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## Componenta Corporation Financial statements 1 Jan - 31 Dec 2007

- Componenta Group's net sales in 2007 totalled MEUR 634.7 (MEUR 362.1).
- The operating profit excluding one-time items was MEUR 38.2 (MEUR 14.9) and the result after financial items excluding one-time items was MEUR 14.9 (MEUR 5.0).
- The net sales for the final quarter were MEUR 162.9 (MEUR 95.5), the operating profit excluding one-time items was MEUR 8.8 (MEUR 4.2) and the result after financial items excluding one-time items was MEUR 3.1 (MEUR 1.2).
- Componenta's basic earnings per share in 2007 were EUR 1.97 (EUR 0.36). Earnings per share excluding one-time items were EUR 1.01 (EUR 0.40).
- The Board of Directors proposes to the Annual General Meeting that a dividend of EUR 0.50 per share be paid for 2007.

### Events in 2007 in brief

In February Componenta sold all of its 50% holding in the shares of associated company Ulefos NV AS to Cappelen Holding AS. The selling price was EUR 14.0 million and Componenta recorded a profit on the sale of about EUR 6.4 million.

Componenta's tender offer made on 19 February 2007, in accordance with Turkish law, to purchase the remaining shares and voting rights of Döktas Dökümcülük Ticaret ve Sanayi A.S. (Döktas), which is quoted on the Istanbul Stock Exchange, ended on 5 March 2007. As a result of the tender offer, at the end of 2007 Componenta owns 92.6% of the shares of Döktas.

On 6 March 2007 Componenta signed an agreement to sell in an MBO Componenta Albin AB to the company's operative management. The selling price was EUR 14.3 million. Componenta recorded a profit of EUR 13.0 million on the sale.

In June Componenta decided to consolidate the operations of the Componenta Åmål machine shop to Componenta Främmestad in Sweden. The consolidation of operations took place during 2007 and one-time costs of EUR 6.1 million were recorded for the project. The consolidation is expected to improve the combined result of the business units by some EUR 2 million as from 2008.

On 23 August 2007 Componenta announced that it was strengthening its way of operating with a new corporate structure to be introduced on 1 October 2007. The current division structure of the Group remains mainly unchanged. Hakan Göral, Sales Director at Döktas, was appointed Senior Vice President of Componenta Döktas Division and Managing Director of Componenta Döktas A.S. as from 1 October 2007.

In November Componenta signed a contract with Moventas Oy, under which the Group's foundries in Iisalmi, Finland and in Heerlen, the Netherlands will supply Moventas with castings for wind generator gear components with a total value of EUR 70 million during the period 2008 - 2011. As a result of this contract, investments of EUR 6 million will be made at Suomivalimo in Iisalmi to raise production capacity by 70% in summer 2008. At the same time Componenta announced that it will increase machining capacity in Turkey by building a new plant in Orhangazi. The building project should be completed in summer 2008 and will cost EUR 3 million. It is planned to double the machining capacity at Componenta Orhangazi from its current level with machinery investments of EUR 6 million during 2008 - 2009.

Componenta recorded the total amount of compensation, EUR 1.9 million, arising from the decision of the Helsinki Court of Appeal as a one-time item in the result for the final quarter of 2007. The compensation relates to the contract to supply train wheels signed with VR in 1990 and to deliveries of train wheels made in 1991 and 1992.

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## Net sales

Componenta's financial statements have been prepared in accordance with international financial reporting standards (IFRS).

The Group's net sales in 2007 totalled EUR 634.7 (362.1) million. Fourth quarter net sales were EUR 162.9 (95.5) million.

Consolidated net sales in 2007 by customer sector were as follows: off-road industry 36% (26%), heavy truck industry 27% (43%), cars and light trucks 17% (1%), machine building industry 11% (17%), power and transmission industry 8% (12%) and other sales 1% (1%).

The Group's net sales in 2007 by geographical area were as follows: Nordic countries 28% (49%), other European countries 63% (45%) and other countries 9% (6%).

The Group's order book at the end of 2007 stood at EUR 129.0 (95.4) million.

## Result

The consolidated operating profit excluding one-time items was EUR 38.2 (14.9) million and the profit after financial items excluding one-time items was EUR 14.9 (5.0) million. The Group's net financing costs were EUR -23.2 (-9.9) million. The operating profit for the final quarter excluding one-time items was EUR 8.8 (4.2) million and the result after financial items excluding one-time items was EUR 3.1 (1.2) million.

Componenta's operating profit including one-time items was EUR 45.9 (14.5) million, the result after financial items was EUR 22.7 (4.6) million, and the profit for the fiscal year was EUR 21.6 (3.5) million.

Componenta's taxes totalled EUR -1.1 (-1.1) million. Deferred tax receivables have been recorded in the balance sheet, and it is estimated that these can be utilized in the Netherlands in 2008 and in Finland during the next 4 – 6 years.

Componenta's basic earnings per share were EUR 1.97 (0.36). Earnings per share excluding one-time items were EUR 1.01 (0.40).

Equity invested in the company at the end of the year was EUR 370.9 (359.5) million and the return on investment was 12.8% (6.6%).

Componenta's key financial indicators during the past three years were as follows:

	2005	2006	2007
Net sales, MEUR	343.2	362.1	634.7
Operating profit, MEUR	9.9	14.5	45.9
Operating profit, %	2.9	4.0	7.2
Return on equity, %	4.2	5.9	23.1
Equity ratio, %	18.1	19.2	20.3

## Financing

In March the Group repaid EUR 3.2 million, or 10%, of the principal of the preferred capital notes issued in 2002 in accordance with the terms for the notes. On 31 December 2007 Componenta Corporation had outstanding capital notes and convertible notes with a combined value of EUR 55.3 million, as defined in IFRS. During 2007, 4,601 of Componenta's convertible capital notes were converted into shares. As a result, the number of Componenta shares increased by 920,200 and the shareholders' equity in the IFRS balance sheet rose by EUR 7.8 million.

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On 28 June 2007 Componenta signed a new five year EUR 200 million syndicated credit facility to replace the Group's existing credit facilities. The new facility strengthens Componenta's financial position. The banks participating in the credit facility are Swedbank AB (publ.), Nordea Bank Finland Plc, OKO Bank Plc, Bayerische Hypo- und Vereinsbank AG, ABN Amro Bank N.V., Danske Bank A/S and HSH-Nordbank AG.

At the end of the year the Group had EUR 143.2 million in non-utilised long-term credit facilities. In addition the Group has a EUR 150.0 million commercial paper programme. The Group's interest-bearing net debt, excluding the outstanding capital notes of EUR 55.3 million, stood at EUR 187.4 (186.9) million. Gearing was 241.3% (270.7%). The company's net debt as a proportion of shareholders' equity, including the capital notes in shareholders' equity, was 120.2% (118.8%).

Componenta is making more effective use of capital with a programme to sell its sales receivables. Under this arrangement, some of the sales receivables are sold without any right of recourse. By the end of the year the company had sold sales receivables totalling EUR 43.5 (33.0) million.

Componenta's net cash flow from operations during 2007 was EUR 42.6 (26.2) million, and of this the change in net working capital was EUR 11.0 (1.6) million. The net cash flow from investment was EUR -38.6 (-104.2) million, which includes the cash flow from the Group's production investments and the cash flow from the sale and purchase of shares and from the sale of fixed assets.

The Group's equity ratio was 20.3% (19.2%). The Group's shareholders' equity, including the capital notes on 31 December 2007 in shareholders' equity, as a proportion of the balance sheet total was 31.4% (32.5%).

Cash loans, commitments and contingent liabilities given by the company to Group companies classified as related parties on 31 December 2007 totalled EUR 124.3 (107.7) million. Cash loans, commitments and contingent liabilities given by the company to private persons classified as related parties on 31 December 2007 totalled EUR 0.3 (0.3) million.

## **Performance of business divisions**

During 2007 Componenta had three divisions: Foundries, Machine shops, and Döktas. In addition, the reports contain figures for Other business which includes the service companies, the Componenta Wirsbo forges, sales and logistics company Componenta UK, Componenta Pistons, the business of Componenta Albin that has been divested, and the Group's share of the figures for associated company Ulefos NV that has been divested, real estate companies and the Group's administrative functions.

### **Foundries division**

The Foundries division comprises the Group's foundries in Karkkila, Pori, Pietarsaari and Iisalmi in Finland, and the foundries in Weert and Heerlen in the Netherlands.

The Foundries division had net sales in 2007 of EUR 241.7 (224.5) million and an operating profit of EUR 16.7 (6.6) million. The division's operating profit improved significantly from the previous year mainly as a result of higher volumes and enhanced efficiency in operations. The operating results of the Karkkila and Heerlen Furan foundries improved considerably. The division had fourth quarter net sales of EUR 64.2 (56.8) million and an operating profit of EUR 4.7 (1.6) million.

### **Machine shops division**

The Machine shops division comprises the Främmestad machine shop in Sweden, the machine shops in Lempäälä and Pietarsaari in Finland, and the machine shop operations in the Netherlands.

Machine shops had net sales in 2007 of EUR 158.6 (137.9) million and an operating profit of EUR 5.0 (5.8) million.

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During 2007 Componenta consolidated the operations of the Componenta Åmål machine shop to Componenta Främmestad in Sweden. The consolidation will safeguard long-term competitiveness, which can be achieved with a larger unit and by raising efficiency in operations. The consolidation is expected to improve the combined result of the business units by some EUR 2 million as from 2008.

The division had net sales in the final quarter of EUR 41.7 (36.7) million and an operating profit of EUR 1.1 (1.8) million.

Presenting the order books for the Foundries and Machine shops divisions separately is not justified due to the nature of the Componenta supply chain. The divisions had a combined order book at the end of the year of EUR 66.5 (52.0) million.

## **Döktas division**

The Döktas division comprises the iron foundry and machine shop in Orhangazi and the aluminium foundry and machine shop in Manisa. The financial figures presented in parenthesis are the 2006 figures when Döktas did not belong to Componenta Group.

The Döktas division had net sales in 2007 of EUR 232.5 (218.2) million and an operating profit of EUR 14.4 (24.2) million. The order book at the end of the year stood at EUR 46.1 (34.7) million. Factors affecting the division's operating profit during the year were the rise in raw material prices, unfavourable developments in exchange rates, and low sales of aluminium wheels. The division had final quarter net sales of EUR 55.7 (57.1) million and an operating profit of EUR 2.3 (6.3) million.

The iron foundry and machine shop in Orhangazi supply ready-to-install cast components mainly to the off-road industry and to car and light truck manufacturers. Componenta Döktas Orhangazi had net sales in 2007 of EUR 156.4 million and an operating profit of EUR 10.8 million (6.9% of net sales).

The aluminium foundry and machine shop in Manisa mainly manufacture aluminium pressure cast components and aluminium wheels. Componenta Döktas Manisa had net sales in 2007 of EUR 76.1 million and an operating profit of EUR 3.6 million (4.7% of net sales).

## **Other business**

Other business comprises the service companies, the Componenta Wirsbo forges, sales and logistics company Componenta UK, Componenta Pistons, the business of Componenta Albin that has been divested, and the Group's share of the figures for associated company Ulefos NV that has been divested, real estate companies and the Group's administrative functions.

Other business had net sales in 2007 of EUR 151.0 (89.1) million and an operating profit excluding one-time items of EUR 2.4 (2.7) million. The order book at the end of 2007 stood at EUR 16.4 (8.8) million. Net sales in the fourth quarter totalled EUR 40.5 (25.4) million and operating profit excluding one-time items was EUR 0.0 (0.8) million.

Net sales of the Componenta Wirsbo forges increased and the operating profit improved from the previous year. Similarly the net sales of sales and logistics company Componenta UK rose and the operating profit improved from the previous year.

## **Shares and share capital**

The shares of Componenta Corporation are quoted on the OMX Nordic Exchange Helsinki. At the end of the review period the company's share capital stood at EUR 21.9 (20.0) million. On 31 December 2007 the quoted price of Componenta Corporation shares stood at EUR 8.37 (8.59). The average price during the year was EUR 11.05, the lowest quoted price was EUR 8.17 and the highest EUR 14.37. At the end of the year the share capital had a market capitalization of EUR 91.6 (86.1) million and the volume of shares traded

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during the review period was equivalent to 52% (57%) of the share stock. The company has one share series. On 31 December 2007 the company had 10,942,498 (10,022,298) shares.

The Annual General Meeting on 26 February 2007 decided, in accordance with the proposal of the Board of Directors, to pay a dividend of EUR 0.25 per share for 2006.

On 8 May 2007 Componenta received notification from Simo-Pekka Inkinen that the share of the voting rights and share capital carried by the shares in Componenta Corporation under his control had fallen below the 5% limit in a share transaction on 8 May 2007. On 31 December 2007 the share of the voting rights and share capital carried by the shares in Componenta Corporation under the control of Simo-Pekka Inkinen was 3.3%.

During the review period 581,400 new Componenta Corporation shares were subscribed with 2,907 capital notes from the convertible capital notes issued by Componenta Corporation in 2006. As a result of the conversion, the share capital of Componenta Corporation rose by altogether EUR 1,162,800 and the invested non-restricted equity fund by EUR 4,069,800.

A total of 338,800 new Componenta Corporation shares were subscribed with 1,694 capital notes from the convertible capital notes issued by Componenta Corporation in 2005. As a result of the conversion the share capital of Componenta Corporation rose by altogether EUR 677,600 and the share premium account by EUR 2,710,400.

## **Share-based incentive scheme**

The Board of Directors of Componenta Corporation decided on 3 April 2007 under the authorization given by the Annual General Meeting to establish a share-based incentive scheme for the period 2007 - 2009. The scheme comprises three one-year earnings periods, which are the calendar years 2007, 2008 and 2009. The bonuses will be paid in 2008, 2009 and 2010, partly in company shares and partly in cash. The part to be paid in cash will cover the tax and similar charges arising from the bonus. There is a ban on selling the shares for two years after the end of the earnings period.

Any yield from the scheme is based on the Group's profit after financial items and the Group's return on investment. At the end of 2007 the target group contained 34 persons. If the targets set for the scheme are met in full, the scheme will pay a bonus of a maximum of 180,000 Componenta Corporation shares. For the 2007 part of the scheme, a maximum of 3,000 Componenta Corporation shares will be allocated. The President and CEO will account for a maximum of 600 of this total figure, and other key personnel altogether for a total maximum of 2,400 shares. The scheme had an impact before taxes on the result in the review period of EUR 0.05 million. The Board of Directors has decided to allocate a maximum of 70,000 Componenta Corporation shares for the 2008 part of the scheme. The President and CEO will account for a maximum of 18,000 shares of this total figure.

## **Authorization to purchase and dispose of company shares**

Under the authorization of the AGM held on 26 February 2007 the Board of Directors may decide to purchase a maximum of 1,000,000 of the Company's own shares using the Company's unrestricted shareholders' equity.

The shares shall be purchased in public trading, for which reason they will be purchased other than in proportion to the holdings of shareholders. The purchase price shall be based on the market price for Componenta shares in public trading. The shares shall be purchased on the OMX Nordic Exchange in Helsinki and in accordance with its rules and regulations.

The Board of Directors may not implement the authorization to purchase the Company's own shares if after the purchase the Company or its subsidiary would possess or hold in pledge altogether more than 10 per cent of all the Company's shares. The authorization does not exclude the right of the Board of Directors to decide on a direct purchase of shares.

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The AGM authorized the Board to decide to issue shares and grant, option rights and other special rights with an entitlement to shares under the following terms and conditions:

1. Under the authorization the Board may decide to issue shares and grant option rights and special rights as defined in chapter 10, section 1 of the Finnish Companies Act such that a maximum total of 2,000,000 shares are issued under the authorization. The authorization does not exclude the right of the Board of Directors to decide on a direct issue of shares.
2. The authorization is valid for a period of five years from the date of the decision of the AGM.

The Board has to date not exercised either of these authorizations.

## Investments

Componenta's investments in production facilities during the review period totalled EUR 23.6 (12.1) million. The net cash flow from production investments was EUR -38.6 (-104.2) million.

## Board of Directors and Management

Componenta's Annual General Meeting on 26 February 2007 elected the following to the Board of Directors: Heikki Bergholm, Heikki Lehtonen, Juhani Mäkinen, Marjo Raitavuo and Matti Tikkakoski. The Board elected Heikki Bergholm as its Chairman and Juhani Mäkinen as Vice Chairman.

At the end of the year the corporate executive team of Componenta Group comprised President and CEO Heikki Lehtonen; Olli Karhunen, Senior Vice President, Foundries division; Michael Sjöberg, Senior Vice President, Machine shops division; Hakan Göral, Senior Vice President, Componenta Döktas division; Jari Leino, Sales Director, Heavy Trucks; Anu Mankki, Senior Vice President, Human Resources; Marko Sipola, Senior Vice President, Business Development; Yaylalý Günay, Senior Vice President, Investments, and Pirjo Aarniovuori, Communications Director.

Mika Hassinen was appointed CFO of Componenta Corporation and a member of the corporate executive team as from 2 January 2008.

## Personnel

During 2007 the Group had on average 4,206 (2,196) employees. At the end of the year the Group had 4,158 (4,316) employees. The number of Group personnel at the end of the year including contract labour was 5,064 (5,249). At the end of 2007 51% of the Group's personnel were in Turkey, 22% in Finland, 17% in the Netherlands and 10% in Sweden.

## Environment

Componenta is committed to continuous improvement and to reducing the environmental impact of its production processes. The objectives of the Group's environmental policy are to reduce consumption of energy and raw materials, restrict particle and VOC emissions, and reduce environmental noise from its operations. It also aims to increase the sorting of waste and reduce the amount of waste that cannot be reused.

One of the most significant environmental aspects for Componenta Group is the use of energy. In 2007 the Group used 814 GWh (809 GWh) of energy. Most of the energy used, 68%, is electricity. The foundries consume more than 90% of all the energy, for especially the melting processes at the foundries utilise much energy. In 2007 energy consumption at Componenta Group foundries in proportion to output fell by about 5% compared to 2006.

Componenta will publish its 2007 environmental report during the spring 2008.

## Research and development

At the end of 2007, 89 people worked in research and development at Componenta, which corresponds to 2% of the company's total personnel. Componenta's R&D expenses in 2007 totalled EUR 2.3 (1.4) million. This is 0.4% (0.4%) of the Group's total net sales.

## Risks

Fluctuations in the prices of Componenta Group's main raw material, scrap metal, affect the sales margins on the Group's products. When the price of scrap metal rises, the increase in the price of the raw materials can be passed on to the products supplied to customers after a certain delay, so price increases in scrap metal reduce the sales margin temporarily. When scrap prices go down, the Group's margins improve for a while.

The electricity consumption of the Group's foundries and machine shops creates a spot price risk for the purchased electricity, so the Group purchases electricity price forwards to hedge against the impact of electricity prices on the financial performance. The target hedging level for the forecast electricity consumption by the Group's production plants is 90% for the next 12 months, 60% for the following year and 40% for the third year. Trading in electricity price forwards has been outsourced. The Group aims to pass on the increase in the price of electricity to customers with a separate electricity surcharge

Appropriate insurance has been taken against risks associated with assets and interruption of operations and to minimize indemnity.

The financial risks relating to Componenta Group's business operations are managed in accordance with the treasury policy approved by the Board of Directors. The objective is to protect the Group against unfavourable changes in the finance markets and to secure the Group's financial performance and financial position. Management of financial risks takes place in the corporate treasury function

Following the acquisition of Döktas, Componenta now has a significant currency position in Turkish lira. The company hedges the translation and transaction risks in accordance with its treasury policy. Despite the hedging, however, any changes in the value of the Turkish lira in relation to other currencies, especially the euro, US dollar and GB pound, may have an impact on Componenta's financial performance in the short term.

The Group has no significant concentration of risk for receivables. The Group recognized no major credit losses in 2007.

The company's financial agreements contain, in addition to normal covenant terms, also clauses according to which the company's loans may fall due for payment before the maturity date if control of the company changes in consequence of a public purchase offer. The company is not party to any other significant contracts that will come into force, that can be amended or that can cease to be valid if control of the company changes in consequence of a public purchase offer.

## Events after the end of the period

Componenta announced on 15 January 2008 that the Group's result after financial items excluding one-time items totalled EUR 14.9 (5.0) million in 2007. The result fell short of the forecast given earlier. At the same time production capacity usage at the Group's foundries and machine shops is high due to the strong demand in the market. In consequence, investments of some EUR 12 million are being made at the foundries in Karkkila, Finland and Orhangazi, Turkey. These investments will be made during 2008 and will increase the Group's casting capacity by about 45,000 tonnes, which will make possible additional annual sales of some EUR 65 million.

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On 16 January 2008 Componenta received the notification from Etra Invest Oy that Etra Invest Oy's share of the voting rights and share capital of Componenta Corporation has exceeded 25% with a share transaction concluded 16 January 2008. The shares owned by Etra Invest Oy presented 26.16% of the voting rights and share capital in Componenta Corporation on 16 January 2008, and correspondingly, the share of convertible capital notes stood for the share of 1.69%.

Timo Laitinen (45), M.Sc. (Eng.), MBA, has been appointed Senior Vice President, Sales and Product Development of Componenta on 25 January 2008. He will be responsible for the customer interface which is managed through sales and customer management and product development. Timo Laitinen will join Componenta on 3 March 2008.

Componenta signed on 28 January 2008 an agreement with Metso Foundries Jyväskylä Oy to transfer technology for Metso's automatic moulding line to Componenta. Metso Foundries Jyväskylä Oy will discontinue production on this line by 30 September 2008. The cooperation agreement signed will enable to continue to supply castings to Metso's customers without disruption during the transition period and afterwards.

## **Dividend proposal**

The distributable equity of the parent company on 31 December 2007 amounted to EUR 30.2 million, of which the profit for the financial year was EUR 10.6 million. The Board of Directors proposes to the Annual General Meeting of Shareholders that a dividend of EUR 0.50 per share be paid for 2007, altogether EUR 5.5 million, and EUR 24.8 million be retained in the shareholders' capital. No significant changes have taken place in the company's financial position after the end of the year. The company's liquidity is strong, and in the opinion of the Board of Directors the proposed distribution of profit does not put the company's solvency at risk.

## **Annual General Meeting**

The Annual General Meeting of Componenta Corporation will be held on 25 February 2008 at 11.00 am.

The Board of Directors proposes to the AGM that the Board be authorized to decide on purchasing the Company's own shares using the Company's unrestricted shareholders' equity. It is proposed that the authorization be for a maximum of 1,000,000 own shares.

## **Publication of Annual Report**

Componenta Corporation will publish the printed annual report 2007 during week 7.

## **Prospects**

Componenta's prospects in 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 all the Group's customer sectors is good at the beginning of 2008. Componenta's order book at the end of 2007 was 35% higher than at the same time in the previous year, corresponding almost full capacity utilization. Global uncertainty in the finance market and unfavourable developments in exchange rates may weaken Componenta's prospects during the year.

Combining the operations of Componenta and Döktas and enhancing the performance of the business units are expected to have a positive impact on the Group's operating profit in 2008.

Componenta Group's 2008 net sales are expected to increase and the result after financial items, excluding one-time items, is expected to improve on the corresponding figures for 2007.

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## Income statement

MEUR	1.1.- 31.12.2007	1.1.- 31.12.2006	1.10.- 31.12.2007	1.10.- 31.12.2006
Net sales	634.7	362.1	162.9	95.5
Other operating income	21.1	0.8	0.4	0.2
Operating expenses	-583.4	-332.8	-151.8	-87.9
Depreciation, amortization and write-down	-26.6	-17.4	-7.0	-4.5
Share of the associated companies' result	0.1	1.8	0.0	0.6
Operating profit	45.9	14.5	4.6	3.8
<i>% of net sales</i>	<i>7.2</i>	<i>4.0</i>	<i>2.8</i>	<i>4.0</i>
Financial income and expenses	-23.2	-9.9	-5.7	-3.0
Result after financial items	22.7	4.6	-1.1	0.9
<i>% of net sales</i>	<i>3.6</i>	<i>1.3</i>	<i>-0.7</i>	<i>0.9</i>
Income taxes	-1.1	-1.1	0.1	-0.2
Net result	21.6	3.5	-1.0	0.7
Allocation of net result for the period				
To equity holders of the parent	20.9	3.5	-0.9	0.7
To minority interest	0.7	0.0	-0.1	0.0
	21.6	3.5	-1.0	0.7
Earning per share calculated on the profit attributable to equity holders of the parent				
Earnings per share, EUR	1.97	0.36	-0.09	0.10
Earnings per share with dilution, EUR	1.61	0.36	-0.04	0.10

## Income statement excluding one-time items

MEUR	1.1.- 31.12.2007	1.1.- 31.12.2006	1.10.- 31.12.2007	1.10.- 31.12.2006
Net sales	634.7	362.1	162.9	95.5
Other operating income	1.8	0.8	0.4	0.2
Operating expenses	-574.1	-332.6	-148.1	-87.8
Depreciation, amortization and write-down	-24.4	-17.2	-6.4	-4.3
Share of the associated companies' result	0.1	1.8	0.0	0.6
Operating profit	38.2	14.9	8.8	4.2
<i>% of net sales</i>	<i>6.0</i>	<i>4.1</i>	<i>5.4</i>	<i>4.4</i>
Financial income and expenses	-23.2	-9.9	-5.7	-3.0
Result after financial items	14.9	5.0	3.1	1.2
<i>% of net sales</i>	<i>2.4</i>	<i>1.4</i>	<i>1.9</i>	<i>1.3</i>

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## Balance sheet

MEUR	31.12.2007	31.12.2006
<b>Assets</b>		
Non-current assets		
Intangible assets	2.4	2.0
Goodwill	41.4	30.9
Investment properties	1.8	1.9
Tangible assets	244.9	245.1
Investment in associates	0.3	7.4
Receivables	4.3	1.0
Other investments	0.9	0.5
Deferred tax assets	9.4	8.2
Total non-current assets	305.5	297.0
Current assets		
Inventories	82.5	78.5
Receivables	81.7	93.3
Tax receivables	0.2	0.0
Cash and bank accounts	27.5	15.3
Total current assets	191.9	187.1
<b>Total assets</b>	<b>497.3</b>	<b>484.2</b>
<b>Liabilities and shareholders' equity</b>		
Shareholders' equity		
Share capital	21.9	20.0
Other equity	69.4	35.1
Equity attributable to equity holders of the parent	91.3	55.1
Minority interest	9.3	37.7
Shareholders' equity	100.6	92.8
Liabilities		
Non-current		
Capital loan	50.2	61.5
Interest bearing	77.0	94.4
Interest free	0.3	0.1
Provisions	6.4	1.2
Deferred tax liability	9.4	9.5
Current		
Capital loan	5.2	2.9
Interest bearing	137.9	107.8
Interest free	105.9	106.9
Tax liabilities	0.9	2.0
Provisions	3.5	4.9
Total liabilities	396.7	391.4
<b>Total liabilities and shareholders' equity</b>	<b>497.3</b>	<b>484.2</b>

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## Cash flow statement

MEUR	1.1.-31.12.2007	1.1.-31.12.2006
<b>Cash flow from operations</b>		
Result after financial items	22.7	4.6
Depreciation, amortization and write-down	26.6	17.4
Net financial income and expenses	23.2	9.9
Other income and expenses, adjustments to cash flow	-15.1	0.2
Change in net working capital	11.0	1.6
<b>Cash flow from operations before financing and income taxes</b>	<b>68.5</b>	<b>33.7</b>
Interest received and paid and dividends received	-23.1	-7.6
Taxes paid	-2.8	0.0
<b>Net cash flow from operations</b>	<b>42.6</b>	<b>26.2</b>
<b>Cash flow from investing activities</b>		
Capital expenditure in tangible and intangible assets	-22.3	-7.0
Proceeds from tangible and intangible assets	0.1	0.1
Other investments and loans granted	-0.7	-
Proceeds from other investments and repayments of loan receivables	24.5	-
Acquisition of subsidiary, net of cash acquired	-40.2	-97.4
<b>Net cash flow from investing activities</b>	<b>-38.6</b>	<b>-104.2</b>
<b>Cash flow from financing activities</b>		
Dividends paid	-3.3	0.0
Share issue (capital notes)	0.0	1.6
Draw-down (+)/ repayment (-) of the equity part of convertible capital notes	0.0	2.2
Repayment of finance lease liabilities	-3.3	-2.2
Draw-down (+)/ repayment (-) of current loans	44.2	26.1
Draw-down (+)/ repayment (-) of non-current loans	-30.5	60.4
<b>Net cash flow from financing activities</b>	<b>7.2</b>	<b>88.1</b>
<b>Change in liquid assets</b>	<b>11.2</b>	<b>10.0</b>
Cash and bank account at the beginning of the period	15.3	5.3
Effects of exchange rate changes on cash	1.0	0.0
Cash and bank account at the period end	27.5	15.3
<b>Change during the financial period</b>	<b>11.2</b>	<b>10.0</b>

## Statement of changes in shareholders' equity

MEUR	Share capital	Share premium account	Other reserves	Trans lation diffe rences	Retained earnings	Total	Minority interest	Share holder's equity total
<b>Shareholders' equity 1.1.2006</b>	<b>19.3</b>	<b>11.6</b>	<b>2.4</b>	<b>0.1</b>	<b>15.3</b>	<b>48.5</b>	<b>0.1</b>	<b>48.6</b>
Derivatives			-0.1			-0.1		-0.1
Other changes				0.1	0.3	0.4		0.4
Increase of share capital (warrants)	0.8	0.8	0.0			1.6		1.6
Minority interest						0.0	37.7	37.7
Equity share of convertible capital notes			1.2			1.2		1.2
Profit/loss for the period					3.5	3.5	0.0	3.5
<b>Shareholders' equity 31.12.2006</b>	<b>20.0</b>	<b>12.4</b>	<b>3.4</b>	<b>0.1</b>	<b>19.1</b>	<b>55.1</b>	<b>37.7</b>	<b>92.8</b>

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MEUR	Share capital	Share premium account	Other reserves	Trans lation diffe rences	Retained earnings	Total	Minority interest	Share holder's equity total
<b>Shareholders' equity 1.1.2007</b>	<b>20.0</b>	<b>12.4</b>	<b>3.4</b>	<b>0.1</b>	<b>19.1</b>	<b>55.1</b>	<b>37.7</b>	<b>92.8</b>
Derivatives			0.3			0.3		0.3
Share-based payments			0.0			0.0		0.0
Other changes				11.4		11.4	1.2	12.6
Change in equity hedging				-1.8		-1.8		-1.8
Dividends paid					-2.5	-2.5	-0.8	-3.3
Increase of share capital (convertible notes)	1.8	2.5	3.4			7.8		7.8
Equity share of convertible capital notes			0.0			0.0		0.0
Change in minority interest						0.0	-29.5	-29.5
Profit/loss for the period					20.9	20.9	0.7	21.6
<b>Shareholders' equity 31.12.2007</b>	<b>21.9</b>	<b>14.9</b>	<b>7.2</b>	<b>9.8</b>	<b>37.5</b>	<b>91.3</b>	<b>9.3</b>	<b>100.6</b>

## Key ratios

	31.12.2007	31.12.2006
Equity ratio, %	20.3	19.2
Equity per share, EUR	8.34	5.50
Invested capital	370.9	359.5
Return on investment, %	12.8	6.6
Return on investment, excluding one-time items %	10.7	6.7
Return on equity, %	23.1	5.9
Return on equity, excluding one-time items %	12.2	6.4
Net interest bearing debt, MEUR, preferred capital note in debt	242.8	251.4
Net gearing, %, preferred capital note in debt	241.3	270.7
Order book, MEUR	129.0	95.4
Investments in non-current assets without finance leases, MEUR	62.9	118.4
Investments in non-current assets incl. finance leases, MEUR	64.5	123.6
Investments in non-current assets, % of net sales	10.2	34.1
Average number of personnel during the period	4,206	2,196
Number of personnel at period end	4,158	4,316
Share of export and foreign activities in net sales, %	89.1	82.4
Contingent liabilities, MEUR	177.5	190.1

## Per share data

	31.12.2007	31.12.2006
Number of shares at period end, 1,000 shares	10,942	10,022
Earnings per share (EPS), EUR	1.97	0.36
Earnings per share, with dilution (EPS), EUR	1.61	0.36
Equity per share, EUR	8.34	5.50
Dividend per share, EUR *)	0.50	0.25
Payout ratio, %	25.37	69.05
Effective dividend yield, %	5.97	2.91
P/E multiple	4.25	23.72
Share price at period end, EUR	8.37	8.59

\*) For year 2007 a proposal of the Board of Directors.

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## Changes in tangible assets and goodwill

MEUR	1-12/2007	1-12/2006
<b>Changes in tangible assets</b>		
<b>Acquisition cost at the beginning of the period</b>	<b>545.1</b>	<b>339.4</b>
Translation difference	13.8	2.5
Additions	27.3	206.7
Disposal of subsidiary	-14.9	-
Disposals	-3.1	-3.5
<b>Acquisition cost at the end of the period</b>	<b>568.1</b>	<b>545.1</b>
<b>Accumulated depreciation at the beginning of the period</b>	<b>-300.0</b>	<b>-176.8</b>
Translation difference	-7.7	-1.4
Accumulated depreciation on additions	-2.0	-108.0
Accumulated depreciation on disposals	2.1	3.1
Depreciation on disposal of subsidiary	10.5	-
Depreciation during the period	-26.2	-16.8
<b>Accumulated depreciation at the end of the period</b>	<b>-323.2</b>	<b>-300.0</b>
<b>Book value at the end of the period</b>	<b>244.9</b>	<b>245.1</b>
<b>Goodwill</b>		
<b>Acquisition cost at the beginning of the period</b>	<b>33.2</b>	<b>2.8</b>
Additions	7.8	30.4
Translation difference	2.7	-
<b>Acquisition cost at the end of the period</b>	<b>43.7</b>	<b>33.2</b>
Accumulated depreciation at the beginning of the period	-2.3	-2.3
<b>Accumulated depreciation at the end of the period</b>	<b>-2.3</b>	<b>-2.3</b>
<b>Book value at the end of the period</b>	<b>41.4</b>	<b>30.9</b>

## Segments

### Primary reporting format

Foundries, MEUR	31.12.2007	31.12.2006
Assets	143.0	135.1
Liabilities	38.6	40.4
Investments in non-current assets (incl. finance leases)	4.4	4.3
Depreciation	12.6	11.2

Machine shops, MEUR	31.12.2007	31.12.2006
Assets	60.8	53.9
Liabilities	25.6	23.3
Investments in non-current assets (incl. finance leases)	3.5	5.4
Depreciation	3.5	3.4

Döktas, MEUR	31.12.2007	31.12.2006
Assets	210.7	192.4
Liabilities	34.6	33.1
Investments in non-current assets (incl. finance leases)	13.8	-
Depreciation	8.6	-

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## Secondary reporting format

Nordic countries, MEUR	31.12.2007	31.12.2006
Assets	254.3	235.2
Investments in non-current assets (incl. finance leases)	7.3	10.2

Other European countries, MEUR	31.12.2007	31.12.2006
Assets	243.0	249.0
Investments in non-current assets (incl. finance leases)	16.2	1.9

## Group development

### Net sales by market area

MEUR	1-12/2006	1-12/2007
Nordic countries	177.1	183.5
Other European countries	162.6	421.8
Other countries	22.5	29.4
<b>Total</b>	<b>362.1</b>	<b>634.7</b>

### Quarterly development by market area

MEUR	Q1/06	Q2/06	Q3/06	Q4/06	Q1/07	Q2/07	Q3/07	Q4/07
Nordic countries	45.6	47.3	35.4	48.8	53.7	46.5	38.5	44.9
Other European countries	42.1	42.2	37.1	41.2	106.7	106.6	96.7	111.8
Other countries	5.9	5.1	5.9	5.5	7.4	7.7	8.0	6.3
<b>Total</b>	<b>93.6</b>	<b>94.6</b>	<b>78.4</b>	<b>95.5</b>	<b>167.9</b>	<b>160.7</b>	<b>143.2</b>	<b>162.9</b>

## Group development

MEUR	1-12/2006	1-12/2007
Net sales	362.1	634.7
Operating profit	14.5	45.9
Net financial items	-9.9	-23.2
Result after financial items	4.6	22.7

## Group development by business division

Net sales, MEUR	1-12/2006	1-12/2007
Foundries	224.5	241.7
Machine shops	137.9	158.6
Döktas	-	232.5
Other business	89.1	151.0
Internal and one-time items	-89.4	-149.1
<b>Componenta total</b>	<b>362.1</b>	<b>634.7</b>

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Operating profit, MEUR	1-12/2006	1-12/2007
Foundries	6.6	16.7
Machine shops	5.8	5.0
Döktas	-	14.4
Other business	2.7	2.4
Internal and one-time items	-0.6	7.5
<b>Componenta total</b>	<b>14.5</b>	<b>45.9</b>

Order book, MEUR	12/2006	12/2007
Foundries and Machine shops	52.0	66.5
Döktas	34.7	46.1
Other business	8.8	16.4
<b>Componenta total</b>	<b>95.4</b>	<b>129.0</b>

## Group development by quarter

MEUR	Q1/06	Q2/06	Q3/06	Q4/06	Q1/07	Q2/07	Q3/07	Q4/07
Net sales	93.6	94.6	78.4	95.5	167.9	160.7	142.3	162.9
Operating profit	5.3	6.6	-1.2	3.8	26.2	11.3	3.9	4.6
Net financial items	-2.2	-2.5	-2.3	-3.0	-4.4	-6.2	-7.0	-5.7
Result after financial items	3.1	4.1	-3.4	0.9	21.8	5.1	-3.1	-1.1

## Quarterly development by business division

Net sales, MEUR	Q1/06	Q2/06	Q3/06	Q4/06	Q1/07	Q2/07	Q3/07	Q4/07
Foundries	57.5	61.2	49.1	56.8	63.1	62.0	52.4	64.2
Machine shops	35.4	35.1	30.7	36.7	41.2	40.6	35.2	41.7
Döktas	-	-	-	-	61.5	60.2	55.2	55.7
Other business	25.1	23.5	15.1	25.4	41.3	36.5	32.6	40.5
Internal and one-time items	-24.4	-25.2	-16.4	-23.4	-39.2	-38.6	-32.2	-39.1
<b>Componenta total</b>	<b>93.6</b>	<b>94.6</b>	<b>78.4</b>	<b>95.5</b>	<b>167.9</b>	<b>160.7</b>	<b>143.2</b>	<b>162.9</b>

Operating profit, MEUR	Q1/06	Q2/06	Q3/06	Q4/06	Q1/07	Q2/07	Q3/07	Q4/07
Foundries	2.9	4.2	-2.1	1.6	5.2	6.1	0.8	4.7
Machine shops	1.8	1.5	0.6	1.8	1.5	1.3	1.1	1.1
Döktas	-	-	-	-	5.2	4.7	2.2	2.3
Other business	0.6	0.9	0.4	0.8	1.5	0.3	0.7	0.0
Internal and one-time items	-0.1	-0.1	-0.1	-0.3	12.8	-1.0	-0.8	-3.5
<b>Componenta total</b>	<b>5.3</b>	<b>6.6</b>	<b>-1.2</b>	<b>3.8</b>	<b>26.2</b>	<b>11.3</b>	<b>3.9</b>	<b>4.6</b>

Order book at period end, MEUR	Q1/06	Q2/06	Q3/06	Q4/06	Q1/07	Q2/07	Q3/07	Q4/07
Foundries and Machine shops	52.6	48.9	50.0	52.0	51.4	53.6	62.7	66.5
Döktas	-	-	-	34.7	42.3	39.3	45.4	46.1
Other business	12.9	12.7	14.9	8.8	11.0	14.0	16.9	16.4
<b>Componenta total</b>	<b>65.5</b>	<b>61.6</b>	<b>64.9</b>	<b>95.4</b>	<b>104.7</b>	<b>106.9</b>	<b>125.0</b>	<b>129.0</b>

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## Group development excluding one-time items

MEUR	1-12/2006	1-12/2007
Net sales	362.1	634.7
Operating profit	14.9	38.2
Net financial items	-9.9	-23.2
Result after financial items	5.0	14.9

## Group development by business division excluding one-time items

Operating profit, MEUR	1-12/2006	1-12/2007
Foundries	6.6	16.7
Machine shops	5.8	5.0
Döktas	-	14.4
Other business	2.7	2.4
Internal items	-0.2	-0.3
<b>Componenta total</b>	<b>14.9</b>	<b>38.2</b>

## Group development by quarter excluding one-time items

MEUR	Q1/06	Q2/06	Q3/06	Q4/06	Q1/07	Q2/07	Q3/07	Q4/07
Net sales	93.6	94.6	78.4	95.5	167.9	160.7	143.2	162.9
Operating profit	5.3	6.6	-1.2	4.2	13.3	11.3	4.9	8.8
Net financial items	-2.2	-2.5	-2.3	-3.0	-4.4	-6.2	-7.0	-5.7
Result after financial items	3.1	4.1	-3.4	1.2	8.9	5.1	-2.1	3.1

## Quarterly development by business division excluding one-time items

Operating profit, MEUR	Q1/06	Q2/06	Q3/06	Q4/06	Q1/07	Q2/07	Q3/07	Q4/07
Foundries	2.9	4.2	-2.1	1.6	5.2	6.1	0.8	4.7
Machine shops	1.8	1.5	0.6	1.8	1.5	1.3	1.1	1.1
Döktas	-	-	-	-	5.2	4.7	2.2	2.3
Other business	0.6	0.9	0.4	0.8	1.5	0.3	0.7	0.0
Internal items	-0.1	-0.1	-0.1	0.1	-0.1	-1.0	0.1	0.7
<b>Componenta total</b>	<b>5.3</b>	<b>6.6</b>	<b>-1.2</b>	<b>4.2</b>	<b>13.3</b>	<b>11.3</b>	<b>4.9</b>	<b>8.8</b>

## Largest registered shareholders on 31 December 2007

<u>Shareholder</u>	<u>Shares</u>	<u>Share of total voting rights</u>
1 Lehtonen Heikki	4,058,674	37.09 %
Cabana Trade S.A.	3,801,988	
Oy Högfors-Trading Ab	256,686	
2 Etra-Invest Oy Ab	2,550,000	23.30 %
3 Inkinen Simo-Pekka	361,680	3.31 %
Inkinen Simo-Pekka	357,680	
Väli-Gunnarla Avoin Yhtiö	4,000	
4 OP-Finland Small Firm Fund	269,179	2.46 %
5 FIM Fenno Fund	207,478	1.90 %
6 Lehtonen Anna-Maria	178,823	1.63 %
7 Bergholm Heikki	165,000	1.51 %

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8 Laakkonen Mikko	160,000	1.46 %
9 Mandatum Finnish Small Cap Fund	97,500	0.89 %
10 Fondita Nordic Micro Cap Investment Fund	90,000	0.82 %
11 Lehtonen Yrjö M	85,040	0.78 %
12 Mutual Fund eQ Finland Small Cap	65,345	0.60 %
13 Ilmarinen Mutual Pension Insurance Company	57,600	0.53 %
14 Seppo Saario Oy	55,000	0.50 %
15 Mutual Fund eQ Finland	51,556	0.47 %
<u>Nominee-registered shares</u>	<u>302,345</u>	<u>2.76 %</u>
<u>Other shareholders</u>	<u>2,187,278</u>	<u>19.99 %</u>
<u>Total</u>	<u>10,942,498</u>	<u>100.00 %</u>

The members of the Board of Directors own 38.8% of the shares. All shares have equal voting rights. If all the convertible capital notes were converted to shares, the holding of shares by the members of the Board of Directors would decrease to 32.0%.

Helsinki, 30 January 2008

COMPONENTA CORPORATION  
Board of Directors

Heikki Lehtonen  
President and CEO

Further information:

Heikki Lehtonen  
President and CEO  
tel. +358 10 403 00

Mika Hassinen  
CFO  
tel. +358 10 403 00

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Componenta is a metal sector company with international operations and production plants located in Finland, the Netherlands, Sweden, and Turkey. The net sales of Componenta were EUR 635 million in 2007. The Group employs about 5,100 people. Componenta's shares are quoted on the OMX Nordic Exchange in Helsinki. Componenta specializes in supplying cast and machined components and total solutions made of them to its global customers who are manufacturers of vehicles, machines and equipment.

Componenta Corporation  
Panuntie 4  
FI-00610 Helsinki, Finland  
Tel. +358 10 403 00  
Fax +358 10 403 2721  
[www.componenta.com](http://www.componenta.com)