

COMPONENTA

Componenta Corporation Interim report

1 January - 30 June 2006

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Income statement

MEUR	2006	2005	2005
	1 - 6	1 - 6	1 - 12
Net sales	188.2	188.5	343.2
Operating profit of Cast Components	11.3	6.3	4.5
Operating profit of Other Business	0.6	2.3	2.1
Operating profit before one-time items	11.9	8.5	6.6
Financial income and expenses	-4.7	-4.3	-8.9
Result after financial items (before one-time items)	7.2	4.2	-2.4
One-time items	-	4.0	3.3
Result after financial items	7.2	8.2	1.0
Net result	5.3	8.2	2.5
Earnings per share, EUR	0.55	0.85	0.26

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Income statement Q2

MEUR	2006	2005
	4 - 6	4 - 6
Net sales	94.6	95.3
Operating profit of Cast Components	6.4	4.0
Operating profit of Other Business	0.2	0.7
Operating profit before one-time items	6.6	4.7
Financial income and expenses	-2.5	-2.2
Result after financial items (before one-time items)	4.1	2.5
One-time items	-	3.9
Result after financial items	4.1	6.4
Earning per share, EUR	0.32	0.71

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Key Ratios

	30.6.2006	30.6.2005	31.12.2005
Earnings per share (EPS), EUR	0.55	0.85	0.26
Equity ratio, % (preferred capital note in equity)	33.4	33.2	32.1
Return on equity, %	20.5	28.8	4.2
Return on investment, %	12.9	12.7	5.0
Net interest bearing debt, MEUR (preferred capital note in equity)	102.3	109.8	106.8
Net gearing, % (preferred capital note in equity)	113.6	119.8	123.7
Order book, MEUR	61.6	62.4	60.4
Investments in non-current assets, MEUR	4.3	17.3	25.1
Average number of personnel	2,164	2,206	2,214

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Cash flow

MEUR	2006 1 - 6	2005 1 - 6	2005 1 - 12
Profit before extraordinary items	7.2	8.2	1.0
Depreciation and amortization	8.5	3.9	11.9
Net financial income and expenses	4.7	4.3	8.9
Other income and expenses, adjustments to cash flow	3.3	-2.0	-4.7
Change in net working capital	-7.4	-4.2	8.7
Cash flow before financing and income taxes	16.3	10.2	25.8
Interests paid and received and dividends received	-4.5	-4.4	-7.2
Cash flow from operations	11.8	5.7	18.6
Cash flow from investing activities	-3.1	-5.9	-11.6
Cash flow from financing activities	-12.0	3.3	-2.8
Increase (+)/ decrease(-) in cash and bank accounts	-3.4	3.2	4.1

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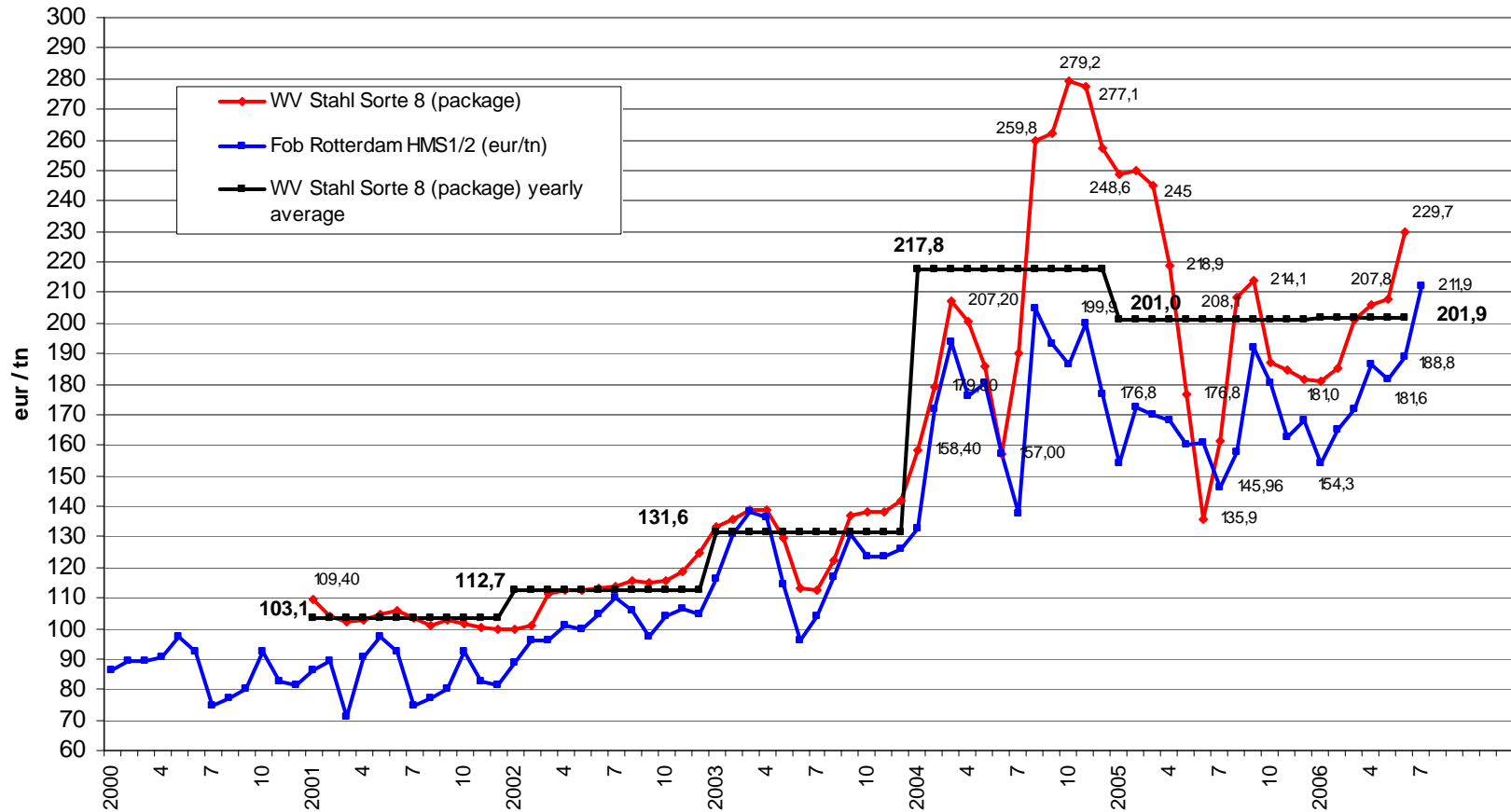
Review period in brief

- Net sales in the review period were at the same level as in the corresponding period in the previous year.
- Order book at end of period was at the same level as in the corresponding period in the previous year.
- Result after financial items improved from previous year in consequence of enhanced operations in Cast Components.
- The Group had no one-time items during the review period.
- Operating losses at Karkkila foundry and Heerlen furan foundry declined from previous year, but weakened the operating result of Cast Components.
- The price of scrap steel started to pick up towards the end of the second quarter.

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

Updated 05.07.2006



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Net sales and order book

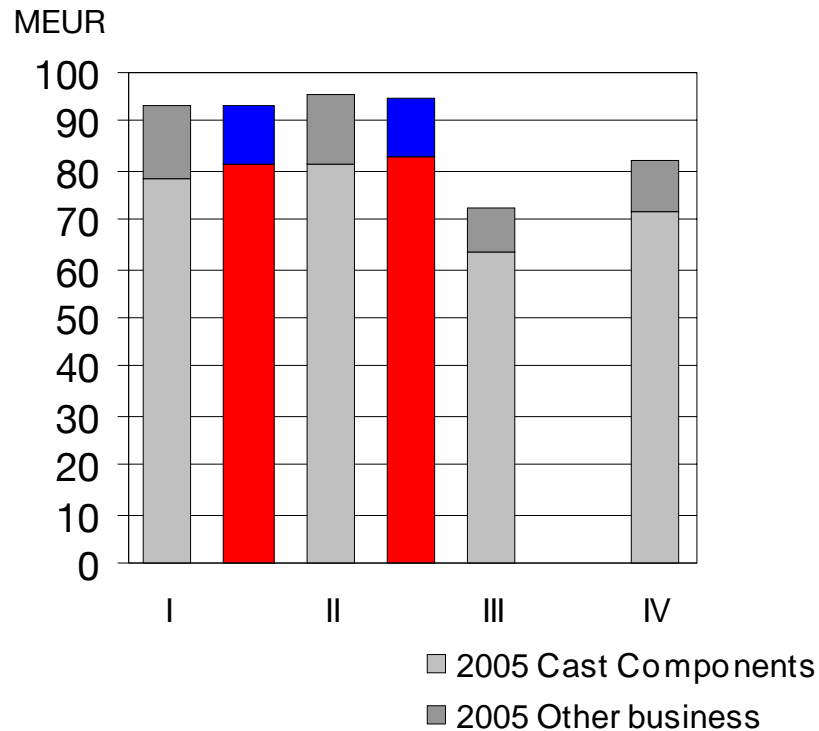
- Componenta's net sales totalled MEUR 188.2 (MEUR 188.5).
- Net sales of Cast Components rose 2% and of Other Business declined 15%.
- Deliveries by customer sector were as follows:

• Heavy truck industry	-6%
• Off-road manufacturers	+1%
• Power and transmission industries	+8%
• Machine building industry	+11%
- Componenta's order book stood at MEUR 61.6 (MEUR 62.4) at the end of June.
 - Cast Components MEUR 55.1 (MEUR 55.1)
 - Other Business MEUR 6.5 (MEUR 7.4)

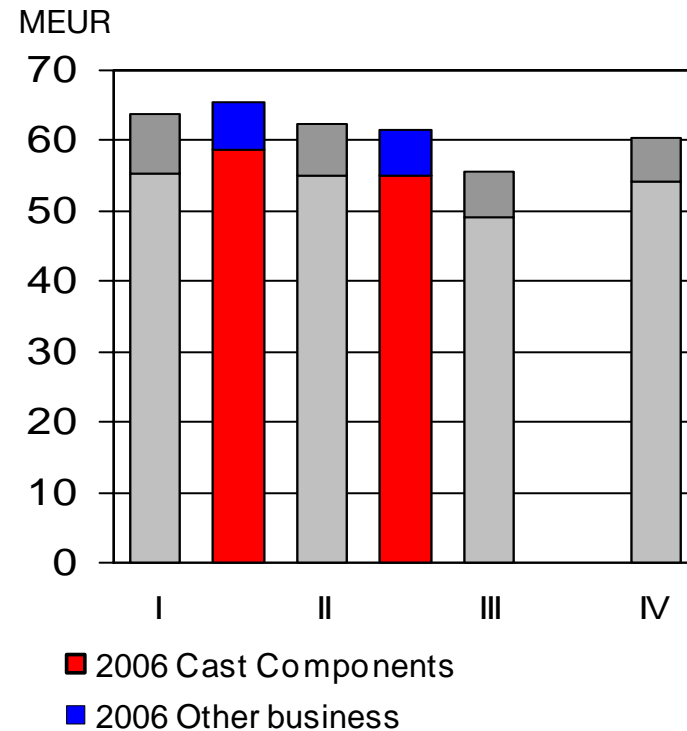
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Net sales and order book

Net sales



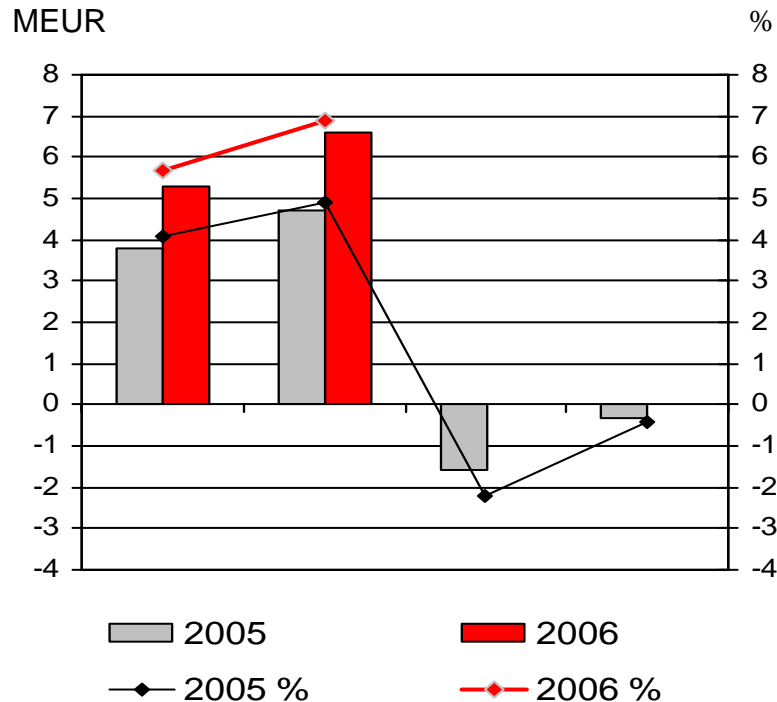
Order book



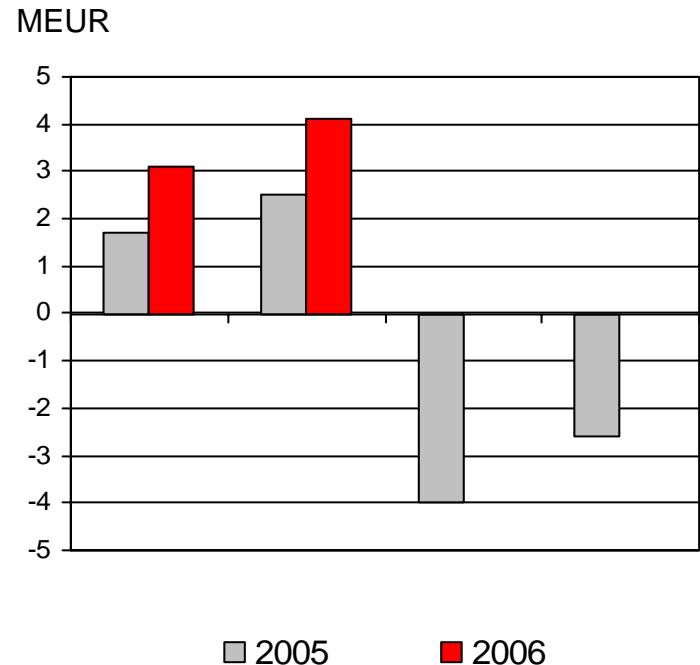
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Operating profit and result after financial items before one-time items

Operating profit

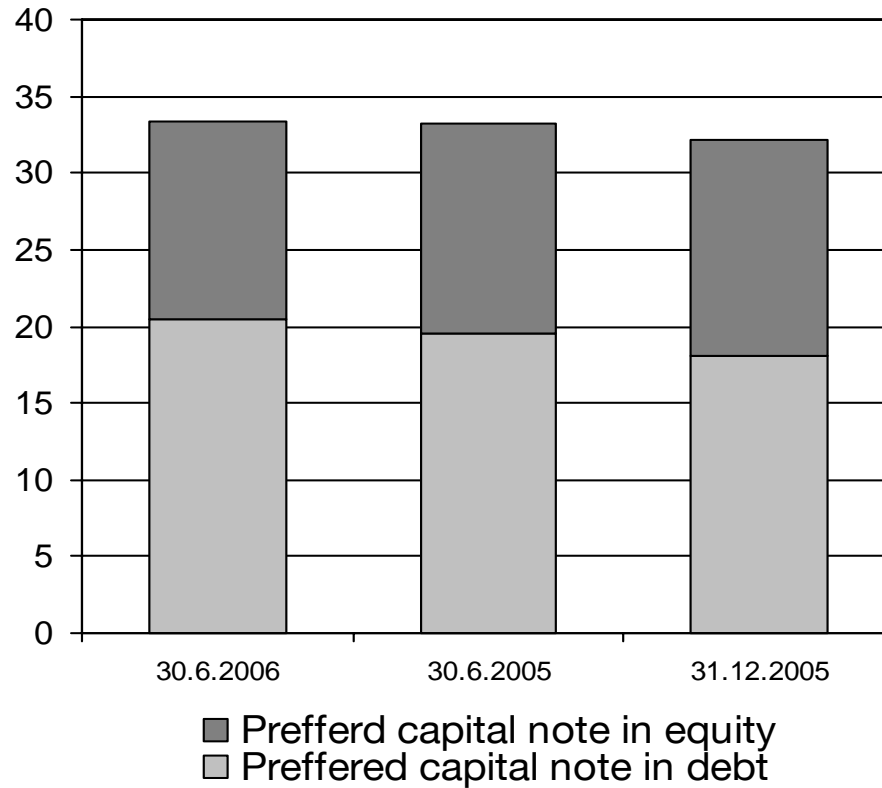


Profit/loss after financial items



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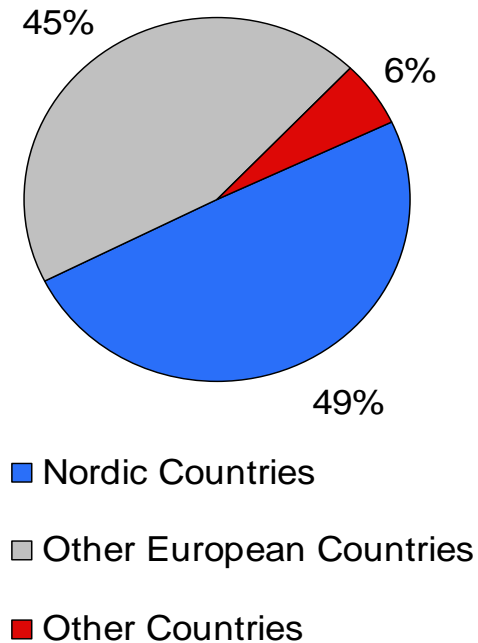
Equity ratio, %



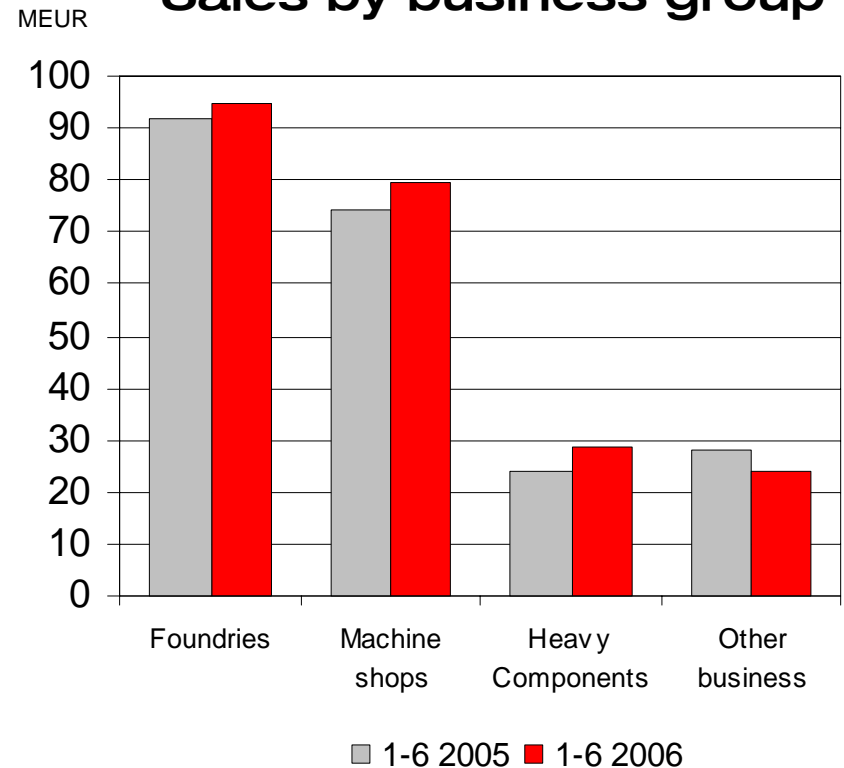
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Division of sales

Sales by market area



Sales by business group *)



*) Including intra group sales of total MEUR 39.1 (30.2)

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Sales to customer industries



Heavy trucks

Off-road

Machine building

Power and transmission

Others

44% (47%)

26% (25%)

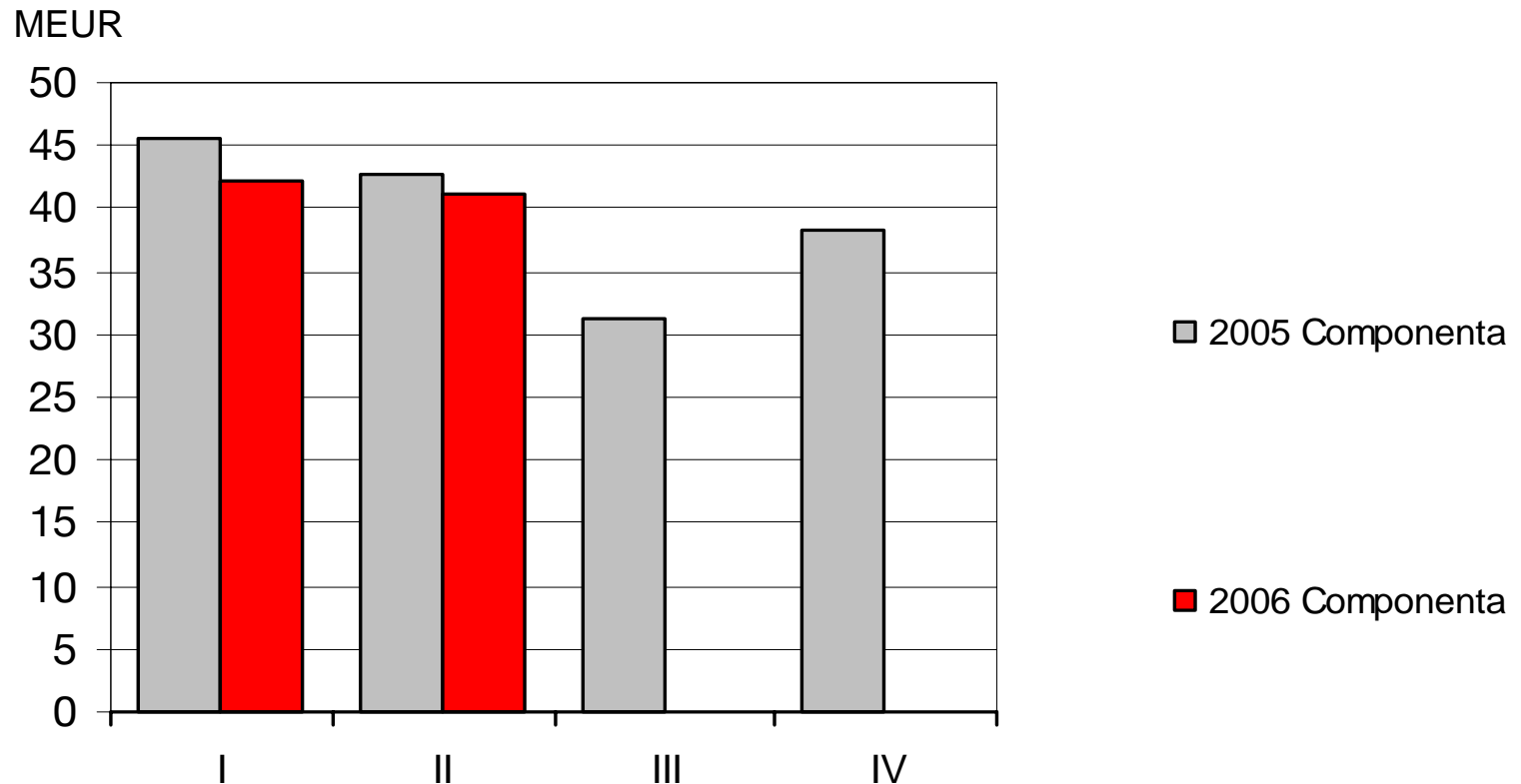
16% (14%)

12% (11%)

2% (2%)

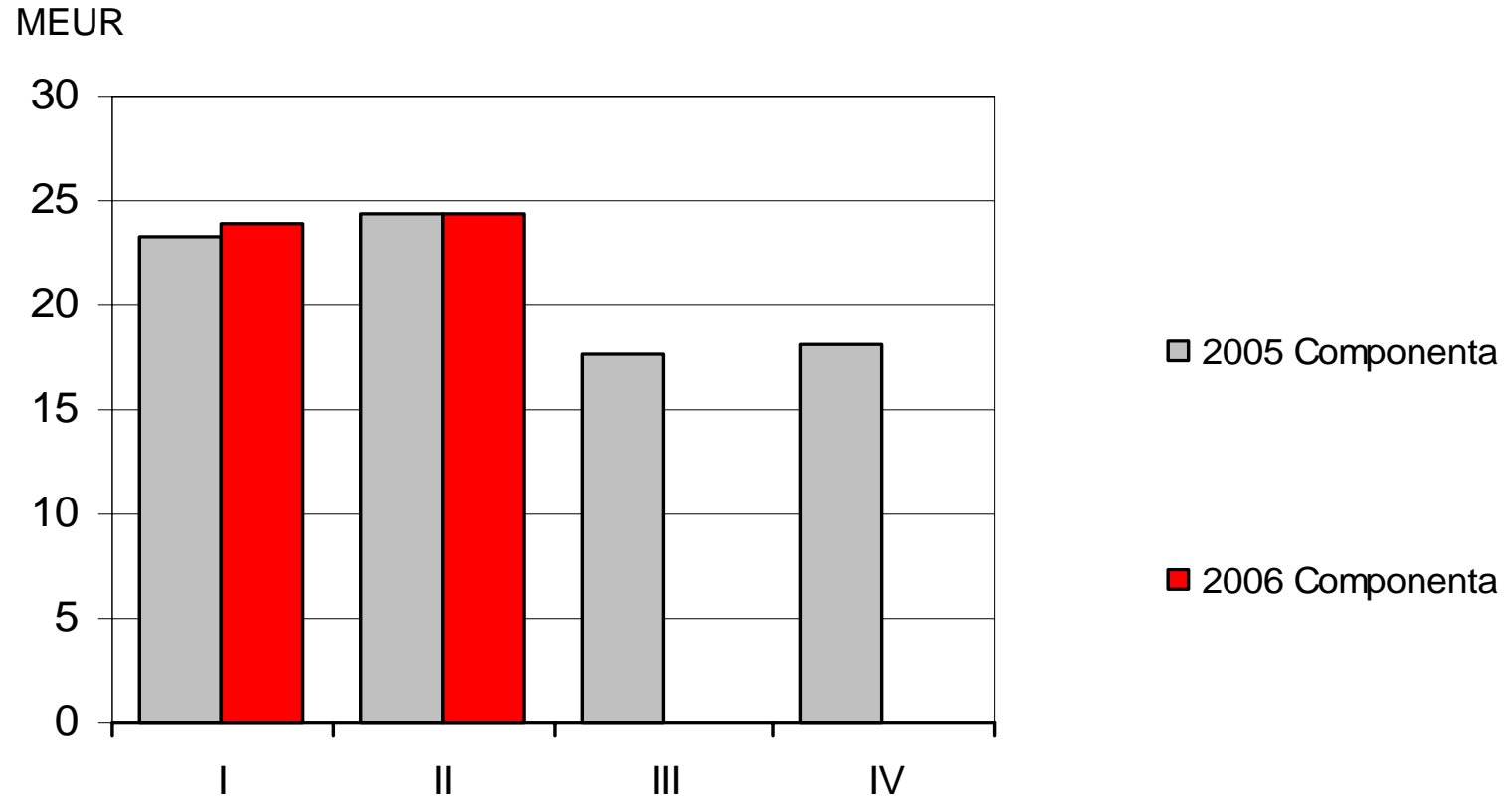
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Sales to heavy truck industry



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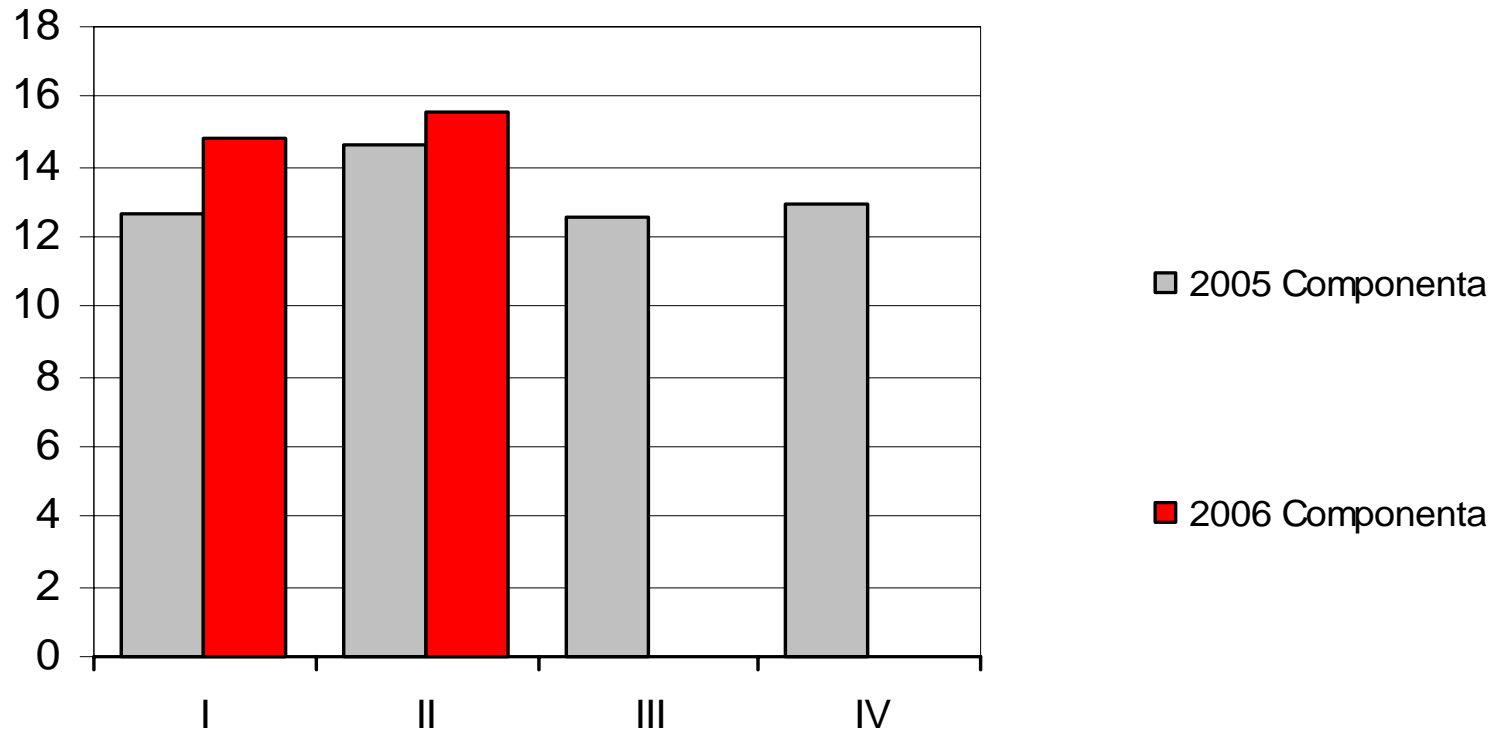
Sales to off-road industry



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Sales to machine building industry

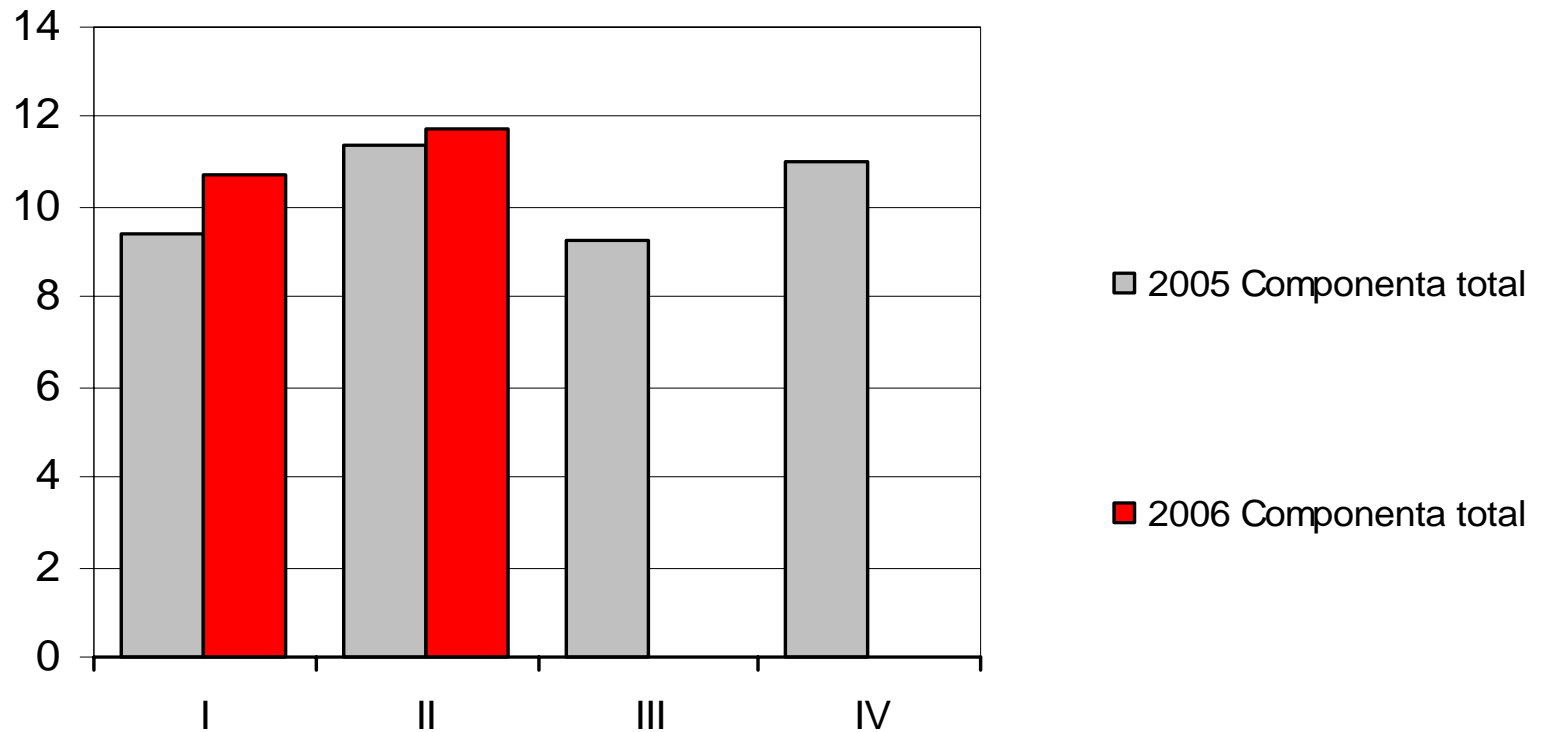
MEUR



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Sales to power and transmission industry

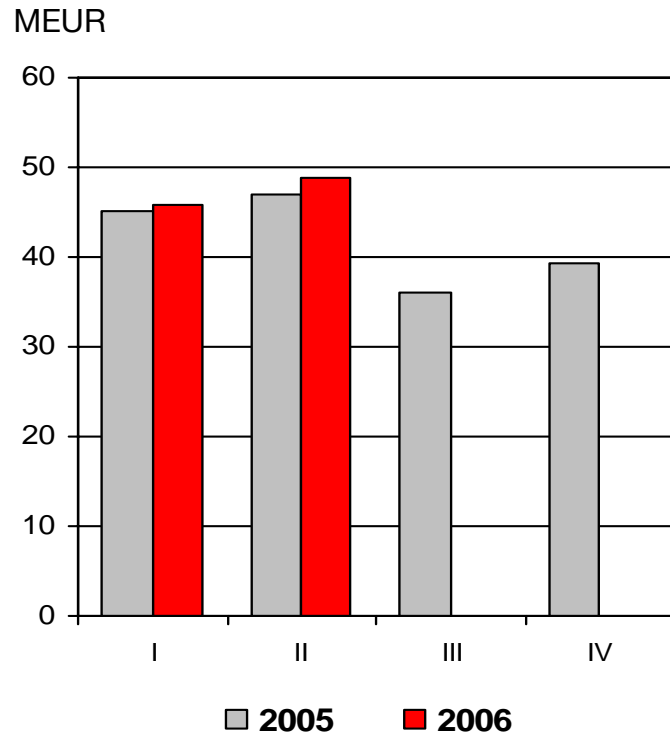
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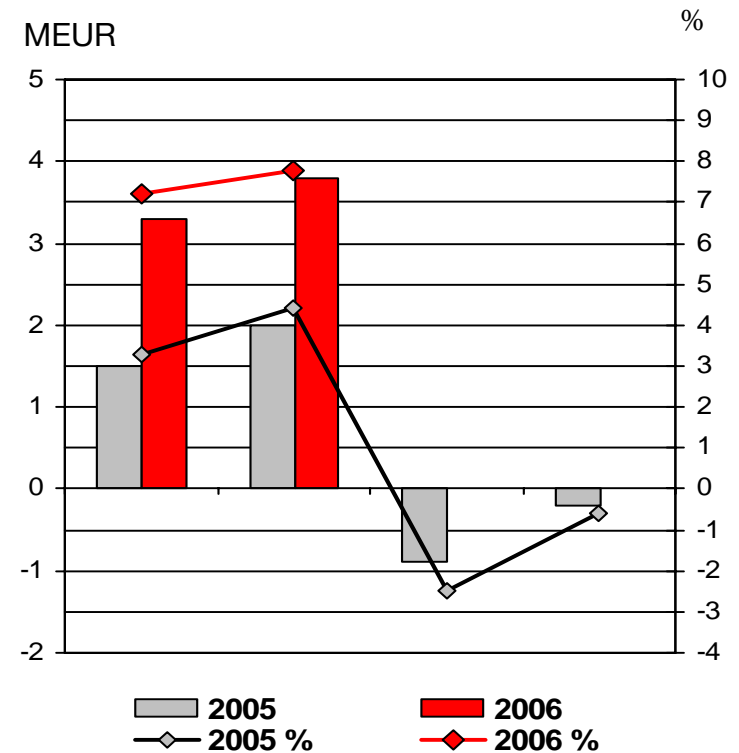
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Foundries

Net sales



Operating profit before one-time items



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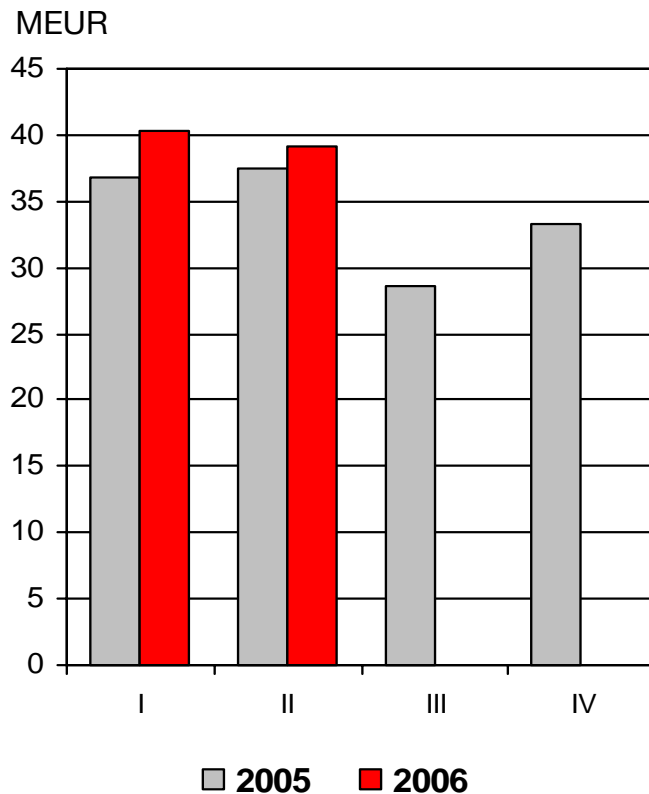
Performance of Foundries division

- 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 94.8 (MEUR 92.1) and operating profit MEUR 7.1 (MEUR 3.5).
- The operating profit improved from the previous year mainly due to raising efficiency in operations.
- The Karkkila foundry's operating loss in the first half of the year was MEUR -2.7 (MEUR -3.1). The programme to enhance operations underway at Karkkila is expected to reduce the unit's operating loss from the previous year.
- Second quarter net sales were MEUR 48.9 (MEUR 47.0) and operating profit MEUR 3.8 (MEUR 2.0).

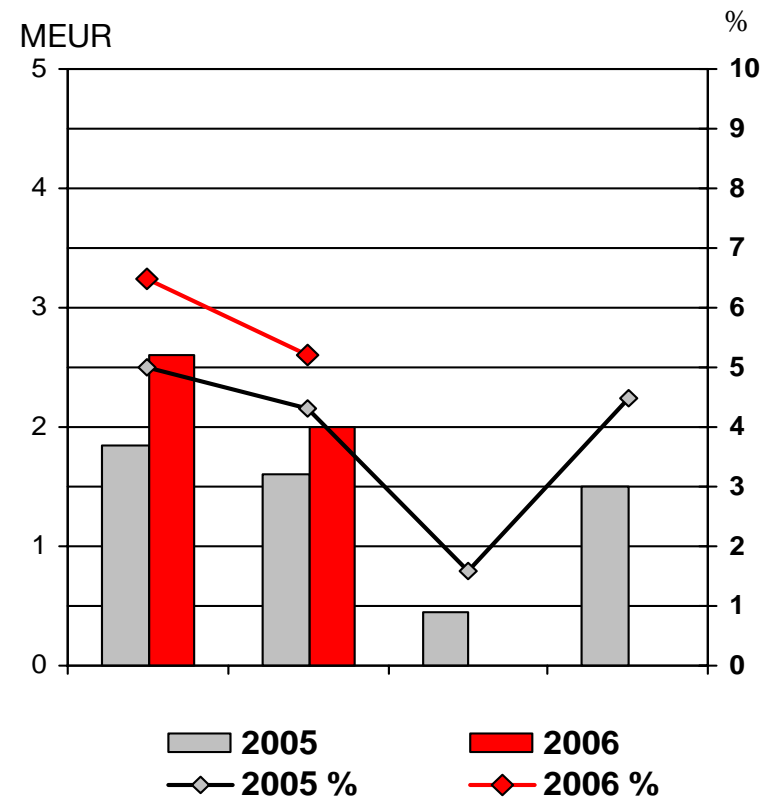
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Machine shops

Net sales



Operating profit before non recurring items



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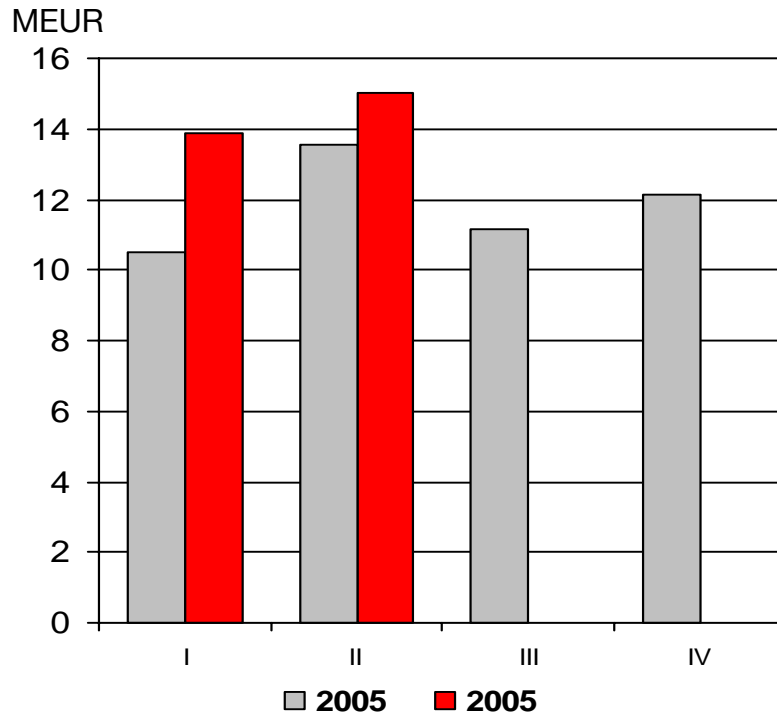
Performance of Machine Shops division

- 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 – June were MEUR 79.5 (MEUR 74.3) and operating profit was MEUR 4.6 (MEUR 3.5).
- The investments carried out in 2004 and 2005 increased the division's sales and improved the efficiency of its operations.
- Second quarter net sales were MEUR 39.2 (MEUR 37.5) and operating profit MEUR 2.0 (MEUR 1.6).

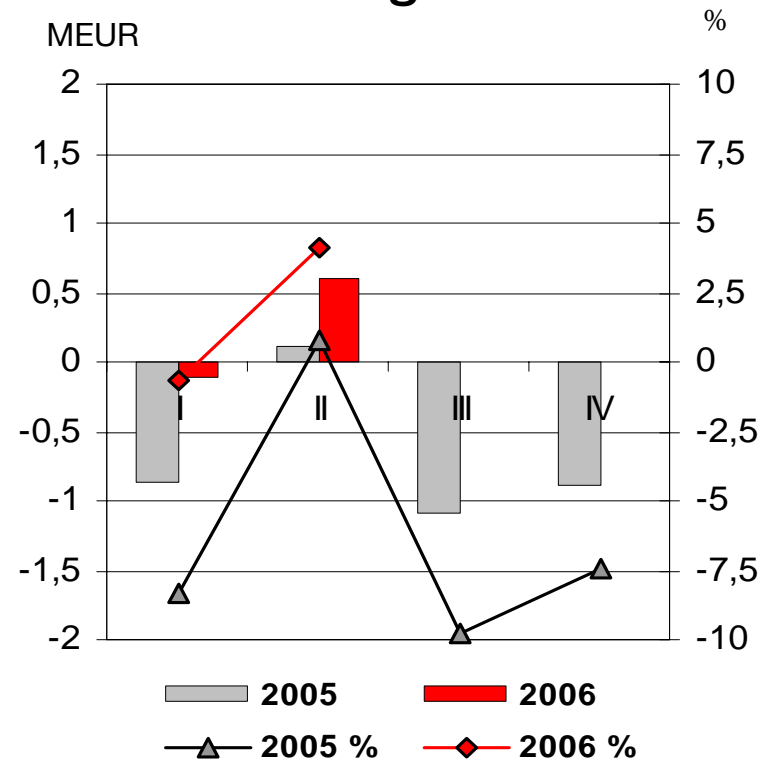
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Heavy Components

Net sales



Operating profit before non recurring items



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Performance of Heavy Components division

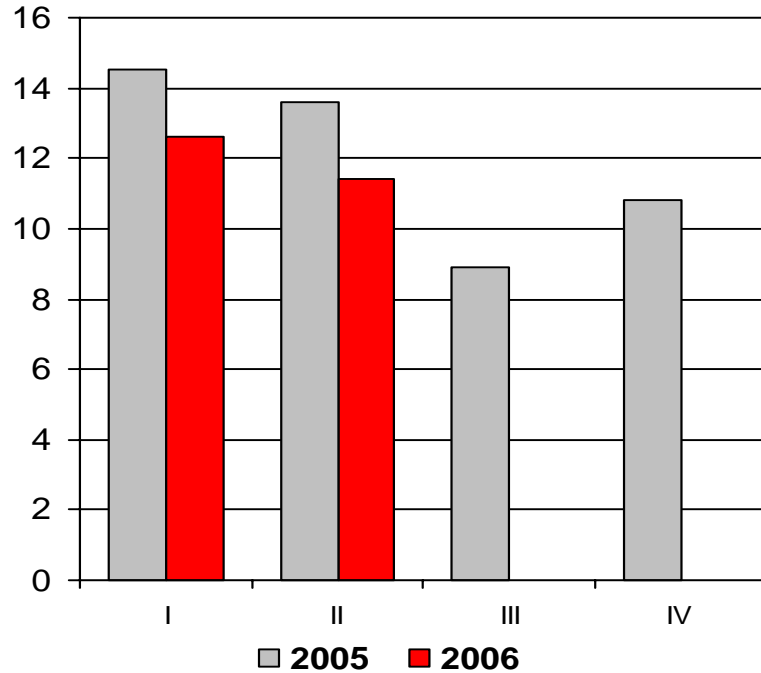
- The division contains the Group's furan foundries in Iisalmi, Finland and in Heerlen, the Netherlands, and the machine shops Componenta Nisamo in Lempäälä and Componenta Pistons in Pietarsaari.
- Net sales in January – June were MEUR 28.9 (MEUR 24.1) and operating result was MEUR 0.5 (MEUR -0.8).
- Operating result improved 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 half of the year of EUR -1.2 (-2.2) million. The programme to stabilize and enhance operations is expected to continue to reduce the unit's operating loss during the current year.
- Second quarter net sales were MEUR 15.0 (MEUR 13.6) and operating profit MEUR 0.6 (MEUR 0.1).

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Other Business

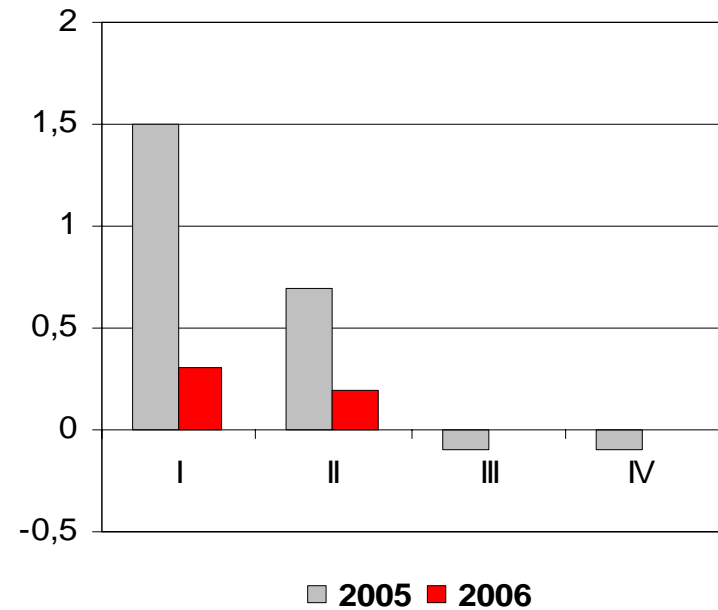
Net sales

MEUR



Operating profit before one-time items

MEUR



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Performance of Other Business

- Other Business net sales in January – June totalled MEUR 24.1 (MEUR 28.2) and operating profit excluding one-time items MEUR 0.6 (MEUR 2.3).
- Sales by the Wirsbo forges fell 16% from the previous year to MEUR 23.2 and the operating profit for the first half of the year declined from the previous year mainly due to the lower sales.
- Componenta's share of the result of associated companies was MEUR 0.8 (MEUR 1.4).
 - Associated company Ulefos NV had net sales of MEUR 18.7 (MEUR 19.4) and profit after financial items of MEUR 2.0 (MEUR 2.3).
- Other Business had second quarter net sales of MEUR 11.4 (MEUR 13.6) and operating profit excluding one-time items of MEUR 0.2 (MEUR 0.7).

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Prospects Q3/2006

- 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 January – June 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 has increased 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 half of the year.

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Prospects Q3/2006

- Running in the investments carried out in 2004 and 2005 at Karkkila and Heerlen continues operationally 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, as elsewhere, in 2007.
- Componenta's order book at the end of the second quarter of 2006 stood at the same level as at the same time in the previous year.
- Net sales and the result after financial items, excluding one-time items, in the third quarter of 2006 are expected to improve on the corresponding period of the previous year.