
COMPONENTA

Componenta Corporation Interim report

1 January - 30 September 2006

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Income statement

MEUR	2006	2005	2005
	1 - 9	1 - 9	1 - 12
Net sales	266.6	260.9	343.2
Operating profit of Cast Components	10.3	4.7	4.5
Operating profit of Other Business	0.4	2.2	2.1
Operating profit before one-time items	10.7	6.9	6.6
Financial income and expenses	-6.9	-6.6	-8.9
Result after financial items (before one-time items)	3.8	0.3	-2.4
One-time items	0.0	3.7	3.3
Result after financial items	3.8	4.0	1.0
Net result	2.9	5.6	2.5
Earnings per share, EUR	0.30	0.58	0.26

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Income statement Q3

MEUR	2006	2005
	7 - 9	7 - 9
Net sales	78.4	72.4
Operating profit of Cast Components	-1.0	-1.5
Operating profit of Other Business	-0.2	-0.1
Operating profit before one-time items	-1.2	-1.6
Financial income and expenses	-2.3	-2.3
Result after financial items (before one-time items)	-3.4	-4.0
One-time items	0.0	-0.2
Result after financial items	-3.4	-4.2
Earning per share, EUR	-0.25	-0.27

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Key Ratios

	30.9.2006	30.9.2005	31.12.2005
Earnings per share (EPS), EUR	0.30	0.58	0.26
Equity ratio, % (preferred capital note in equity)	32.5	32.9	32.1
Return on equity, %	7.3	13.0	4.2
Return on investment, %	8.0	7.4	5.0
Net interest bearing debt, MEUR (preferred capital note in equity)	101.1	110.5	106.8
Net gearing, % (preferred capital note in equity)	113.8	124.2	123.7
Order book, MEUR	64.9	55.6	60.4
Investments in non-current assets, MEUR	10.4	23.4	25.1
Average number of personnel	2,183	2,201	2,214

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Cash flow

MEUR	2006	2005	2005
	1 - 9	1 - 9	1 - 12
Profit before extraordinary items	3.8	4.0	1.0
Depreciation and amortization	12.9	8.0	11.9
Net financial income and expenses	6.9	6.6	8.9
Other income and expenses, adjustments to cash flow	-0.3	-5.8	-4.7
Change in net working capital	1,2	4.4	8.7
Cash flow before financing and income taxes	24.5	17.2	25.8
Interests paid and received and dividends received	-5,8	-5.1	-7.2
Cash flow from operations	18.7	12.0	18.6
Cash flow from investing activities	-5.3	-10.2	-11.6
Cash flow from financing activities	-8.6	-0.6	-2.8
Increase (+)/ decrease(-) in cash and bank accounts	4.8	1.2	4.1

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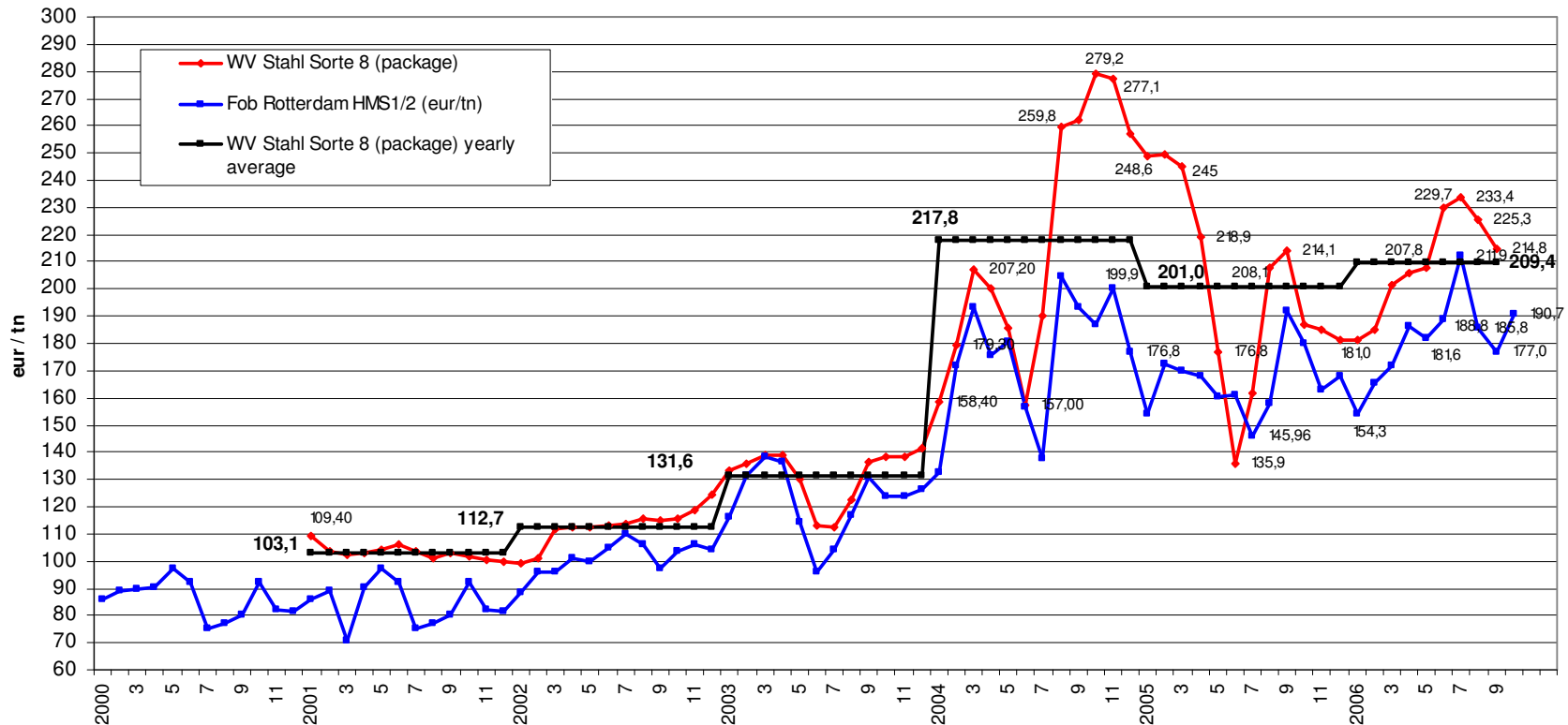
Review period in brief

- Order book at end of period was MEUR 9.3, 17% higher than in the previous year.
- Result after financial items improved from previous year in consequence of enhanced operations in Cast Components.
- Operating losses at Karkkila foundry and Heerlen furan foundry were MEUR 2.6 less than in the previous year, but continued to weaken the operating result of Cast Components.
- The price of scrap steel has remained high. Price fluctuation has decreased.
- The price of electricity has risen rapidly during the current year. It has been necessary to revise product prices due to rising costs.
- The takeover of the foundries in the Netherlands and their integration into the Group's profit centre organization has taken place smoothly. Their operations have been stable and their financial performance during the review period has been positive.

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

Updated 03.10.2006



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Net sales and order book

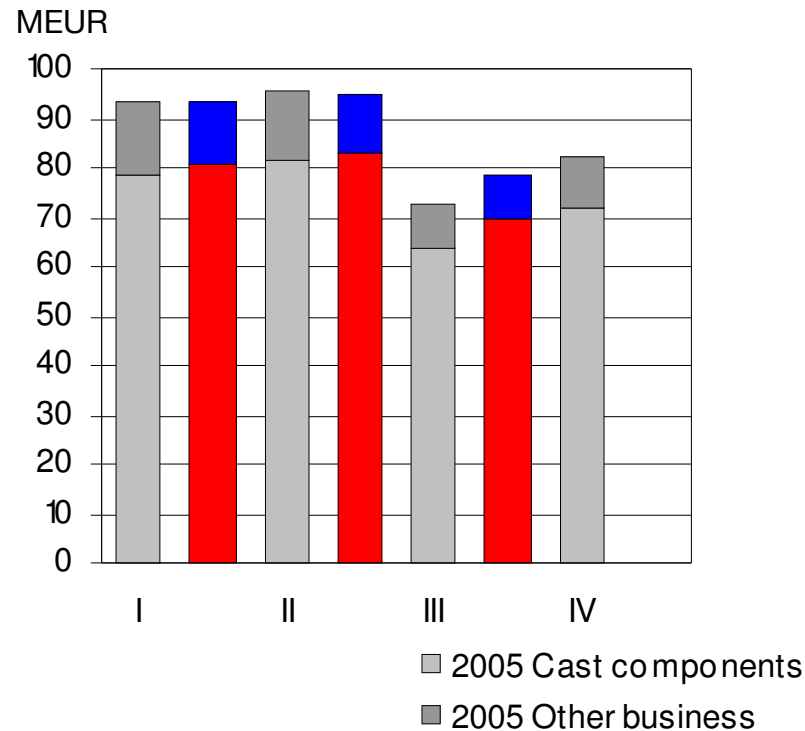
- Componenta's net sales totalled MEUR 266.6 (MEUR 260.9).
- Net sales of Cast Components rose 5% and of Other Business declined 12%.
- Deliveries by customer sector were as follows:

• Heavy truck industry	-4%
• Off-road manufacturers	+7%
• Power and transmission industries	+8%
• Machine building industry	+12%
- Componenta's order book stood at MEUR 64.9 (MEUR 55.6) at the end of September.
 - Cast Components MEUR 57.2 (MEUR 49.2)
 - Other Business MEUR 7.7 (MEUR 6.4)

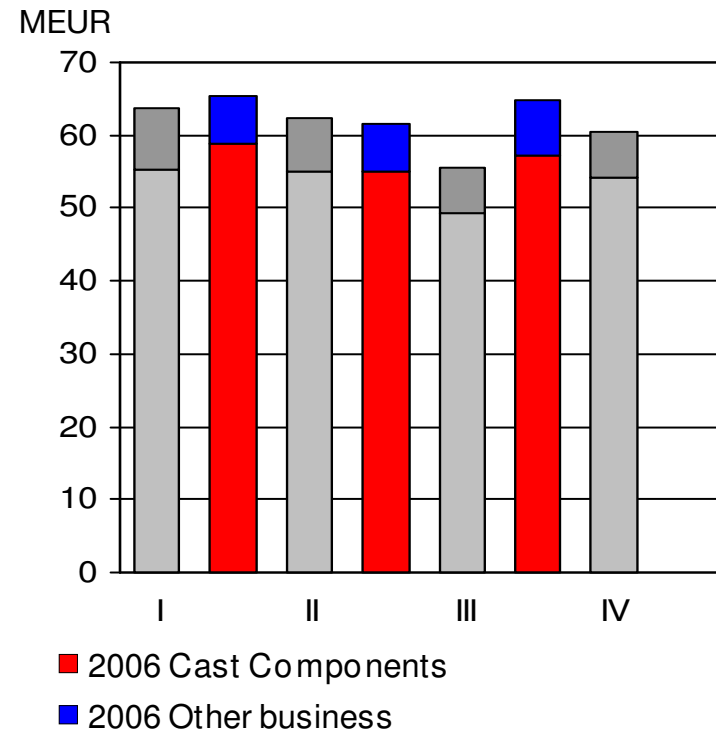
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Net sales and order book

Net sales



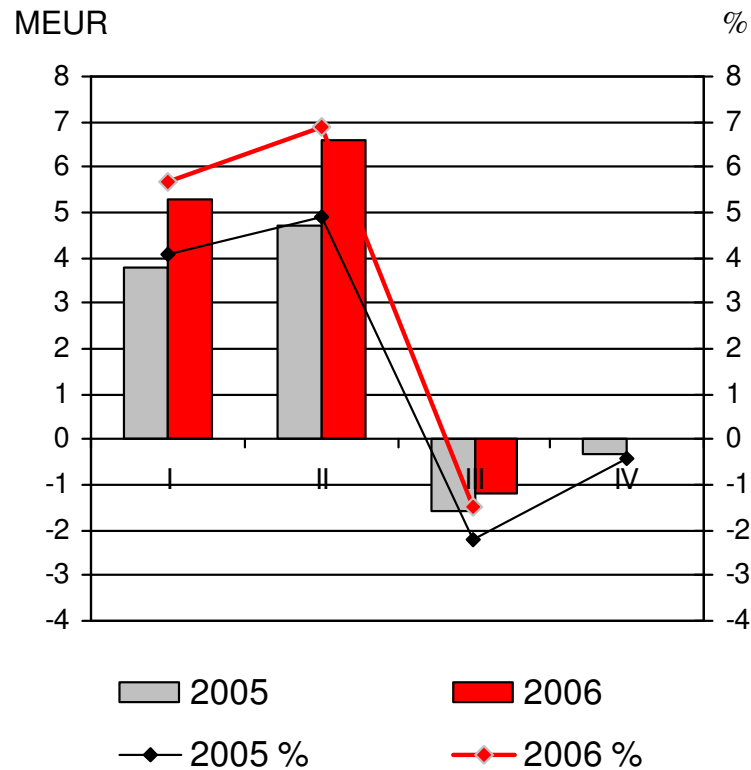
Order book



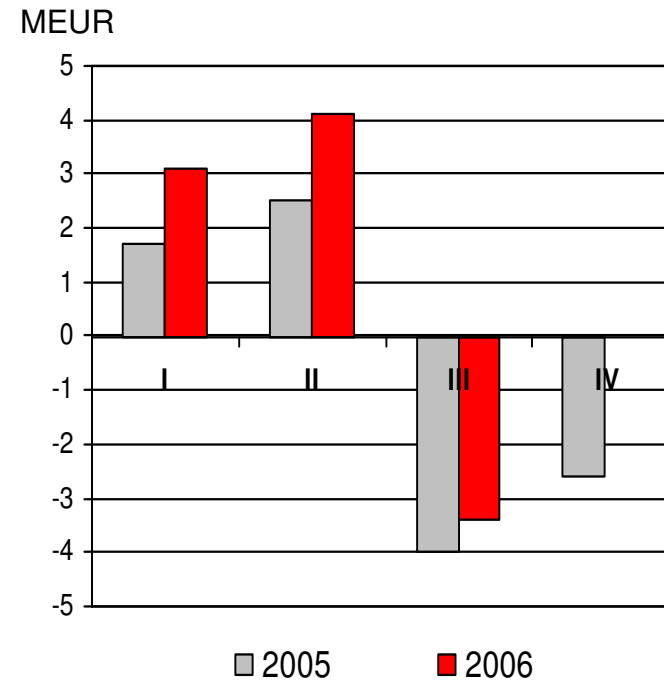
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Operating profit and result after financial items before one-time items

Operating profit

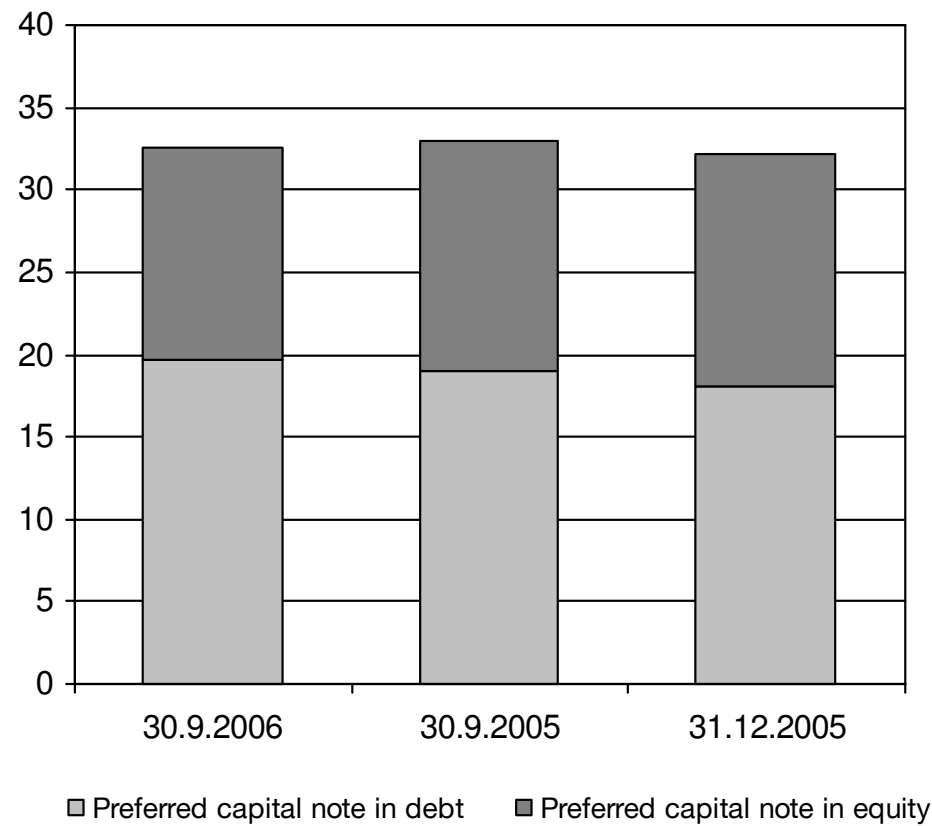


Profit/loss after financial items



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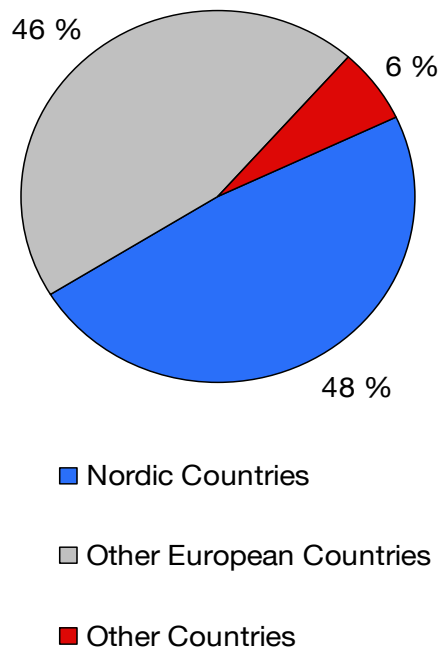
Equity ratio, %



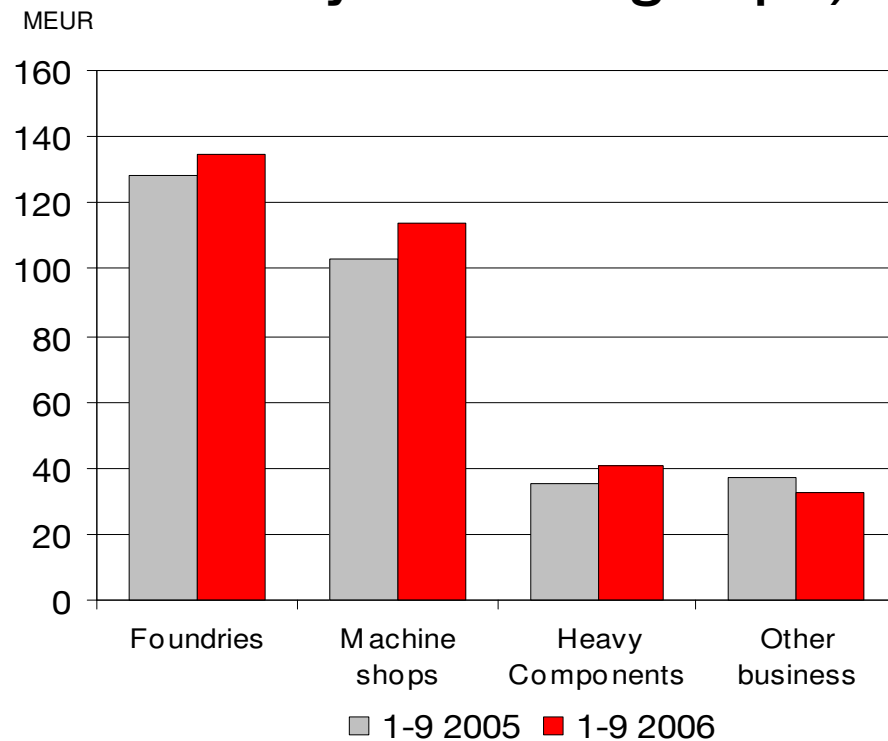
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Division of sales

Sales by market area



Sales by business group *)



*) Including intra group sales of total MEUR 54.8 (42.5)

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Sales to customer industries



Heavy trucks

43% (46%)

Off-road

26% (25%)

Machine building

17% (15%)

Power and transmission

12% (12%)

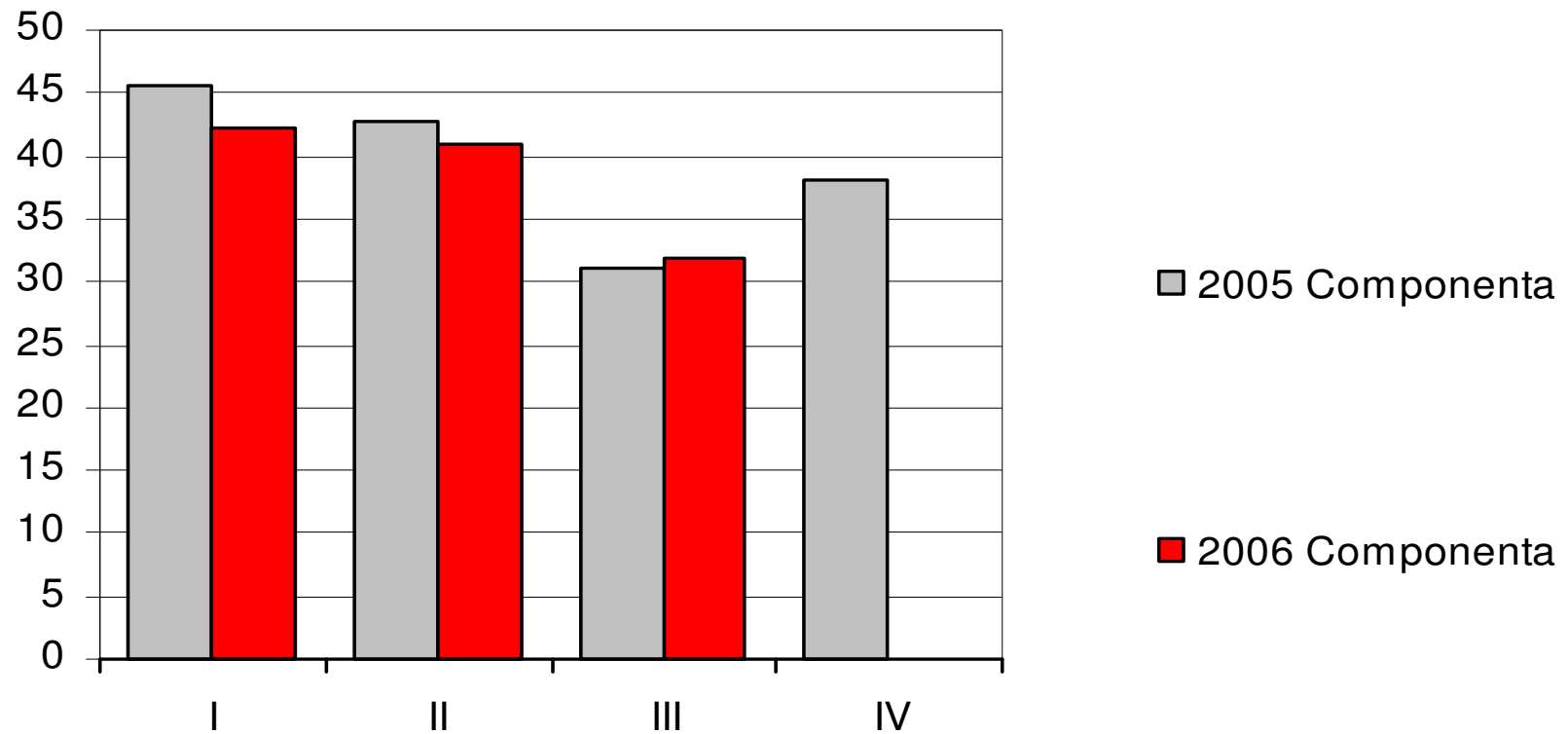
Others

2% (2%)

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Sales to heavy truck industry

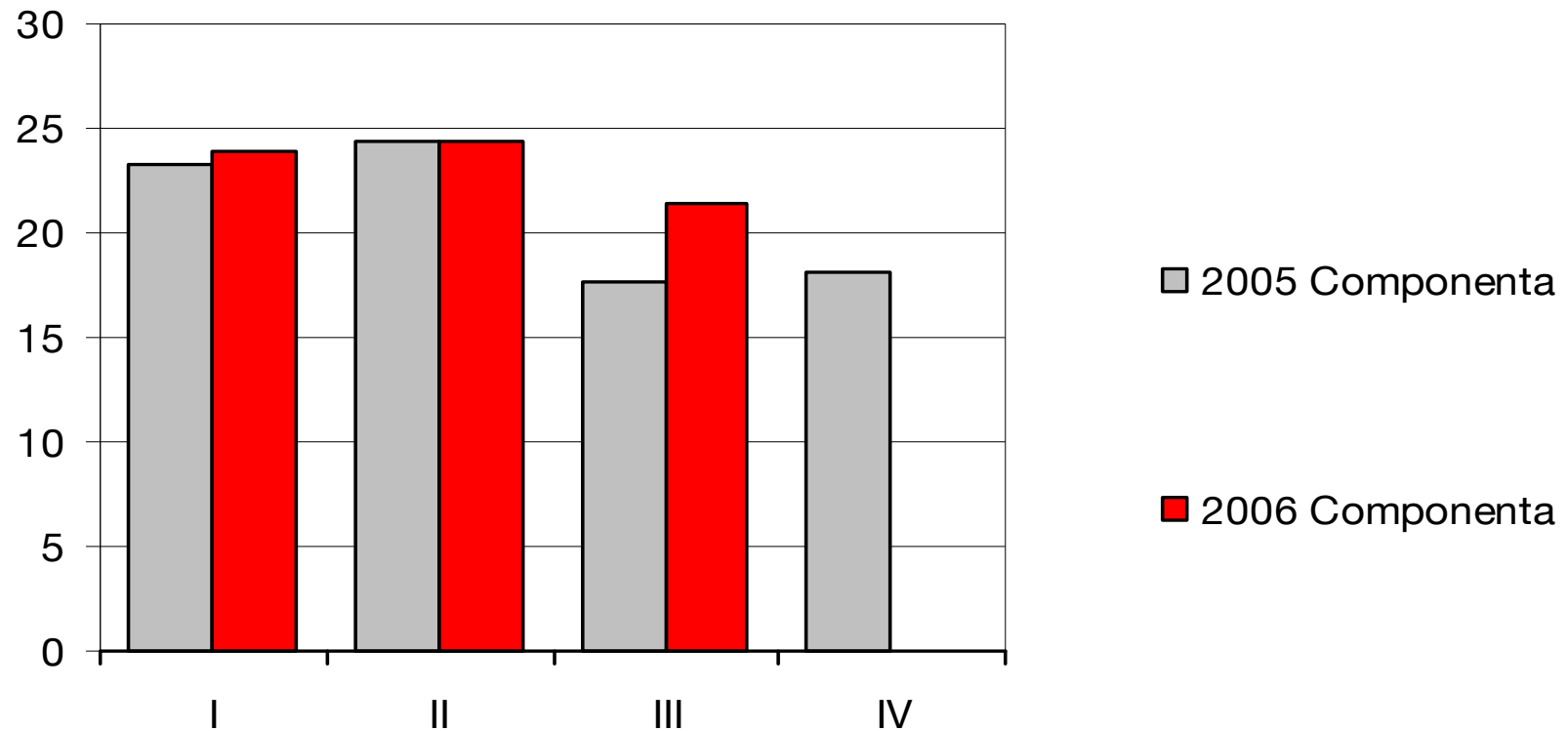
MEUR



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Sales to off-road industry

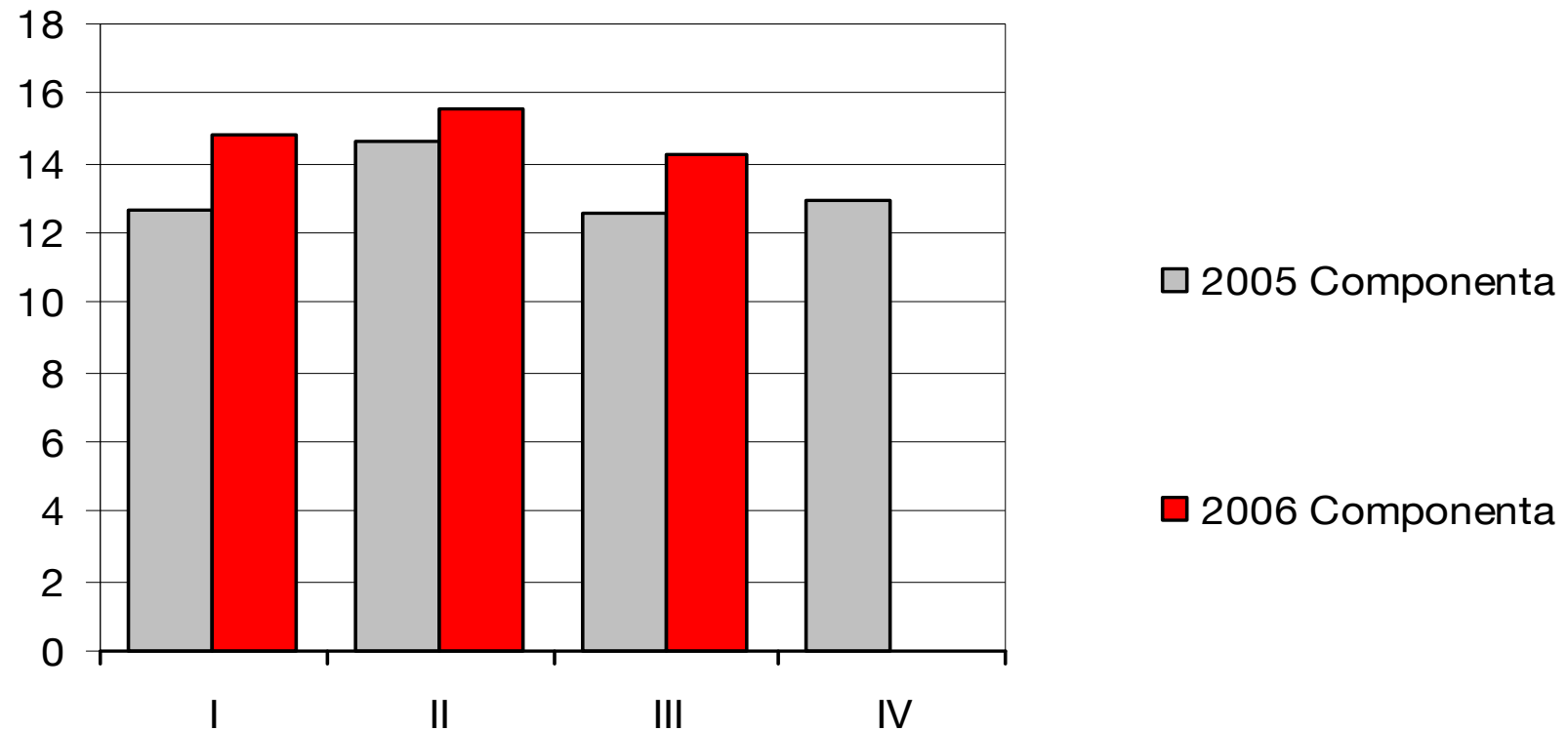
MEUR



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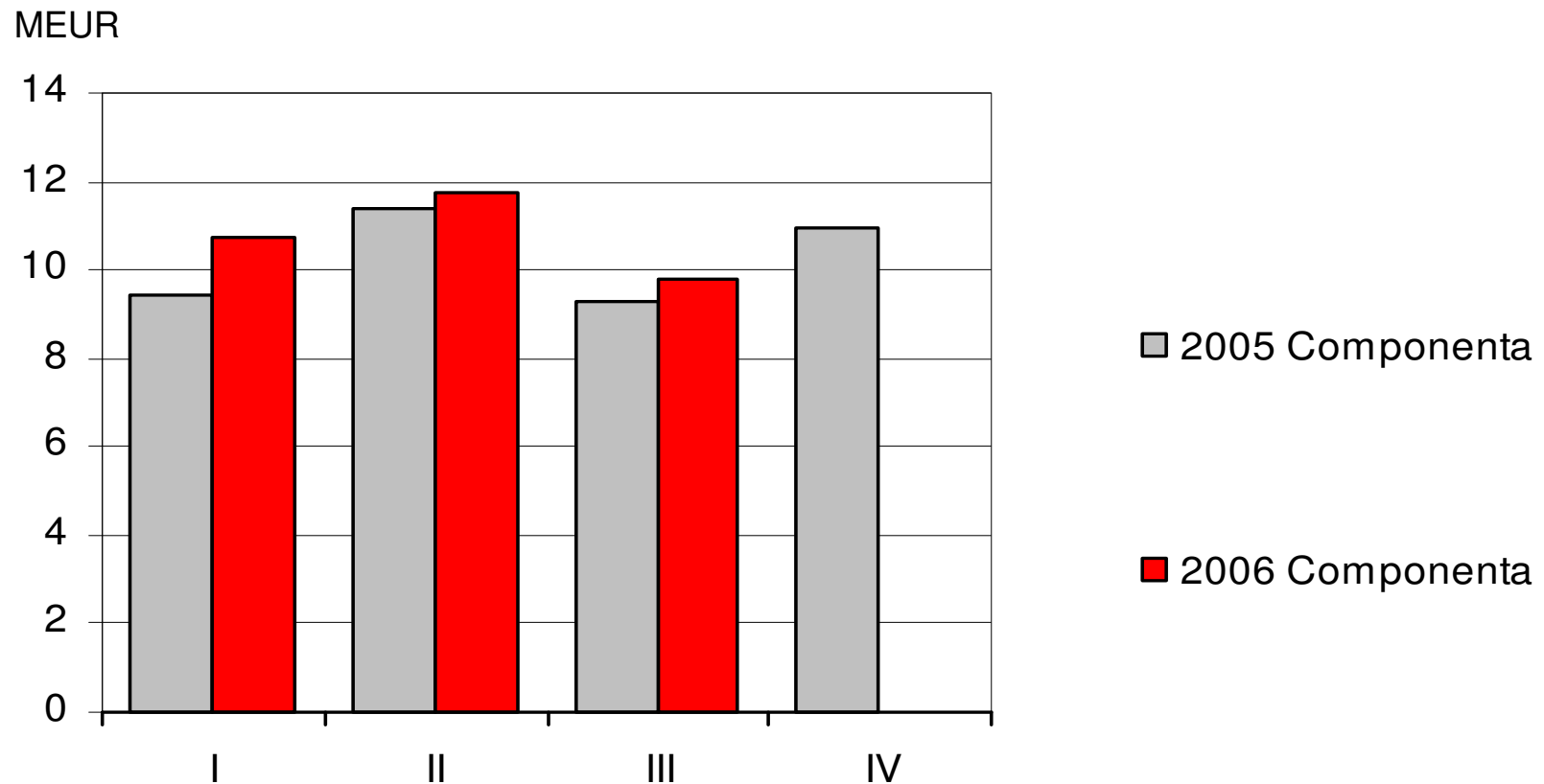
Sales to machine building industry

MEUR



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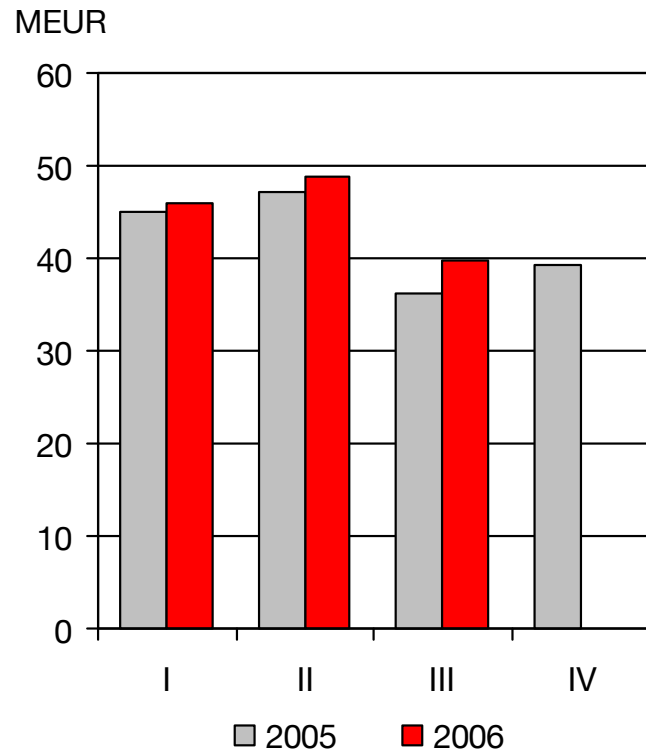
Sales to power and transmission industry



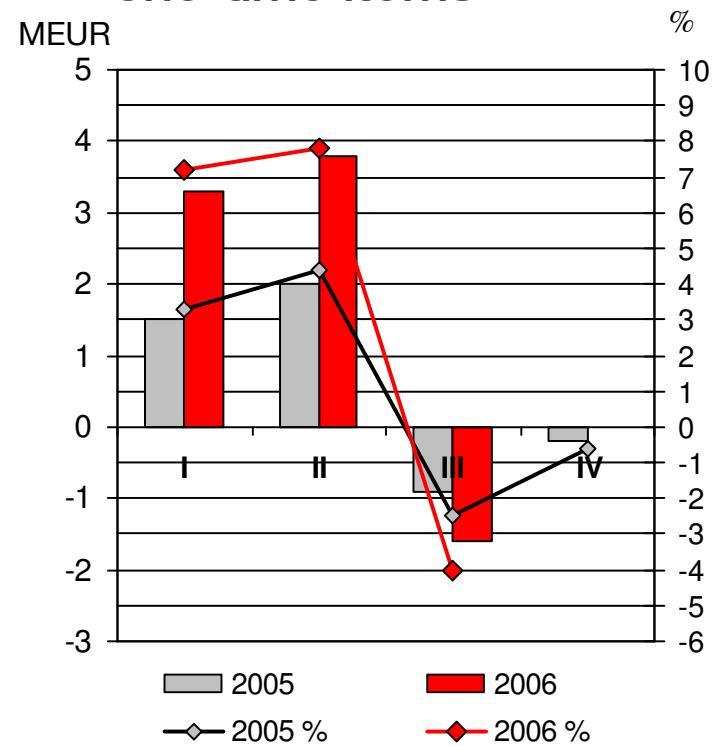
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Foundries

Net sales



Operating profit before one-time items



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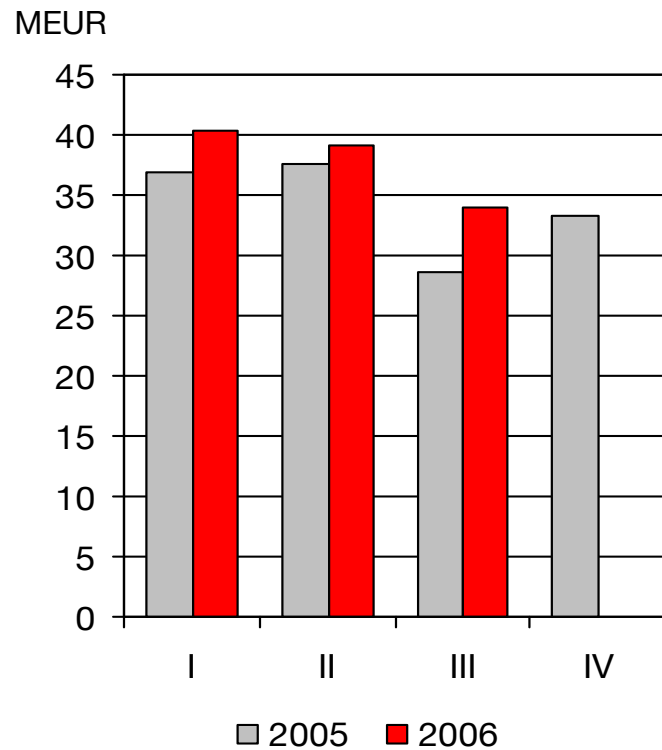
Performance of Foundries division

- 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 in January-September were MEUR 134.5 (MEUR 128.2) and operating profit MEUR 5.5 (MEUR 2.6).
- The operating profit improved from the previous year mainly due to raising efficiency in operations
- The Karkkila foundry's operating loss in the first nine months of the year was MEUR -4.1 (MEUR -5.0). The programme to enhance operations underway at Karkkila is expected to reduce the unit's operating loss from the previous year.
- Third quarter net sales were MEUR 39.7 (MEUR 36.1) and operating loss MEUR -1.6 (MEUR -0.9). The operating result declined as a result of the extra costs caused by the Pietarsaari unit being overloaded.

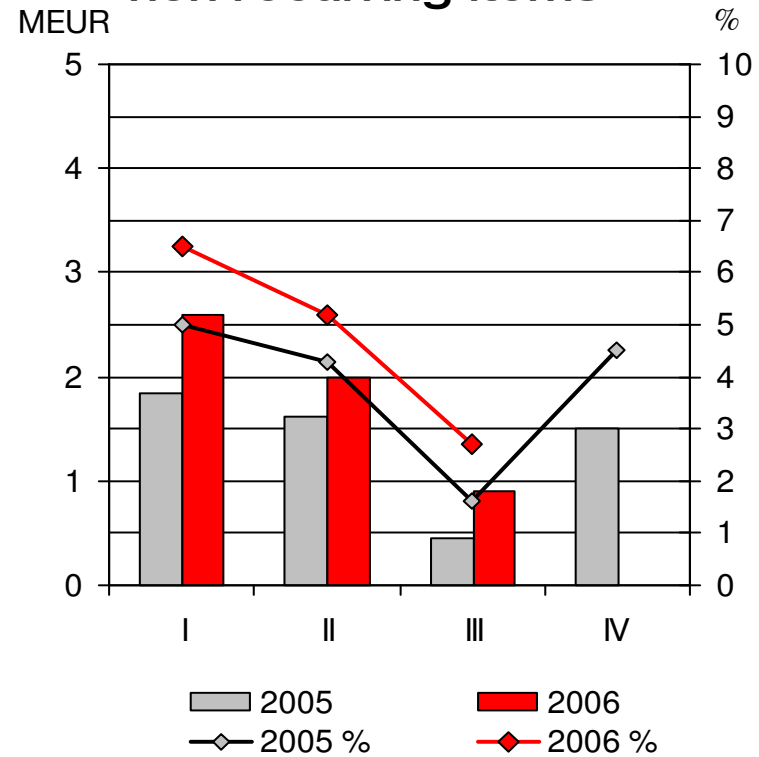
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Machine shops

Net sales



Operating profit before non recurring items



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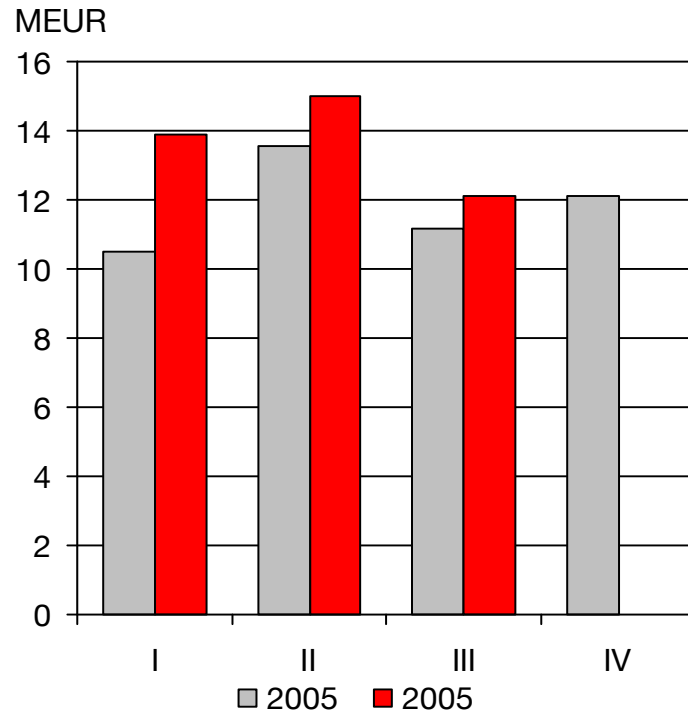
Performance of Machine Shops division

- 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 – September were MEUR 113.5 (MEUR 102.9) and operating profit was MEUR 5.6 (MEUR 3.9).
- The investments carried out in 2004 and 2005 increased the division's sales and improved the efficiency of its operations.
- Third quarter net sales were MEUR 34.0 (MEUR 28.6) and operating profit MEUR 0.9 (MEUR 0.4).

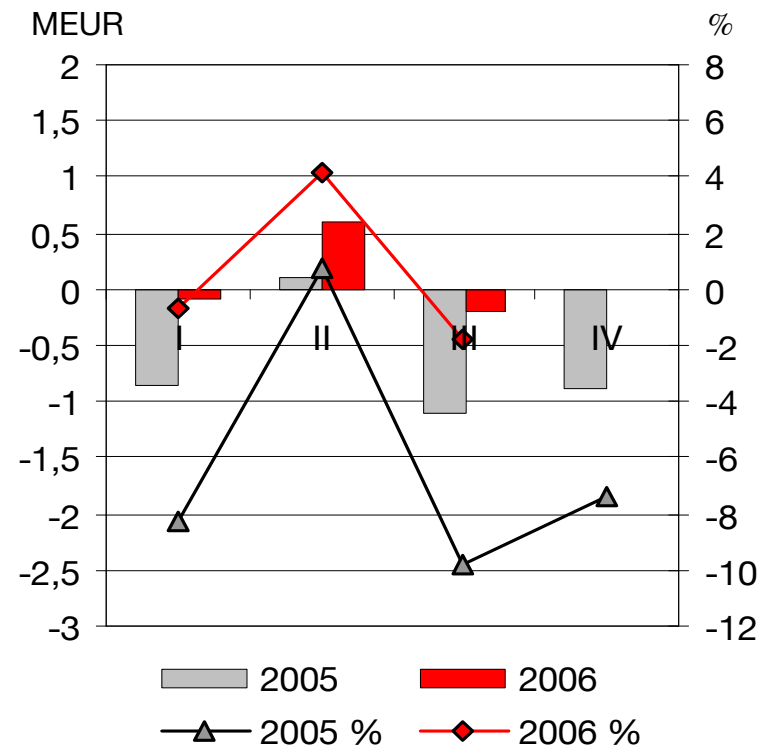
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Heavy Components

Net sales



Operating profit before non recurring items



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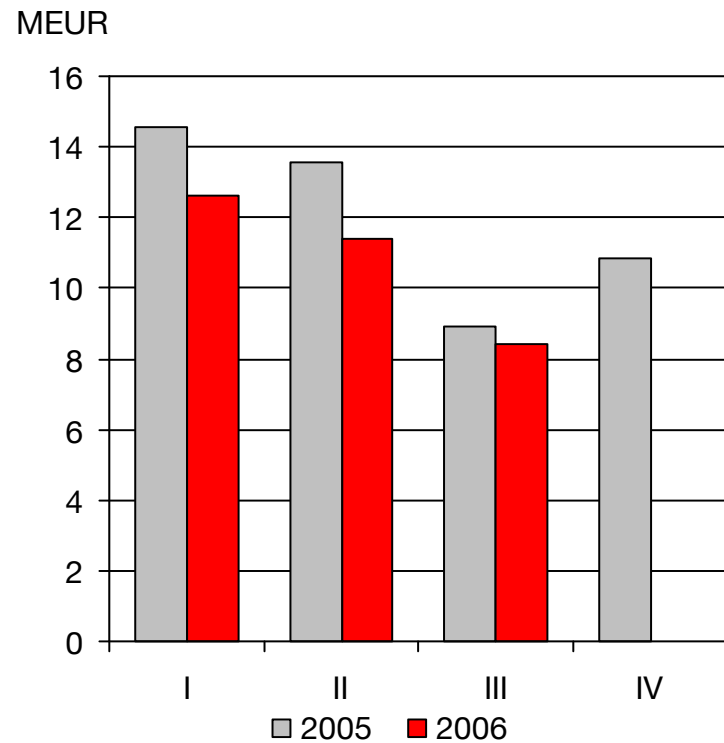
Performance of Heavy Components division

- The division contains the Group's furan foundries in Iisalmi, Finland and Heerlen, the Netherlands, and the machine shops Componenta Nisamo in Lempäälä and Componenta Pistons in Pietarsaari.
- Net sales in January – September were MEUR 40.9 (MEUR 35.2) and operating result was MEUR 0.2 (MEUR -1.9).
- 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 nine months of the year of EUR -2.1 (-3.8) 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.
- Third quarter net sales were MEUR 12.1 (MEUR 11.2) and operating loss MEUR -0.2 (MEUR -1.1).

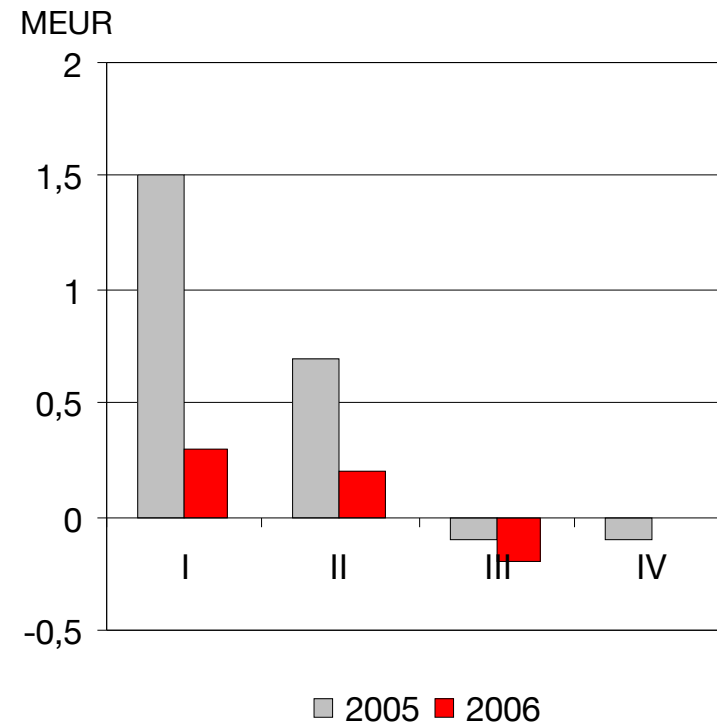
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Other Business

Net sales



Operating profit before one-time items



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Performance of Other Business

- Other Business net sales in January – September totalled MEUR 32.5 (MEUR 37.0) and operating profit excluding one-time items MEUR 0.4 (MEUR 2.2).
- Sales by the Wirsbo forges fell 13.3% from the previous year to MEUR 31.3 and the operating profit for the first nine months 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 1.2 (MEUR 1.8).
 - Associated company Ulefos NV had net sales of MEUR 28.4 (MEUR 28.7) million and a profit after financial items of MEUR 2.8 (MEUR 3.2).
- Other Business had third quarter net sales of MEUR 8.4 (MEUR 8.9) and an operating loss excluding one-time items of MEUR -0.2 (MEUR -0.1).

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Prospects Q4/2006

- 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 – September 2006 fell short of the corresponding period in the previous year. The improved economic prospects in Europe have 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 nine months of the year.

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Prospects Q4/2006

- Running in operationally the new equipment installed in 2004 and 2005 at Karkkila and Heerlen continues during 2006. The operating losses at these units should decline during 2006. The goal is to achieve an operating profit at the Karkkila and Heerlen units, as elsewhere, in 2007.
- Componenta's order book at the end of the third quarter of 2006 stood at a higher level than at the same time in the previous year.
- Net sales and the result after financial items, excluding one-time items, in the fourth quarter of 2006 are expected to improve on the corresponding period of the previous year.