

COMPONENTA

Componenta Corporation Interim report

1 January - 31 March 2006

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Income statement

MEUR	2006	2005	2005
	1 - 3	1 - 3	1 - 12
Net sales	93.6	93.2	343.2
Operating profit of Cast Components	5.0	2.3	4.5
Operating profit of Other Business	0.3	1.5	2.1
Operating profit before one-time items	5.3	3.8	6.6
Financial income and expenses	-2.2	-2.1	-8.9
Result after financial items (before one-time items)	3.1	1.7	-2.4
One-time items	0.0	0.1	3.3
Result after financial items	3.1	1.8	1.0
Net result	2.2	1.4	2.5
Earnings per share, EUR	0.23	0.14	0.26

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Key Ratios

	31.3.2006	31.3.2005	31.12.2005
Earnings per share (EPS), EUR	0.23	0.14	0.26
Equity ratio, % (preferred capital note in equity)	31.6	33.0	32.1
Return on equity, %	17.9	10.7	4.2
Return on investment, %	11.5	8.3	5.0
Net interest bearing debt, MEUR (preferred capital note in equity)	107.9	114.5	106.8
Net gearing, % (preferred capital note in equity)	124.8	124.9	123.7
Order book, MEUR	65.5	63.8	60.4
Investments in non-current assets, MEUR	2.3	8.3	25.1
Average number of personnel	2,140	2,192	2,214

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Cash flow

MEUR	2006 1 - 3	2005 1 - 3	2005 1 - 12
Profit before extraordinary items	3.1	1.8	1.0
Depreciation and amortization	4.3	4.0	11.9
Net financial income and expenses	2.2	2.1	8.9
Other income and expenses, adjustments to cash fl	3.8	3.0	-4.7
Change in net working capital	-6.5	-8.9	8.7
Cash flow before financing and income taxes	6.9	2.0	25.8
Interests paid and received and dividends received	-2.3	-2.6	-7.2
Cash flow from operations	4.6	-0.6	18.6
Cash flow from investing activities	-1.4	-5.4	-11.6
Cash flow from financing activities	-5.6	7.4	-2.8
Increase (+)/ decrease(-) in cash and bank accounts	-2.4	1.4	4.1

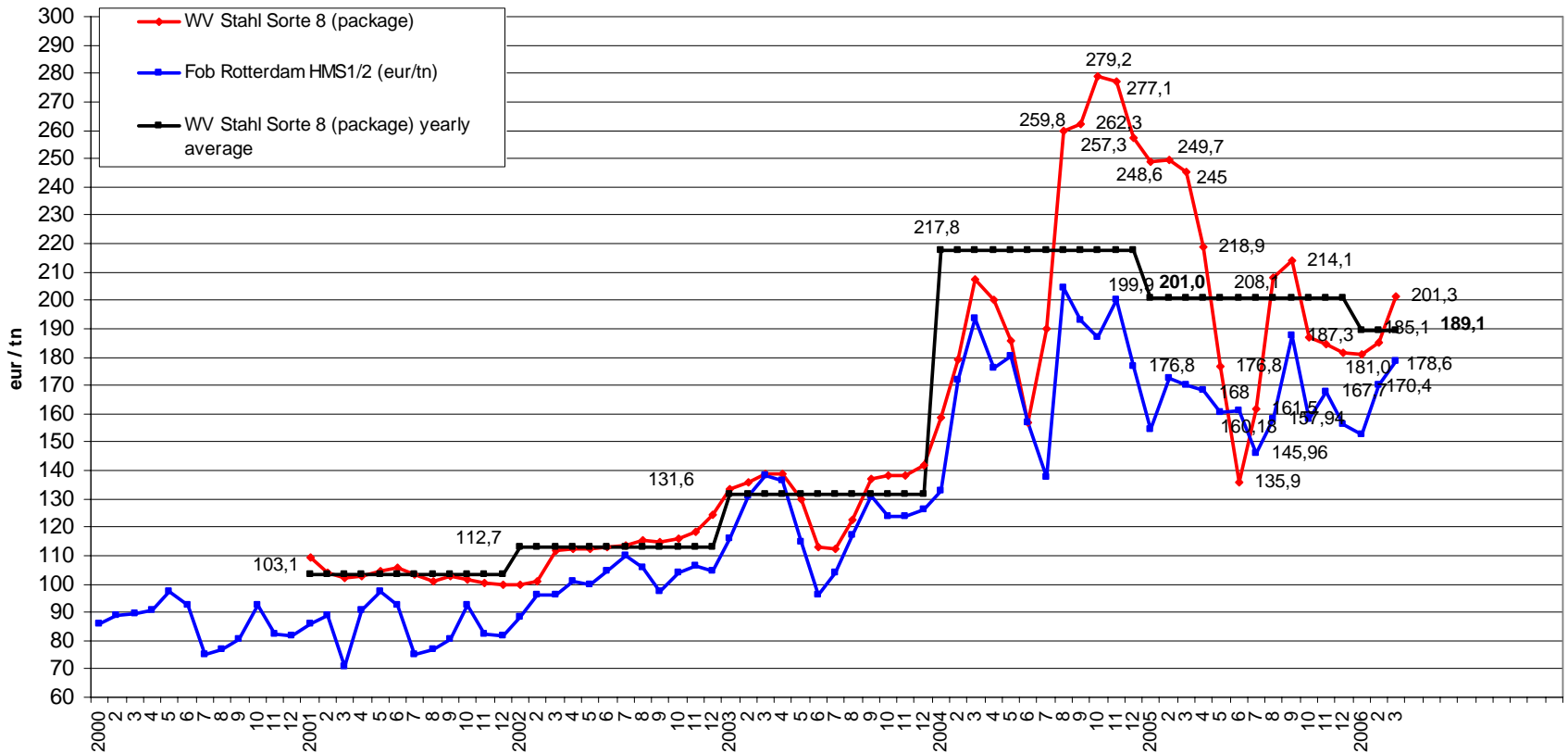
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Review period in brief

- Net sales during the review period were at the same level as in the corresponding period in the previous year.
- The order book at the end of the period was at the same level as in the corresponding period in the previous year and higher than at the end of year 2005.
- The result after financial items improved from the previous year in consequence of enhanced operations in Cast Components.
- The Group had no one-time items during the first quarter.
- The operating losses at the Karkkila foundry and Heerlen furan foundry continued to weaken the operating profit of Cast Components in the first quarter.
- The price of scrap steel stabilized during the first part of the year.

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



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Net sales and order book

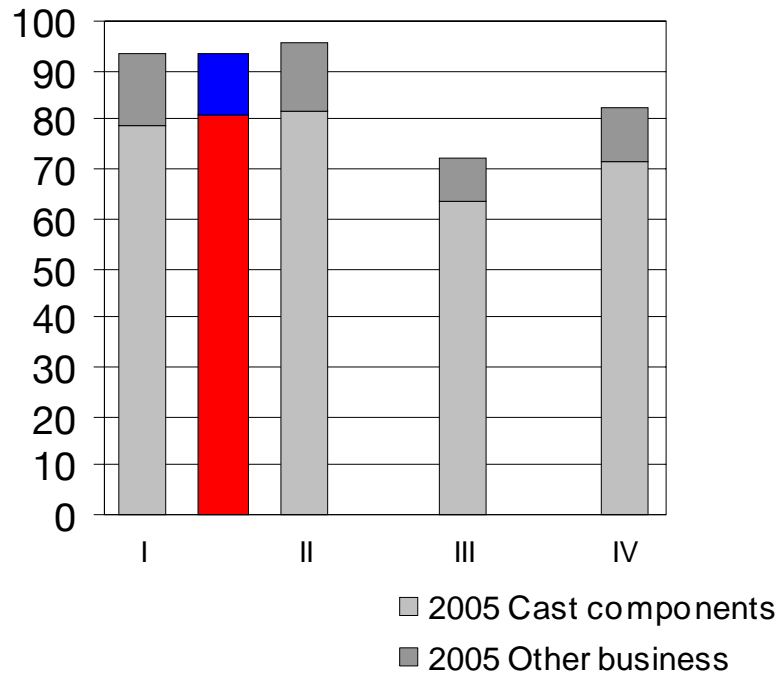
- Componenta's net sales totalled MEUR 93.6 (MEUR 93.2).
- Net sales of Cast Components rose 3% and net sales of Other Business declined 14%.
- Deliveries by customer sector in the first quarter were as follows:
 - Heavy truck industry -10%.
 - Off-road manufacturers +11%
 - Power and transmission industries +19%
 - Machine building industry +9%
- Componenta's order book stood at MEUR 65.5 (MEUR 63.8) at the end of March.
 - Cast Components MEUR 58.7 (MEUR 55,2)
 - Other Business MEUR 6.8 (MEUR 8.6)

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Net sales and order book

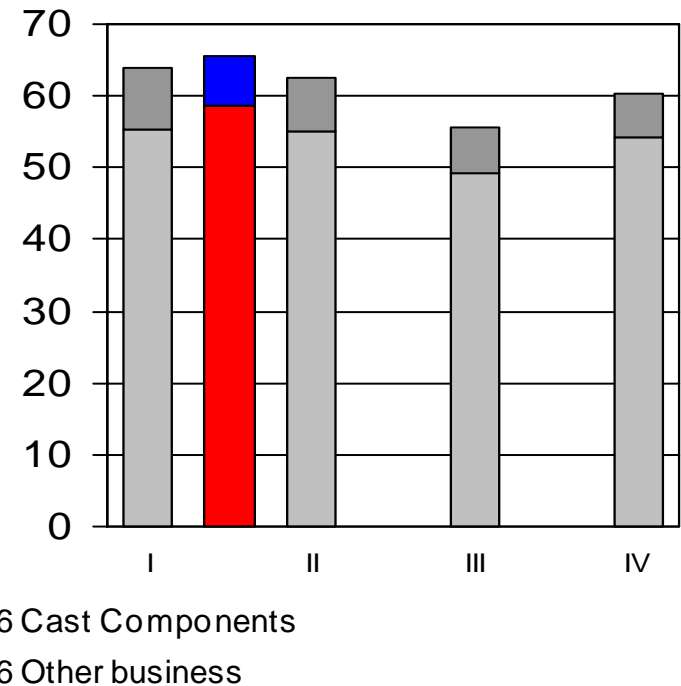
Net sales

MEUR



Order book

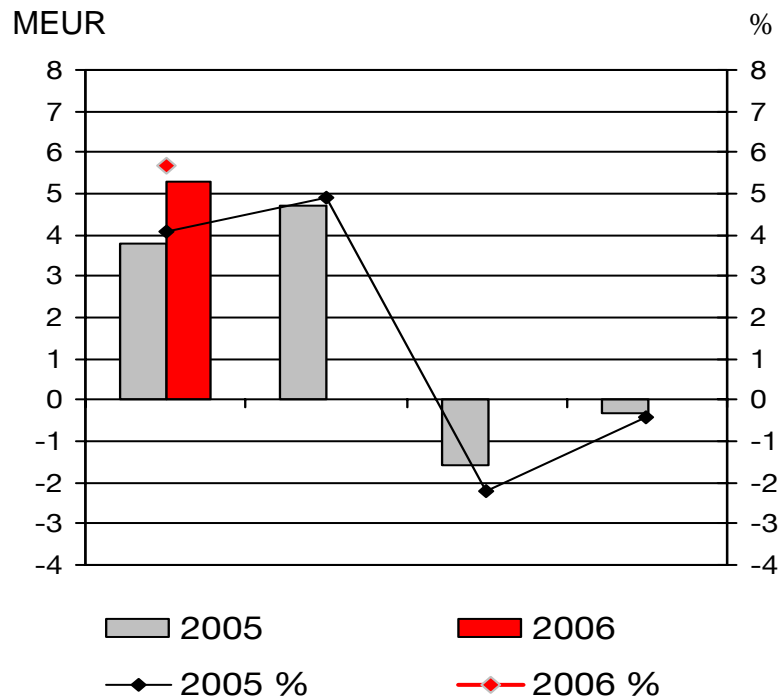
MEUR



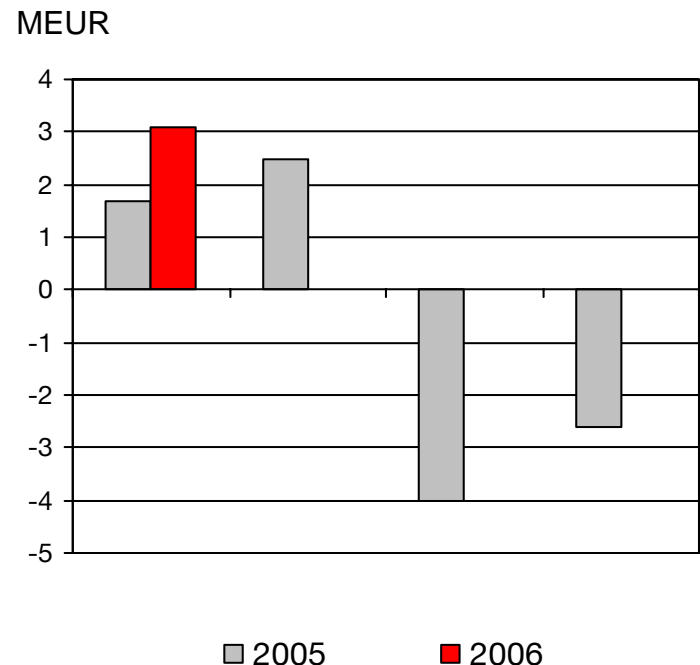
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Operating profit and result after financial items excluding one-time items

Operating profit

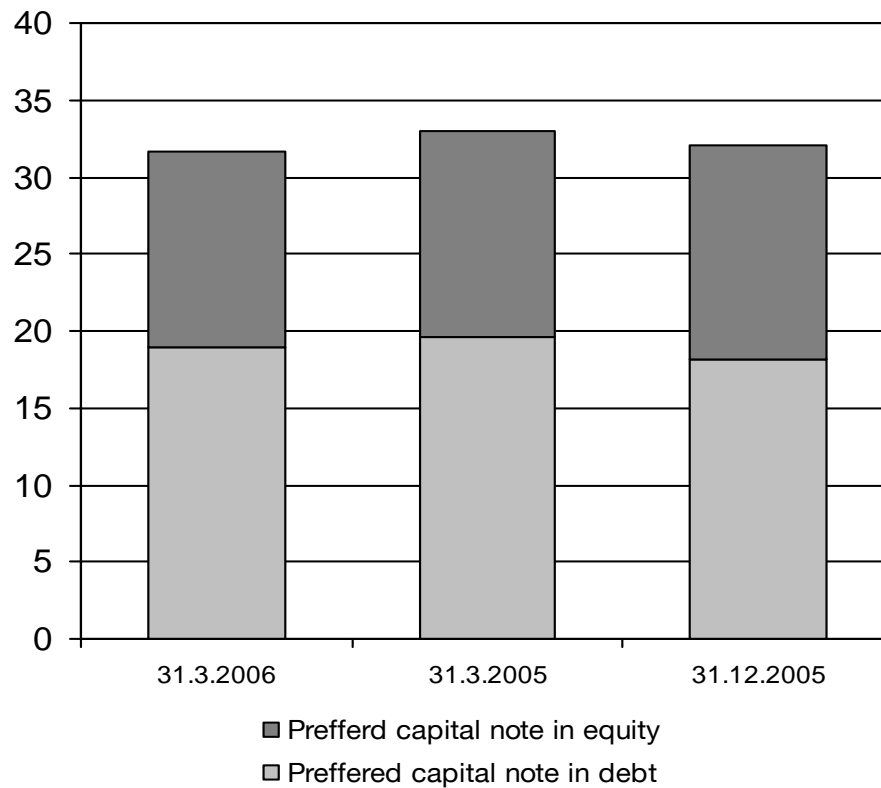


Profit/loss after financial items



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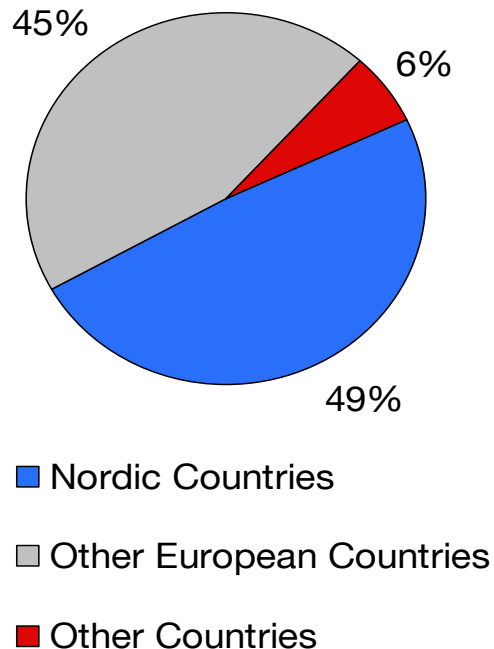
Equity ratio, %



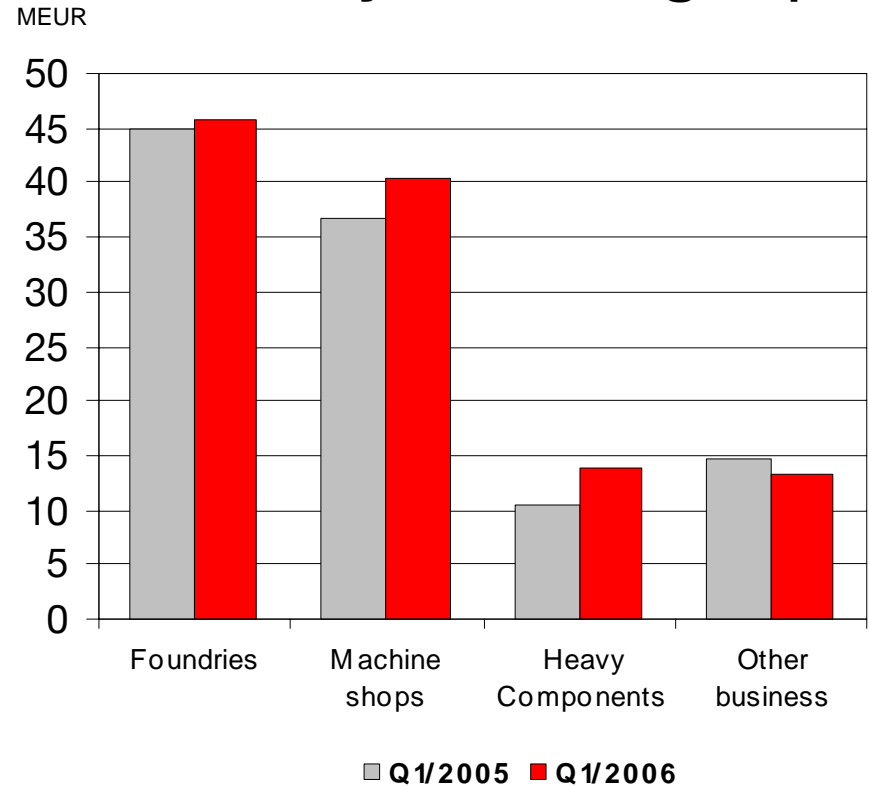
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Division of sales

Sales by market area



Sales by business group



*) Including intra group sales of total MEUR 19.1 (13.7)

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Sales to customer industries



**Heavy
Trucks**

44% (49%)

Off-road

27% (25%)

**Machine
building**

15% (14%)

**Power and
transmission**

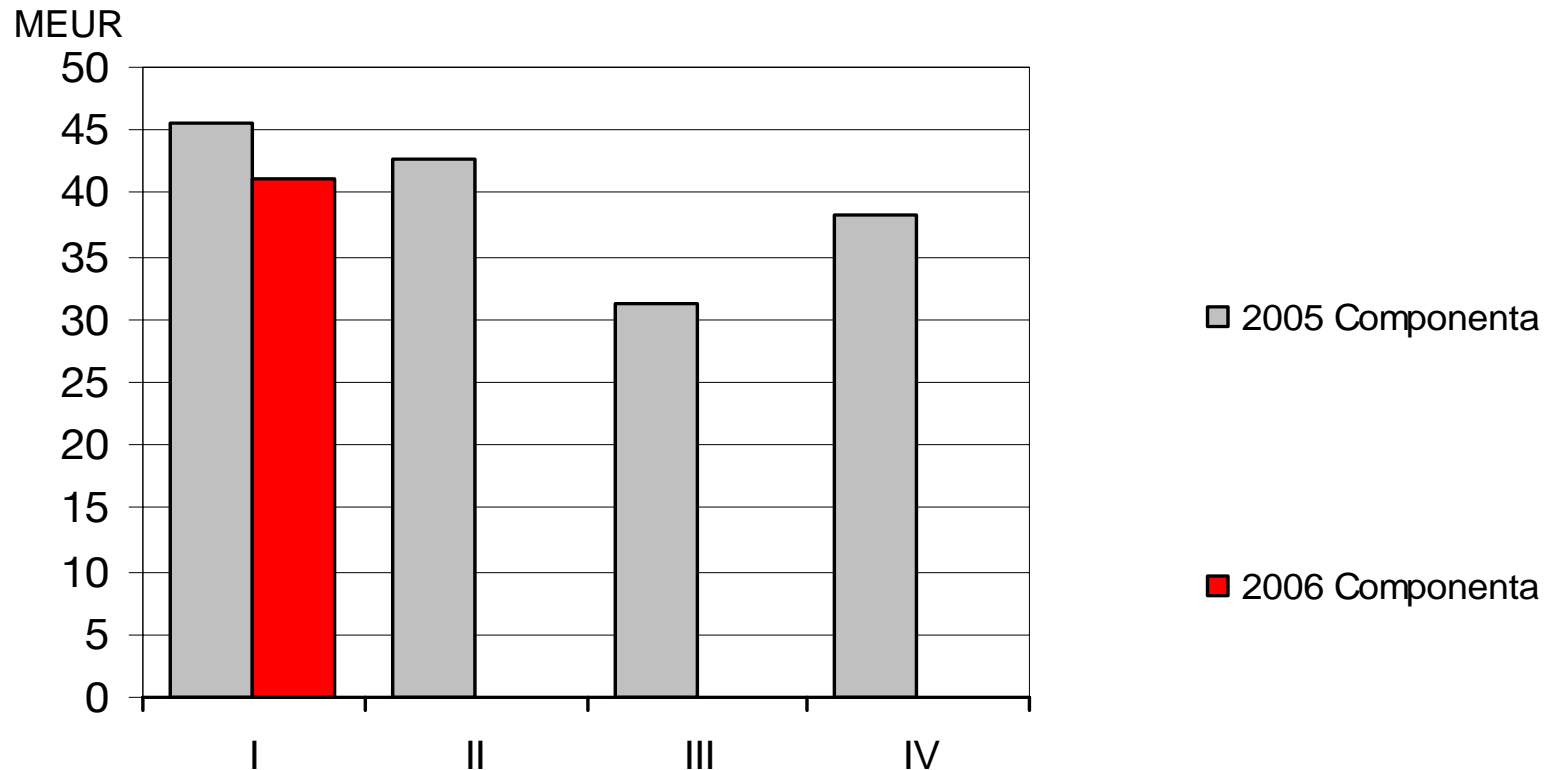
12% (10%)

Others

2% (2%)

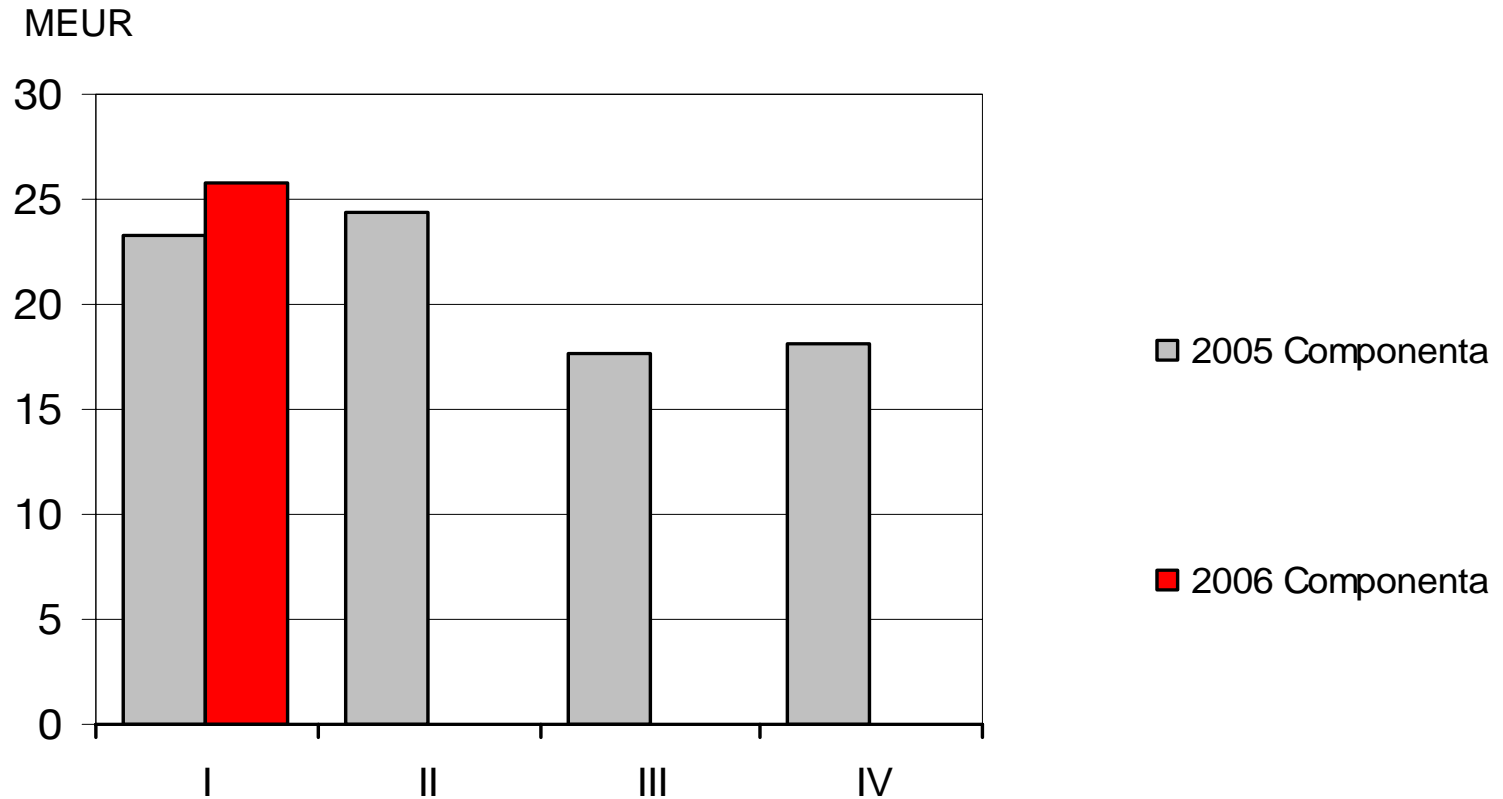
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Sales to heavy truck industry



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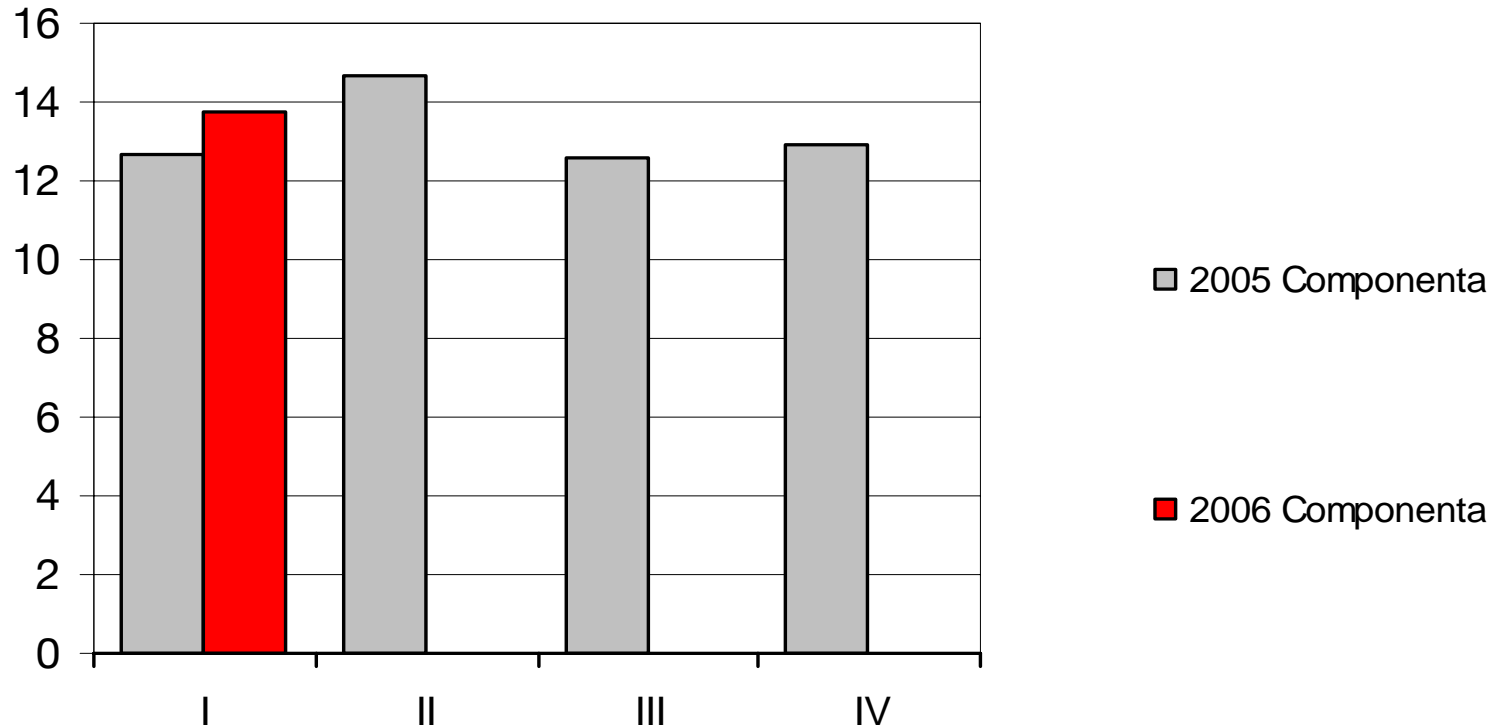
Sales to off-road industry



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Sales to machine building industry

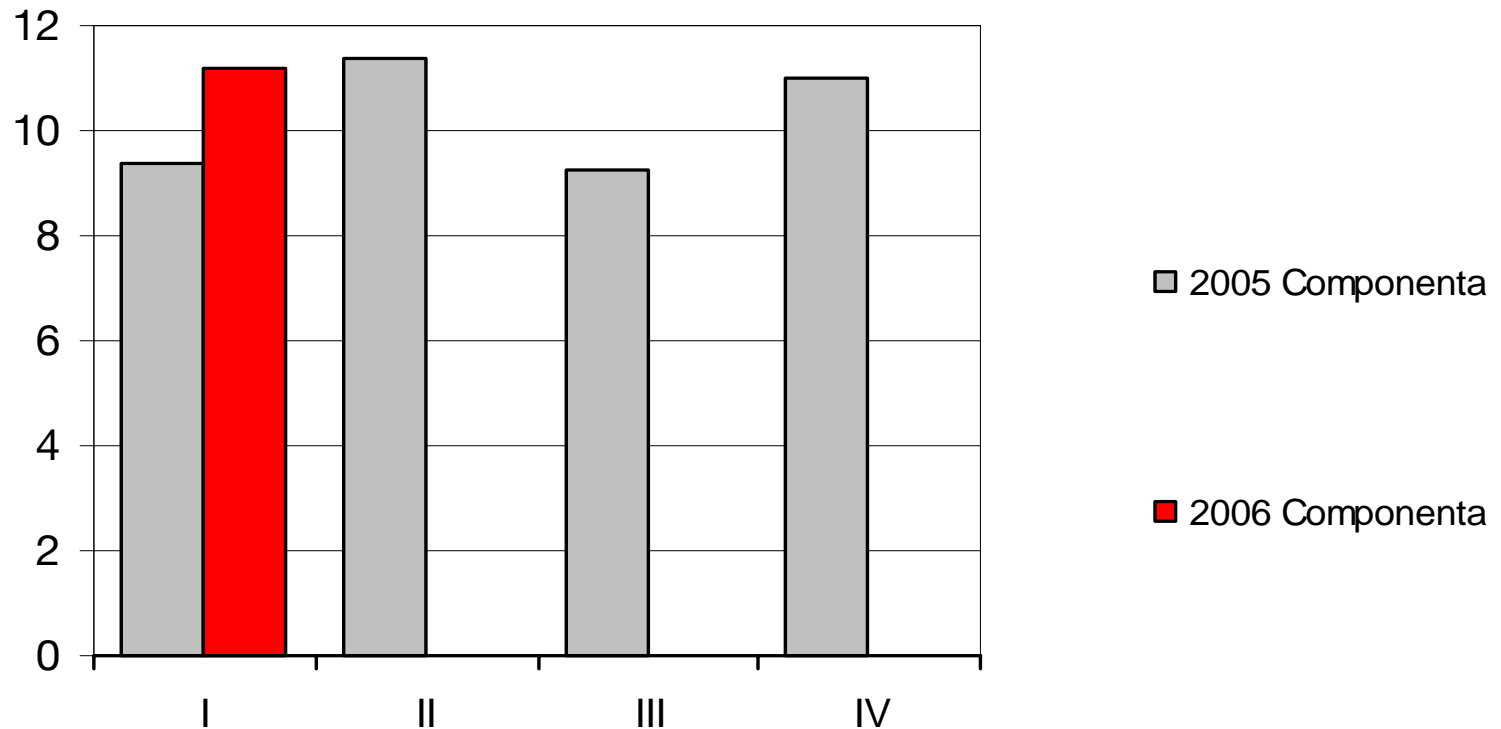
MEUR



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Sales to power and transmission industry

MEUR

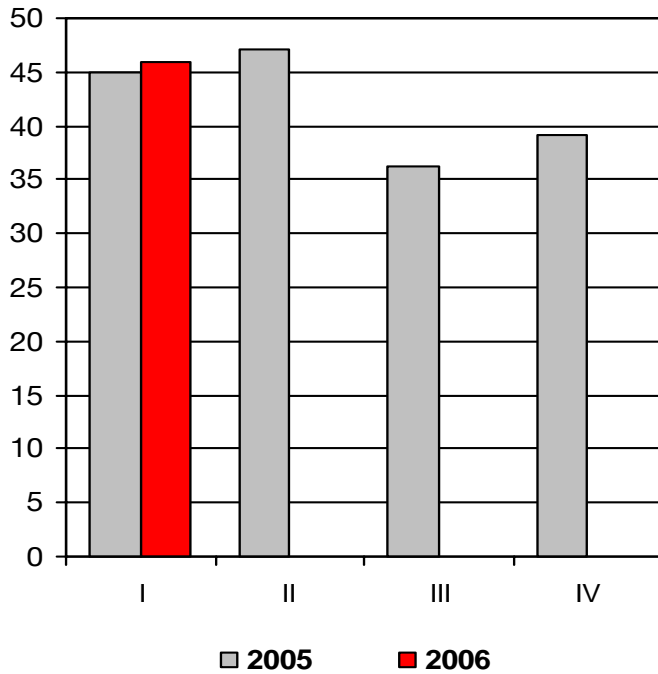


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Foundries

Net sales

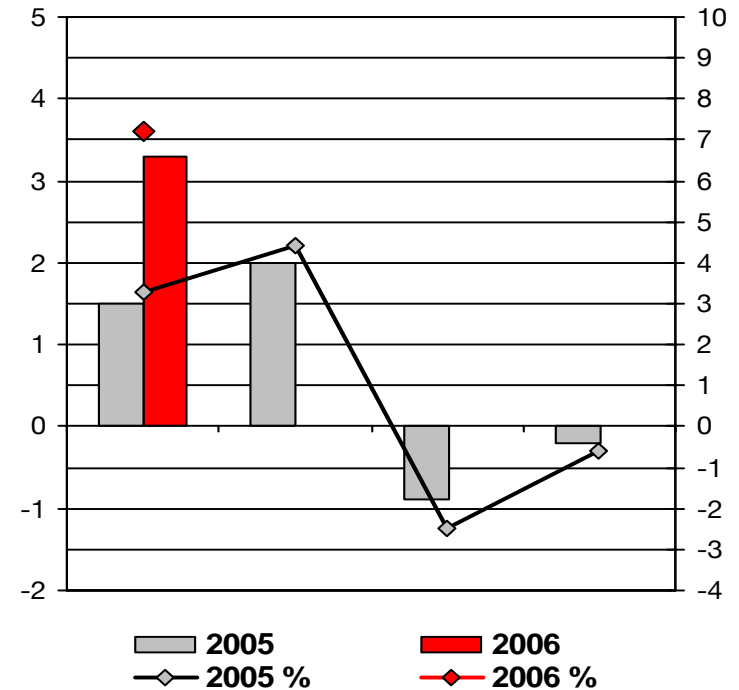
MEUR



Operating profit excluding one-time items

MEUR

%



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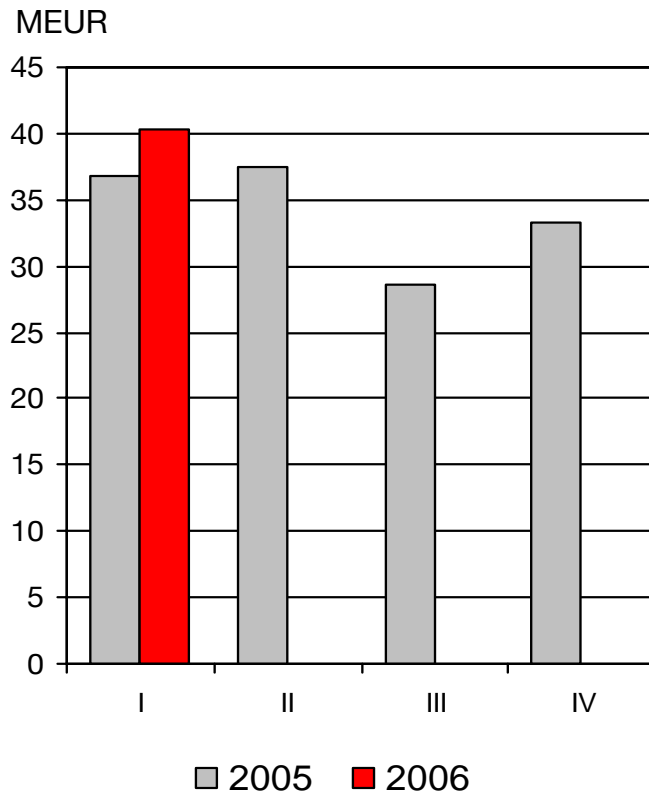
Performance of Foundries division

- The division contains the Group's foundries in Karkkila, Pori, Pietarsaari and Weert as well as the HWS business unit at the Heerlen foundry.
- Net sales were MEUR 45.9 (MEUR 45.0) and operating profit MEUR 3.3 (MEUR 1.5).
- The operating profit improved from the previous year mainly due to raising efficiency in operations.
- The Karkkila foundry's operating loss in the first quarter was MEUR -1.8 (MEUR -1.7). The programme to stabilize and enhance operations underway at Karkkila is expected to reduce the unit's operating loss in the current year from the previous year.

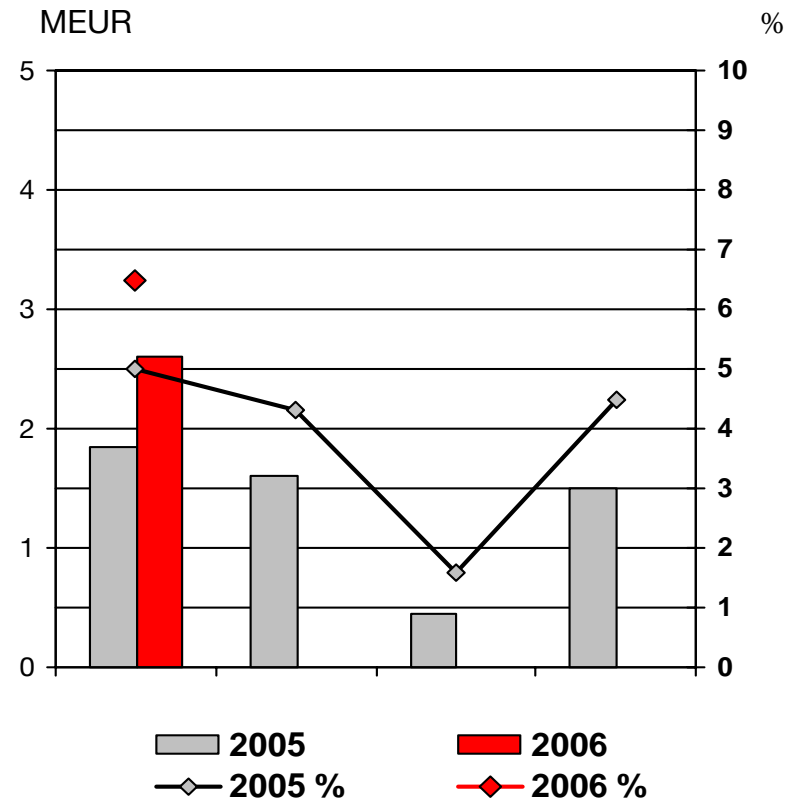
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Machine shops

Net sales



Operating profit excluding one-time items



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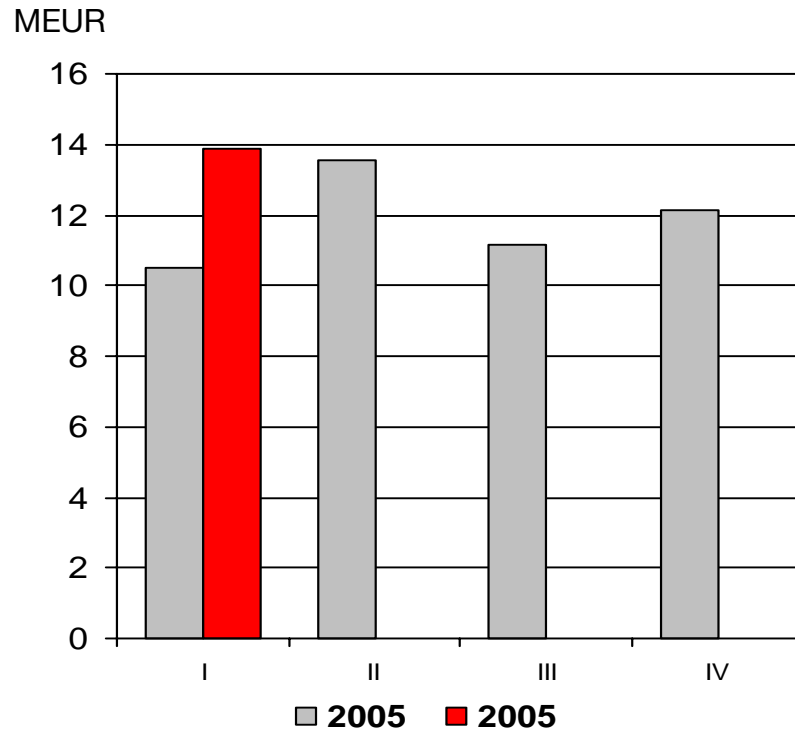
Performance of Machine shops division

- The division consists of the Främmestad, Åmål and Albin machine shops in Sweden, the machine shops in Pori and Pietarsaari in Finland, and the machine shop functions in the Netherlands.
- Net sales in January – March were MEUR 40.3 (MEUR 36.8) and operating profit was MEUR 2.6 (MEUR 1.8).
- The investments carried out in 2004 and 2005 increased the division's sales and improved the efficiency of its operations.

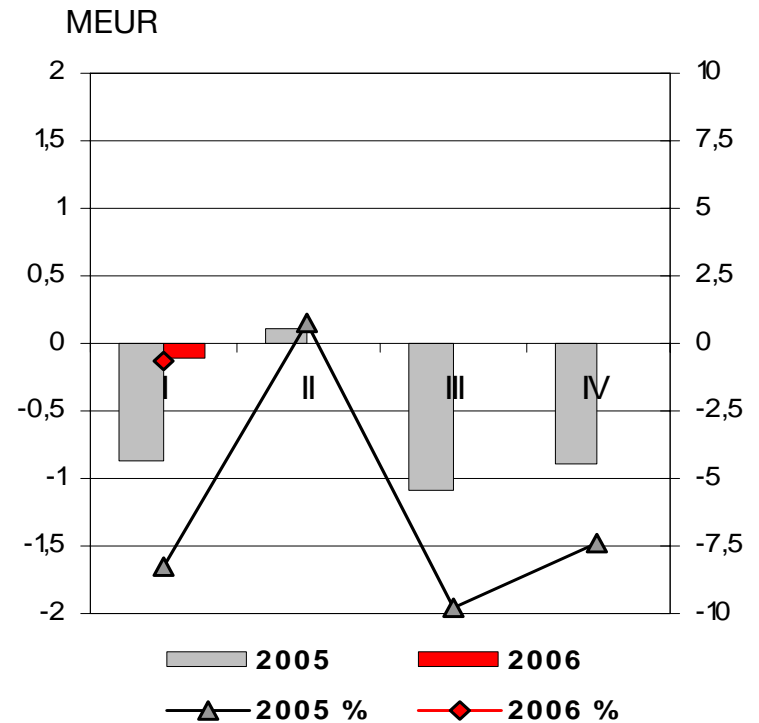
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Heavy Components

Net sales



Operating profit excluding one-time items



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Performance of Heavy Components division

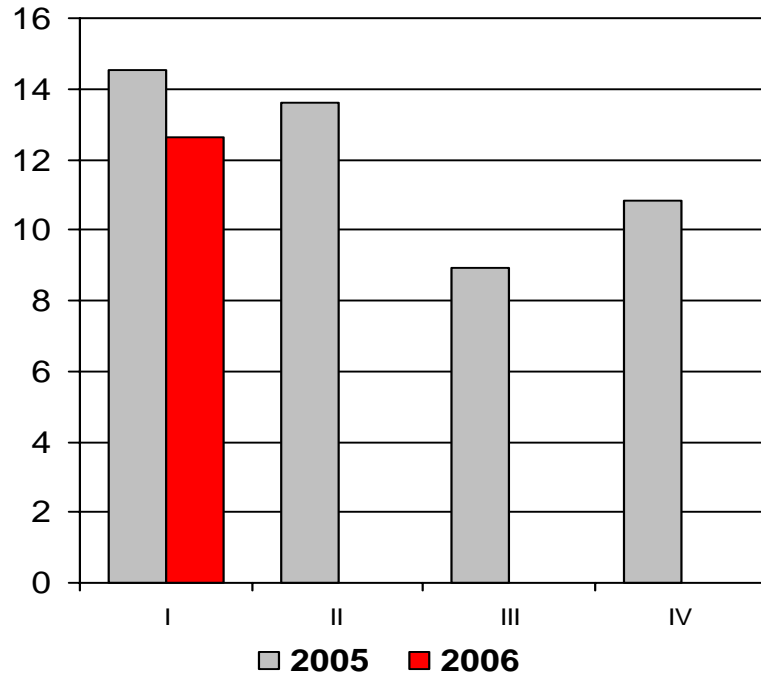
- The division contains the Group's furan foundries in Iisalmi, Finland and in Heerlen, the Netherlands, and the machine shops Componenta Nisamo in Lempäälä and Componenta Pistons in Pietarsaari.
- Net sales in January - March were MEUR 13.9 (MEUR 10.5) and operating loss was MEUR -0.1 (MEUR -0.9).
- Operating loss declined from the previous year mainly due to the growth in sales and the improved efficiency in the operations of the Heerlen furan foundry.
- The Heerlen furan foundry made an operating loss in the first quarter of EUR -0.8 (-1.3) million. The unit's programme to stabilize and enhance operations is expected to continue to reduce the Heerlen furan foundry's operating loss during the current year.

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Other Business

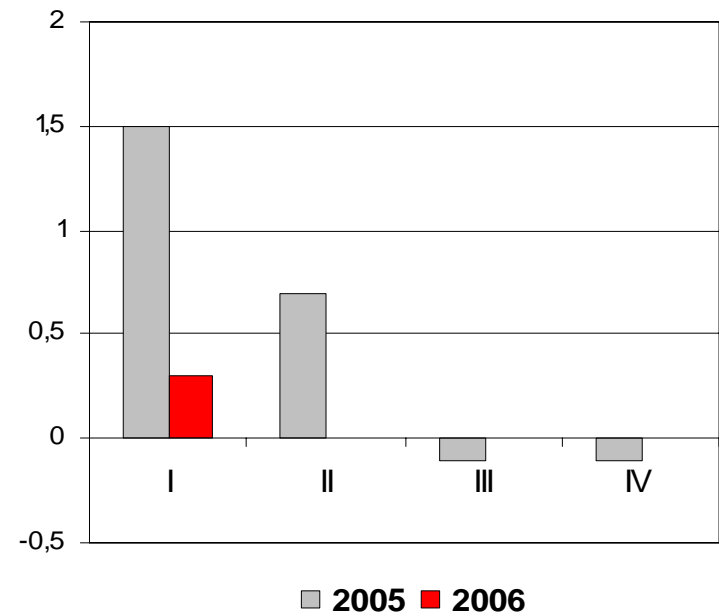
Net sales

MEUR



Operating profit excluding one-time items

MEUR



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Performance of Other Business

- Net sales of Other Business in January - March was MEUR 12.6 (MEUR 14.6) and operating profit MEUR 0.3 (MEUR 1.6).
- Sales by the Wirsbo forges fell 15% from the previous year to MEUR 12.1 and the operating profit in the beginning of the year declined from the previous year in consequence of the lower sales.
- Componenta's share of the result of the associated companies was MEUR 0.2 (MEUR 0,6).
 - Associated company Ulefos NV recorded net sales of MEUR 8.0 (MEUR 8.6) and profit after financial items of MEUR 0.5 Me (MEUR 0.8). The cold winter with much snow in the Nordic countries had a seasonal impact on Ulefos, which manufactures manhole covers, reducing sales and profit.

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Prospects Q2/2006

- 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 for heavy truck components in the first quarter of 2006 fell short of the corresponding period in the previous year. The introduction of new environmental standards in Europe on 1 October 2006 coupled with improved economic prospects will increase demand for heavy trucks in Europe at least in the short term.
- Demand for components from the off-road and power and transmission industries and from machinery and equipment manufacturers increased in the first quarter from the corresponding period in the previous year.
- The technical aspects of the investments carried out in 2004 and 2005 at Karkkila in Finland, Heerlen in the Netherlands and Främmestad in Sweden were completed last year.

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Prospects Q2/2006

- Running in the new equipment operationally at Karkkila and Heerlen continues during 2006. The goal is to reduce the operating losses at these units during 2006 and to achieve an operating profit at the Karkkila and Heerlen units in 2007.
- Componenta's order book at the end of the first quarter of 2006 stood at the same level as at the same time in the previous year and was higher than at the end of 2005.
- Net sales and the result after financial items, excluding one-time items, in the second quarter of 2006 are forecast to be at the same level as in the corresponding period of the previous year.