

COMPONENTA

Componenta Corporation

Interim Report

1 January – 30 June 2008

Review period in brief

- Net sales in the review period were MEUR 386.0 (MEUR 328.6). Comparable net sales grew 19.6%.
- Operating profit excluding one-time items was MEUR 46.2 (MEUR 22.9).
- Result after financial items excluding one-time items was MEUR 33.5 (MEUR 14.0).
- Result for the period was MEUR 25.1 (MEUR 25.4).
- Basic earnings per share excluding one-time items were EUR 2.20 (EUR 0.94).
- The consolidated operating profit improved from the previous year. All divisions improved their operating results significantly from the previous year. The main impact on the improved result came from encouraging developments in product volumes, greater efficiency in business operations, and the weakening of the Turkish lira against the euro.

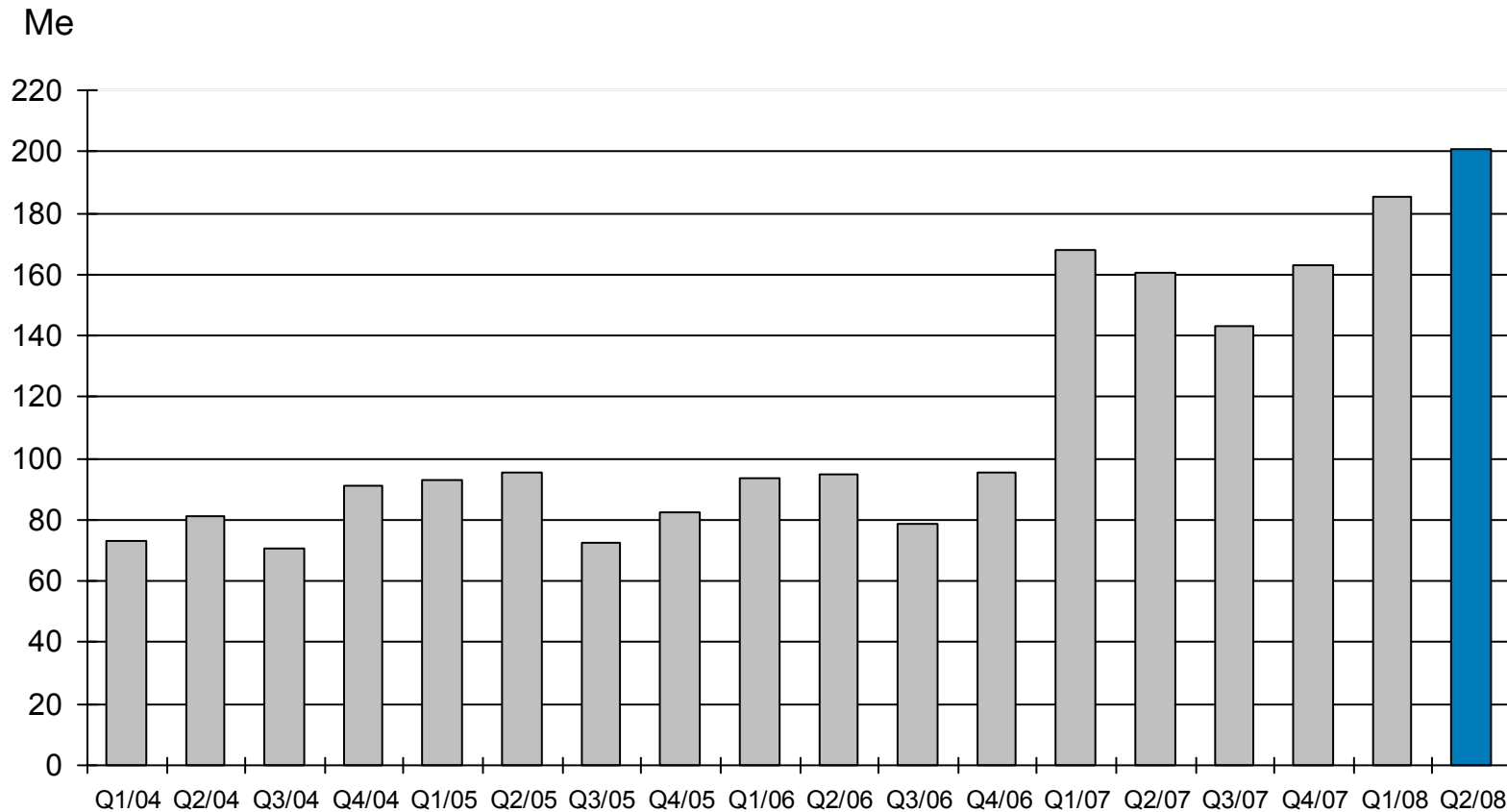
Income statement

MEUR	2008	2007	2007
	1 - 6	1 - 6	1 - 12
Net sales	386.0	328.6	634.7
Operating profit excluding one-time items	46.2	22.9	34.9
Financial income and expenses	-12.7	-8.8	-20.0
Result after financial items excluding one-time items	33.5	14.0	14.9
One time items	0.0	12.9	7.8
Result after financial items	33.6	26.9	22.7
Net result excluding one-time items	25.1	10.7	11.4
Net result	25.1	25.4	21.6
Earnings per share, EUR, excluding one-time items	2.20	0.94	1.03
Earnings per share, EUR	2.20	2.36	1.97

Income statement for Q2

	2008	2007
Me	4 - 6	4 - 6
Net sales	201.0	160.7
Operating profit excluding one-time items	23.1	9.5
Financial income and expenses	-4.5	-4.4
Result after financial items excluding one-time items	18.6	5.1
One-time items	0.0	0.0
Result after financial items	18.7	5.1
Net result excluding one-time items	13.9	4.0
Net result	14.0	4.0
Earnings per share, EUR excluding one-time items	1.24	0.38
Earnings per share, EUR	1.24	0.38

Quarterly development of net sales 2004 – Q2/2008



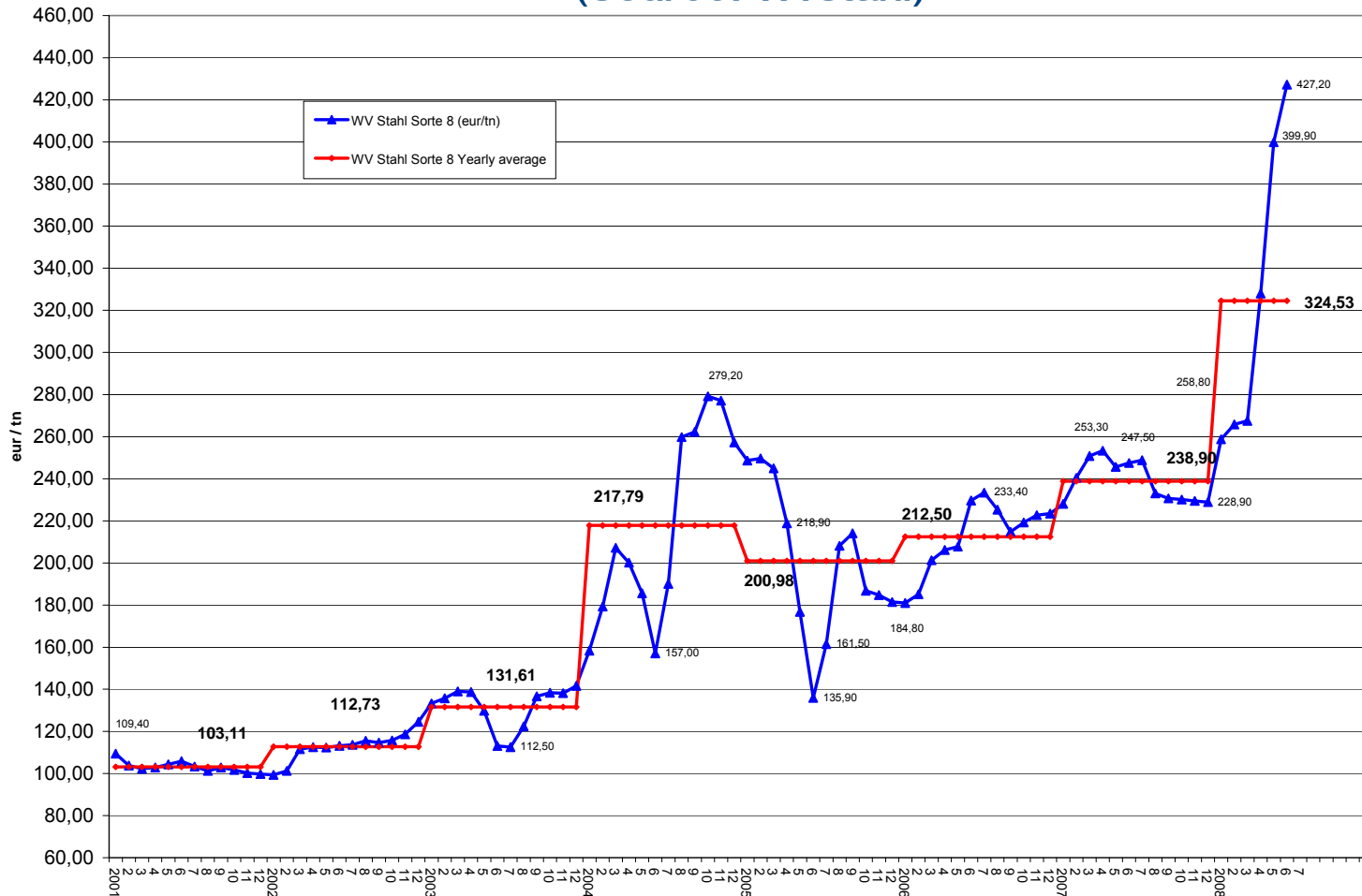
Key ratios

MEUR	30.6.2008	30.6.2007	31.12.2007
Equity ratio, % (Preferred capital notes in equity)	31.8	30.7	31.4
Return on equity, %	51.7	56.5	23.0
Return on equity, % (excluding one-time items)	51.7	22.2	12.1
Return on investment, %	25.7	19.8	11.9
Return on investment, % (excluding one-time items)	25.7	12.4	9.8
Net interest bearing debt, MEUR (Preferred capital notes in equity)	186.0	213.9	187.4
Net gearing, % (Preferred capital notes in equity)	116.7	139.2	120.2
Order book, MEUR	138.0	106.9	129.0
Investments in production facilities, MEUR	19.6	50.6	23.6
Personnel at the end of period (including leased personnel)	5,330	5,037	5,064

Cash flow

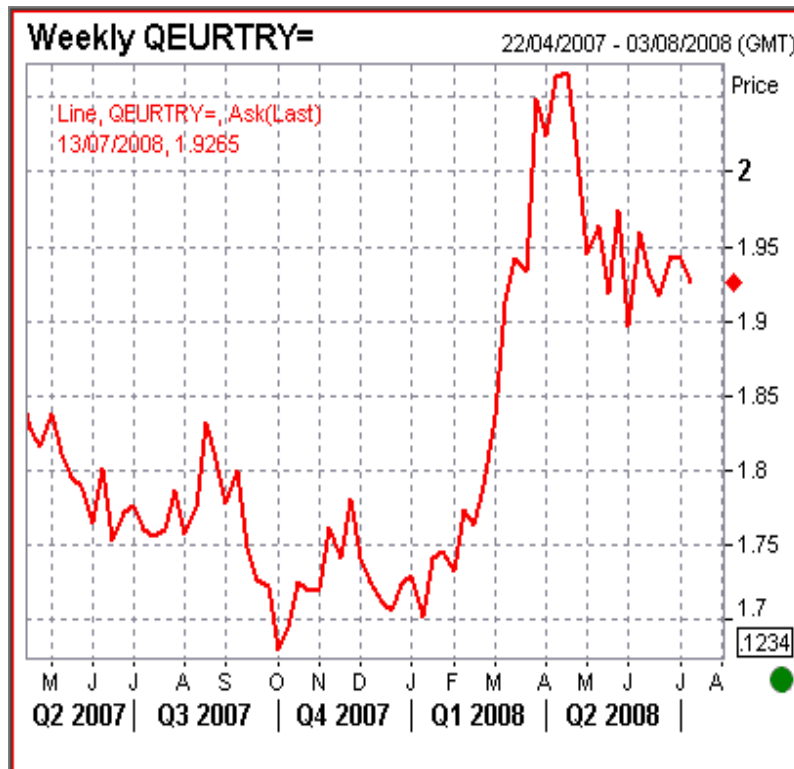
Me	2008 1 - 6	2007 1 - 6	2007 1 - 12
Cash flow from operations before financing and income taxes	42.9	18.8	68.5
Cash flow from operations	26.0	6.1	42.6
Cash flow from investing activities	-18.1	-27.4	-38.6
Cash flow from financing activities	-28.5	19.2	7.2
Change in liquid assets	-20.6	-2.0	11.2

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



Variation in exchange rates

Turkish lira

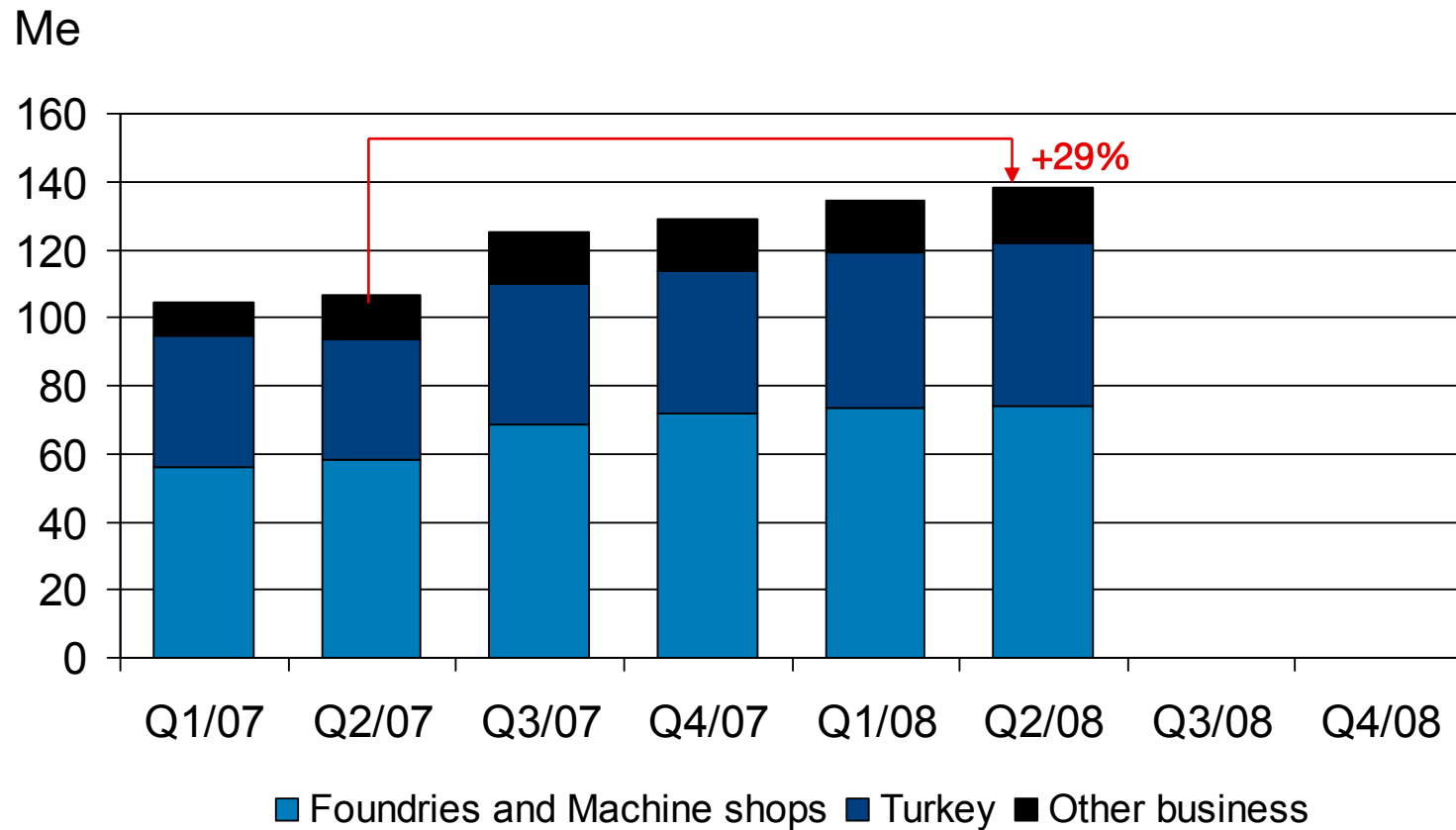


Great Britain pound



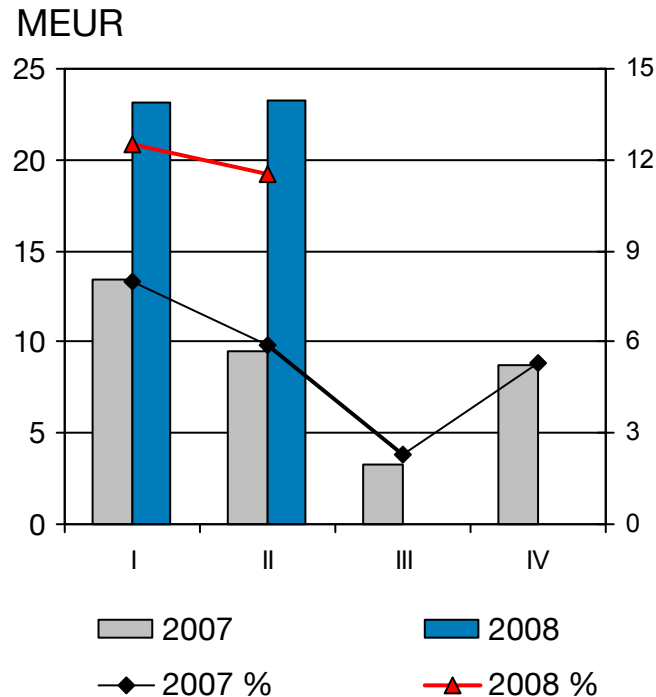
Source: Reuters

Order book quarterly

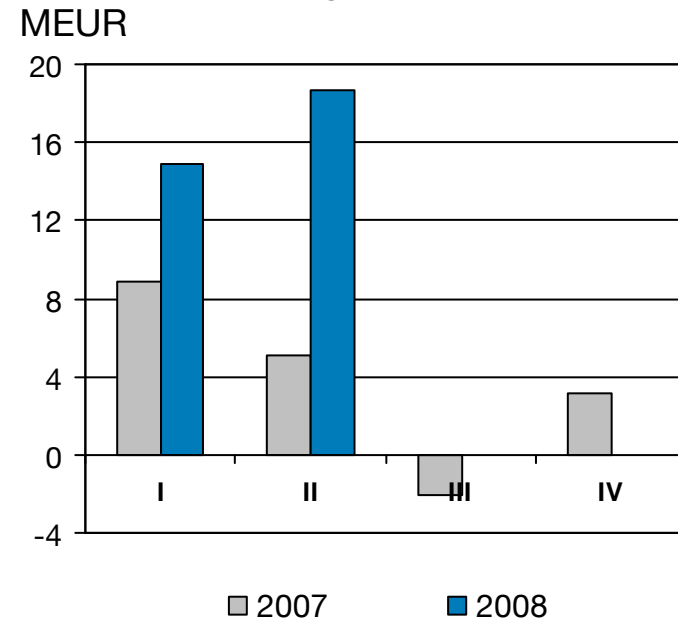


Quarterly operating profit and result after financial items excluding one-time items

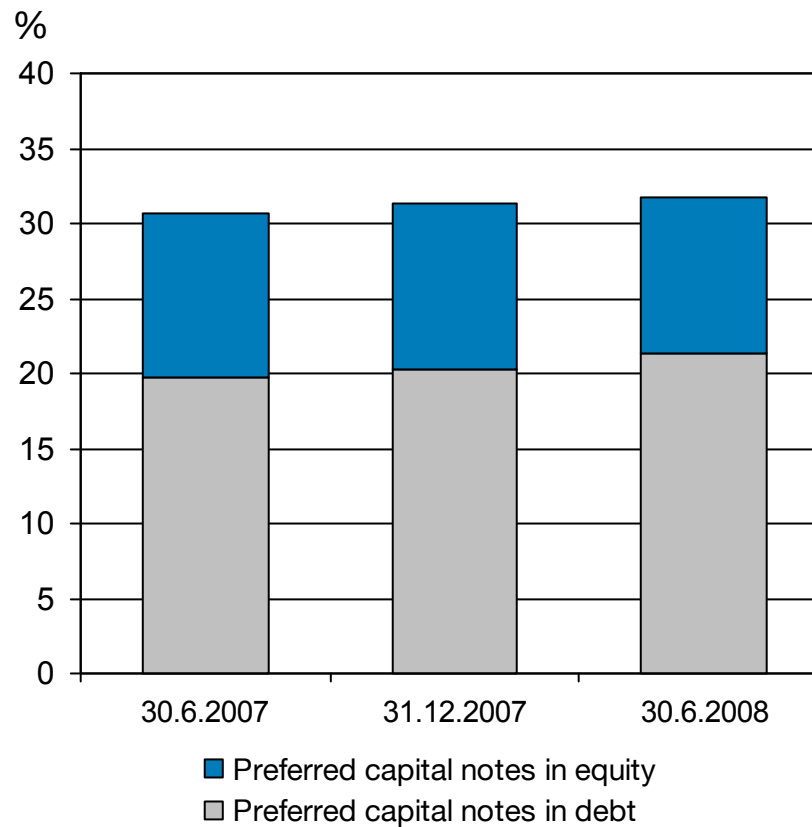
Operating profit
excluding one-time items



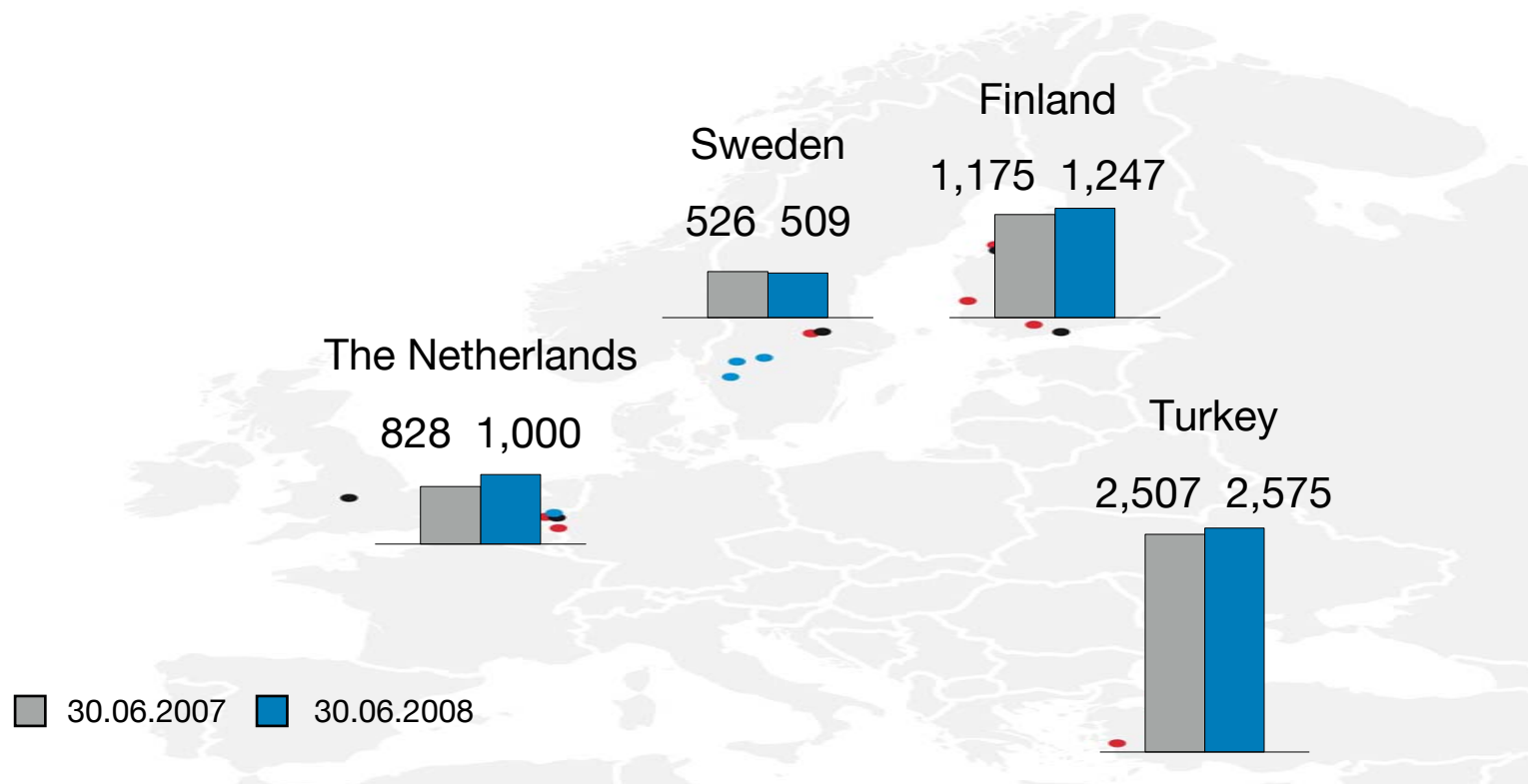
Result after financial items
excluding one-time items



Equity ratio, %

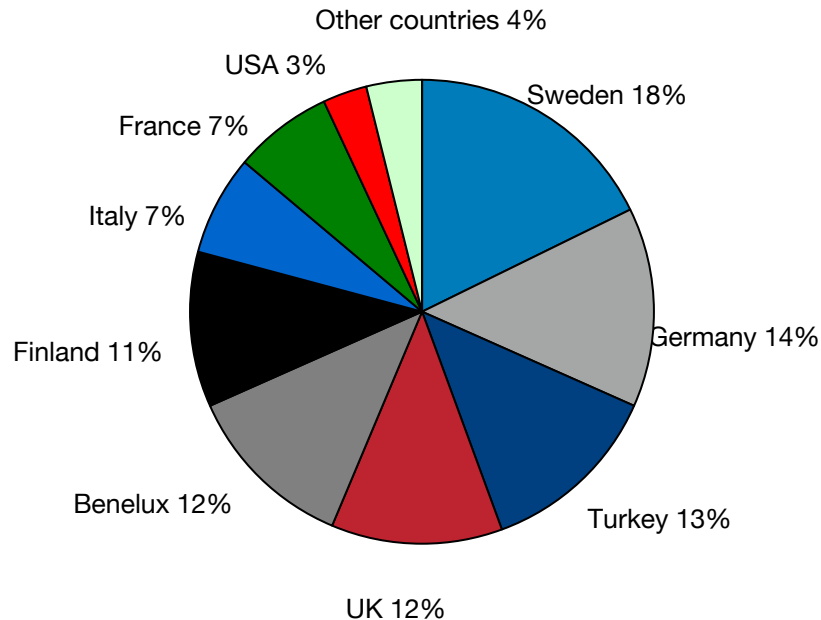


Personnel by country including leased personnel

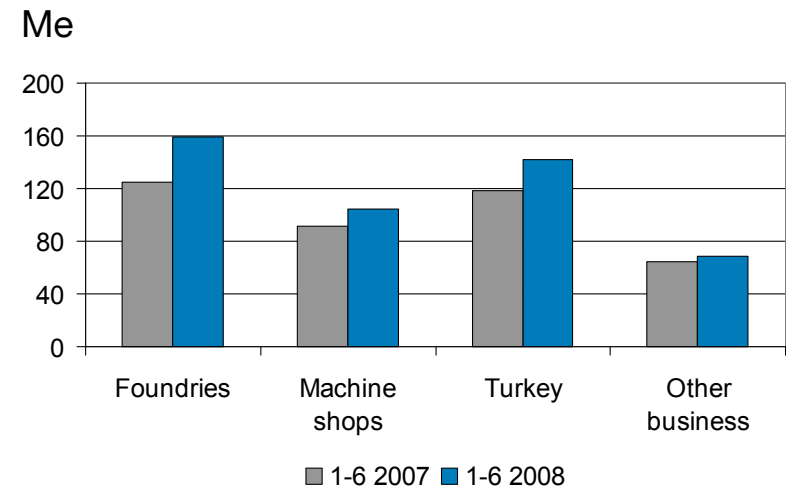


Distribution of net sales

Net sales by market area Q2/2008



Net sales by division excluding internal and one-time items



Comparable sales to customer industries



Off-road

35% (36%)



Heavy trucks

30% (27%)



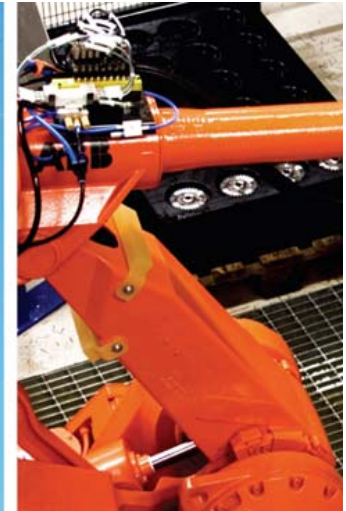
Automotive

14% (16%)



Diesel & wind

6% (6%)

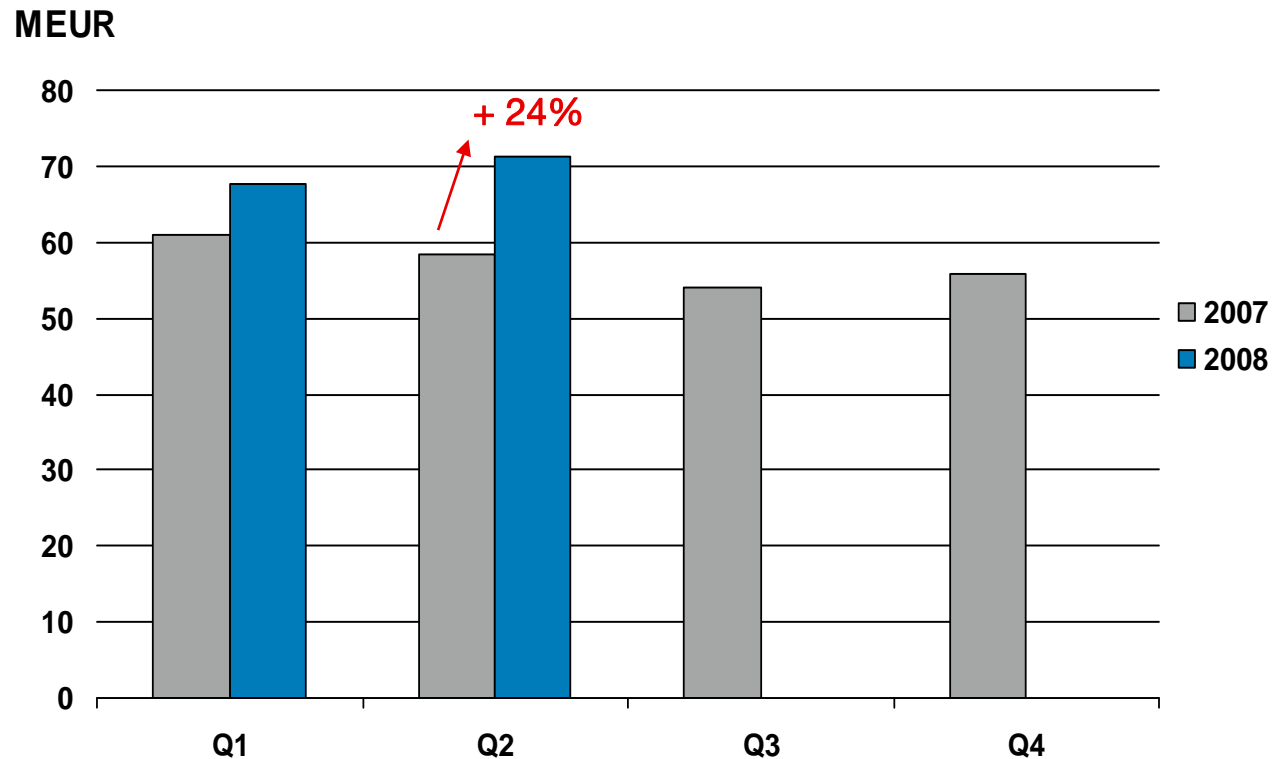


Machine building

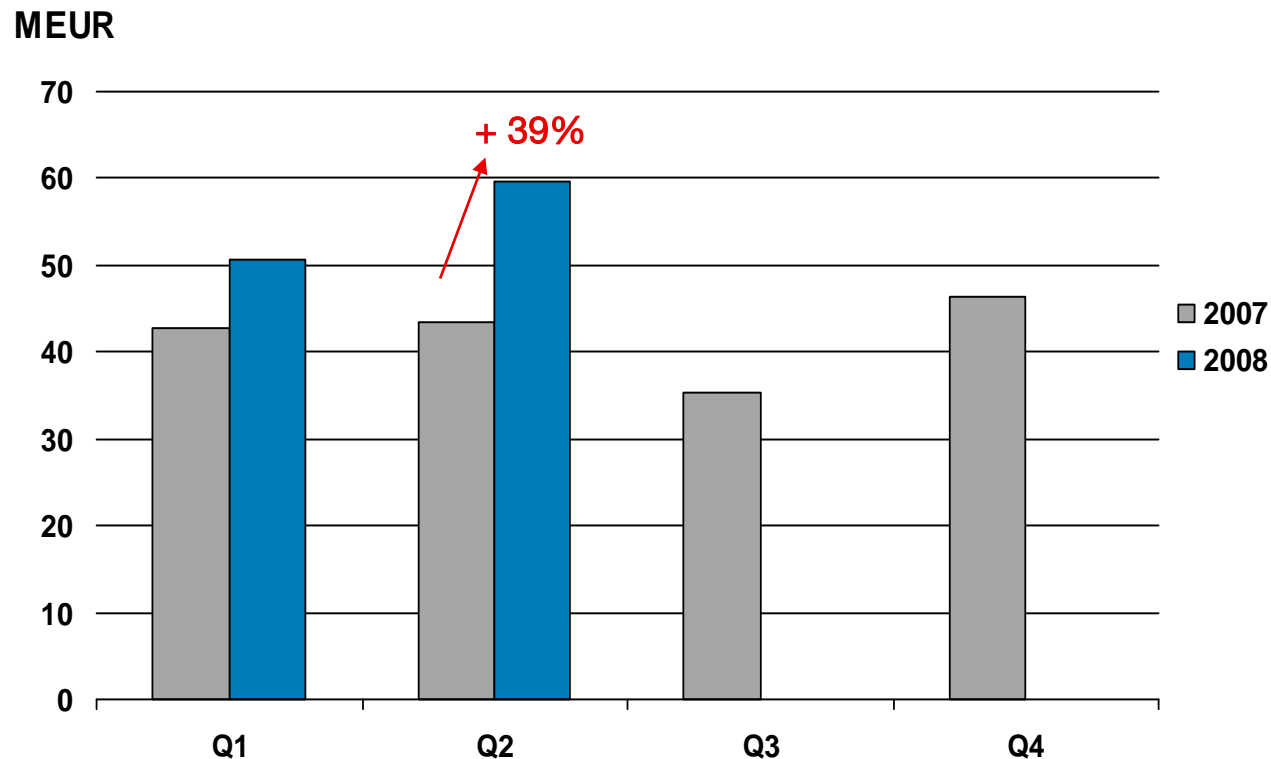
14% (14%)

Note: Other sales 1% (1%)

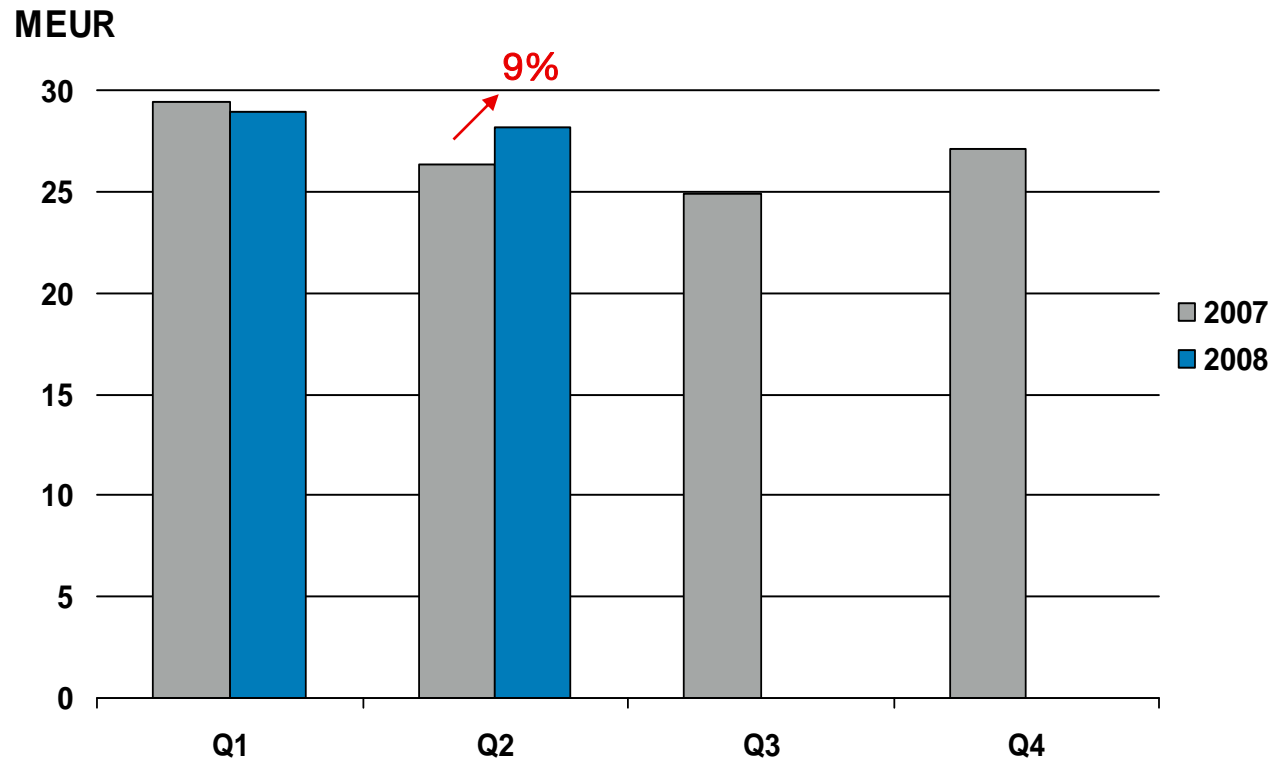
Comparable sales to off-road industry quarterly



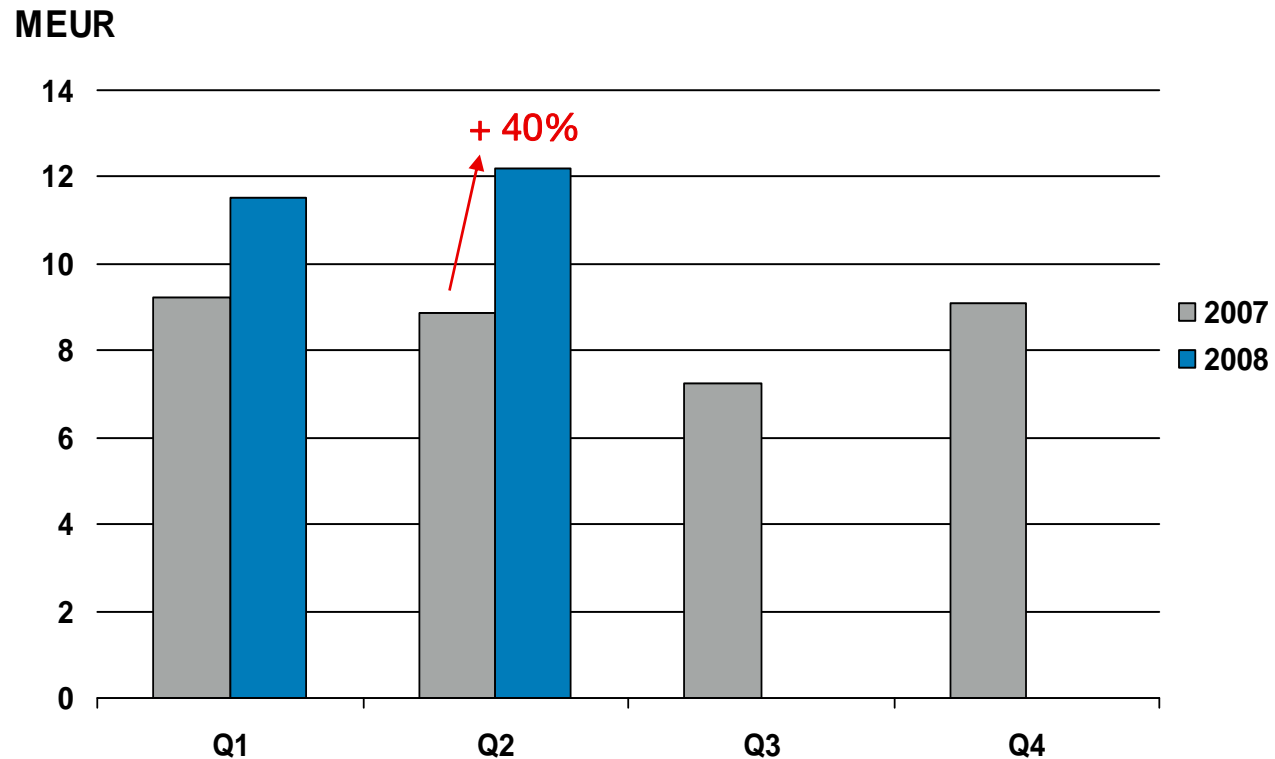
Comparable sales to heavy truck industry quarterly



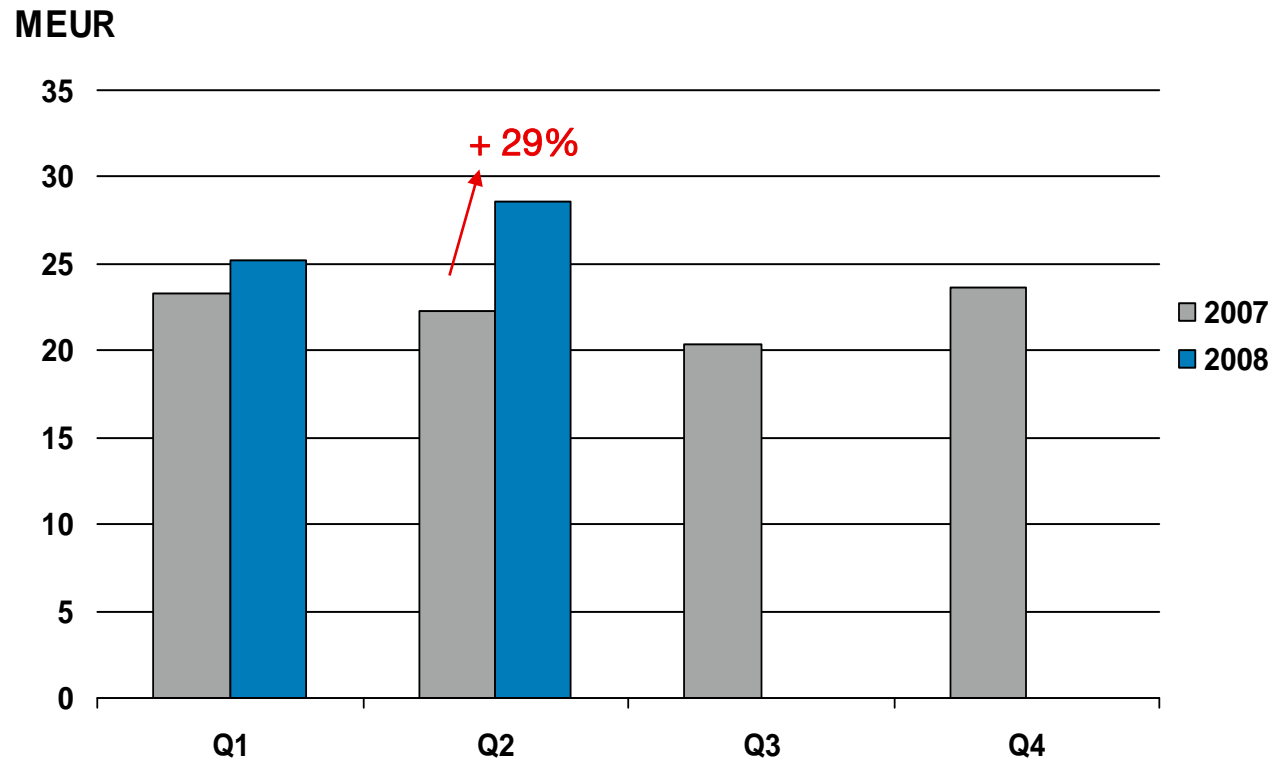
Comparable sales to automotive industry quarterly



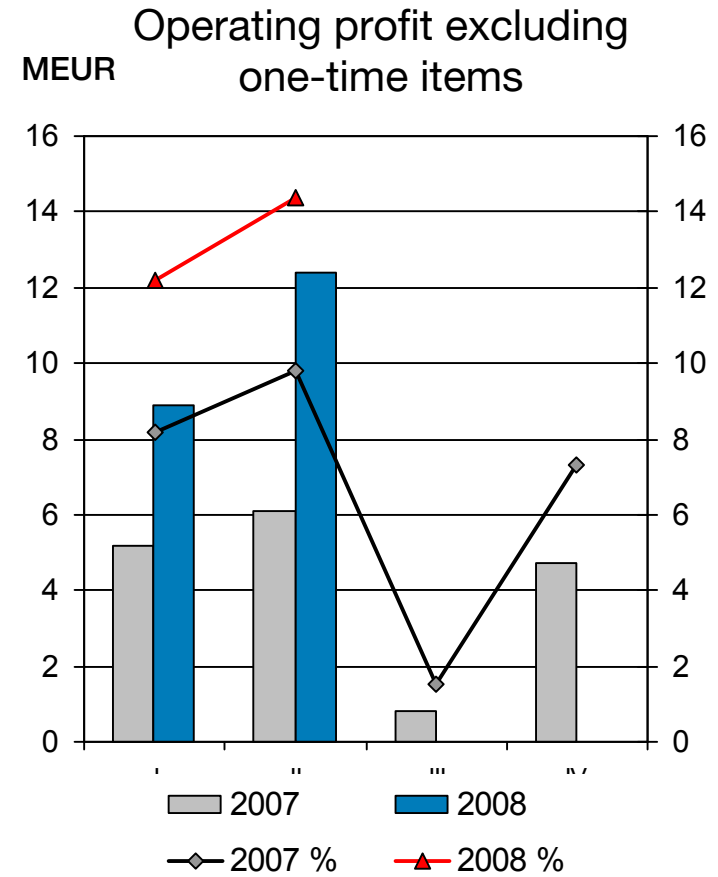
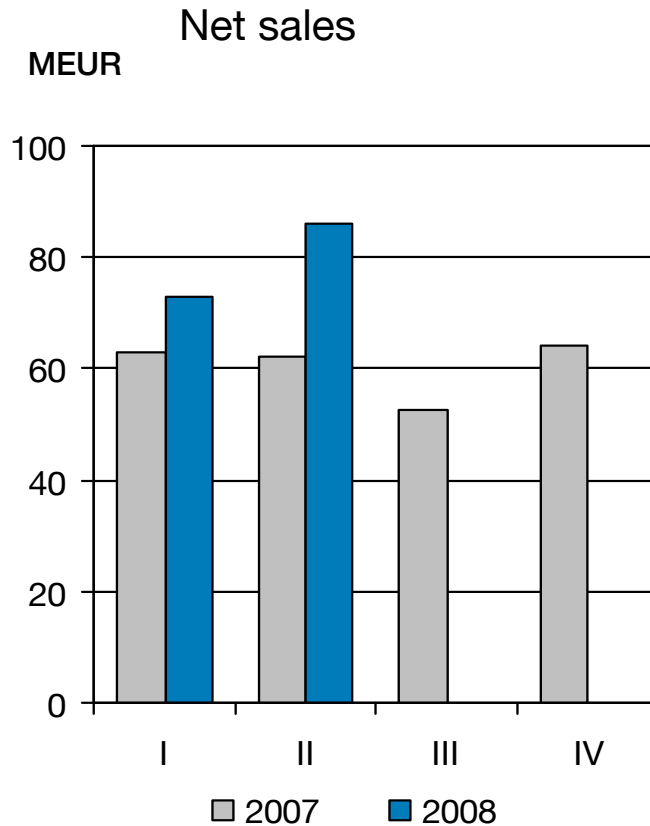
Comparable sales to diesel & wind industry quarterly



Comparable sales to machine building industry quarterly



Foundries division

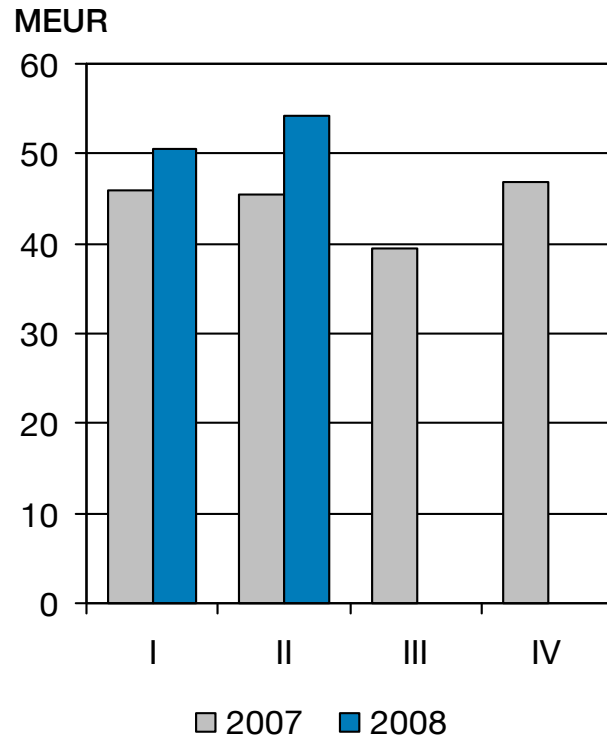


Performance of the Foundries division

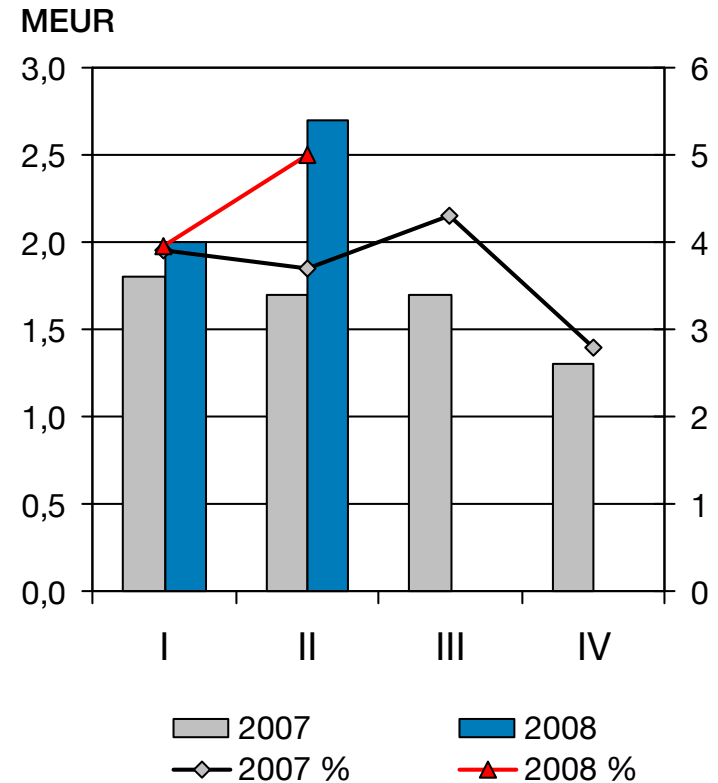
- The division contains the foundries in Karkkila, Pori, Pietarsaari and Iisalmi in Finland and in Weert and Heerlen in the Netherlands.
- Net sales in the review period totalled MEUR 159.2 (MEUR 125.1) and operating profit was MEUR 21.3 or 13.4% of net sales (MEUR 11.3; 9.0 %).
- Increased volumes and greater efficiency in its operations made a positive contribution to the division's operating profit.
- In consequence of the sharp increases in raw material prices, in the review period Componenta introduced a new price compensation system, which will mean that the impact of changes in raw material prices is updated timely on a monthly basis instead of the previous quarterly adjustments.
- Net sales in the second quarter totalled MEUR 86.1 (MEUR 62.0) and operating profit was MEUR 12.4 or 14.4% of net sales (MEUR 6.1; 9.8 %).

Machine shops division

Net sales



Operating profit excluding one-time items

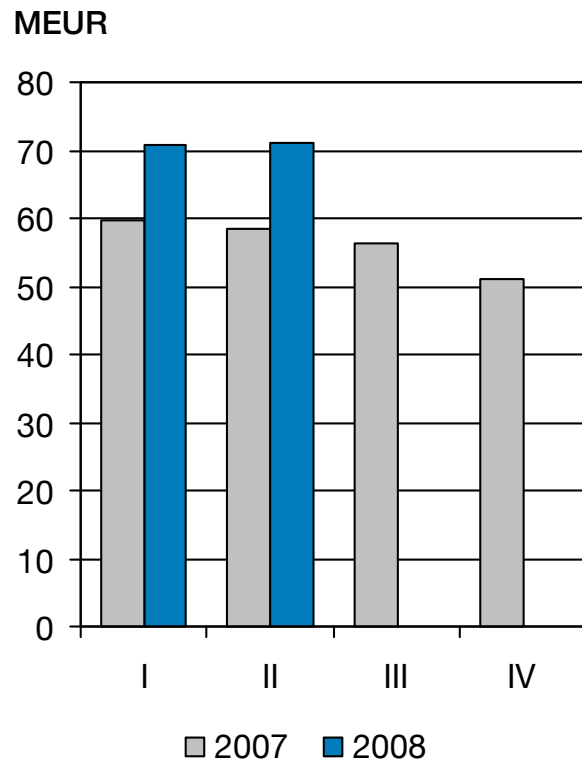


Performance of the Machine shops division

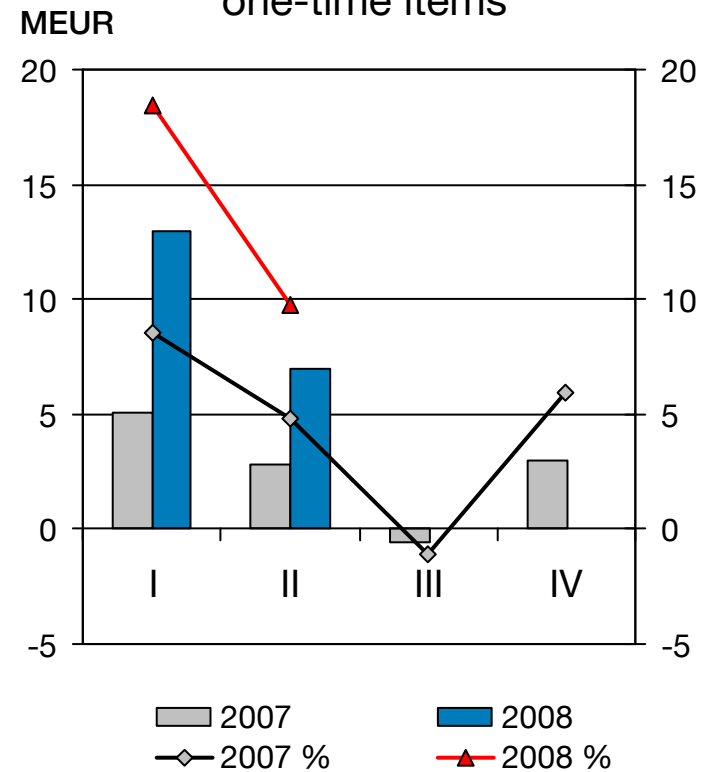
- The division contains the machine shops in Främmestad in Sweden, in Lempäälä and Pietarsaari in Finland, in Weert in the Netherlands and in Orhangazi in Turkey.
- Net sales in the review period totalled MEUR 104.8 (MEUR 91.5) and operating profit was MEUR 4.7 or 4.5% of net sales (MEUR 3.5; 3.9%).
- Net sales in the second quarter totalled MEUR 54.3 (MEUR 45.5) and operating profit was MEUR 2.7 or 5.0% of net sales (MEUR 1.7; 3.7%).

Turkey division

Net sales



Operating profit excluding one-time items

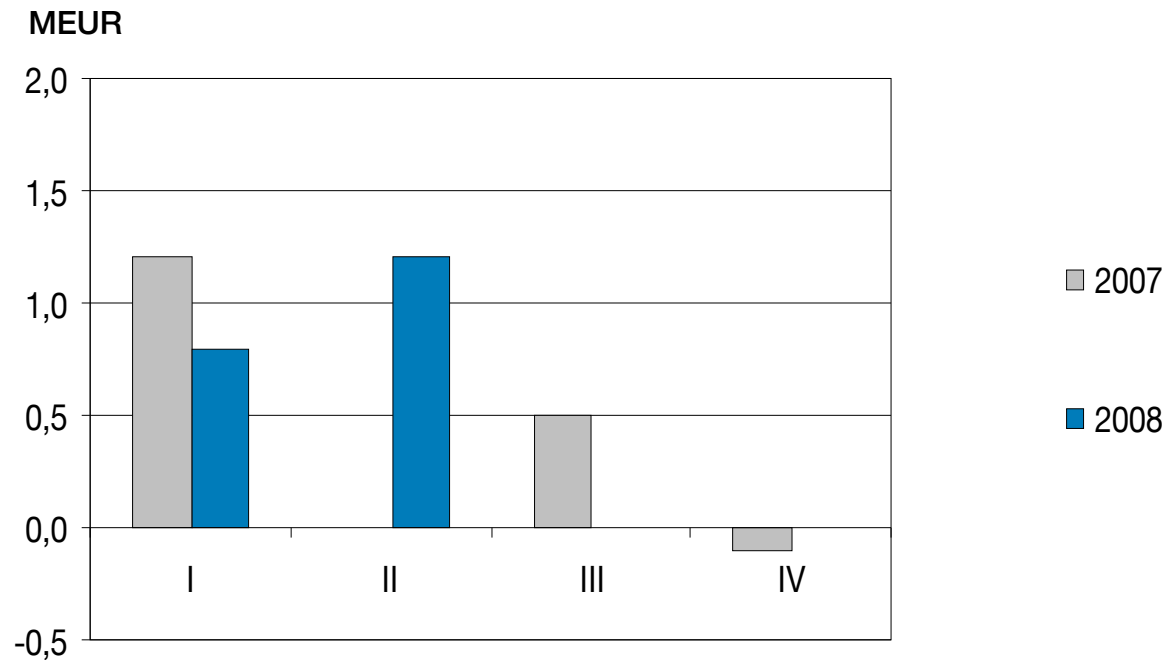


Performance of Turkey division

- The Turkey division comprises the iron foundry in Orhangazi and the aluminium foundry and aluminium wheels business unit in Manisa.
- Net sales in the review period totalled MEUR 141.7 (MEUR 118.4) and operating profit was MEUR 20.0, or 14.1% of net sales (MEUR 8.0; 6.7%).
- The main factors improving the division's financial performance were the encouraging developments in product volumes, enhanced efficiency in operations, and the weakening of the Turkish lira against the euro.
- During the review period the same price compensation system as in the Foundries division was taken into use also in Turkey.
- Net sales in the second quarter totalled MEUR 71.1 (MEUR 58.6) and operating profit was MEUR 7.0 or 9.8% of net sales (MEUR 2.8; 4.8%).
- In the review period Orhangazi had net sales of EUR 103.9 (82.4) million and operating profit of EUR 14.4 (6.0) million. Manisa's net sales in the review period was EUR 40.6 (39.3) million and operating profit EUR 6.1 (2.2) million.

Other business

Operating profit excluding
internal and one-time items



Performance of other business

- Other Business comprises the Componenta Wirsbo forges, the sales and logistics company Componenta UK, real estate companies and the Group's administrative functions.
- Other Business recorded an operating profit in the review period, excluding one-time items, of MEUR 2.0 (MEUR 1.3).
- Operating profit on the second quarter was 1.2 Me (0.0 Me).

Current investments to raise capacity and improve efficiency

Orhangazi machine shop

- New building (MEUR 3) and capital expenditure on new machinery to double machining capacity to 200,000 h/year (MEUR 6)

Orhangazi foundry

- Raising capacity by 40,000 tonnes to 180,000 tonnes a year by removing bottlenecks in melting, the moulding lines and finishing (MEUR 8.5)
- After these alterations the largest moulding line at the foundry will be the most modern in Europe

Karkkila foundry

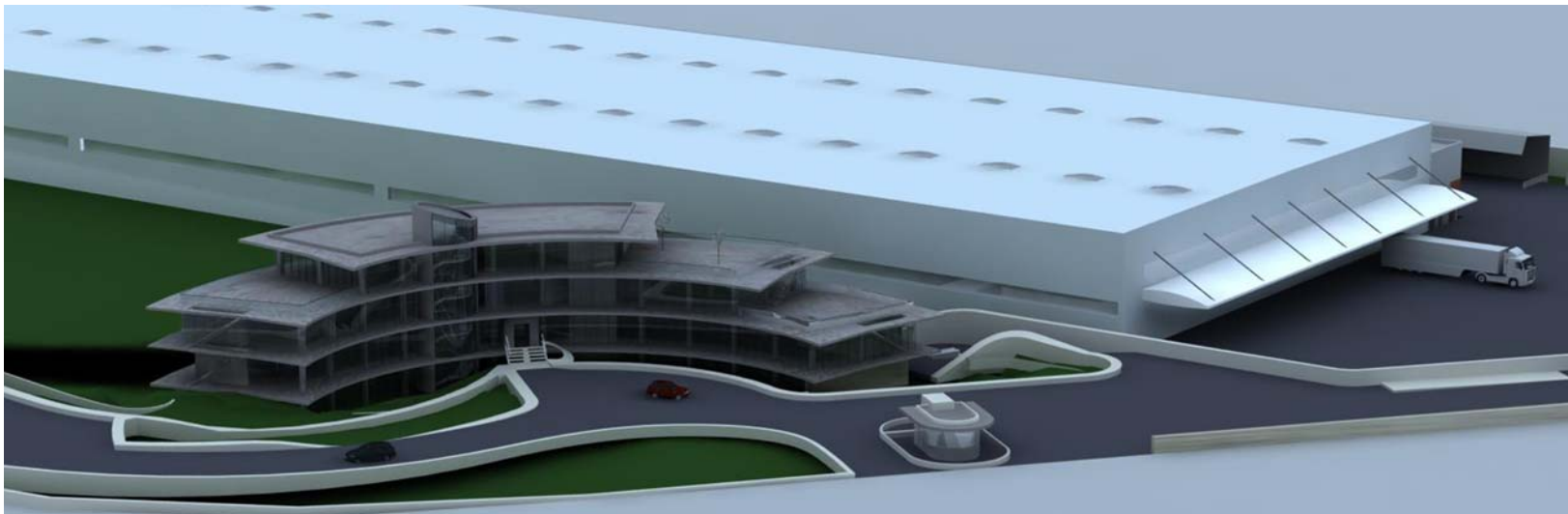
- Raising capacity by 8,000 tonnes to 35,000 tonnes a year with expenditure on shotblasting, a new paint shop, and modernizing the sewage treatment plant (MEUR 4)

Suomivalimo, Iisalmi

- Raising production capacity by 7,000 tonnes to 17,000 tonnes a year by investing in a new melting furnace and on changes in moulding, shotblasting and storage areas (MEUR 6)

New investments in Turkey

- Componenta doubles its aluminium component production capacity to 25,000 ton/year by building a green field aluminium plant in Manisa.
- The investment of roughly MEUR 25 will be carried out mainly in 2009 - 2011. Production will start in the summer of 2009.
- In addition Componenta invests in induction melting furnaces in the Orhangazi foundry to guarantee efficiency of melting and sufficient molten metal. This investment of MEUR 2 reduces emissions into air by 60%.



Prospects for 2008

- Componenta's prospects for the remainder of 2008 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 sectors is good at the beginning of the third quarter of 2008.
- The slowdown in construction in the USA and Europe has reduced demand in the off-road sector, but on the other hand the high prices of raw materials and food are keeping demand high for mining machinery and tractors.
- The prospects for the remainder of the year for the heavy truck industry are encouraging.
- The high price of oil and rising inflation, coupled with increasing uncertainty, are reducing demand in the car and light truck industry in Europe. Weaker demand has so far not affected demand for Componenta's products.
- Demand prospects in the diesel and wind power sectors and the machine building industry remain good.

Prospects for 2008 (cont.)

- Componenta's order book at the end of the second quarter of 2008 stood 29% higher than at the same time in the previous year, at MEUR 138.0 (MEUR 106.9).
- Componenta Group's 2008 net sales and the result after financial items, excluding one-time items are expected to increase considerably on the corresponding figures for 2007.