

**Componenta Corporation
Interim report**

1 January - 30 June 2004

Income statement

MEUR	2004 1 - 6	2003 1 - 6
Net sales	154.1	93.5
<i>Change in net sales %</i>	<i>+65</i>	<i>-4</i>
Operating profit of Cast and Other Components	5.8	5.0
Operating profit of De Globe	0.3	-
Operating profit of Other Business	0.7	-0.3
Operating profit (excluding one-time items)	6.8	4.7
Financial income and expenses	-3.4	-4.0
Result after financial items (excluding one-time items)	3.4	0.8
One-time items	+12.4	-0.3
Result after financial items	15.8	0.5
Net result	15.9	0.8

COMPONENTA

Income statement Q2

MEUR	2004 4 - 6	2003 4 - 6
Net sales	81.1	47.2
<i>Change in net sales %</i>	<i>+72</i>	<i>-3</i>
Operating profit of Cast and Other Components	4.0	2.9
Operating profit of De Globe	0.1	-
Operating profit of Other Business	0.8	0.2
Operating profit (excluding one-time items)	4.9	3.1
Financial income and expenses	-1.7	-1.9
Result after financial items (excluding one-time items)	3.2	1.3
One-time items	-0.1	-0.3
Result after financial items	3.1	1.0

COMPONENTA

Key Ratios

	30.6.2004	30.6.2003
Earnings per share (EPS), EUR	1.66	0.09
Equity ratio, % (preferred capital note in equity)	33.0	31.3
Return on equity, %	63.7	4.3
Equity per share, EUR	4.97	3.89
Invested capital, MEUR	194.2	175.3
Return on investment, %	24.3	5.6
Net interest bearing debt, MEUR (preferred capital note in equity)	105.1	109.7
Net gearing, % (preferred capital note in equity)	125.5	169.0
Order book, MEUR	52.6	26.5
Investments in non-current assets, MEUR	14.0	0.6
Average number of personnel	2,371	1,596

COMPONENTA

Cash flow

MEUR	1.1.-30.6.2004	1.1.-30.6.2003
Profit/loss before extraordinary items	15.8	0.5
Depreciation, amortization and write-down	2.2	6.1
Net financial income and expenses	3.4	4.0
Other income and expenses, adjustments to cash flow	-4.9	0.5
Change in net working capital	-7.0	4.5
Cash flow from operations before financing and income taxes	9.5	15.6
Net financial income and expenses	-4.3	-4.2
Cash flow from operations	5.1	11.4
Capital expenditure in tangible and intangible assets	-9.6	-0.6
Proceeds from tangible and intangible assets	0.0	0.0
Other investments and loans granted	-4.2	-0.4
Proceeds from other investments and repayments of loan receivables	15.7	0.0
Cash flow from investing activities	1.8	-1.0
Dividends paid	0.0	-1.0
Draw-down (+)/ repayment (-) of preferred capital note	-1.2	-3.2
Draw-down (+)/ repayment (-) of current loans	-7.7	5.1
Draw-down (+)/ repayment (-) of non-current loans	2.6	-13.7
Cash flow from financing activities	-6.3	-12.7
Increase (+)/ decrease(-) in cash and bank accounts	0.6	-2.3

Review period in brief

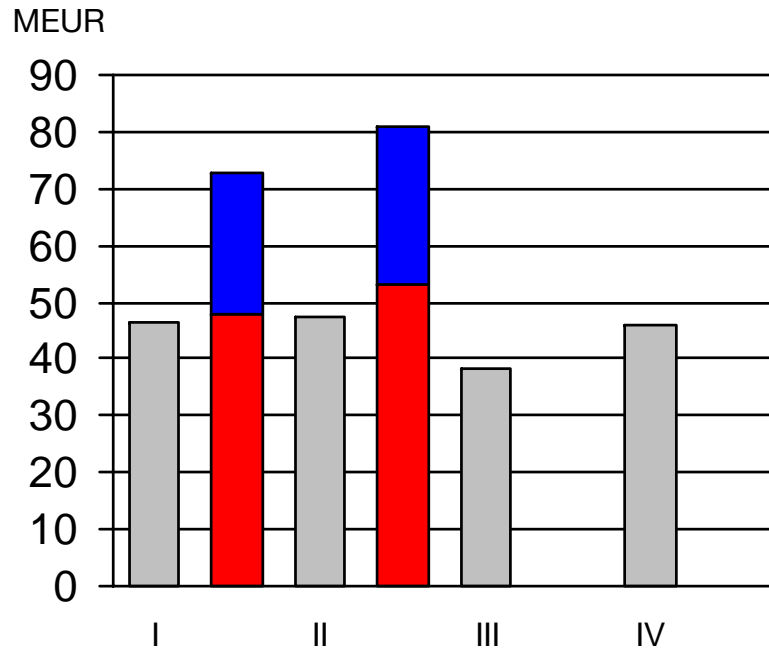
- Production at the Alvesta foundry ceased on 18 May 2004 and the buffer stocks have been manufactured as planned.
- Planning and implementing of the investments at the Karkkila foundry have proceeded on target. Production at the upgraded foundry will start up on 2 August 2004.
- Shares in associated company Thermia AB were sold to Procuritas Capital Investors III at a price of MEUR 16.0 and a profit of MEUR 8.4 was recorded on the sale.
- 55% of the shares and voting rights were acquired of the Dutch foundry company De Globe at a price of MEUR 3.6. Componenta also agreed on an option to acquire the remaining shares by the end of 2007.
- A project started to improve productivity at De Globe, which will close the foundry in Belfeld and transfer its production to Hoensbroek. The required construction work will be completed by December and the transfer of production will take place by the end of January 2005.
- The sales organizations of Componenta in the Nordic countries and De Globe in central Europe have been combined to form a strong joint European sales organization.

Markets and developments by customer sector

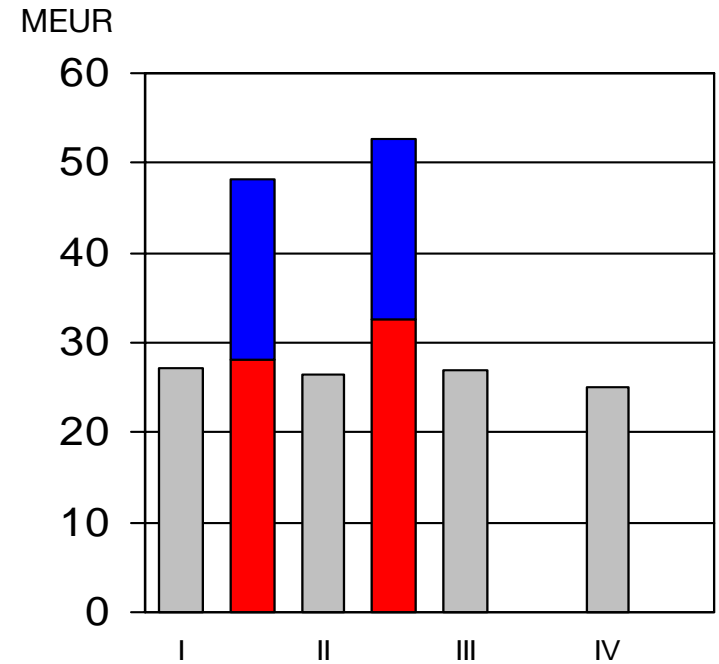
- Componenta's net sales rose to MEUR 154.1 as a result of the acquisition of De Globe.
- Net sales of Cast and Other Components rose 7%, of De Globe 26% and of other business 10%.
- Componenta's comparable deliveries to the heavy truck industry rose 15% from the previous year. Growth in the second quarter was 24%.
- Deliveries to the off-road industry increased 25%. Growth in the second quarter was 34%.
- Deliveries to the power and transmission industry rose 4%. Growth in the second quarter was 6%.
- Sales to machine building industry increased 5% from the previous year. Second quarter growth was 1%.

Net sales and order book

Net sales



Order book



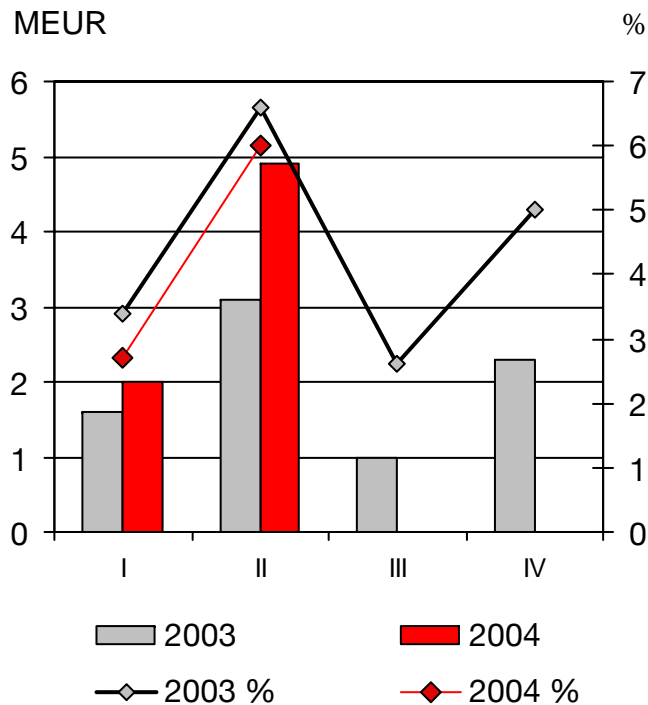
■ 2004 De Globe

■ 2004 Cast and Other Components and Other Business

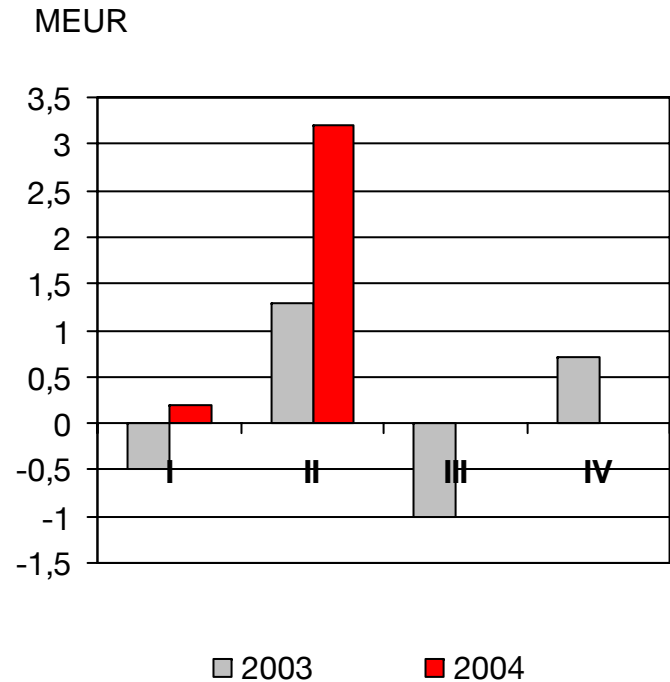
■ 2003 Cast and Other Components and Other Business

Operating profit and result after financial items (excluding one-time items)

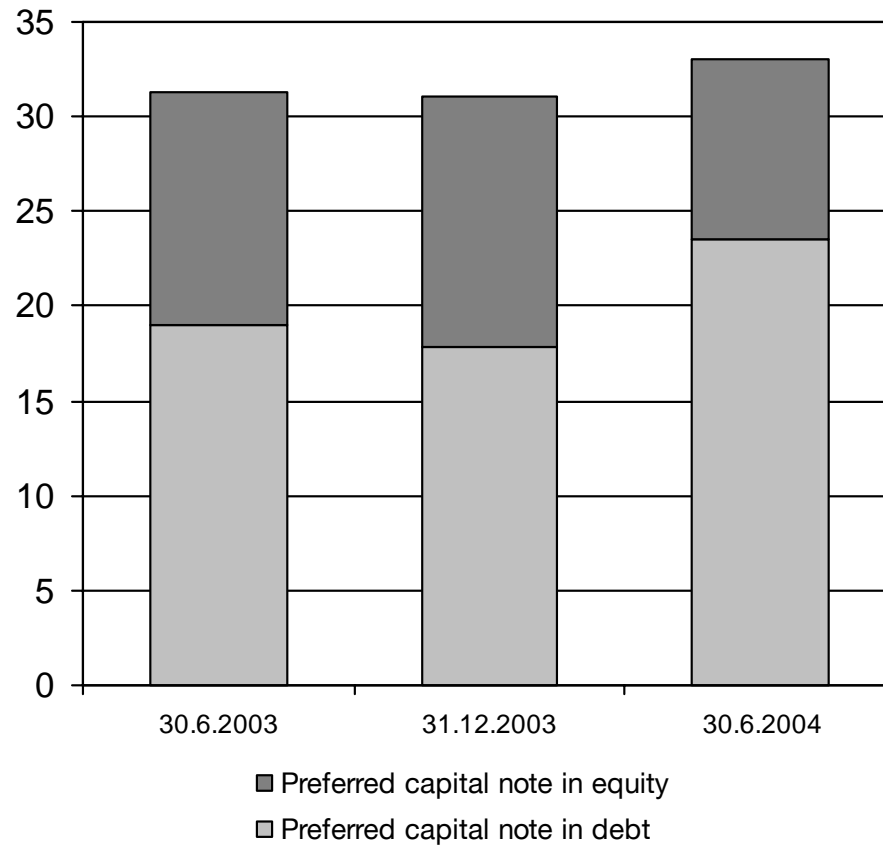
Operating profit



Profit/loss after financial items

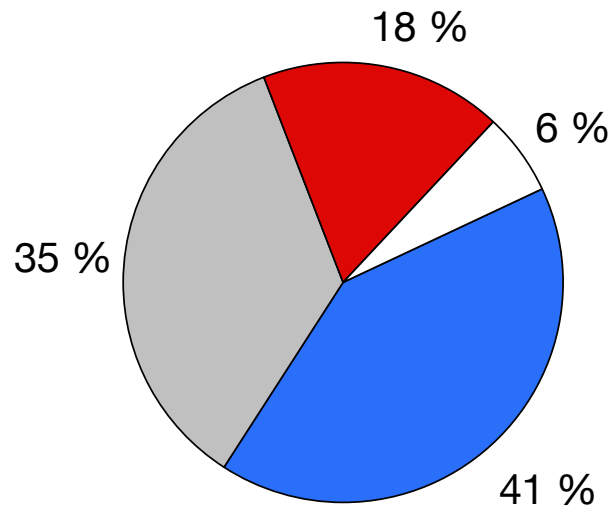


Equity ratio, %



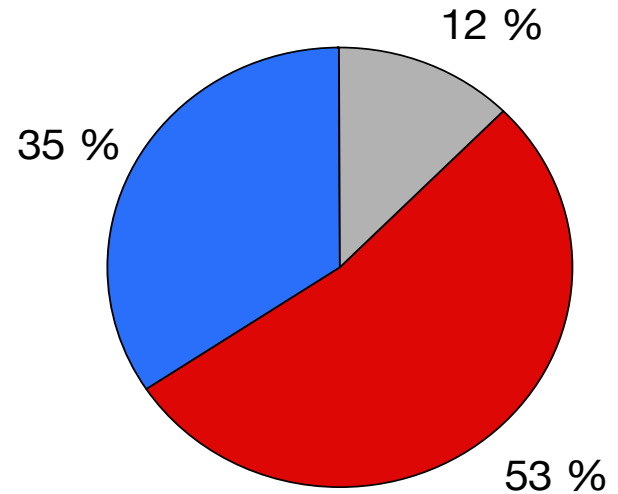
Division of sales

Sales by market area



- Central Europe
- Scandinavia
- Finland
- Other countries

Sales by business group



- Cast and Other Components
- De Globe
- Other Business

Sales to customer industries



Heavy trucks

Off-road

Power and transmission

Machine building

Others

46% (55%)

24% (13%)

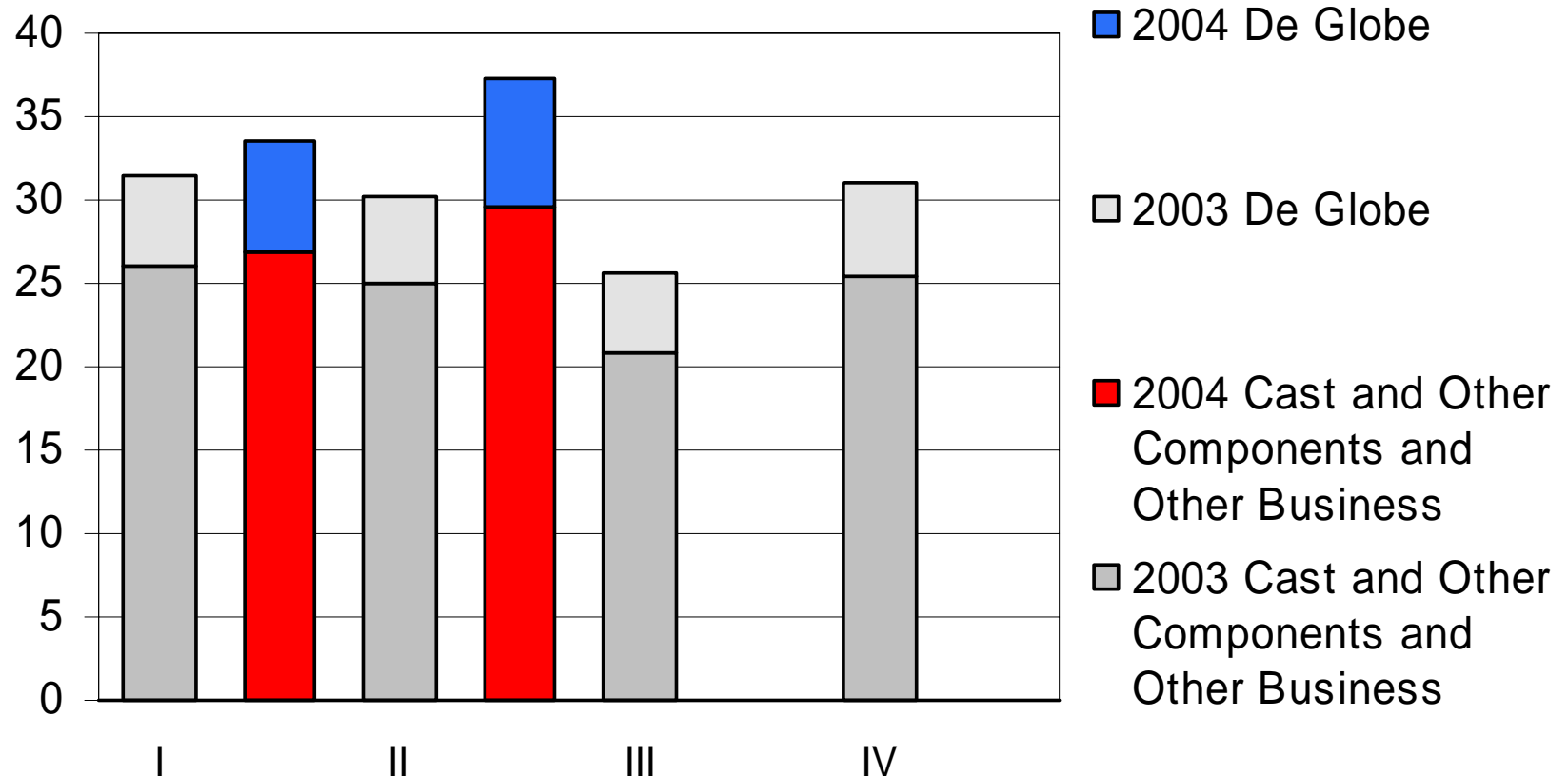
15% (14%)

12% (14%)

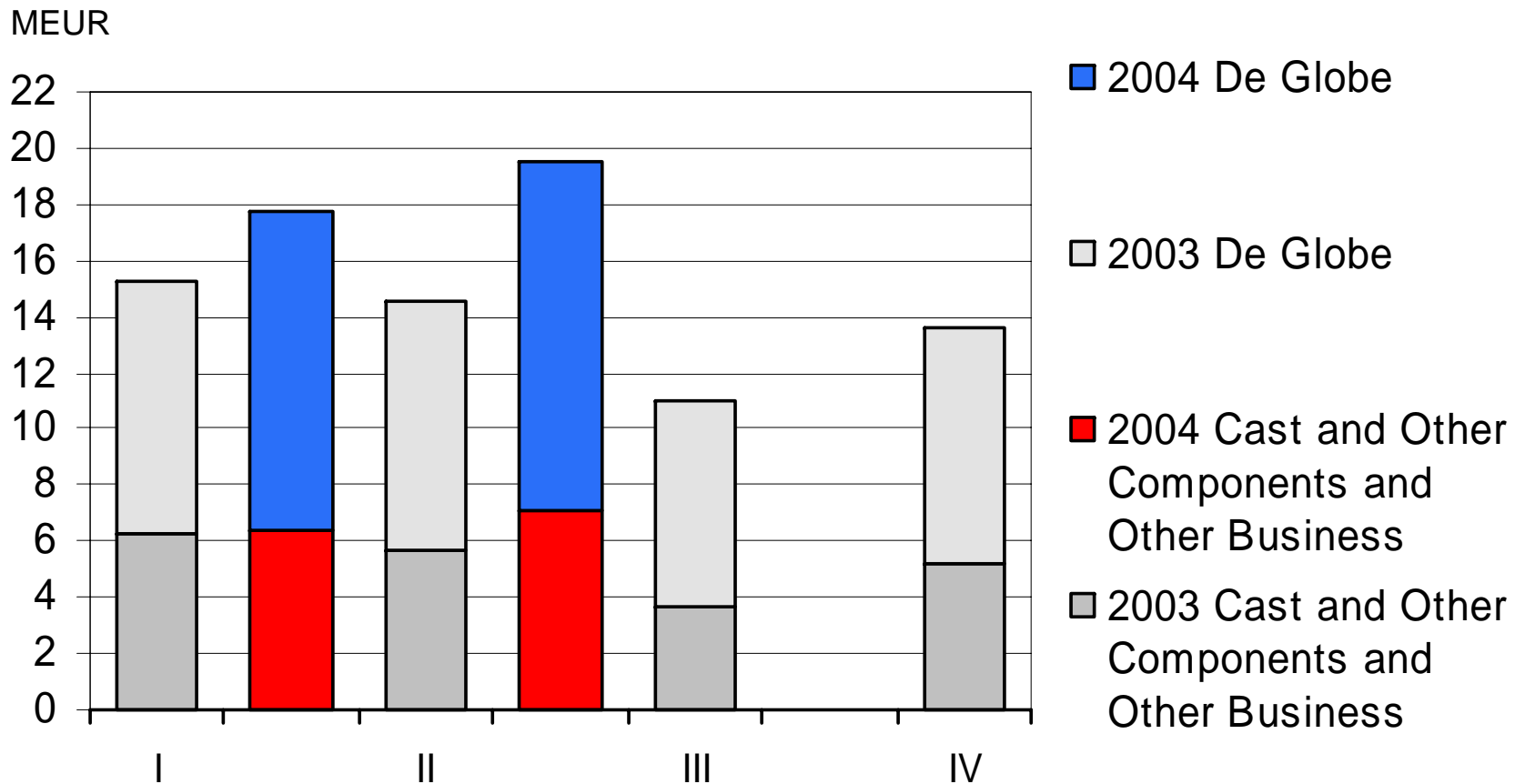
3% (4%)

Sales to heavy truck industry

MEUR

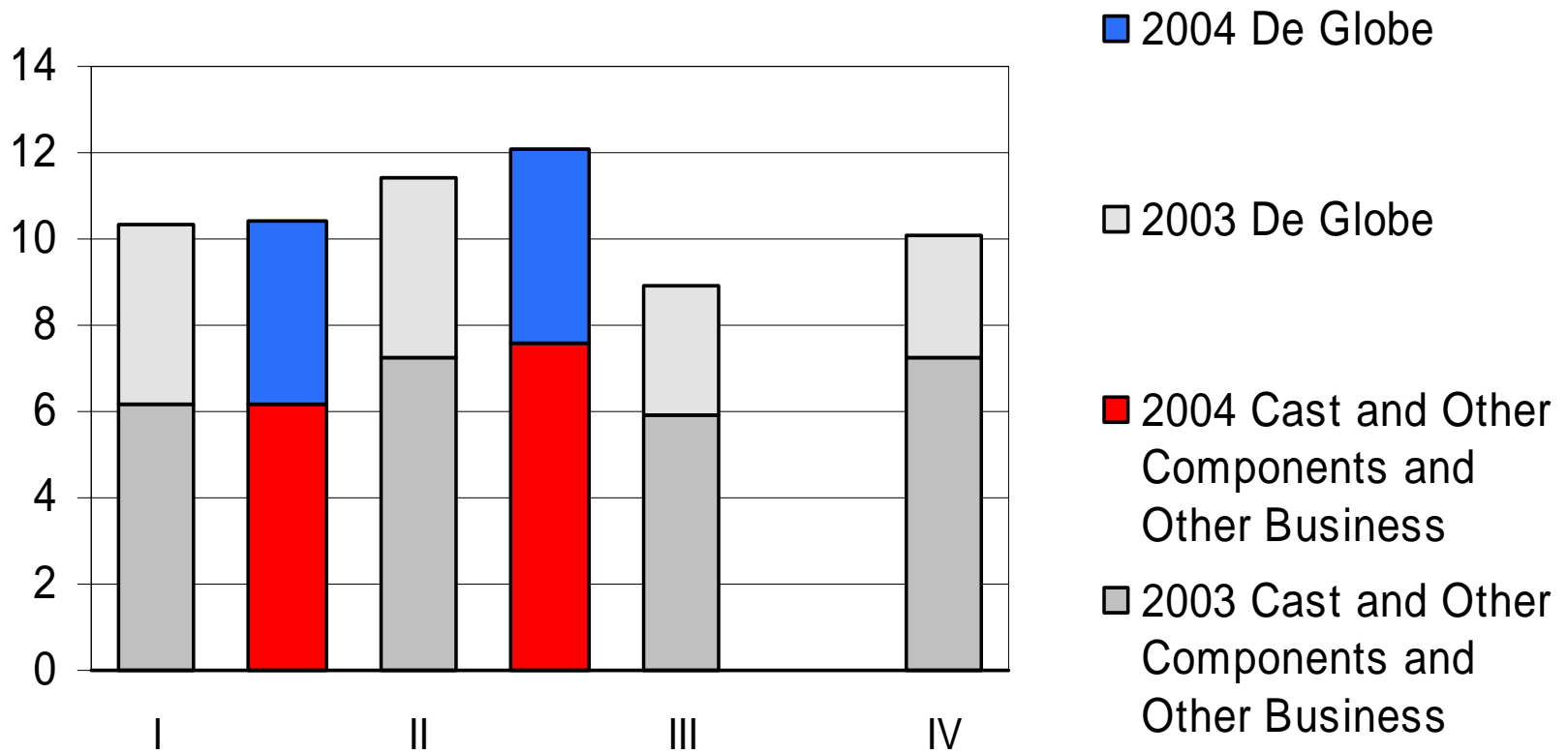


Sales to off-road industry



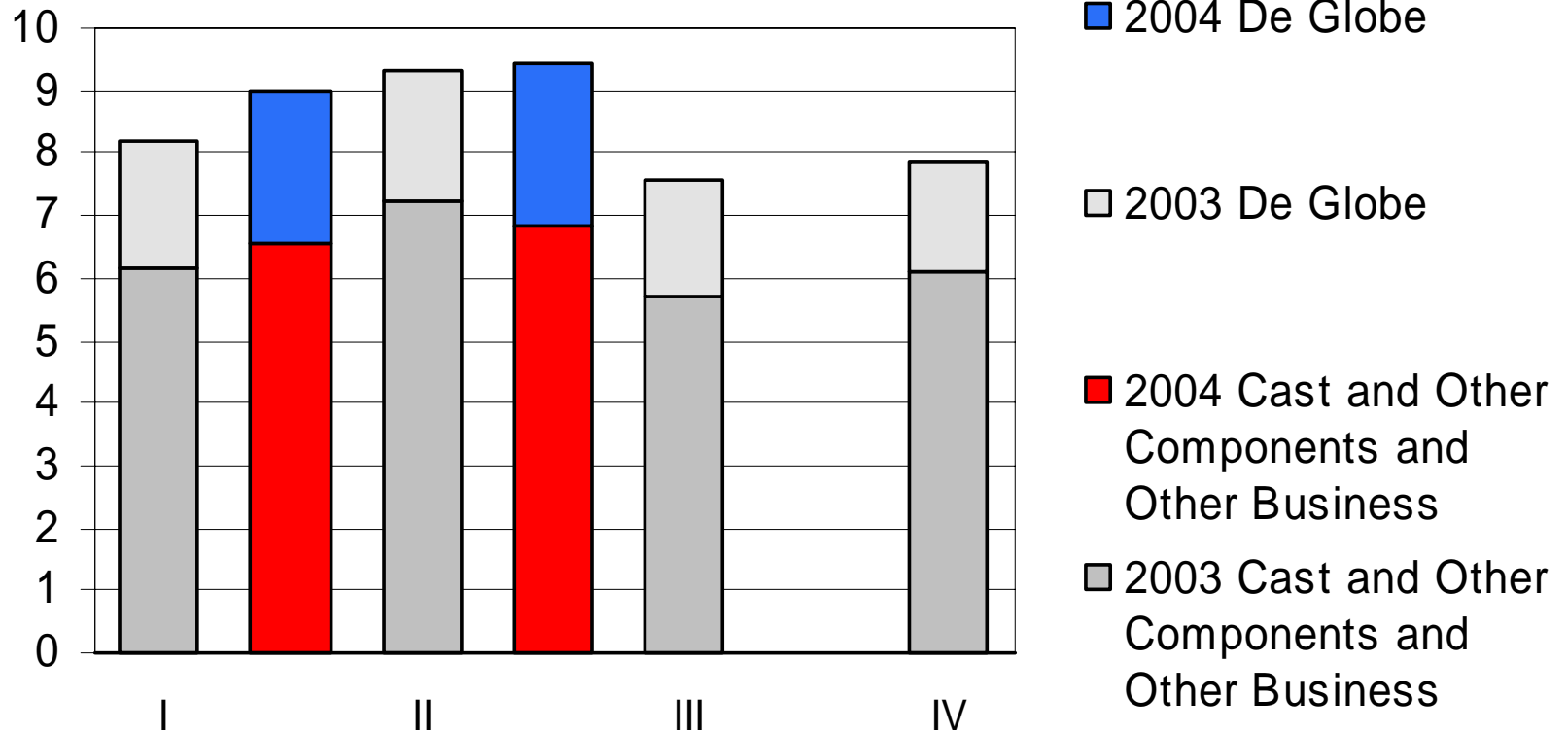
Sales to power and transmission industry

MEUR



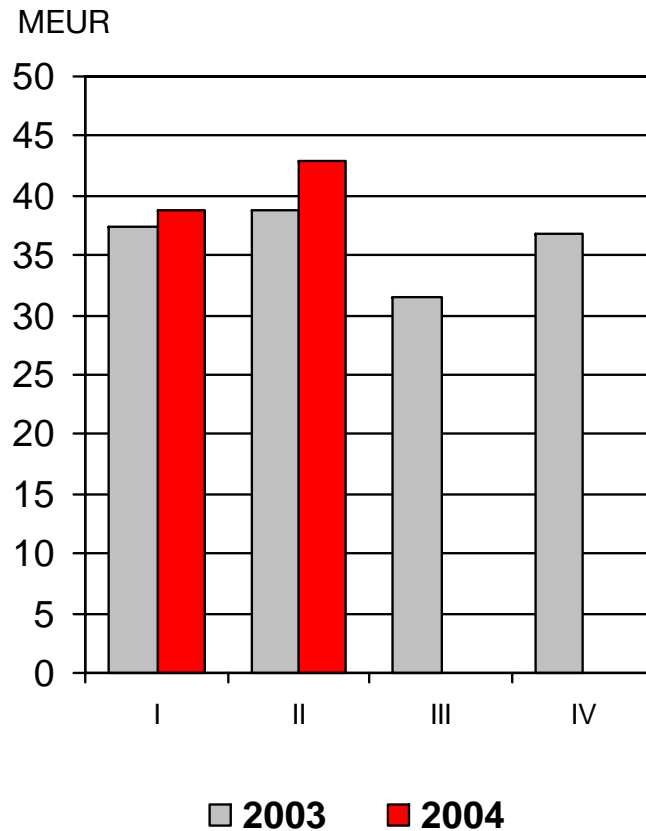
Sales to machine building industry

MEUR

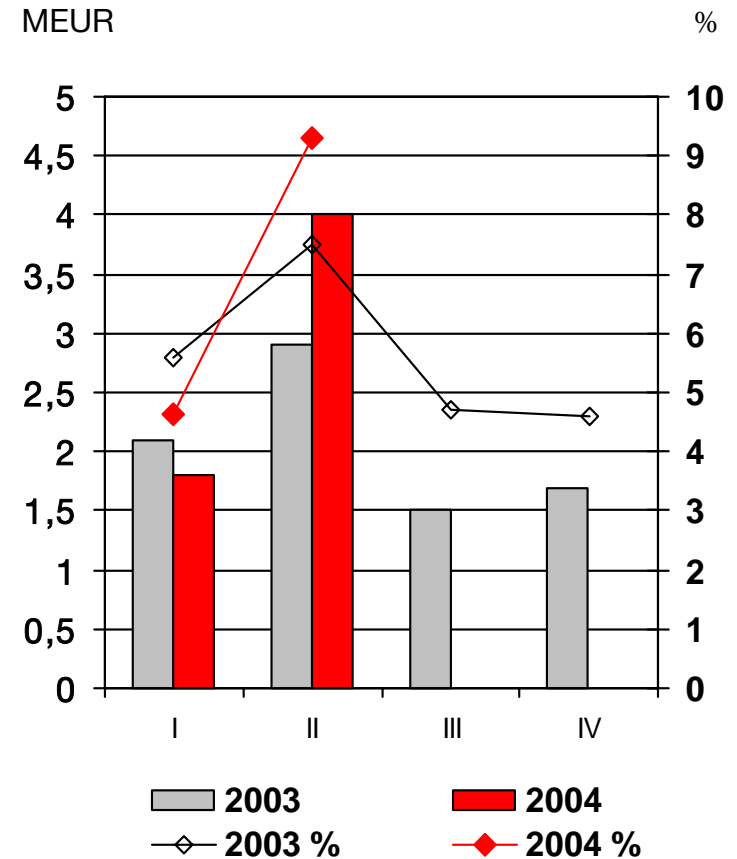


Cast and Other Components

Net sales



Operating profit

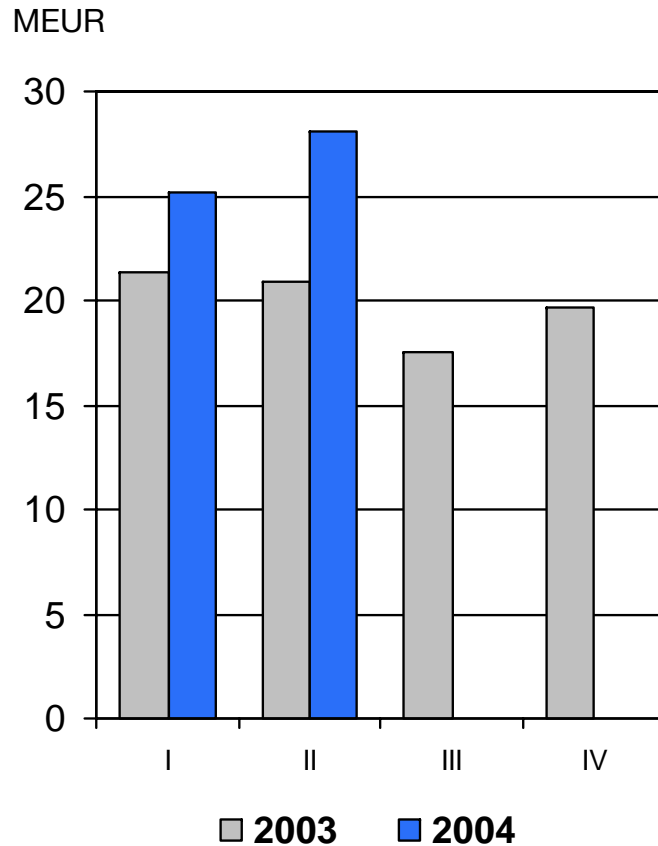


Performance of Cast and Other Components

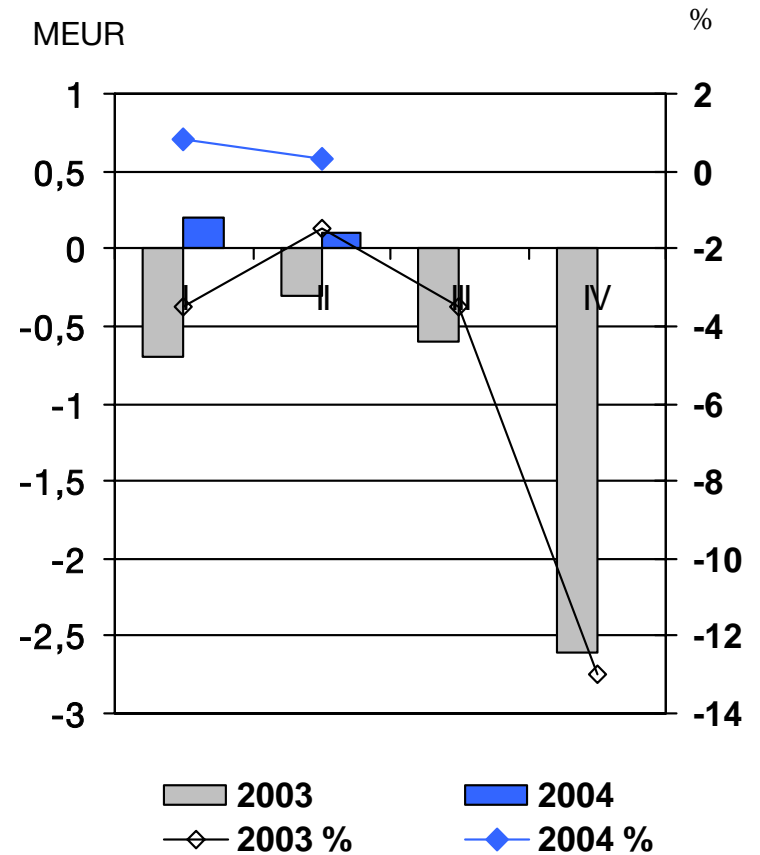
- Extremely high price of scrap weakened the business group's result in the first quarter.
- The impact on costs from the rise in the price of scrap was passed on to product prices as from the beginning of the second quarter. Scrap prices extremely volatile.
- Production at Alvesta ceased on 18 May 2004 and the buffer stocks required during the interruption in production have been produced on target.
- Planning and implementation of investments at Karkkila foundry have proceeded according to plan. Production will start up again on 2 August 2004.
- Merging the foundries is estimated to give annual cost savings of some MEUR 5 as from 2005.

De Globe

Net sales



Operating profit



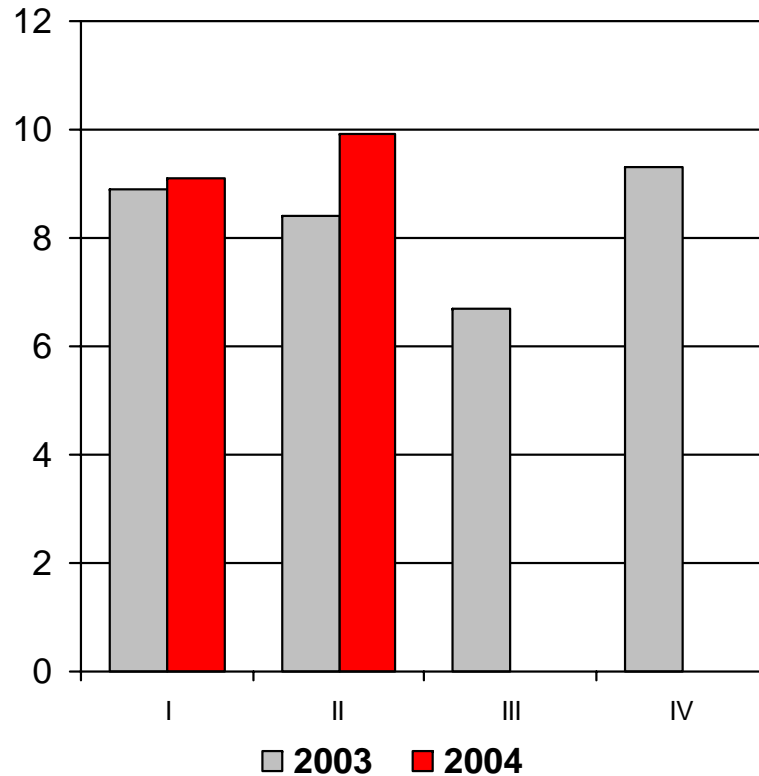
Performance of De Globe

- De Globe's financial performance suffered from the major increase in production and change to non-continuous three-shift production due to it.
- The transfer of production from Belfeld has proceeded according to plan.
- The investments to be made in connection with the transfer of production will cost about MEUR 9.
- Closing down and transferring operations will cost altogether EUR 3 million, for which provision has been made in the 2003 financial statements.
- Combining the foundries is estimated to bring cost savings of EUR 4 million a year as from 2005.

Other Business

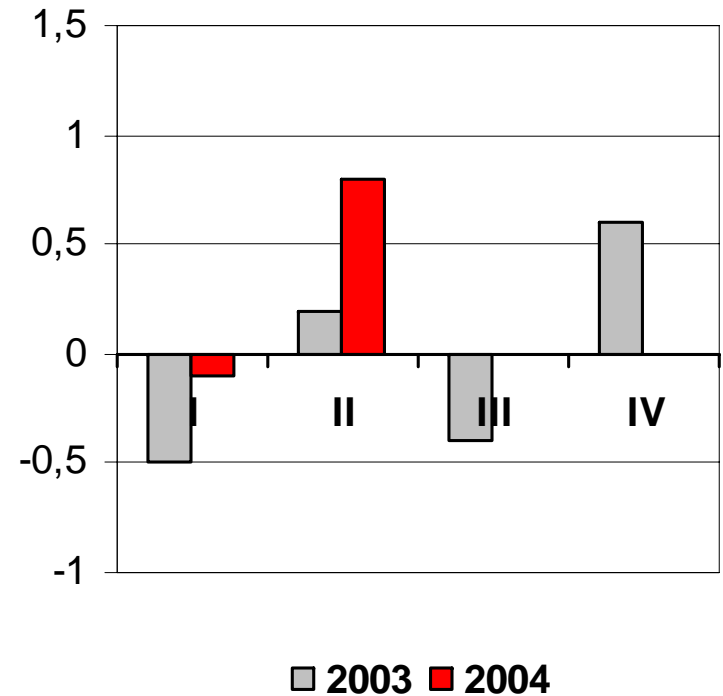
Net sales

MEUR



Operating profit (excluding one-time items)

Me



Other Business and Associated companies

- Net sales of the Wirsbo forges increased from the previous year and the operating result improved in consequence of the cost cutting programme.
- The cost cutting programme and action to enhance operations are expected to significantly improve the full year result for Wirsbo in 2004.
- Componenta Group's share of the result of the associated companies was MEUR 0.7 (0.1).
- The shares in Thermia AB were sold to Procuritas Capital Investors III.
- Keycast's result after financial items was on the same level as in the previous year.
- Ulefos's result after financial items recorded extremely positive development.

Prospects Q3/2004

- Componenta's prospects are based on general external financial indicators, order forecasts given by customers, and on Componenta's order intake and order book.
- The growth in demand for heavy truck components, which started towards the end of 2003, strengthened during Q2.
- Demand for components from the off-road industry is also growing strongly.
- Demand for components from the power and transmission industry and from machinery and equipment manufacturers is expected to continue to grow slightly.

Prospects Q3/2004

- The growth in the markets is still exposed to risks.
- Net sales of Cast and Other Components and De Globe in the third quarter of 2004 are expected to increase from the previous year.
- Componenta's result after financial items for the third quarter are forecast to be better than in the corresponding period of last year.