

**Componenta Corporation
Financial Statements**

1 January - 31 December 2004

Income statement

MEUR	2004 1 - 12	2003 1 - 12
Net sales	316.1	177.8
<i>Change in net sales %</i>	+78	-2
Operating profit of Cast and Other Components	11.6	8.2
Operating profit of De Globe	-1.7	-
Operating profit of Other Business	1.5	-0.1
Operating profit (excluding one-time items)	11.4	8.1
Financial income and expenses	-7.6	-7.6
Result after financial items (excluding one-time items)	3.9	0.5
One-time items	+11.7	-8.0
Result after financial items	15.6	-7.5
Net result	20.6	-4.5

Income statement Q4

MEUR	2004 10 - 12	2003 10 - 12
Net sales	91.5	46.1
<i>Change in net sales %</i>	<i>+98</i>	<i>+4</i>
Operating profit of Cast and Other Components	4.2	1.7
Operating profit of De Globe	-1.5	-
Operating profit of Other Business	0.4	0.6
Operating profit (excluding one-time items)	3.2	2.3
Financial income and expenses	-2.3	-1.6
Result after financial items (excluding one-time items)	0.9	0.7
One-time items	-0.2	-7.6
Result after financial items	0.6	-6.9

COMPONENTA

Key Ratios

	31.12.2004	31.12.2003
Earnings per share (EPS), EUR	2.14	-0.47
Equity ratio, % (preferred capital note in equity)	32.1	31.1
Return on equity, %	35.5	-11.8
Equity per share, EUR	5.45	3.31
Invested capital, MEUR	200.8	159.3
Return on investment, %	13.1	0.8
Net interest bearing debt, MEUR (preferred capital note in equity)	111.9	99.4
Net gearing, % (preferred capital note in equity)	127.5	168.0
Order book, MEUR	59.2	25.1
Investments in non-current assets, MEUR	35.1	1.6
Average number of personnel	2,168	1,595

COMPONENTA

Cash flow

MEUR	1.-31.12.2004	1.-31.12.2003
Profit/loss before extraordinary items	15.6	-7.5
Depreciation, amortization and write-down	9.8	16.0
Net financial income and expenses	7.6	7.7
Other income and expenses, adjustments to cash flow	-17.0	2.9
Change in net working capital	1.7	9.9
Cash flow from operations before financing and income taxes	17.6	29.0
Net financial income and expenses	-7.5	-7.0
Cash flow from operations	10.1	22.0
Capital expenditure in tangible and intangible assets	-27.3	-1.6
Proceeds from tangible and intangible assets	3.3	1.2
Other investments and loans granted	-4.7	-0.7
Proceeds from other investments and repayments of loan receivables	19.3	0.8
Cash flow from investing activities	-9.4	-0.3
Dividends paid	0.0	-1.0
Draw-down (+)/ repayment (-) of preferred capital note	-1.2	-3.2
Draw-down (+)/ repayment (-) of current loans	-13.1	8.2
Draw-down (+)/ repayment (-) of non-current loans	14.2	-28.1
Cash flow from financing activities	0.0	-24.1
Increase (+)/ decrease(-) in cash and bank accounts	0.7	-2.4

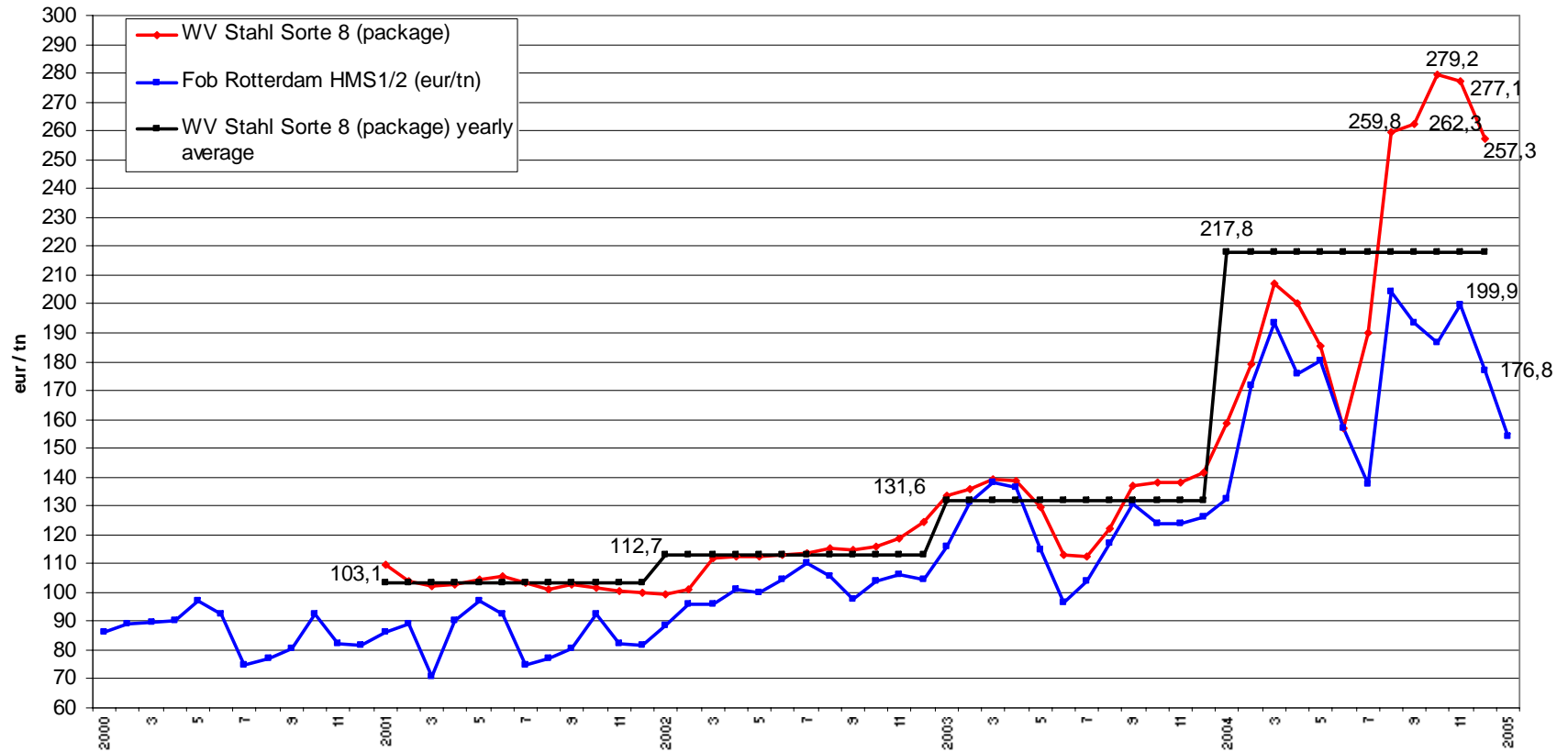
Review period in brief

- In January 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.
- In March 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.
- In April a project started to improve productivity at De Globe, leading to the closure of the foundry in Belfeld in December 2004 and the transfer of its production to Hoensbroek by the end of January 2005.
- In April the sales organizations of Componenta in the Nordic countries and De Globe in central Europe were combined to form a strong joint European sales organization.
- In May production ceased at the Alvesta foundry.
- In August production started up at the upgraded foundry in Karkkila, which is expected to improve the result in 2005 by MEUR 5.0.
- In September Componenta signed a five year MEUR 90 syndicated credit facility to replace the Group's previous six credit facilities.
- In December the industrial premises in Belfeld were sold at a price of MEUR 3.4.

Price of scrap

- The price of scrap rose exceptionally sharply at the start of the year and the price of the steel scrap grades used by foundries was 95% higher at the end of the review year than the average price in 2003.
- The impact on costs of the rise in scrap prices was passed on to product prices at the start of the second quarter. Product prices were revised again in the final quarter to compensate for the rise in the price of scrap.
- The rise in the price of scrap weakened the result for the year by MEUR 2.0.
- Scrap prices were extremely volatile throughout the year.

**Wvstahl Sorte 8 pakettromu / package scrap (eur / tn)
(Lähde / Source: Wvstahl)**



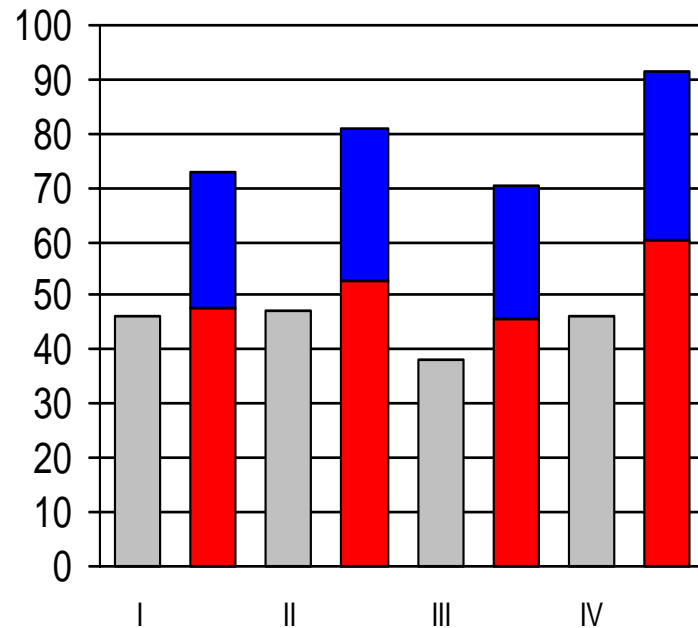
Markets and developments by customer sector

- Componenta's net sales rose 78% to MEUR 316.1 as the result of organic growth in sales and the acquisition of De Globe.
- Net sales of the Cast and Other Components business group increased 15%, of De Globe 37% and of Other Business 22%.
- Componenta's deliveries to the heavy truck industry rose 25% from the previous year. Growth in the fourth quarter was 45%.
- Deliveries to off-road manufacturers rose 36%. Growth in the fourth quarter was 44%.
- Sales to the machine building industry grew by 14%. Growth in the fourth quarter was 46%.
- Deliveries to the power and transmission industries increased 15%. Growth in the fourth quarter was 23%.

Net sales and order book

Net sales

MEUR



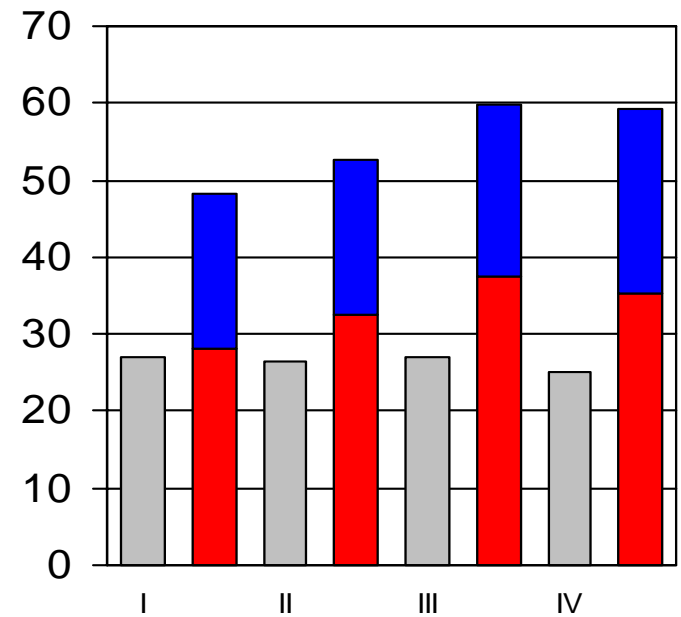
■ 2004 De Globe

■ 2004 Cast and Other Components and Other Business

■ 2003 Cast and Other Components and Other Business

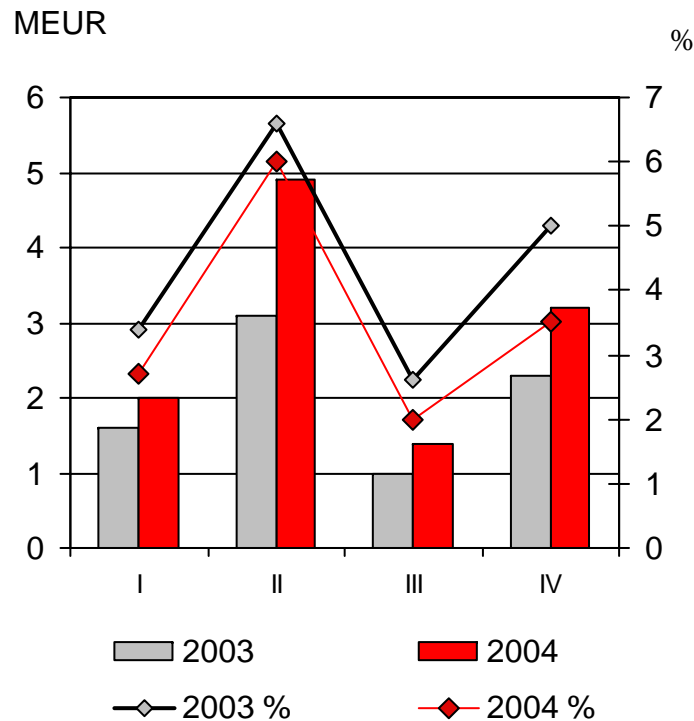
Order book

MEUR

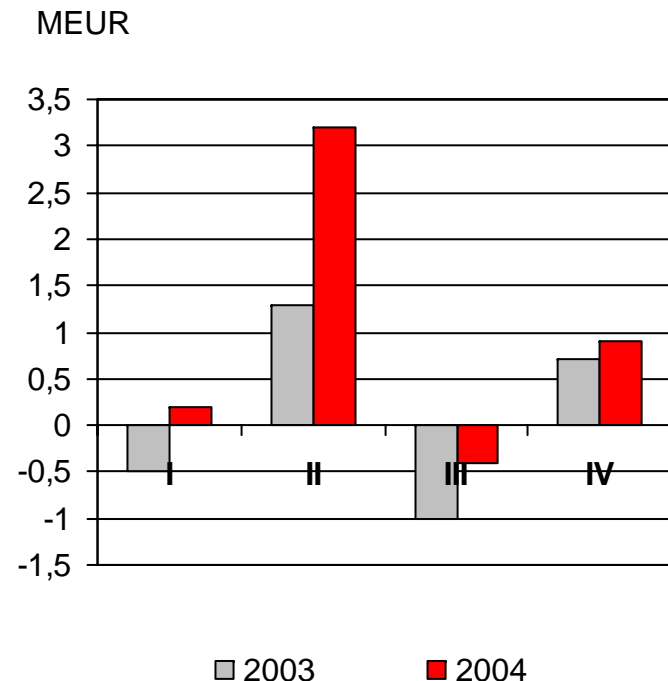


Operating profit and result after financial items (excluding one-time items)

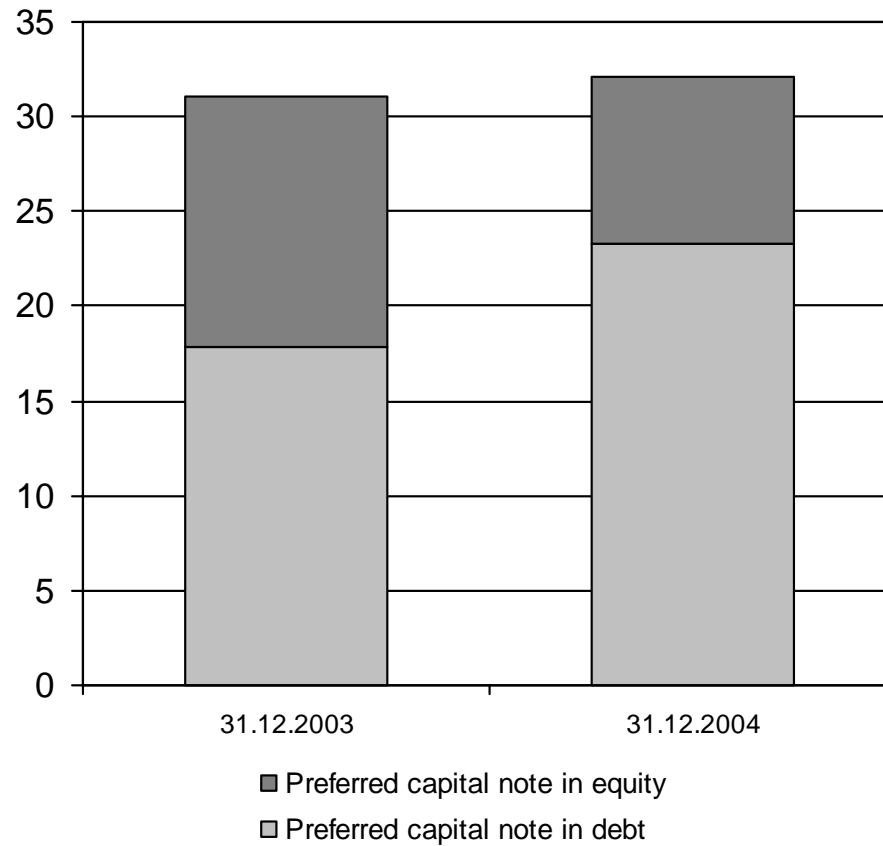
Operating profit



Profit/loss after financial items

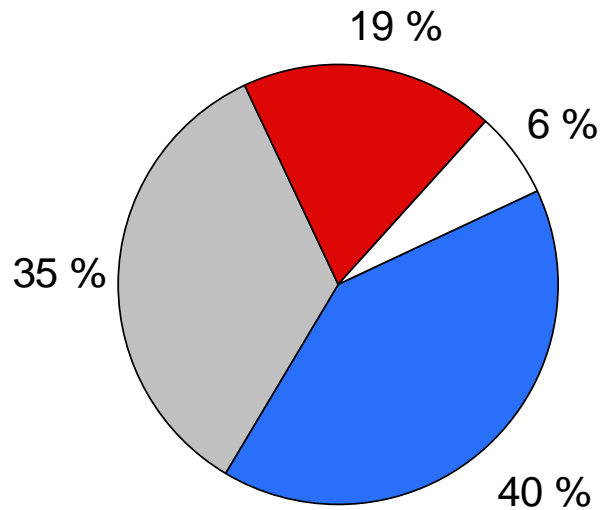


Equity ratio, %



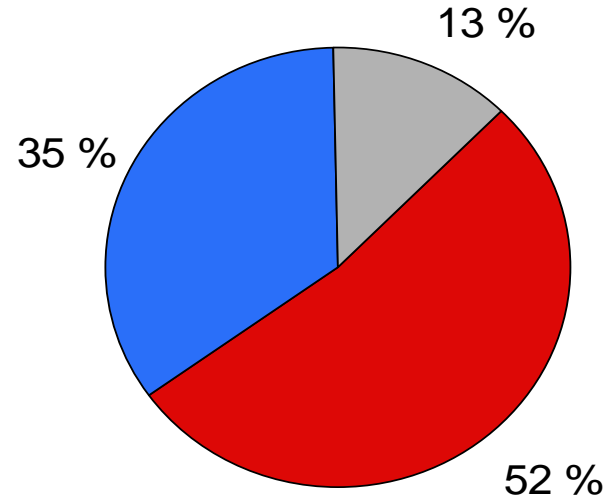
Division of sales

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

47% (55%)



Off-road

24% (12%)



Machine building

15% (14%)



Power and transmission

12% (15%)

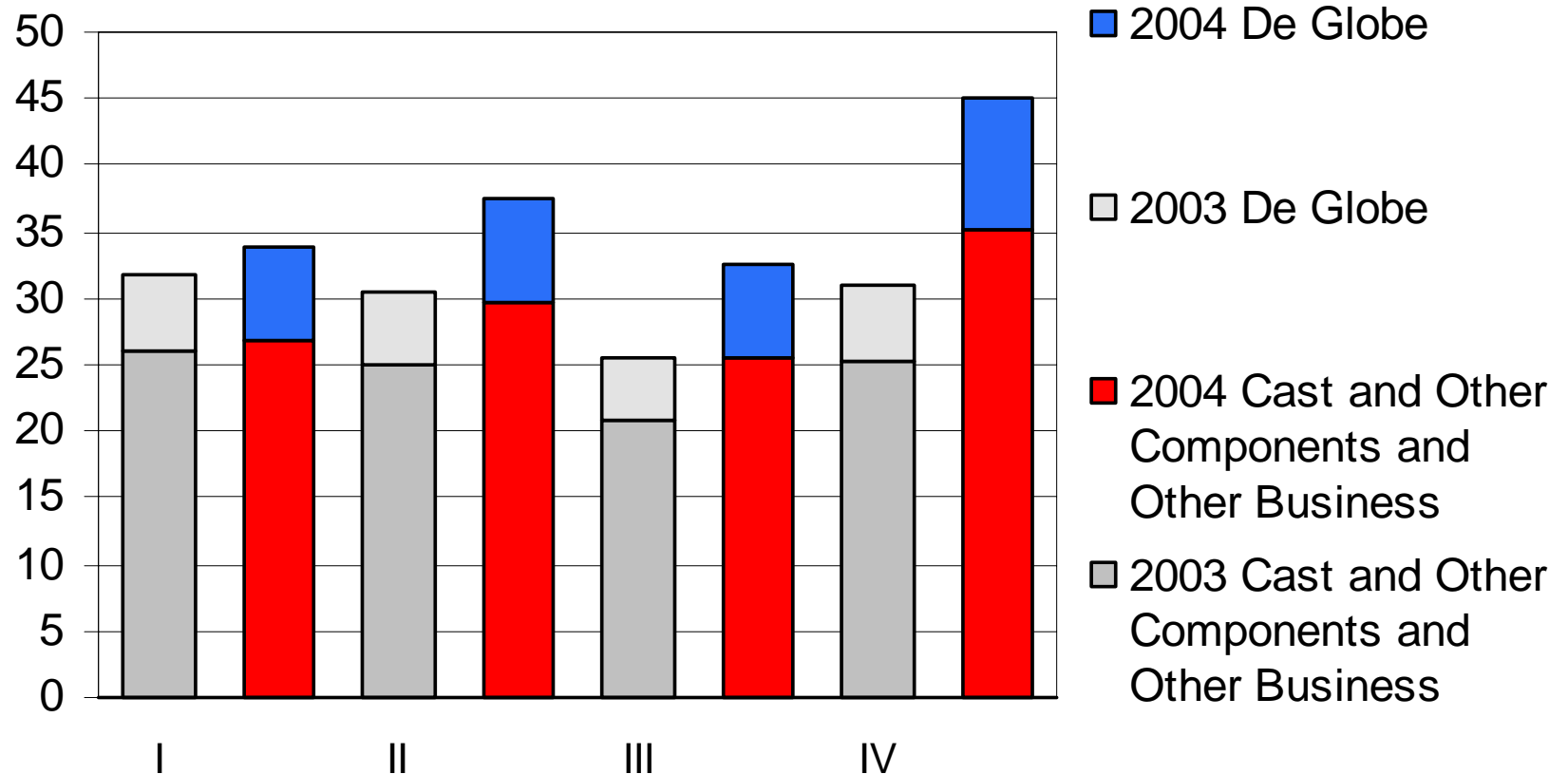


Others

3% (4%)

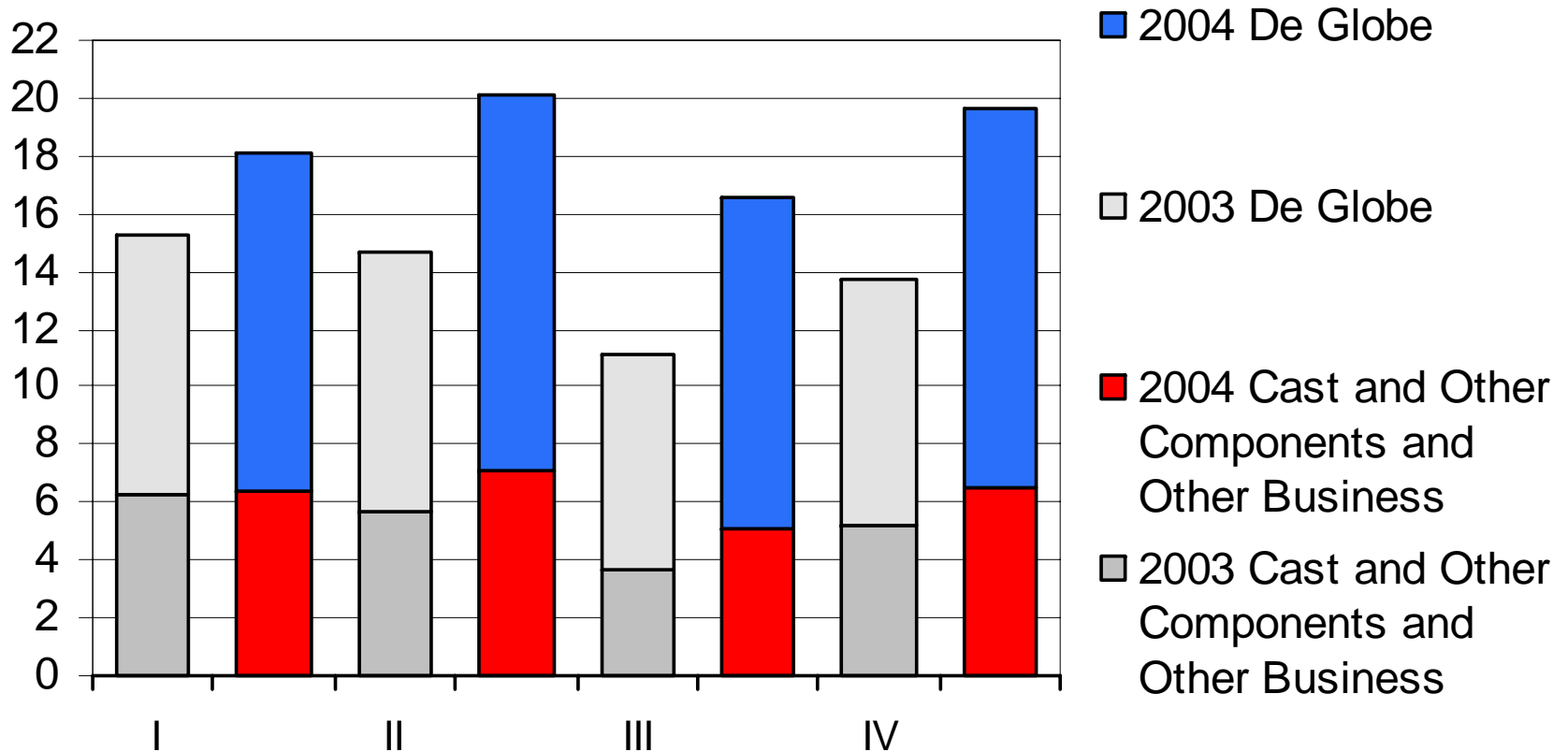
Sales to heavy truck industry

MEUR



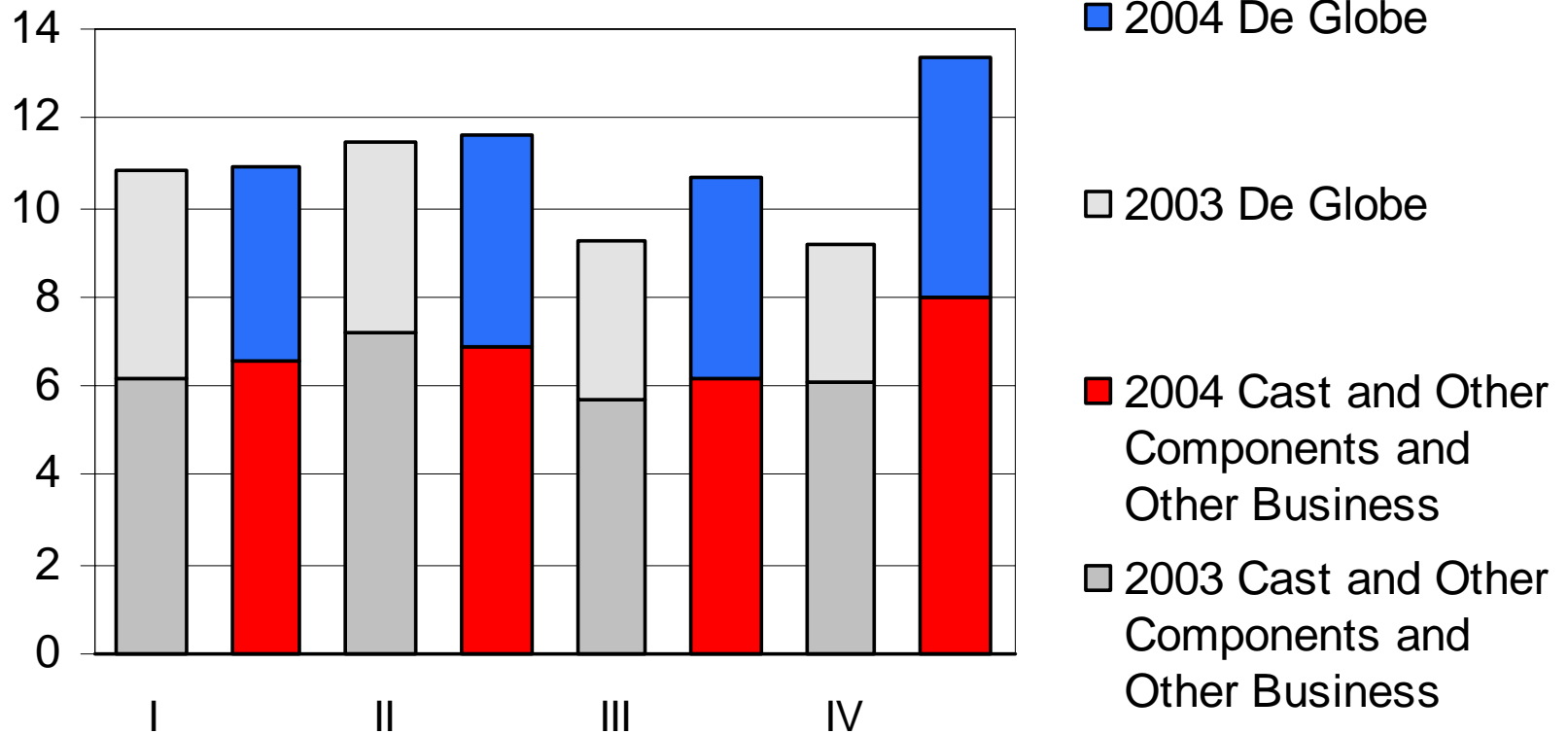
Sales to off-road industry

MEUR



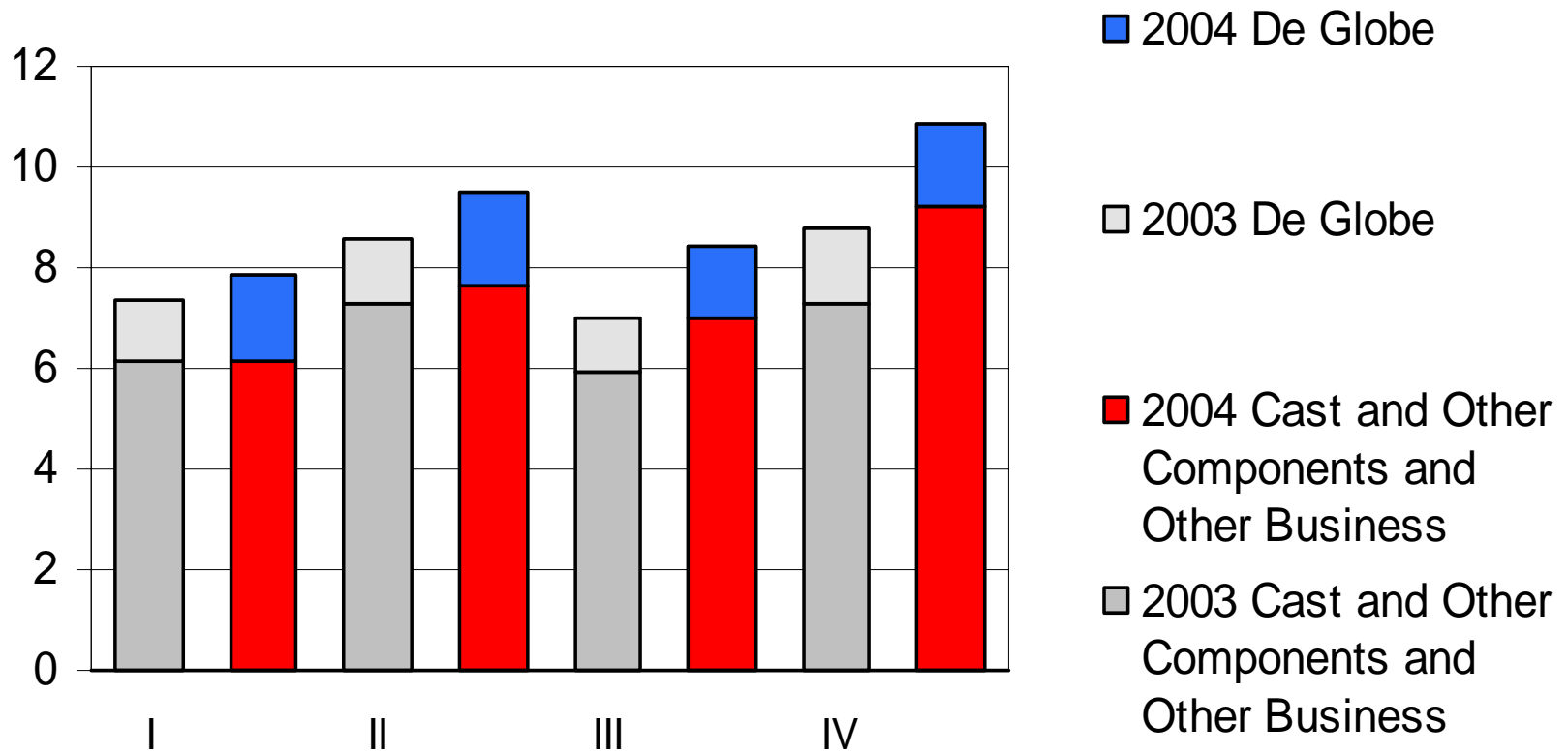
Sales to machine building industry

MEUR



Sales to power and transmission industry

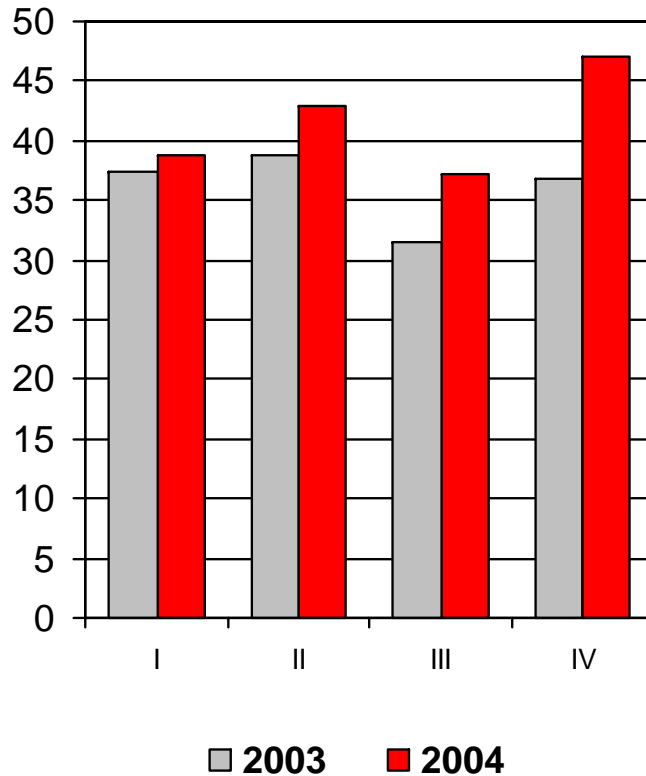
MEUR



Cast and Other Components

Net sales

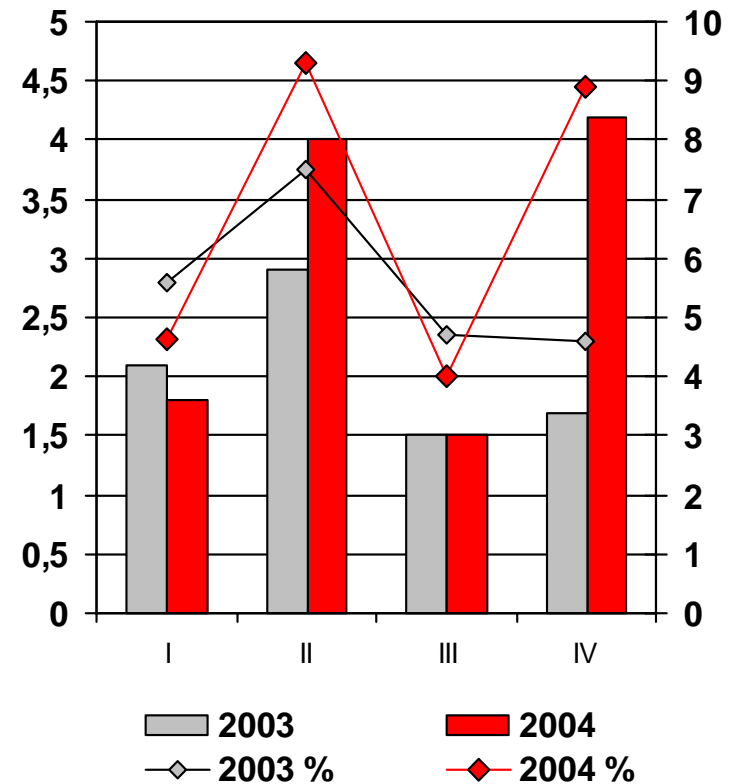
MEUR



Operating profit

MEUR

%

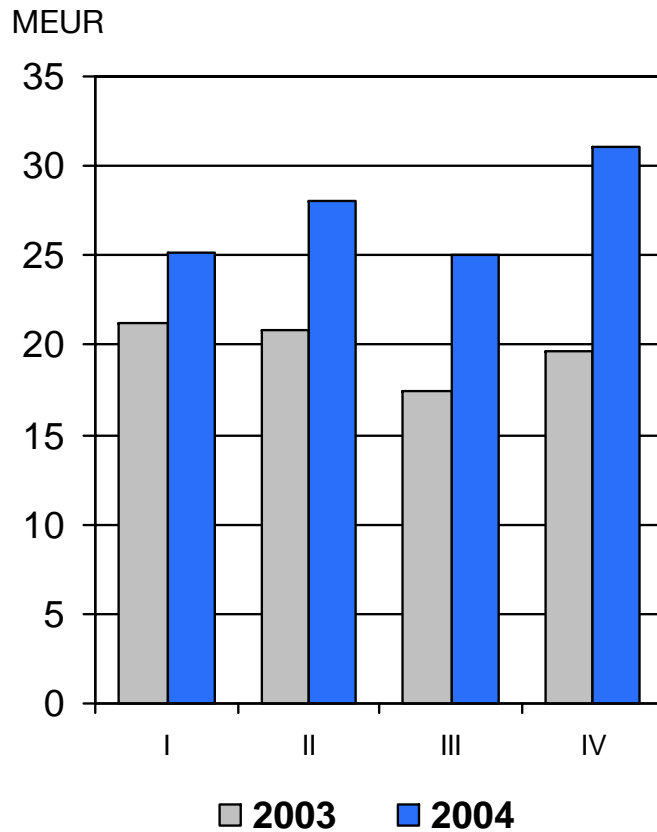


Performance of Cast and Other Components

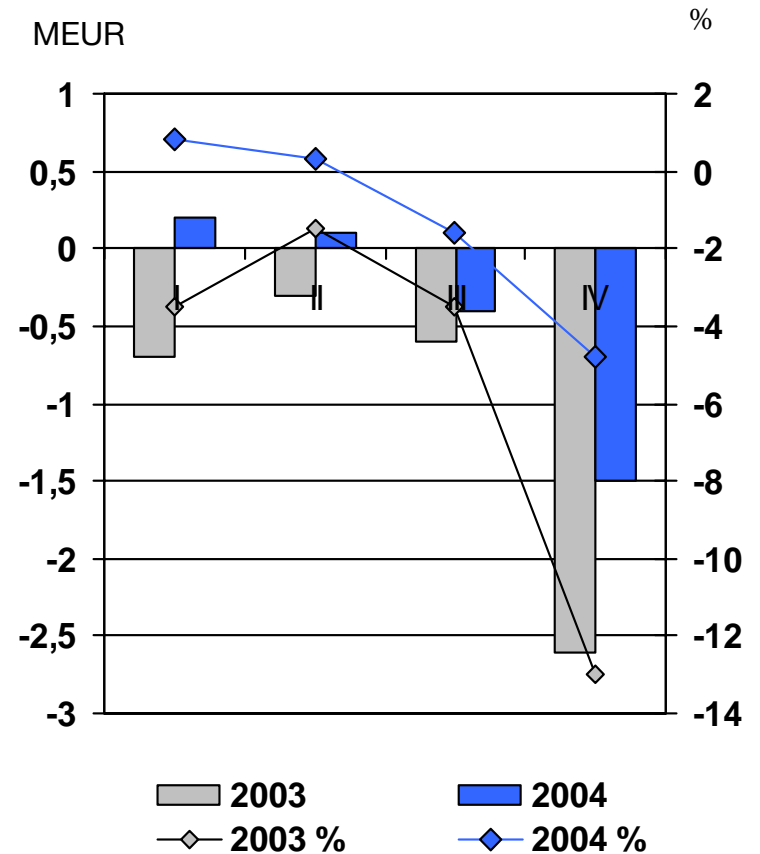
- The rising price of scrap weakened the business group's result.
- The impact on costs of the rise in the price of scrap was passed on to product prices during the second and fourth quarters. Scrap prices were extremely volatile.
- Production at Alvesta ceased on 18 May 2004.
- Production at the upgraded foundry in Karkkila started up on 2 August 2004. The start up of production affected the business group's result in the third quarter.
- Merging the foundries is expected to give annual cost savings of some MEUR 5.0.
- The price level of unprofitable products will be corrected during 2005 price negotiations.

De Globe

Net sales



Operating profit



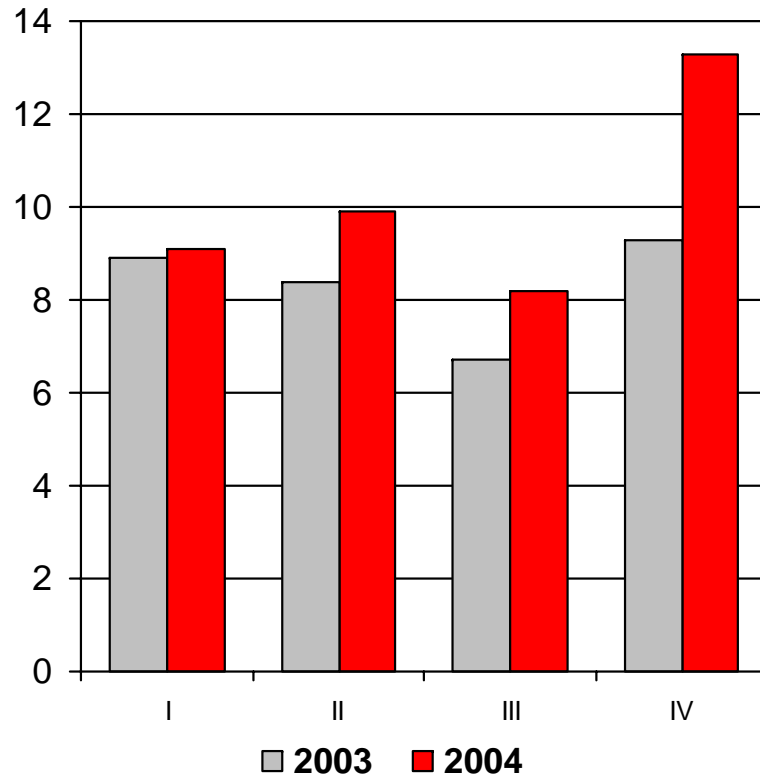
Performance of De Globe

- Rapid growth in net sales.
- The result suffered from the switch to non-continuous three-shift production at the Hoensbroek and Weert foundries, to cope with the major increase in production, and from the increase in the price of scrap.
- The price structure has been in some respects unhealthy. Prices will be corrected for 2005. Impact on average prices is expected to be some 5%.
- The project to raise productivity, closing down the foundry in Belfeld and transferring production to the foundry in Hoensbroek, has proceeded on schedule.
- The investments to be made in connection with the transfer of production and the costs for closing down and transferring operations total MEUR 12, of which MEUR 9 was incurred during 2004.
- Merging the foundries will bring estimated cost savings of MEUR 4 a year as from summer 2005.
- The industrial premises in Belfeld were sold in December for a price of MEUR 3.4.

Other Business

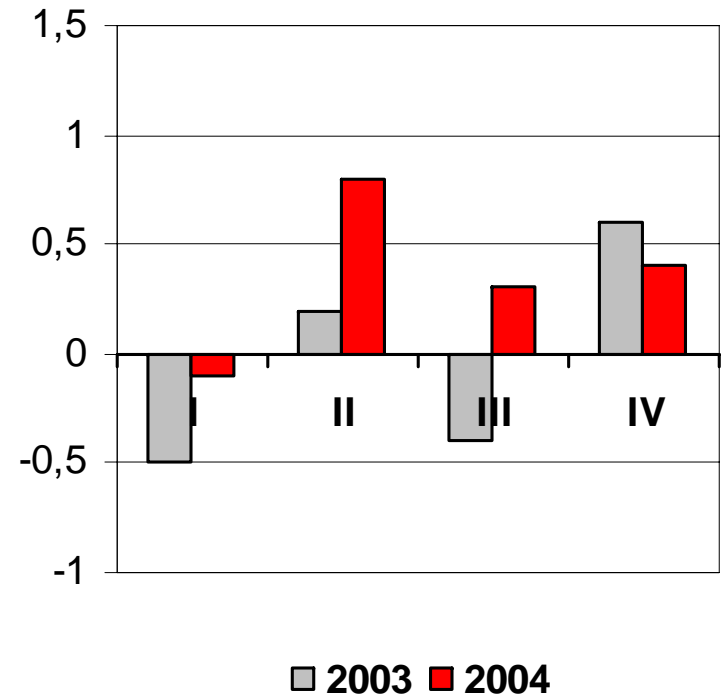
Net sales

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 operating profit improved and turned positive in consequence of the cost cutting programme.
- The cost cutting programme and action to enhance operations are expected to continue to improve Wirsbo's result in 2005.
- The share of the result of the associated companies was EUR 1.2 (1.3) million.
- Componenta sold its Thermia AB shares to Procuritas Capital Investors III in the first quarter.
- Keycast had net sales of MEUR 35.3 (33.6) and the result after financial items was MEUR 2.1 (1.6).
- Ulefos had net sales of MEUR 33.3 (26.4) and the result after financial items was MEUR 2.7 (-0.3).

Prospects Q1/2005

- Componenta's prospects in 2005 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, continued to strengthen during the fourth quarter of 2004.
- Demand for off-road industry components has grown strongly during 2004.
- Demand for components from the power and transmission industry and from machinery and equipment manufacturers is expected to continue to grow slightly.

Prospects Q1/2005

- Componenta's order book built up considerably during 2004 and stood at a strong level at the end of December.
- Componenta's net sales in the first quarter of 2005 are forecast to grow from the previous year and to match those in the final quarter of 2004.
- The result after financial items for the first quarter of 2005, excluding one-time items, is expected to be better than in the corresponding period of the previous year.

Long term financial objectives

- Return on investment (ROI) to be between 10 and 20 per cent over the economical cycle
- Profitable organic growth based on adding value by increasing share of engineering and customers outsourcing operations
- Equity ratio on the level of 40 per cent
- Dividend 30 - 50 per cent of result