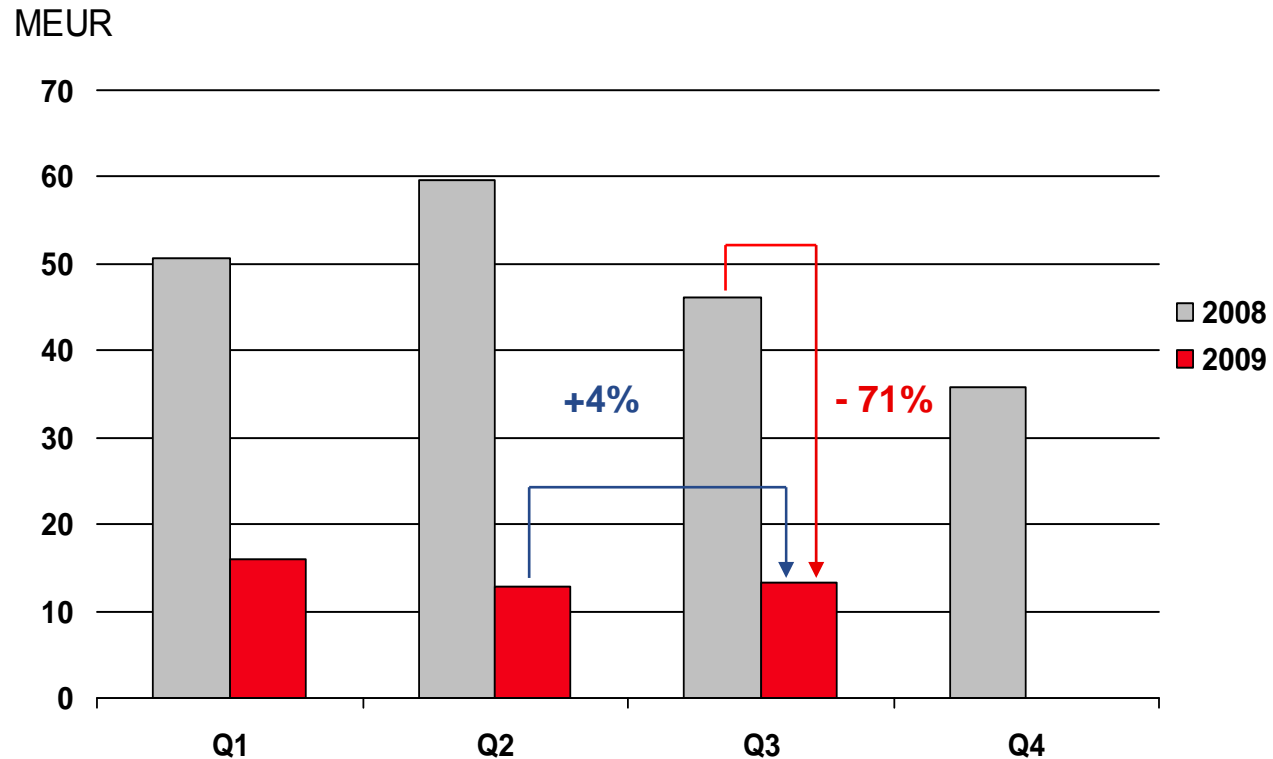


Development of order book and sales in off-road

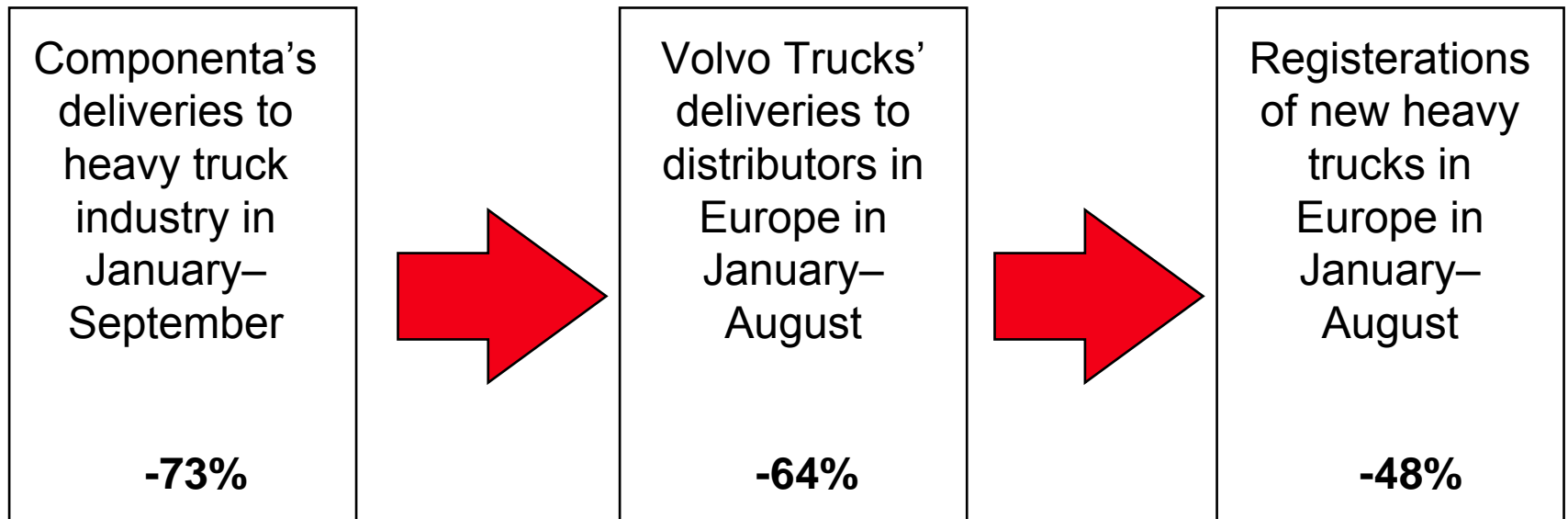


Largest customers: AGCO, JCB, Caterpillar, T.T.F., Carraro

Comparable sales to heavy truck industry quarterly

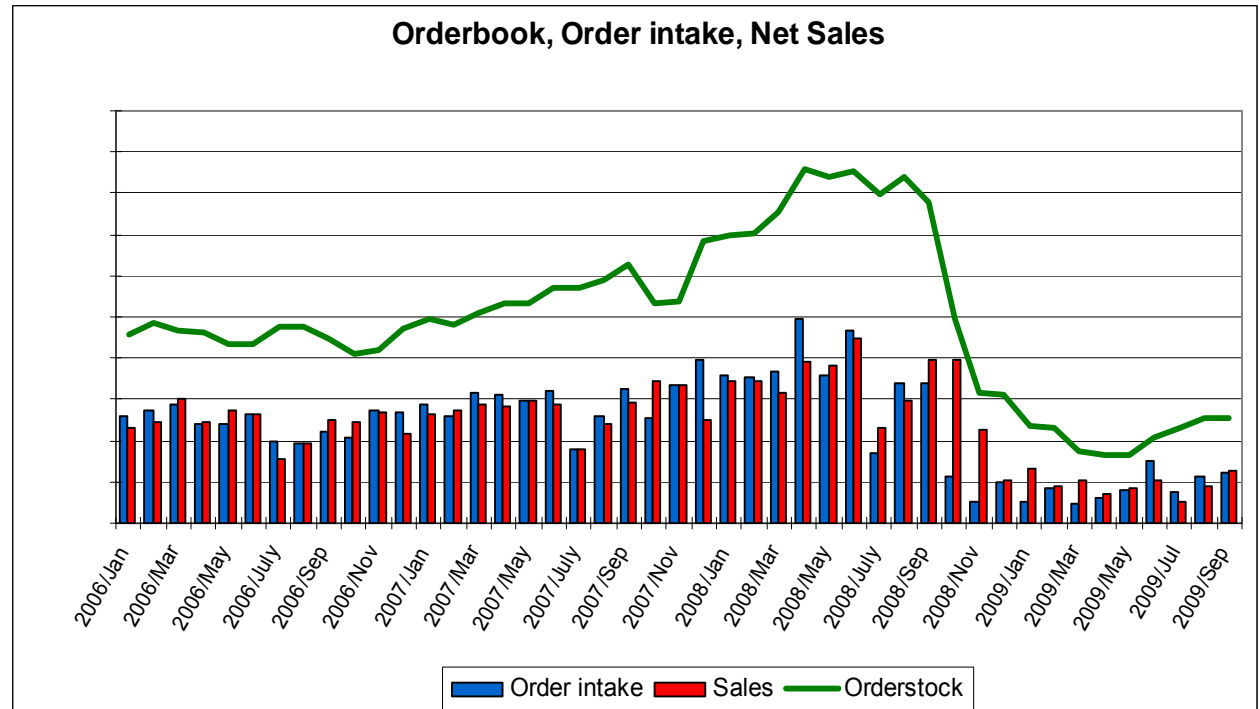


Development of supply chain in heavy truck industry



Source: Volvo's web pages, ACEA

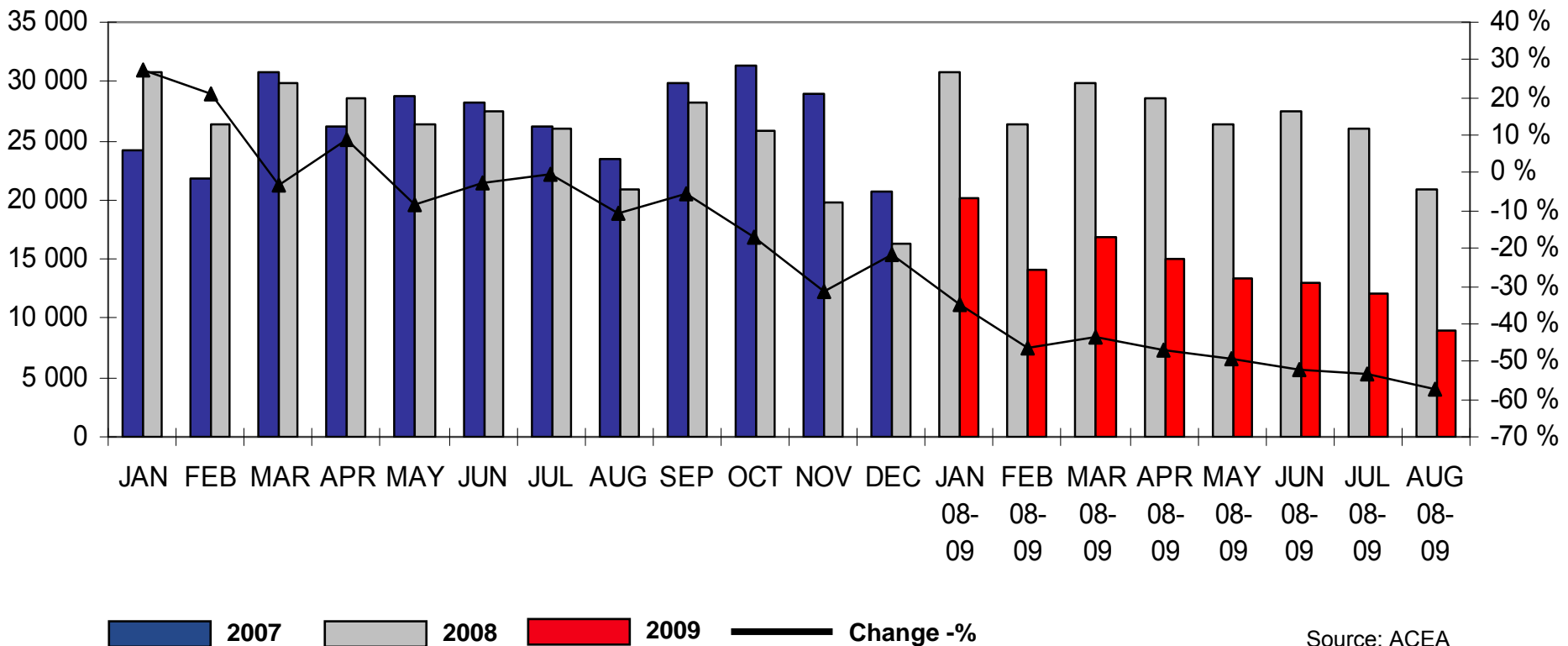
Development of order book and sales in heavy trucks



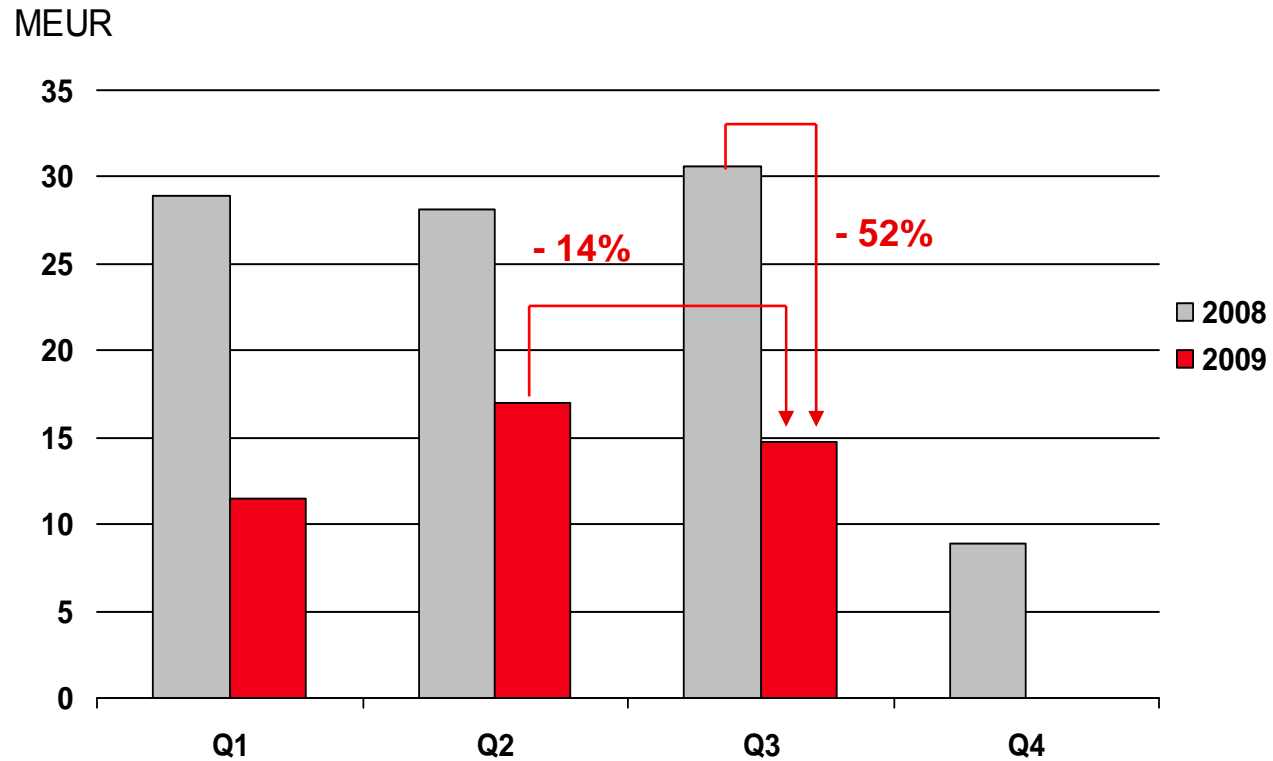
Largest customers: Volvo Trucks, Scania, Daimler, MAN, Iveco

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

-48% in 2009

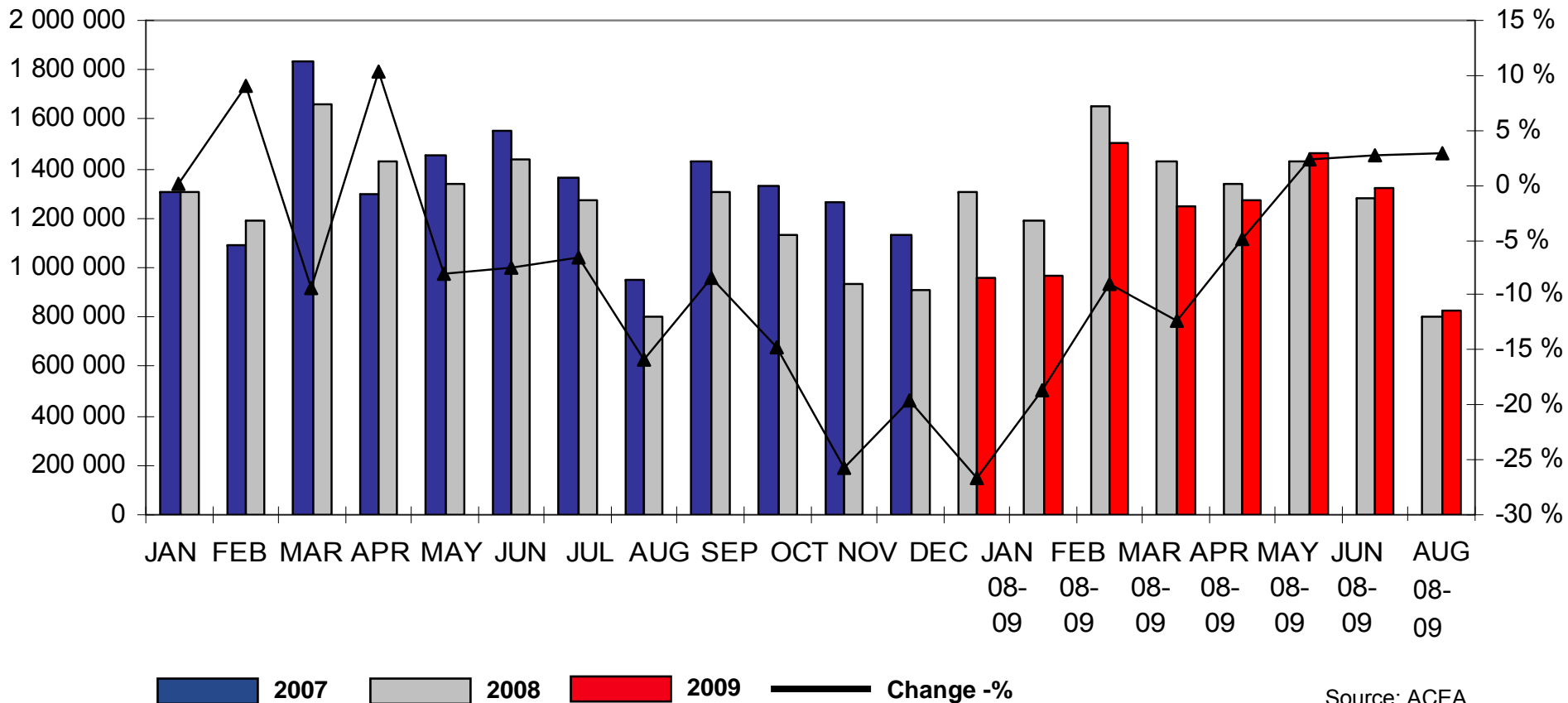


Comparable sales to automotive industry quarterly

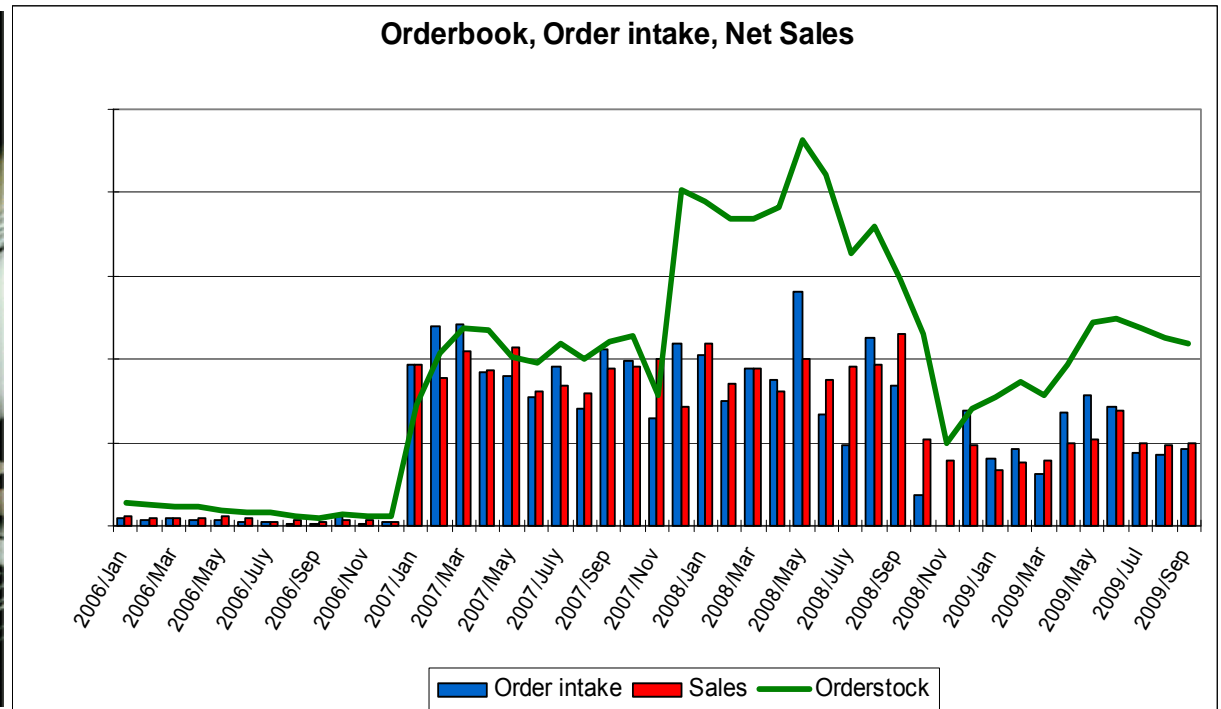


Registrations of new passenger cars in Europe (Total EU27+EFTA)

-8% in 2009

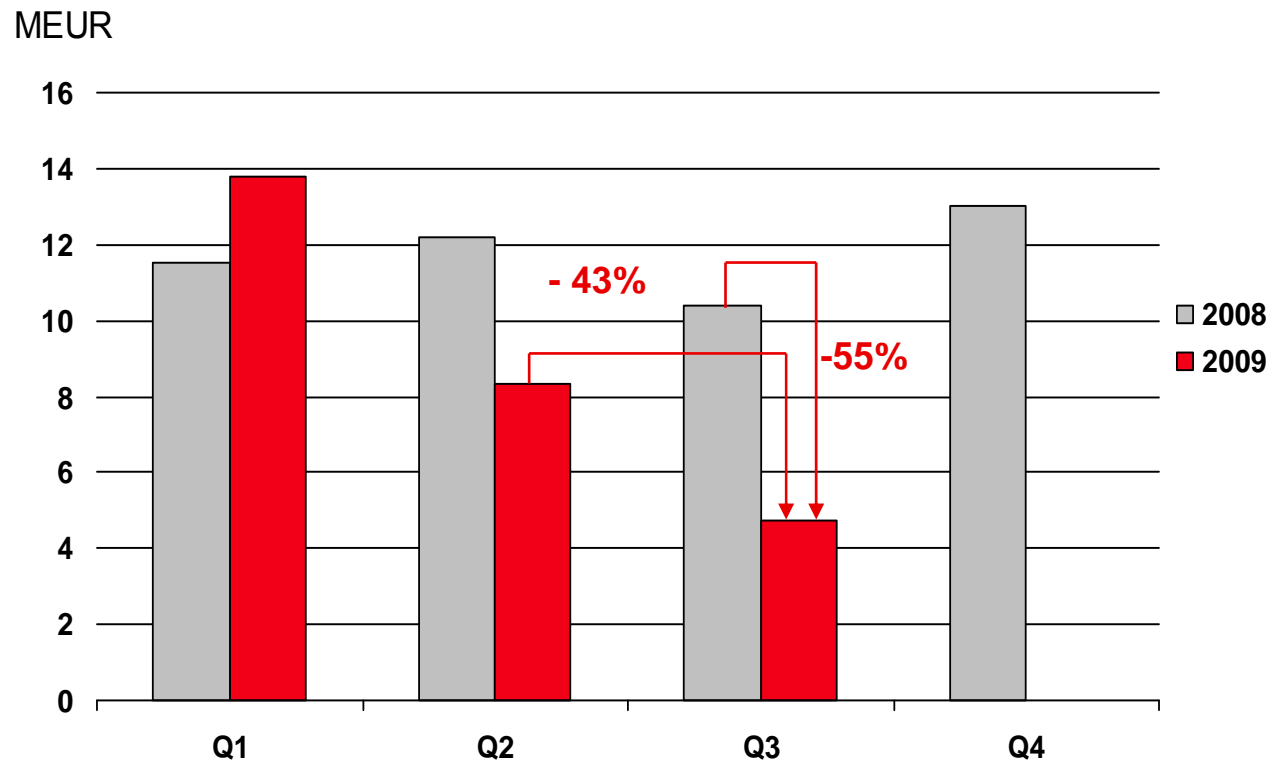


Development of order book and sales in automotive

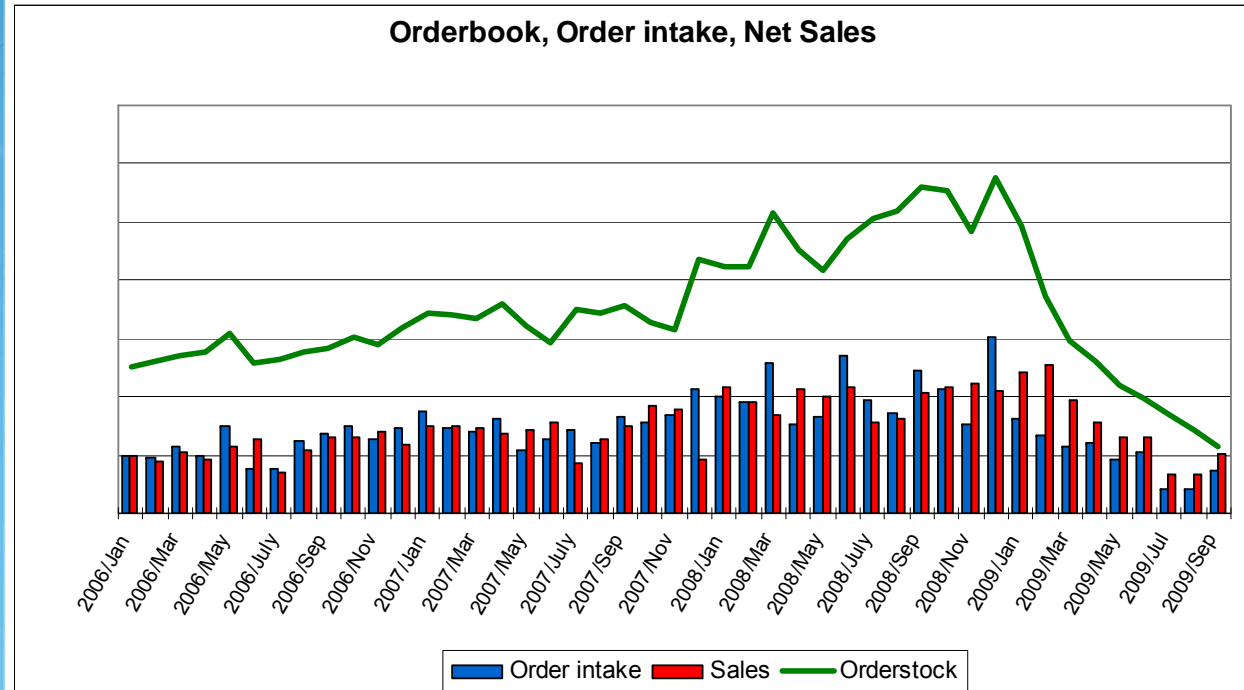


Largest customers: Tofas, Ford Otosan, Ford of Europe, ATU, Oyak-Renault

Comparable sales to diesel & wind industry quarterly

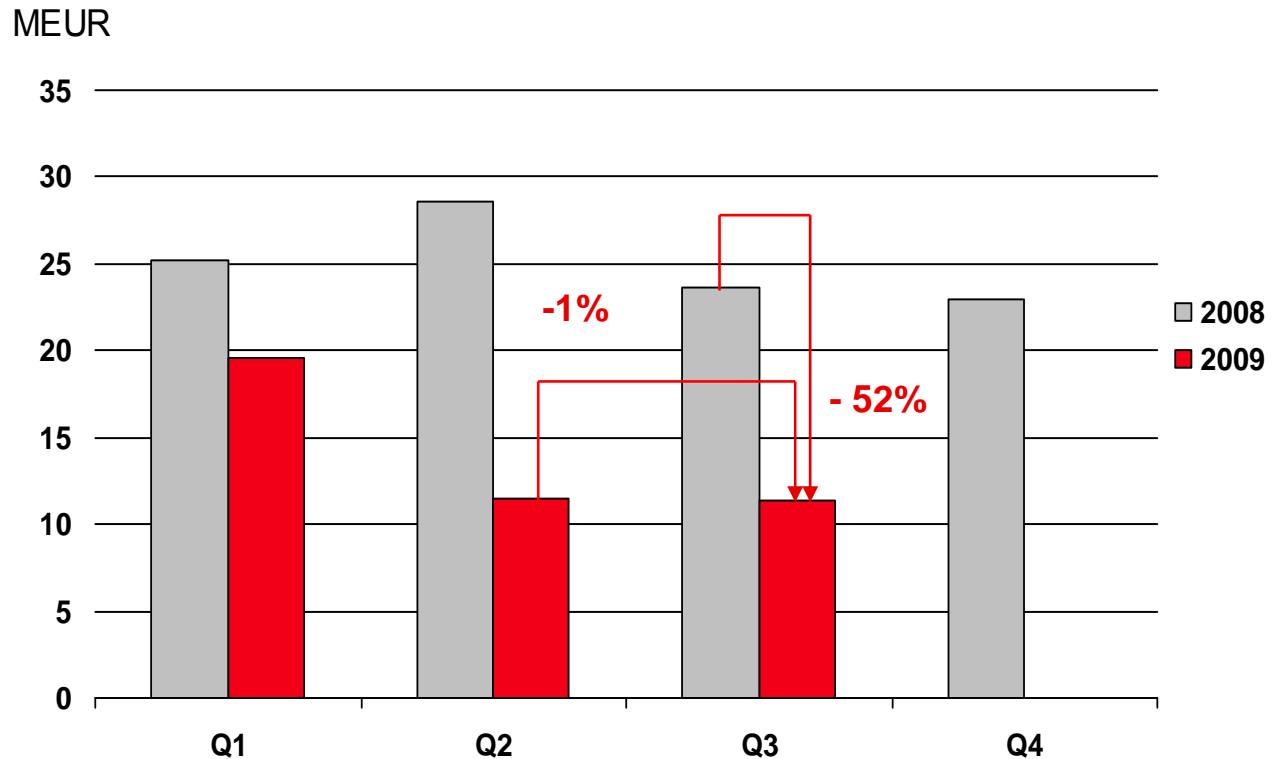


Development of order book and sales in diesel & wind

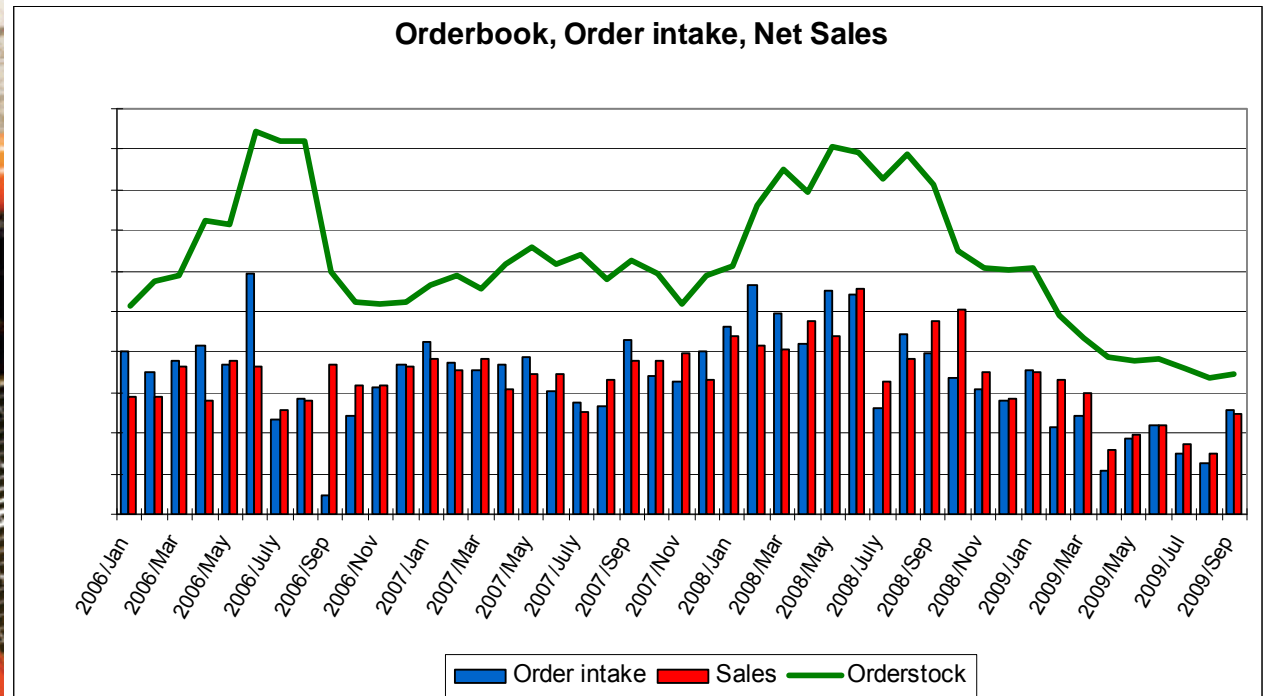
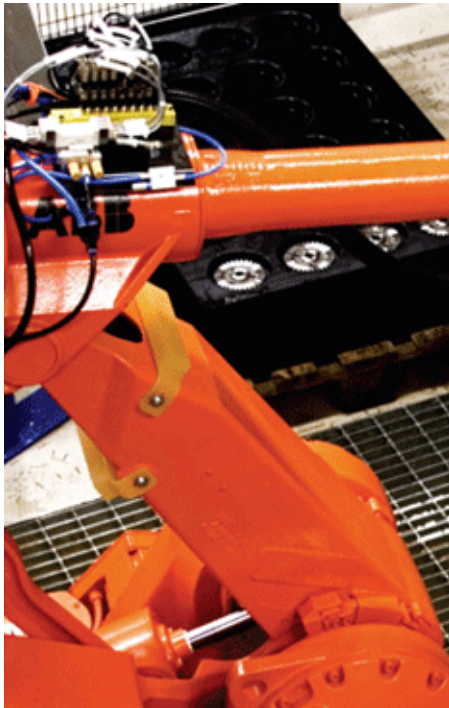


Largest customers: Wärtsilä, Moventas, Caterpillar, Mahle, Voith

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

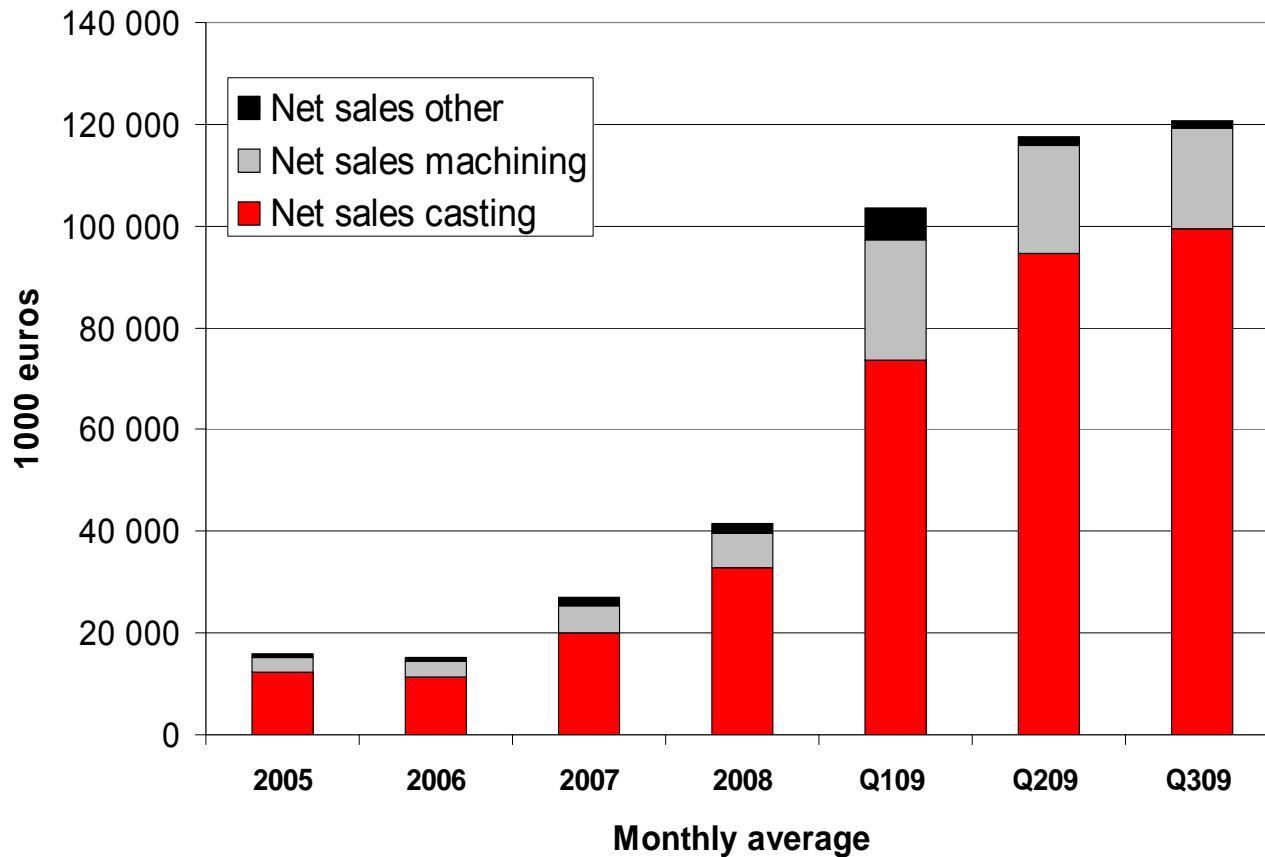
Operations and cost efficiency	→	Improvement of the productivity in the foundries and machine shops.
Cash flow	→	Reduction of working capital and raw material inventories, collection of trade receivables and shortening of customers' payment terms.
Internal sourcing	→	Cost savings by optimization of production.
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. %	Q3 2009	Q3 2008	Diff. %
Net sales	88.1	185.0	-52%	70.6	201.0	-65%	64.8	170.1	-62%
Value of production	75.3	185.9	-59%	66.1	207.3	-68%	65.3	170.7	-62%
Materials	-24.1	-67.4	-64%	-20.6	-76.6	-73%	-23.3	-68.0	-66%
Direct wages and external services	-25.1	-46.9	-47%	-21.3	-45.9	-54%	-18.7	-40.9	-54%
Other variable and fixed costs	-29.2	-42.5	-31%	-25.6	-55.7	-54%	-23.5	-48.5	-52%
Total costs	-78.3	-156.8	-50%	-67.5	-178.2	-62%	-65.5	-157,4	-58%
EBITDA	-3.0	29.1	-110%	-1.5	29.0	-105%	-0.2	13.3	-102%

Offers and new sales

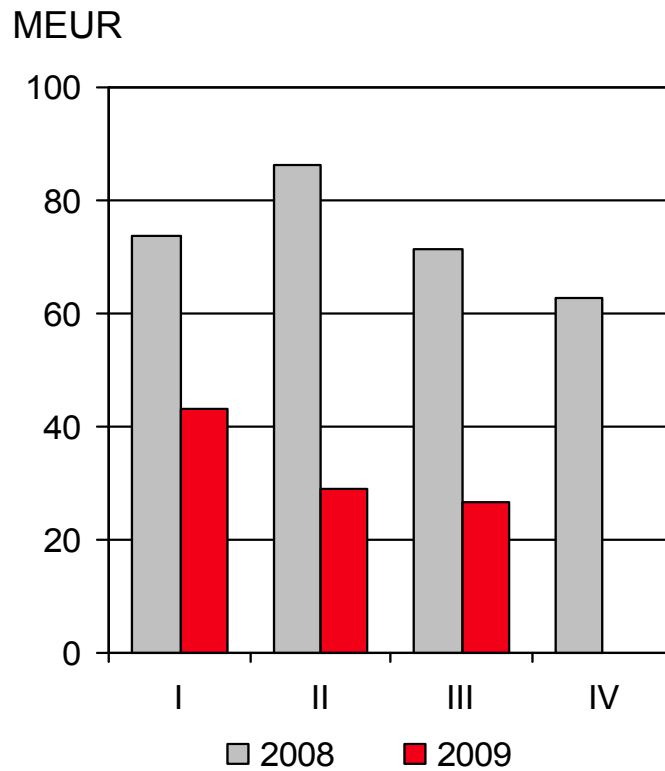
Monthly offers > 100,000 EUR



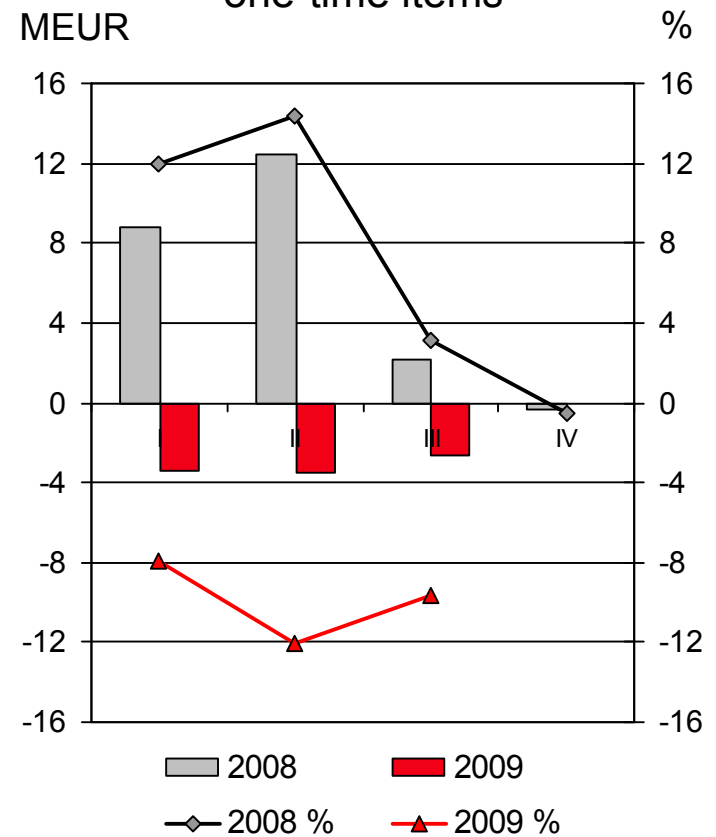
- The Group has submitted a record number of offers in the first, second and third quarters.
- At the same time Componenta has performed well with new sales.

Foundries division

Net sales



Operating profit excluding one-time items

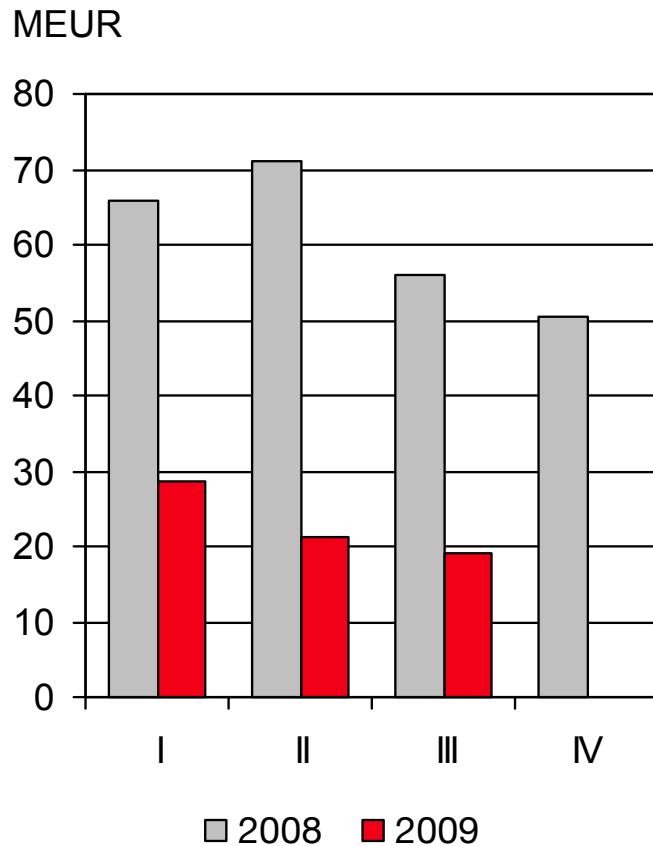


Performance of the Foundries division

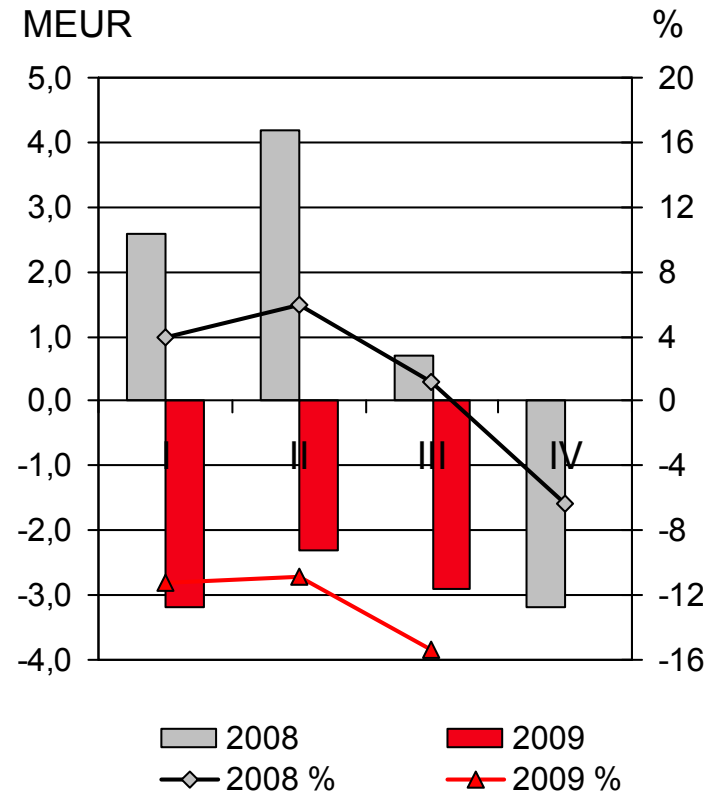
- Net sales in the review period were MEUR 98.9 (MEUR 231.5) and operating profit MEUR -9.6, corresponding to -9.7% of net sales (MEUR 23.4; 10.1%).
- Division's operating profit was affected negatively mainly due to very low capacity utilization.
- Third quarter net sales totalled MEUR 26.8 (MEUR 71.5) and operating profit MEUR -2.6 (MEUR 2.2).

Machine shops division

Net sales



Operating profit excluding one-time items

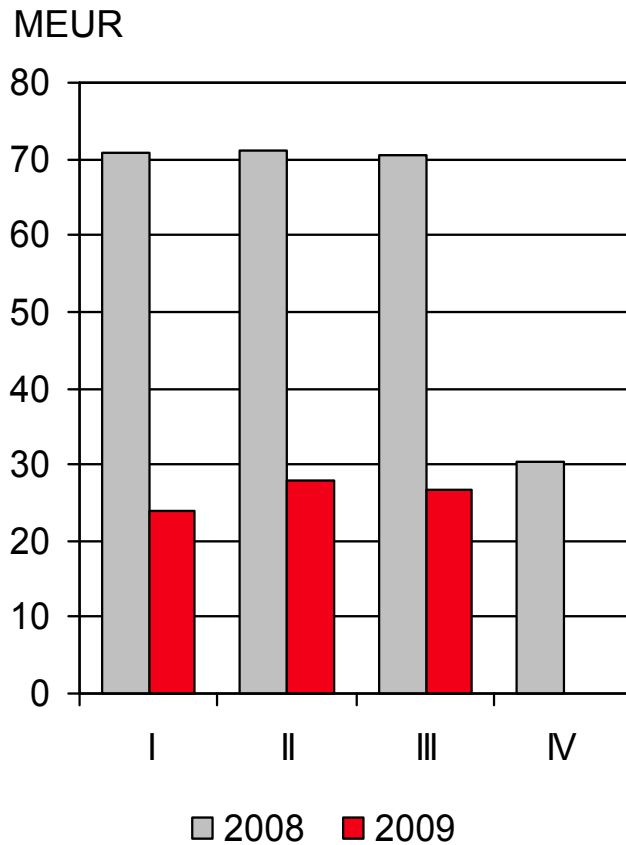


Performance of the Machine shops division

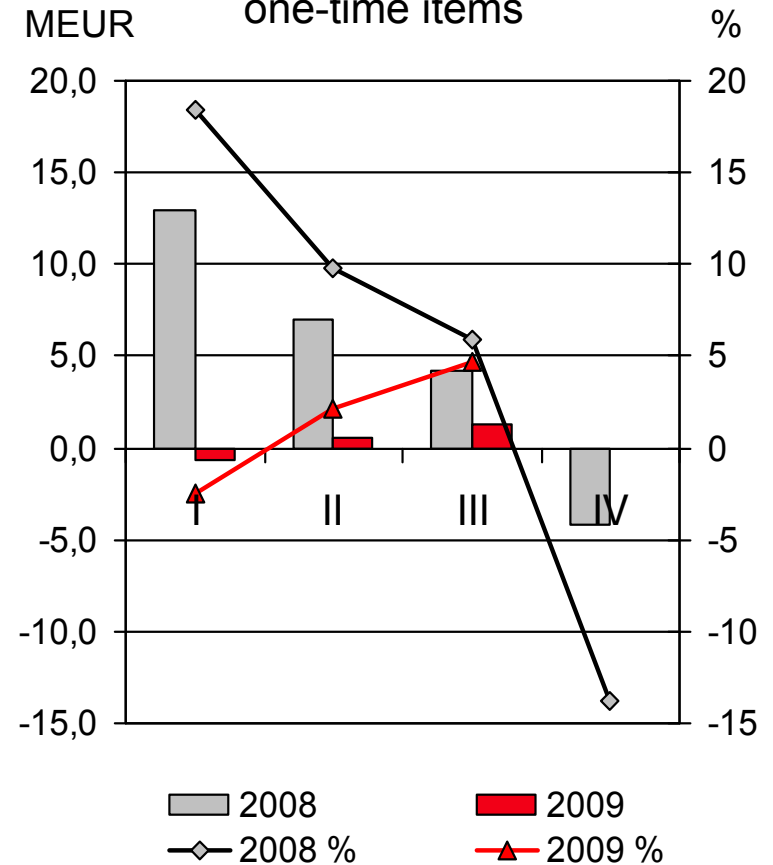
- Net sales in the review period were MEUR 68.8 (MEUR 192.8) and operating profit MEUR -8.5, corresponding to -12.3% of net sales (MEUR 7.5; 3.9%).
- The division's operating profit was weakened mainly due to very low volumes. In addition, a large part of the division's personnel is in Sweden, where adjusting the number of personnel has been slower than in the Group's other countries.
- Third quarter net sales totalled MEUR 19.0 (MEUR 56.1) and operating profit MEUR -2.9 (MEUR 0.7).

Turkey division

Net sales



Operating profit excluding one-time items



Performance of the Turkey division

- Net sales in the review period were MEUR 78.9 (MEUR 212.3) and operating profit MEUR 1.3, corresponding to 1.7% of net sales (MEUR 24.1; 11.4%).
- The division's operating profit in the review period was hit by the extremely sharp decline in volumes.
- Adaptation of the costs succeeded well in Turkey, and despite the extremely low capacity utilization rate the division's operating profit remained positive in the third quarter.
- Third quarter net sales totalled MEUR 26.8 (MEUR 70.6) and operating profit MEUR 1.3 (MEUR 4.2).

Prospects for 2009

- Componenta's prospects for the remainder 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 industries remains weak at the beginning of the fourth quarter of 2009, due to the current recession in the global economy.
- The low volume of construction in the USA and Europe has reduced demand considerably in the off-road industry. Investments by the mining industry have decreased significantly in 2009. Because of the global recession, many countries have initiated infrastructure projects, and it is estimated that these projects will increase the demand for off-road vehicles in 2010. The demand for agricultural machinery 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 January–August period was 48% less than in the previous year. This year production volumes are expected to decline 50–60% from 2008. Heavy truck manufacturers have been heavily clearing their own stocks this year. The manufacturers' stocks are however estimated to reach the level corresponding to the current demand at the latest by the end of the year. However, the dealers' stocks of used heavy trucks are still at high level.
- The number of new passenger cars registered in Europe in the January–August period decreased 8% from the previous year. Automotive production in Europe has increased compared to the beginning of the year, which has been affected by various subsidy measures taken in many countries, aimed at renewing the fleet of cars.
- Demand in the wind power sector has weakened as wind power projects have faced problems with financing. Demand for diesel engines has taken a downward turn. Due to the long order book, deliveries to the engine manufacturers have remained at a reasonable level. Weakened prospects will decrease the number of components delivered to customers as they reduce their own stocks.
- Demand in the machine building industry is expected to remain at a low level.

Prospects for 2009 (cont.)

- Componenta's order book in the beginning of the fourth quarter of 2009 was 60% lower than at the same time in the previous year. The order book has been heavily reduced by the clear fall in demand as well as continued measures taken by customers to reduce their own stocks, the effect of which is expected to cease by the year-end.
- Investments in production facilities are estimated to be around MEUR 12 (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.