

## Financial Statements 1 January – 31 December 2005

- Net sales in 2005 totalled MEUR 343.2 (MEUR 316.0 in previous year); net sales of the Cast Components business group increased 5%, of De Globe 10% and of other operations 18%.
- Operating profit excluding one-time items was MEUR 6.6 (12.5) and the result after financial items, excluding one-time items, was MEUR -2.4 (4.6).
- Consolidated operating profit including one-time items totalled MEUR 9.9 (25.7) and the profit after financial items was MEUR 1.0 (17.9).
- Net sales in the fourth quarter totalled MEUR 82.3 (91.4) and the result after financial items, excluding one-time items, was MEUR -2.6 (1.5).
- The earnings per share were EUR 0.26 (1.62) and the Board of Directors proposes to the Annual General Meeting that no dividend be paid for 2005.

### Net sales and order book

The Group had net sales in the January – December review period of EUR 343.2 (316.0) million and an order book of EUR 60.4 (59.2) million at the end of December. The Cast Components business group had sales of EUR 175.2 (166.1) million, De Globe of EUR 120.5 (109.4) million and other operations of EUR 47.8 (40.4) million. At the end of the review period, Cast Components had an order book of EUR 28.3 (27.3) million, De Globe of EUR 25.8 (23.9) million and other operations of EUR 6.3 (8.0) million.

Production of heavy trucks in Europe started to decline during the fourth quarter of the year. Componenta's deliveries to the heavy truck industry in 2005 rose 6% from the previous year and fell 15% in the fourth quarter from the corresponding quarter in the previous year. Sales to off-road manufacturers grew 12%, deliveries to the power and transmission industries rose 12%, and sales to the machine building industry grew 13% during the year. Fourth quarter sales to off-road manufacturers declined 8%, deliveries to the power and transmission industries rose 1%, and sales to the machine building industry declined 3%.

Componenta's net sales by customer sector were as follows: heavy truck industry 46% (47%), off-road 24% (23%), machinery and equipment manufacturers 15% (15%), power and transmission 12% (12%), and others 3% (3%).

Componenta's net sales by market area were as follows: Nordic countries 51% (53%), other European countries 43% (42%) and other countries 6% (4%).

### Result

Componenta's financial statements have been prepared in accordance with international financial reporting standards (IFRS). Componenta Group made an operating profit, excluding one-time items, of EUR 6.6 (12.5) million and the result after financial items, excluding one-time items, was EUR -2.4 (4.6) million. The Cast Components business group had an operating profit of EUR 5.2 (12.4) million, De Globe an operating loss of EUR -0.7 (-1.7) million, and other operations recorded an operating profit, excluding one-time items, of EUR 2.1 (1.8) million.

The Group's net financial costs amounted to EUR -8.9 (-7.9) million.

The consolidated result after financial items, excluding one-time items, declined from the previous year mainly due to the costs and the breaks in production caused by running in the new foundry machinery and equipment installed at Karkkila and Heerlen. Running in the new equipment at the Karkkila and Heerlen foundries impaired the result in the review period by altogether about EUR 5.5 million. These two business units recorded a combined operating loss in 2005 of EUR -12.5 (-7.0) million. The price of steel scrap fluctuated greatly during the year.

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The Group's operating profit, including one-time items, was EUR 9.9 (25.7) million, the result after financial items was EUR 1.0 (17.9) million and the net result was EUR 2.5 (15.6) million. One-time items totalled EUR 3.3 (13.3) million, consisting mainly of profit of EUR 2.2 million from the sale of Keycast and Profiz shares, the recognition as income of EUR 4.6 million in negative goodwill in connection with the purchase of De Globe shares, EUR 1.1 million in closing down costs for the Alvesta foundry, and one-time costs of EUR 2.7 million for adjustments and restructuring at De Globe and Åmål.

Income taxes were EUR +1.2 million positive (EUR -3.6 million), due to the losses recorded by operations at the Karkkila and Heerlen units in the year. A total of EUR 13.7 million in tax receivables were recorded in the balance sheet for the losses, and it is estimated that these can be utilised in the Netherlands in three years and in Finland in five years.

Earnings per share were EUR 0.26 (1.62).

The return on investment, including one-time items, was 5.0% (14.2%) and return on equity 4.2% (28.1%).

On 20 October 2005 the European Commission announced that it had decided to order Componenta Corporation to return to the City of Karkkila alleged state aid that infringes the provisions on state aid in the EC treaty totalling EUR 2.4 million with interest from the date when the aid was made available to Corporation (EUR 2.6 million on 31 December 2005). The alleged aid to be recovered under the Commission's decision comprises EUR 0.7 million paid by the City of Karkkila to Componenta Corporation for shares in the real estate company Karkkilan Keskustakiinteistöt Oy and shareholder loan receivable of EUR 1.7 million paid by Karkkilan Keskustakiinteistöt Oy to Componenta Corporation. Componenta Corporation has appealed to the Court of First Instance of the European Communities against the decision of the European Commission in an application for annulment filed on 29 December 2005. The dispute is not included in the income statement but is presented under contingent liabilities in the notes to the financial statements.

## Financing

The Board of Directors of Componenta Corporation, under the authorization given by the Annual General Meeting of Shareholders, decided to issue convertible capital notes and on 4 March 2005 approved subscriptions for convertible capital notes with a nominal value of EUR 19.0 million. In March the Group repaid EUR 3.2 million, or 10%, of the principal of the old preferred capital notes in accordance with the terms for the notes. On 31 December 2005 Componenta Corporation had outstanding capital notes and convertible bonds with a combined value of EUR 37.7 million, as defined in IFRS.

The Group had EUR 60.0 million in non-utilised long-term credit facilities at the end of the review period. The Group has a EUR 60 million commercial paper programme. The Group's interest-bearing net debt, excluding the outstanding capital notes of EUR 37.7 million, totalled EUR 106.8 million (EUR 118.1 million). Net gearing, including the capital notes in shareholders' equity, was 124% (147%).

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 31 December 2005 the company had sold sales receivables totalling EUR 18.7 (16.5) million.

The cash flow from operations was EUR 18.6 (11.2) million, and of this the change in net working capital was EUR 8.7 (-1.2) million. The cash flow from investments was EUR -11.6 (-9.4) 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 18.1% (20.6%) and the equity ratio, including capital notes in shareholders' equity, was 32.1% (29.5%).

## Performance of business groups

### Cast Components

The Cast Components business group consists of Componenta's foundries and machine shops in the Nordic countries, which supply ready to install cast and machined components to the heavy truck, machine building, power and transmission, and off-road industries.

Cast Components had net sales in the review period of EUR 175.2 (166.1) million and an operating profit of EUR 5.2 (12.4) million. The order book on 31 December 2005 stood at EUR 28.3 (27.3) million. The business group's operating profit declined from the previous year mainly due to the costs and breaks in production caused by running in the new foundry machinery and equipment installed at Karkkila and commissioning the new painting line at the Främmsted machine shop. Technical problems on the production line at the Karkkila foundry and running in production weakened the business group's result by EUR 3.9 million compared to the previous year. In addition, the available capacity at the Karkkila foundry did not match demand early in the year and products had to be manufactured at the company's other foundries, with higher costs. During the year, the production organization at Karkkila was restructured and strengthened, a new melting furnace boosting production capacity was taken into operation in the second quarter, and automatic pouring machine was introduced in the third quarter. A fire at the Karkkila foundry at the beginning of September caused a break in production of several days, slowed down the running in of production, and weakened the result. The Karkkila foundry recorded an operating loss for the whole year of EUR -6.8 million. Commissioning the new equipment and machinery installed at the foundry and machine shop in Pietarsaari during the summer took place as planned and production on the new lines had been run in by the end of the third quarter.

Fourth quarter net sales for Cast Components totalled EUR 44.3 (47.1) million and the operating profit was EUR 1.1 (4.5) million. The operating profit was significantly down on the previous year as a result of the prolonged difficulties experienced at Karkkila.

### De Globe

De Globe comprises two iron foundries located in the Netherlands that supply complex cast components for the off-road and heavy truck industries and for compressors and pressure vessels. Two production lines function at the foundry in the town of Heerlen: Heerlen HWS and Heerlen Furan. De Globe's joint functions moved in February from Belfeld into rented premises in Weert, close to the Weert iron foundry. In March, De Globe switched to a profit unit organization, with a director appointed with responsibility for the operations and financial performance of each unit.

Under an agreement signed on 30 June 2005, Componenta acquired the remaining 45% of the shares and voting rights of the Dutch foundry company De Globe B.V.. The shares were sold by Industriebank LIOF, a Dutch capital investment fund, for a price of EUR 2.3 million. Following the purchase, Componenta owns 100% of De Globe's shares. Componenta recognized as income the EUR 4.6 million in negative goodwill arising from the transaction. Componenta acquired 55% of the shares of De Globe in March 2004, with an option to acquire the remaining shares by 2007.

De Globe had net sales in January – December of EUR 120.5 (109.4) million and an operating loss, excluding one-time items, of EUR -0.7 (-1.7) million. The order book on 31 December 2005 stood at EUR 25.8 (23.9) million. The growth in sales and correcting the prices of unprofitable products improved De Globe's result. Transferring the foundry from Belfeld alongside the foundry in Heerlen and running in the production line weakened the result for the year by EUR 1.6 million compared to the previous year. Breaks in production at the Heerlen foundry in July and at the beginning of September slowed down the running in of production and clearly weakened the result for the year. The furan production line transferred to Heerlen recorded an operating loss for the whole year of EUR -5.7 million. Fourth quarter net sales totalled EUR 27.3 (31.1) million and the operating loss excluding one-time items was EUR -1.3 (-1.5) million.

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## Other Business

Componenta's Other Business consists of the Wirsbo forges, associated companies, the Group's support functions and service units, and divested business.

On 30 March 2005, Componenta sold its 26% holding in IT company Profiz Business Solution Oyj to Skuutinliikki Oy for approximately EUR 0.4 million. The transaction had a slightly positive impact on Componenta's result for the first quarter of 2005.

In a transaction confirmed on 30 June 2005, Componenta sold its 43% holding of the shares of Keycast Oy to a new company established by OKO Venture Capital and Keycast's operative management. The price for the shares was EUR 6.5 million and Componenta recorded a sales profit of EUR 2.1 million on the transaction in the second quarter.

Other Business had net sales in January – December of EUR 47.8 (40.4) million and an operating profit, excluding one-time items, of EUR 2.1 (1.8) million. The order book at the end of the review period stood at EUR 6.3 (8.0) million. Fourth quarter net sales totalled EUR 10.8 (13.2) million and the operating loss excluding one-time items was EUR -0.1 million (profit of EUR 0.9 million).

Sales by the Wirsbo forges increased 19% from the previous year to EUR 46.6 million. The operating profit for the year improved in consequence of the growth in sales and the steps taken to enhance operations.

Componenta's share of the result of the associated companies was EUR 2.1 (1.9) million. Ulefos NV's net sales totalled EUR 35.6 (33.3) million and profit after financial items was EUR 3.9 (2.7) million.

## Shares and share capital

The shares of Componenta Corporation are quoted on the main list of the Helsinki Exchanges. At the end of the review period the company's share capital stood at EUR 19.3 million. The shares have a nominal value of 2 euros. On 31 December 2005 the quoted price of Componenta Corporation shares stood at EUR 5.95 (EUR 5.30). The average price during the year was EUR 7.11, the lowest quoted price was EUR 5.32 and the highest EUR 9.44. At the end of the review period the share capital had a market value of EUR 57.3 million (EUR 51.0 million) and the volume of shares traded during the review period was equivalent to 51% (24%) of the share stock.

Componenta Corporation and Nordea Bank Finland Plc have signed a market making agreement that meets the requirements for Liquidity Providing (LP) on the Helsinki Exchanges. The agreement, which came into force on 4 January 2005, aims to improve the liquidity of Componenta's shares and increase investor interest in the shares. Under the terms of the agreement, Nordea Bank Finland Plc will quote bids and offers for Componenta shares so that the spread of the bid and offer prices is a maximum of 2%, calculated on the bid price. The quoted prices cover a minimum of 2,000 shares, the equivalent of 10 trading lots.

The Annual General Meeting of Shareholders decided to pay a dividend of EUR 0.50 per share for 2004, in accordance with the proposal of the Board of Directors.

## Authorization to purchase and dispose of company shares

The Annual General Meeting of Shareholders on 7 February 2005 authorized the Board to decide on purchasing the company's own shares using distributable funds, however such that the combined number of shares belonging to the company and its subsidiaries or the voting rights they hold after the purchase may not exceed five per cent of the company's share capital or of the voting rights held by all the shares. The authorization had not been exercised by 31 December 2005.

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## Authorization to raise the share capital

The Annual General Meeting authorized the Board of Directors to decide on increasing the company's share capital through one or more issue of new shares, convertible bonds or option rights. The share capital of the company may be increased by a maximum of EUR 3 846 122 or by a lesser amount that corresponds to a maximum of one fifth of the registered share capital of the company and the voting rights attached to all the shares on the date when the Annual General Meeting gave the authorization and when the Board of Directors decided on the increase. The Board of Directors of Componenta Corporation decided on the basis of this authorization to issue convertible capital notes and on 4 March 2005 approved subscriptions for the Convertible Capital Notes 2005 with a nominal value of EUR 19 million. The exchange rate for the shares is EUR 10.00, so a maximum of 1,900,000 shares can be subscribed with the notes.

## Investments

Investments in production facilities during the review period totalled EUR 22.4 (32.2) million, and finance lease investments accounted for EUR 7.2 million of these. The cash flow from investments was EUR -11.6 (-9.4) million.

## Board of Directors and Management

Componenta's Annual General Meeting of Shareholders on 7 February 2005 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.

The corporate executive team of Componenta Group at the end of the review period is formed by President and CEO Heikki Lehtonen; Olli Karhunen, Director, Heavy Duty Components; Jari Leino, Director, Sales and Product Development; Anu Mankki, Director, Human Resources as from 1 December 2005; Marc Omes, Director, Sales and Product Development (as from 22 August 2005); Michael Sjöberg, Director, Machine Shops; Kimmo Suupohja, Director, Foundries as from 17 October 2005; CFO Kimmo Virtanen and Communications Manager Pirjo Aarniovuori.

## Personnel

During the review period the Group had on average 2214 (2168) employees. At the end of December 2005, 48% (45%) of the Group's personnel were in Finland, 25% (27%) in the Netherlands and 27% (28%) 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, reduce noise levels, and increase the sorting and recycling of waste. Componenta will publish its 2005 environmental report during spring 2006.

## Dividend proposal

The Board of Directors proposes to the Annual General Meeting of Shareholders that no dividend be paid for 2005.

## Annual General Meeting

The Annual General Meeting of Componenta Corporation will be held on 8 February 2006 at 2.00 pm.

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The Board proposes that the Annual General Meeting of Shareholders authorize the Board of Directors to decide to purchase the company's own shares using distributable funds, provided that after the purchase the aggregate number of the company shares belonging to the company, or the voting rights carried by these shares, does not exceed five (5) per cent of the company's share capital or of the voting rights carried by all the shares.

## Publication of Annual Report

Componenta Corporation will publish the printed and Internet versions of its 2005 annual report during week 5.

## Prospects

Componenta's prospects in 2006 are based on general external financial indicators, order forecasts given by customers, and on Componenta's order intake and order book.

Demand in the heavy truck industry took a downward turn towards the end of 2005. Demand for components for the off-road industry was also down in the final quarter from the corresponding period in the previous year. Demand for components from the power and transmission industry and from machinery and equipment manufacturers has remained at a healthy level throughout 2005.

Commissioning the new machinery and equipment during 2004 and 2005 has weakened Componenta's result, especially in 2005. The technical aspects of the investments at Karkkila in Finland, Heerlen in the Netherlands and Främmestad in Sweden were completed during 2005. Running in the new equipment operationally at Karkkila and Heerlen will continue during 2006. The goal is to reduce the operating losses of these units during 2006 and to achieve a positive operating profit at Karkkila and Heerlen in 2007.

Componenta's order book at the end of 2005 stood at the same level as in the corresponding period of last year. Net sales in the first quarter of 2006 are expected to grow 10% from the last quarter of 2005 and to be on the same level as in the corresponding period in the previous year. The result after financial items, excluding one-time items, in the first quarter of 2006 is estimated to improve from the last quarter of 2005.

## Income statement

MEUR	1.1.-31.12.2005	1.1.-31.12.2004
Net sales	343.2	316.0
Other operating income	3.5	10.0
Operating expenses	-327.0	-293.2
Depreciation, amortization and write-down	-16.5	-15.4
Negative goodwill recognized as income	4.6	6.6
Share of the associated companies' result	2.1	1.9
Operating profit	9.9	25.7
<i>% of net sales</i>	<i>2.9</i>	<i>8.1</i>
Financial income and expenses	-8.9	-7.9
Result after financial items	1.0	17.9
<i>% of net sales</i>	<i>0.3</i>	<i>5.7</i>
Income taxes	1.2	-3.6
Net profit	2.2	14.2
Allocation of net profit for the period		
To equity holders of the parent	2.5	15.6
To minority interest	-0.3	-1.4
	2.2	14.2

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Earnings per share, EUR	0.26	1.62
Earnings per share with dilution, EUR	0.26	1.62

## Income statement excluding one-time items

MEUR	1.1.-30.9.2005	1.1.-31.12.2004
Net sales	343.2	316.0
Other operating income	1.1	0.7
Operating expenses	-323.4	-290.8
Depreciation, amortization and write-down	-16.5	-15.2
Negative goodwill recognized as income	-	-
Share of the associated companies' result	2.1	1.9
Operating profit	6.6	12.5
<i>% of net sales</i>	<i>1.9</i>	<i>4.0</i>
Financial income and expenses	-8.9	-7.9
Result after financial items	-2.4	4.6
<i>% of net sales</i>	<i>-0.7</i>	<i>1.5</i>

## Balance sheet

MEUR	1.1.-31.12.2005	1.1.-31.12.2004
<b>Assets</b>		
Non-current assets		
Intangible assets, excl. consolidated goodwill	2.1	1.7
Consolidated goodwill	0.5	0.5
Investment properties	1.9	1.9
Tangible assets	162.5	157.8
Investment in associates	6.9	10.5
Receivables	1.0	2.0
Other investments	0.5	1.2
Defferred tax assets	9.0	7.3
Total non-current assets	184.6	183.0
Current assets		
Inventories	37.8	42.4
Receivables	41.5	45.9
Cash and bank accounts	5.3	1.2
Total current assets	84.6	89.5
<b>Total assets</b>	<b>269.1</b>	<b>272.4</b>
<b>Liabilities and shareholders' equity</b>		
Shareholders' equity		
Share capital	19.3	19.2
Other equity	27.8	29.3
Equity part of convertible capital notes	1.5	-
Equity attributable to equity holders of the parent	48.5	48.5
Minority interest	0.1	7.6
Shareholders' equity	48.6	56.1
Liabilities		
Non-current liabilities		
Capital loan (*)	34.9	21.1

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Interest bearing	57.8	68.3
Interest free	0.1	0.1
Provisions	0.7	0.9
Deferred tax liability	0.7	
<b>Current liabilities</b>		
Capital loan (*)	2.9	3.2
Interest bearing	54.3	51.1
Interest free	68.9	70.6
Provisions	0.4	1.1
<b>Total liabilities</b>	<b>220.5</b>	<b>216.3</b>
<b>Total liabilities and shareholders' equity</b>	<b>269.1</b>	<b>272.4</b>

\*) Reclassification according to IAS 39 and IAS 32 on 1 January 2005

## Cash flow statement 1.1. - 31.12.

MEUR	1.1.-31.12.2005	1.1.-31.12.2004
<b>Cash flow from operations</b>		
Result after financial items	1.0	17.9
Depreciation, amortization and write-down	11.9	9.0
Net financial income and expenses	8.9	8.5
Other income and expenses, adjustments to cash flow	-4.7	-15.1
Change in net working capital	8.7	-1.2
<b>Cash flow from operations before financing and income taxes</b>	<b>25.8</b>	<b>19.0</b>
Interest received and paid and dividends received	-7.2	-7.8
Taxes paid	0.0	0.0
<b>Net cash flow from operations</b>	<b>18.6</b>	<b>11.2</b>
<b>Cash flow from investing activities</b>		
Capital expenditure in tangible and intangible assets	-17.5	-27.3
Proceeds from tangible and intangible assets	0.2	3.3
Other investments and loans granted	-2.7	-4.7
Proceeds from other investments and repayments of loan receivables	8.4	19.3
<b>Net cash flow from investing activities</b>	<b>-11.6</b>	<b>-9.4</b>
<b>Cash flow from financing activities</b>		
Dividends paid	-4.8	0.0
Share issue	0.1	-
Draw-down (+)/ repayment (-) of the equity part of convertible capital notes	1.5	-
Repayment of finance lease liabilities	-1.8	-1.1
Draw-down (+)/ repayment (-) of current loans	1.3	-14.2
Draw-down (+)/ repayment (-) of non-current loans	1.0	14.2
<b>Net cash flow from financing activities</b>	<b>-2.8</b>	<b>-1.2</b>
<b>Change in liquid assets</b>	<b>4.1</b>	<b>0.7</b>



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## Statement of changes in shareholders' equity

MEUR	A	B	C	D	E	F	G	Total	H	Shareholders' equity total
Shareholders' equity 31.12.2004	19.2	11.5		24.2		0.0	17.8	72.8	7.6	80.3
IAS 39				-24.2			-0.7	-24.9		-24.9
Shareholders' equity 1.1.2005	19.2	11.5	0.0	0.0	0.0	0.0	17.1	47.8	7.6	55.4
Electricity forwards and interest rate derivatives			0.9				0.0	0.9		0.9
Other changes			0.0			0.1	0.4	0.5		0.5
Direct entries into equity			0.9	0.0	0.0	0.1	0.4	1.4		1.4
Profit/loss for the period							2.5	2.5	-0.3	2.2
Income and expenses for the period			0.0	0.0	0.0	0.0	2.5	2.5	-0.3	3.6
Dividends paid							-4.8	-4.8		-4.8
Increase of share capital, warrants	0.0	0.0					0.0	0.1		0.0
Change in minority interest									-7.2	-7.2
Equity share of convertible capital notes					1.5			1.5		1.5
Shareholders' equity 31.12.2005	19.3	11.6	0.9	0.0	1.5	0.1	15.3	48.5	0.1	48.6

- A Share capital
- B Share premium account
- C Hedging reserve
- D Capital notes
- E Equity share of convertible capital notes
- F Other items
- G Retained earnings
- H Minority interest

## Key Ratios

	31.12.2005	31.12.2004
Equity ratio, %	18.1	20.6
Equity ratio, %, preferred capital note in equity	32.1	29.5
Equity per share, EUR	5.04	5.05
Invested capital	198.4	199.7
Return on investment, %	5.0	14.2
Return on equity, %	4.2	28.1
Net interest bearing debt, MEUR, preferred capital note in debt	144.5	142.4
Net interest bearing debt, MEUR preferred capital note in equity	106.8	118.1
Net gearing, %, preferred capital note in debt	297.5	253.8
Net gearing, %, preferred capital note in equity	123.7	147.0
Order book, MEUR	60.4	59.2
Investments in non-current assets without finance leases, MEUR	17.9	35.1
Investments in non-current assets incl. finance leases, MEUR	25.1	37.0
Investments in non-current assets, % of net sales	7.3	11.7
Average number of personnel during the period	2,214	2,168
Number of personnel at period end	2,185	2,213
Share of export and foreign activities in net sales, %	81.9	81.4
Contingent liabilities, MEUR	100.2	103.6

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## Per Share Data

	31.12.2005	31.12.2004
Number of shares at period end, 1,000 shares	9,629	9,615
Earnings per share (EPS), EUR	0.26	1.62
Earnings per share, with dilution (EPS), EUR	0.26	1.62
Equity per share, EUR	5.04	5.05
Dividend per share, EUR (*)	0.00	0.50
Payout ratio, %	0.00	30.83
Effective dividend yield, %	0.00	9.43
P/E multiple	22.76	3.27
Share price at period end, €	5.95	5.30

\*) For year 2005 a proposal of the Board of Directors.

## Segments

Cast Components, MEUR	31.12.2005	31.12.2004
Assets	181.8	180.4
Liabilities	61.5	63.3
Investments in non-current assets incl. finance leases	20.1	35.1
Depreciation	14.3	13.6

Nordic countries, MEUR	31.12.2005	31.12.2004
Assets	194.7	199.3
Investments in non-current assets incl. finance leases	19.1	21.7

Other European countries, MEUR	31.12.2005	31.12.2004
Assets	74.4	73.1
Investments in non-current assets incl. finance leases	6.0	15.3

## Derivative instruments

MEUR	31.12.2005		31.12.2004	
	Nominal value	Current value	Nominal value	Current value
Currency derivatives				
Forward exchange agreements	37.7	0.0	33.0	0.1
Currency swaps	1.1	0.0	1.8	0.0
Interest rate derivatives				
Interest rate options	6.0	0.0	6.0	0.0
Forward rate agreement	13.0	0.0	-	-
Interest rate swaps	53.9	-0.1	32.9	-0.4
Commodity derivatives				
Electricity price forwards	4.0	1.2	5.7	-0.1

Derivative instruments are used to hedge the Group's foreign exchange and interest rate risks.

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## Group development

### Net sales by market area

MEUR	1.1.-31.12.2004	1.1.-31.12.2005
Nordic countries	167.9	175.9
Other European countries	133.8	146.8
Other countries	14.3	20.5
Total	316.0	343.2

### Quarterly development by market area

MEUR	Q1/2004	Q2/2004	Q3/2004	Q4/2004	Q1/2005	Q2/2005	Q3/2005	Q4/2005
Nordic countries	39.4	43.0	36.1	49.4	47.5	49.4	34.7	44.3
Other European countries	30.6	34.8	30.6	37.8	40.4	39.7	32.2	34.6
Other countries	2.9	3.3	3.7	4.3	5.3	6.3	5.5	3.5
Total	73.0	81.1	70.4	91.4	93.2	95.3	72.4	82.3

## Group development

MEUR	1.1.-31.12.2004	1.1.-31.12.2005
Net sales	316.0	343.2
Operating profit	25.7	9.9
Net financial items	-7.9	-8.9
Profit/loss after financial items	17.9	1.0

### Group development by business group

Net sales, MEUR	1.1.-31.12.2004	1.1.-31.12.2005
Componenta Cast Components	166.1	175.2
De Globe	109.4	120.5
Cast Components total	275.5	295.4
Other business	40.4	47.8
Componenta Group total	316.0	343.2

Operating profit, MEUR	1.1.-31.12.2004	1.1.-31.12.2005
Componenta Cast Components	12.4	5.2
De Globe	-1.1	-0.7
Cast Components total	11.3	4.5
Other business	14.4	5.4
Componenta Group total	25.7	9.9

Order book, MEUR	31.12.2004	31.12.2005
Componenta Cast Components	27.3	28.3
De Globe	23.9	25.8
Cast Components total	51.2	54.1
Other business	8.0	6.3
Componenta Group total	59.2	60.4

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## Group development by quarter

MEUR	Q1/2004	Q2/2004	Q3/2004	Q4/2004	Q1/2005	Q2/2005	Q3/2005	Q4/2005
Net sales	73.0	81.1	70.4	91.4	93.2	95.3	72.4	82.3
Operating profit	15.9	4.3	1.9	3.6	3.9	8.6	-1.9	-0.7
Net financial items	-1.8	-1.8	-1.9	-2.4	-2.1	-2.2	-2.3	-2.3
Profit/loss after financial items	14.1	2.6	0.0	1.3	1.8	6.4	-4.2	-3.0

## Quarterly development by business group

Net sales, MEUR	Q1/2004	Q2/2004	Q3/2004	Q4/2004	Q1/2005	Q2/2005	Q3/2005	Q4/2005
Componenta Cast Components	38.7	43.0	37.3	47.1	45.6	48.4	36.9	44.3
De Globe	25.2	28.1	25.0	31.1	33.2	33.4	26.6	27.3
Cast Components total	63.9	71.1	62.3	78.2	78.6	81.7	63.5	71.5
Other business	9.1	9.9	8.1	13.2	14.6	13.6	8.9	10.8
Componenta Group total	73.0	81.1	70.4	91.4	93.2	95.3	72.4	82.3

Operating profit, MEUR	Q1/2004	Q2/2004	Q3/2004	Q4/2004	Q1/2005	Q2/2005	Q3/2005	Q4/2005
Componenta Cast Components	2.0	4.2	1.7	4.5	1.6	3.0	-0.4	1.1
De Globe	0.1	0.1	-0.4	-0.9	0.7	1.0	-1.1	-1.3
Cast Components total	2.1	4.3	1.3	3.6	2.3	4.0	-1.5	-0.2
Other business	13.8	0.0	0.6	0.0	1.6	4.6	-0.4	-0.5
Componenta Group total	15.9	4.3	1.9	3.6	3.9	8.6	-1.9	-0.7

Order book at period end, MEUR	Q1/2004	Q2/2004	Q3/2004	Q4/2004	Q1/2005	Q2/2005	Q3/2005	Q4/2005
Componenta Cast Components	22.7	27.2	29.7	27.3	29.5	31.4	28.5	28.3
De Globe	19.9	20.0	22.3	23.9	25.7	23.6	20.7	25.8
Cast Components total	42.6	47.2	52.0	51.2	55.2	55.1	49.2	54.1
Other business	5.5	5.4	7.9	8.0	8.6	7.4	6.4	6.3
Componenta Group total	48.0	52.6	59.9	59.2	63.8	62.4	55.6	60.4

## Group development excluding one-time items

MEUR	1.1.-31.12.2004	1.1.-31.12.2005
Net sales	316.0	343.2
Operating profit	12.5	6.6
Net financial items	-7.9	-8.9
Profit/loss after financial items	4.6	-2.4

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

Operating profit, MEUR	1.1.-31.12.2004	1.1.-31.12.2005
Componenta Cast Components	12.4	5.2
De Globe	-1.7	-0.7
Cast Components total	10.7	4.5
Other business	1.8	2.1
Componenta Group total	12.5	6.6

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## Group development by quarter excluding one-time items

MEUR	Q1/2004	Q2/2004	Q3/2004	Q4/2004	Q1/2005	Q2/2005	Q3/2005	Q4/2005
Net sales	73.0	81.1	70.4	91.4	93.2	95.3	72.4	82.3
Operating profit	2.3	4.5	1.8	3.9	3.8	4.7	-1.6	-0.3
Net financial items	-1.8	-1.8	-1.9	-2.4	-2.1	-2.2	-2.3	-2.3
Profit/loss after financial items	0.5	2.7	-0.1	1.5	1.7	2.5	-4.0	-2.6

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

Componenta Cast	2.0	4.2	1.7	4.5	1.6	3.0	-0.4	1.1
Components								
De Globe	0.1	0.1	-0.4	-1.5	0.7	1.0	-1.1	-1.3
Cast Components total	2.1	4.3	1.3	3.0	2.3	4.0	-1.5	-0.2
Other business	0.2	0.2	0.5	0.9	1.5	0.7	-0.1	-0.1
Componenta Group total	2.3	4.5	1.8	3.9	3.8	4.7	-1.6	-0.3

## Largest registered shareholders on 31 December 2005

<u>Shareholder</u>	<u>Shares</u>	<u>Share of total voting rights</u>
1 Lehtonen Heikki	3,806,131	39.53%
Cabana Trade S.A.	3,676,731	
Oy Högfors-Trading Ab	115,900	
Heikki Lehtonen	13,500	
2 Etra-Invest Oy	1,500,000	15.58%
3 Inkinen Simo-Pekka	462,844	4.81%
4 Investment Fund OP-Arvo Osake	308,800	3.21%
5 Nordea Life Assurance Finland Ltd.	262,825	2.73%
6 Veritas Pension Insurance Company Ltd.	261,400	2.71%
7 Ilmarinen Mutual Pension Insurance Company	257,600	2.68%
8 Lehtonen Anna-Maria	178,823	1.86%
9 Lehtonen Yrjö M	111,040	1.15%
10 Bergholm Heikki	101,000	1.05%
Nominee-registered shares	234,126	2.43%
<u>Other shareholders</u>	<u>2,144,120</u>	<u>22.27%</u>
<u>Total</u>	<u>9,628,709</u>	<u>100.00%</u>

The members of the Board of Directors own 40.6% of the shares. All shares have equal voting rights. The members of the Board of Directors hold 10.8% of the outstanding warrants. If all the warrants were converted to shares, the holding of shares by the members of the Board of Directors would decrease to 39.3%.

Helsinki, 20 January 2006

COMPONENTA CORPORATION  
Board of Directors

Heikki Lehtonen  
President and CEO

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Further information:

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

Kimmo Virtanen  
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 and Sweden. The total net sales of Componenta exceeded EUR 343 million in 2005 and the group employed about 2,200 people. Componenta's shares are quoted on the Main List of the Helsinki Exchanges. The group's customers operate in the heavy truck, off-road, machine building and power and transmission industries. Componenta specializes in supplying ready-to-install cast, geared and machined components directly to the customer's assembly line.

Componenta Corporation  
Nuijamiestentie 3 C  
FI-00400 Helsinki , Finland  
Tel. +358 10 403 00  
Fax +358 10 403 2721  
<http://www.componenta.com>