- Net sales in January March 2006 totalled MEUR 93.6 (MEUR 93.2); net sales of the Cast Components business group increased 3% and that of other operations fell 14%.
- Operating profit was MEUR 5.3 (3.9) and the result after financial items was MEUR 3.1 (1.8).
- The earnings per share were EUR 0.23 (0.14).
- Componenta's net sales and result after financial items, excluding one-time items, for the second quarter of 2006 are forecast to be at the same level as in the corresponding period of the previous year.





President and CEO Heikki Lehtonen

Focus on Improving Customer Satisfaction

The extensive investments made in 2005 to improve competitiveness and capacity in the foundries and machine shops as well as the strengthening of the Group's operational structure with the related development investments and organizational changes form a steady foundation for the year 2006. Componenta's product divisions – Foundries, Machine Shops and Heavy Components – as well as the Group's sales and product development organization are aiming at improving internal efficiency and customer satisfaction.

The running in of new machines and equipment and stabilizing production processes have continued in the first few months of 2006. The investments completed in the machine shops in Albin, Pietarsaari and Främmestad in 2005 helped increase the sales volumes of the Machine Shops division and have already led to improved efficiency in the first months of the year.

The ongoing programmes regarding stabilising and increasing efficiency at the furan foundry in Heerlen and the Karkkila foundry are expected to lower the losses recorded in these units last year. Our aim is to be able to record a profit for the Karkkila and Heerlen units in 2007.

The demand for components in the off-road, the energy and power transmission industry and the machine building industry has developed positively during the first months of 2006. The improved economic outlook in Europe combined with the introduction of new environmental norms in autumn 2006 will increase the demand for heavy trucks at least in the short term. Accordingly, Componenta's order book was at a good level at the end of March.

At Componenta, 2006 will above all be a year of developing internal operations and increasing customer satisfaction.

Net sales and order book

The Group had net sales in the January – March review period of EUR 93.6 (93.2) million and an order book of EUR 65.5 (63.8) million at the end of March. The Cast Components business group had sales of EUR 81.0 (78.6) million and other operations of EUR 12.6 (14.6) million. At the end of the review period, Cast Components had an order book of EUR 58.7 (55.2) million and other operations of EUR 6.8 (8.6) million.

Componenta's deliveries to the heavy truck industry declined 10% in the first quarter from the corresponding quarter in the previous year but rose 8% from the final quarter in the previous year. Sales to off-road manufacturers grew 11%, deliveries to the power and transmission industries rose 19%, and sales to the machine building industry grew 9% in the first quarter from the corresponding period in the previous year.

Componenta's net sales by customer sector were as follows: heavy truck industry 44% (49%), off-road 27% (25%), machinery and equipment manufacturers 15% (14%), power and transmission 12% (10%), and others 2% (2%).

Componenta's net sales by market area were as follows: Nordic countries 49% (51%), other European countries 45% (43%) and other countries 6% (6%).

Result

The interim report has been produced in accordance with the recognition and valuation principles of the International Financial Reporting Standards. In drafting its interim report, Componenta has applied the same accounting principles as with the 2005 Financial Statements. The figures presented in the interim report are unaudited.

Componenta Group made an operating profit of EUR 5.3 (3.9) million and the result after financial items was EUR 3.1 (1.8) million. The Cast Components business group had an operating profit of EUR 5.0 (2.3) million and other operations recorded an operating profit of EUR 0.3 (1.6) million. The Group had no one-time items during the first quarter.

The Group's net financial costs amounted to EUR -2.2 (-2.1) million.

The consolidated result after financial

items improved from the previous year mainly due to enhanced efficiency in the operations of the Cast Components business group. The operating losses recorded by the Karkkila foundry and the Heerlen furan foundry continued to weaken Cast Components' operating profit. Steel scrap prices stabilized in the first part of the year.

Income taxes were EUR -0.9 (-0.3) million.

The earnings per share were EUR 0.23 (0.14).

The return on investment was 11.5% (8.3%) and return on equity 17.9% (10.7%).

Financing

On 31 March 2006 Componenta Corporation had outstanding capital notes and convertible bonds with a combined value of EUR 34.7 million, as defined in IFRS. In March the Group repaid EUR 3.2 million, or 10%, of the principal of the preferred capital notes in accordance with the terms for the notes.

The Group had EUR 60.0 million in non-utilised long-term credit facilities at the end of the review period. In addition, the Group has a EUR 60.0 million commercial paper programme. The Group's interestbearing net debt, excluding the EUR 34.7 million in outstanding capital notes, totalled EUR 107.9 (114.5) million. Net gearing, including the capital notes in shareholders' equity, was 125% (125%).

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 March 2006 the company had sold sales receivables totalling EUR 25.4 (18.8) million.

The cash flow from operations during the review period was EUR 4.6 (-0.6) million, and of this the change in net working capital was EUR -6.5 (-8.9) million. The cash flow from investments was EUR -1.4 (-5.4) million.

The Group's equity ratio was 18.9% (19.6%) and the equity ratio, including capital notes in shareholders' equity, was 31.6% (33.0%).

Performance of business groups

The organizational structure of Componenta Group was altered on 1 November

2005 and the Group's production units were organized into three business divisions – Foundries, Machine Shops and Heavy Components. Together these form the Cast Components business segment. Other Business comprises the Wirsbo forges, associated companies, the Group's support functions and service companies, and divested business.

Foundries

The Foundries division contains the Group's foundries in Karkkila, Pori, Pietarsaari and Weert as well as the HWS business unit at the Heerlen foundry. The division had net sales in the first quarter of EUR 45.9 (45.0) million and an operating profit of EUR 3.3 (1.5) million. The division's operating profit improved from the previous year mainly due to raising efficiency in operations. The Karkkila foundry recorded an operating loss in the first quarter of EUR -1.8 (-1.7) million. 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.

Machine Shops

The Machine Shops 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. The division had net sales in January – March of EUR 40.3 (36.8) million and an operating profit of EUR 2.6 (1.8) million. The investments carried out in 2004 and 2005 increased the division's sales and improved the efficiency of its operations.

Heavy Components

The Heavy Components 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. The division had net sales in January – March of EUR 13.9 (10.5) million and an operating loss of EUR -0.1 (-0.9) million. The division's 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 programme to stabilize and enhance operations at the unit is expected to continue to reduce the Heerlen furan foundry's operating loss during the current year.

Other Business

Other Business had net sales in January -March of EUR 12.6 (14.6) million and an operating profit of EUR 0.3 (1.6) million. Sales by the Wirsbo forges fell 15% from the previous year to EUR 12.1 million and the operating profit declined from the previous year in consequence of the lower sales. Componenta's share of the result of the associated companies was EUR 0.2 (0.6) million. Associated company Ulefos NV recorded net sales of EUR 8.0 (8.6) million and profit after financial items of EUR 0.5 (0.8) million. The cold winter with much snow in the Nordic countries had a seasonal impact on Ulefos, which manufactures manhole covers, reducing sales and profit.

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. At the end of the review period on 31 March 2006 the quoted price of Componenta Corporation shares stood at EUR 6.13 (EUR 7.38). The average price during the year was EUR 5.58, the lowest quoted price was EUR 5.29 and the highest EUR 6.23. At the end of the review period the share capital had a market value of EUR 59.0 million (EUR 71.0 million) and the volume of shares traded during the review period was equivalent to 15% (16%) of the share stock.

The Annual General Meeting of Shareholders decided not to pay a dividend for 2005, in accordance with the proposal of the Board of Directors.

On 8 February 2006, Componenta received notification from Oy Etra-Invest Ab that its share of the voting rights and share capital of Componenta Corporation had exceeded 20% through a share transaction on 8 February 2006. On 31 March 2006, Oy Etra-Invest Ab held 23.1% of the share capital and voting rights of Componenta Corporation.



Purchasing and disposing of company shares

The company's Board of Directors holds no current authorization to purchase or dispose of the company's own shares.

Investments

Investments in production facilities during the review period totalled EUR 2.3 (8.3) million, and finance lease investments accounted for EUR 0.5 million of these. The net cash flow from investments was EUR -1.4 (-5.4) million.

Board of Directors and Management

Componenta's Annual General Meeting of Shareholders on 8 February 2006 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.

At the end of the review period, the corporate executive team of Componenta Group was formed by President and CEO Heikki Lehtonen; Olli Karhunen, Director, Heavy Components; Jari Leino, Director, Sales and Product Development; Anu Mankki, Director, Human Resources; Marc Omes, Director, Sales and Product Development; Michael Sjöberg, Director, Machine Shops; Kimmo Suupohja, Director, Foundries; CFO Kimmo Virtanen and Communications Manager Pirjo Aarniovuori.

Personnel

During the review period the Group had on average 2140 (2196) employees. At the end of March 2006, 47% (47%) of the Group's personnel were in Finland, 26% (25%) in the Netherlands and 27% (28%) in Sweden.

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 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. Running in the investments 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 in the corresponding period in the previous year and was higher than at the end of 2005. Componenta's net sales and result after financial items, excluding one-time items, for the second quarter of 2006 are forecast to be at the same level as in the corresponding period of the previous year.

Helsinki, 13 April 2006

COMPONENTA CORPORATION Board of Directors

0.5

221.8

273.6

0.5

223.2

277.6

0.4

220.5

269.1

Provisions

Total liabilities and shareholders' equity

Total liabilities

Cash	flow	statement

MEUR	1.131.3.2006	1.131.3.2005	1.131.12.2005
Cash flow from operations			
Result after financial items	3.1	1.8	1.0
Depreciation, amortization and write-down	4.3	4.0	11.9
Net financial income and expenses	2.2	2.1	8.9
Other income and expenses, adjustments to cash flow	3.8	3.0	-4.7
Change in net working capital	-6.5	-8.9	8.7
Cash flow from operations before financing and income taxes	6.9	2.0	25.8
Interest received and paid and dividends received	-2.3	-2.6	-7.2
Taxes paid	0.0	0.0	0.0
Net cash flow from operations	4.6	-0.6	18.6
Cash flow from investing activities			
Capital expenditure in tangible and intangible assets	-1.4	-5.5	-17.5
Proceeds from tangible and intangible assets	0.0	0.0	0.2
Other investments and loans granted	0.0	0.0	-2.7
Proceeds from other investments and repayments of loan receivables	0.0	0.1	8.4
Net cash flow from investing activities	-1.4	-5.4	-11.6
Cash flow from financing activities			
Dividends paid	0.0	-4.8	-4.8
Share issue	0.0	0.0	0.1
Draw-down (+)/ repayment (-) of the equity part of convertible capital notes	0.0	1.5	1.5
Repayment of finance lease liabilities	-0.5	-0.4	-1.8
Draw-down (+)/ repayment (-) of current loans	-1.4	5.4	1.3
Draw-down (+)/ repayment (-) of non-current loans	-3.7	5.7	1.0
Net cash flow from financing activities	-5.6	7.4	-2.8
Change in liquid assets	-2.4	1.4	4.1
Cash and bank account at the beginning of the period	5.3	1.2	1.2
Cash and bank account at the period end	2.9	2.6	5.3
Change during the financial period	-2.4	1.4	4.1

Statement of changes in shareholder's equity

MEUR	Share capital	Share premium account	Other reserves	Other items	Retained earnings	Total	Minority interest	Share- holder's equity total
Shareholder's equity 1.1.2005	19.2	11.5	0.0	0.0	17.1	47.9	7.6	55.4
Derivatives			0.7		0.1	0.8		0.8
Other changes				0.0	-0.1	-0.1		-0.1
Dividends paid					-4.8	-4.8		-4.8
Increase of share capital (warrants)	0.0	0.0				0.0		0.0
Change in minoroty interest						0.0		0.0
Equity share of convertible capital notes			1.5			1.5		1.5
Profit/loss for the period					1.4	1.4	0.1	1.5
Shareholder's equity 31.3.2005	19.2	11.6	2.2	0.0	13.7	46.7	7.7	54.4

	Share capital	Share premium account	Other reserves	Other items	Retained earnings	Total	Minority interest	Share holder's equity total
Shareholder's equity 1.1.2006	19.3	11.6	2.4	0.1	15,3	48.5	0.1	48.6
Derivatives			1.1			1.1		1.1
Other changes				-0.1		-0.1		-0.1
Increase of share capital (warrants)	0.0	0.0				0.0		0.0
Equity share of convertible capital notes			0.0			0.0		0.0
Profit/loss for the period					2.2	2.2	0.0	2.2
Shareholder's equity 31.3.2006	19.3	11.6	3.5	-0.1	17.5	51.7	0.1	51.8

Key Ratios	31.3.2006	31.3.2005	31.12.2005
Equity ratio, %	18.9	19.6	18.1
Equity ratio, %, preferred capital note in equity	31.6	33.0	32.1
Equity per share, EUR	5.37	4.86	5.04
Invested capital	197.3	208.8	198.4
Return on investment, %	11.5	8.3	5.0
Return on equity, %	17.9	10.7	4.2
Net interest bearing debt, MEUR, preferred capital note in debt	142.6	151.8	144.5
Net interest bearing debt, MEUR preferred capital note in equity	107.9	114.5	106.8
Net gearing, %, preferred capital note in debt	275.1	278.9	297.5
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 without finance leases, MEUR	1.8	5.8	17.9
Investments in non-current assets incl. finance leases, MEUR	2.3	8.3	25.1
Average number of personnel during the period	2,140	2,192	2,214
Number of personnel at period end	2,133	2,196	2,185
Share of export and foreign activities in net sales, %	86.3	84.8	81.9
Contingent liabilities, MEUR	100.2	97.6	100.2

Segments

Assets

Cast Components, MEUR	31.3.2006	31.3.2005	31.12.2005
Assets	182.7	189.2	181.8
Liabilities	68.1	59.2	61.5
Investments in non-current assets incl. finance leases	1.2	7.9	20.0
Depreciation	3.7	3.5	14.3
Nordic countries, MEUR	31.3.2006	31.3.2005	31.12.2005
Assets	197.3	196.9	194.7
Investments in her surrent assets incl. finance lesses			
Investments in non-current assets incl. finance leases	2.1	4.9	19.1

76.3

0.2

72.1

3.4

74.4

6.0

Group development

Net sales by market area

MEUR	1.131.12.2005	1.131.3.2005	1.131.3.2006
Nordic countries	175.9	47.5	45.6
Other European countries	146.8	40.4	42.1
Other countries	20.5	5.3	5.9
Total	343.2	93.2	93.6

Quarterly development by market area

Investments in non-current assets incl. finance leases

MEUR	Q1/2005	Q2/2005	Q3/2005	Q4/2005	Q1/2006
Nordic countries	47.5	49.4	34.7	44.3	45.6
Other European countries	40.4	39.7	32.2	34.6	42.1
Other countries	5.3	6.3	5.5	3.5	5.9
Total	93.2	95.3	72.4	82.3	93.6

Group development

MEUR	1.131.12.2005	1.131.3.2005	1.131.3.2006
Net sales	343.2	93.2	93.6
Operating profit	9.9	3.9	5.3
Net financial items	-8.9	-2.1	-2.2
Profit/loss after financial items	1.0	1.8	3.1

Group development by business group

Net sales, MEUR		1.131.12.2005	1.13	31.3.2005	1.131.3.2006
Foundries		167.5		45.0	45.9
Machine shops		136.2		36.8	40.3
Heavy components		47.3		10.5	13.9
Internal sales		-55.6		-13.7	-19.1
Cast Components total		295.4		78.6	81.0
Other business		47.8		14.6	12.6
Componenta total		343.2		93.2	93.6
Operating profit, MEUR		1.131.12.2005	1.13	31.3.2005	1.131.3.2006
Foundries		2.4		1.5	3.3
Machine shops		5.4		1.8	2.6
Heavy components		-2.8		-0.9	-0.1
Other items		-0.5		-0.1	-0.8
Cast Components total		4.5		2.3	5.0
Other business		5.4		1.6	0.3
Componenta total		9.9		3.9	5.3
Order book, MEUR		31.12.2005	3	31.3.2005	31.3.2006
Cast Components total		54.1		55.2	58.7
Other business		6.3		8.6	6.8
Componenta total		60.4		63.8	65.5
Group development by quarter					
MEUR	Q1/2005	Q2/2005	Q3/2005	Q4/2005	Q1/2006
Net sales	93.2	95.3	72.4	82.3	93.6
Operating profit	3.9	8.6	-1.9	-0.7	5.3
Net financial items	-2.1	-2.2	-2.3	-2.3	-2.2
Profit/loss after financial items	1.8	6.4	-4.2	-3.0	3.1
	-				
Quarterly development by business group					
Not color MEUD	04/0005	00/0005	00/0005	04/0005	04/0000
Net sales, MEUR	Q1/2005	Q2/2005	Q3/2005	Q4/2005	Q1/2006
Foundries Machine shape	45.0 36.8	47.0 37.5	36.1 28.6	39.2 33.3	45.9
Machine shops					40.3
Heavy components	10.5 -13.7	13.6	11.2	12.1 -13.2	13.9
Internal sales	-13.7 78.6	-16.4 81.7	-12.4 63.5		-19.1
Cast Components total				71.5	81.0
Other business Componenta total	14.6 93.2	13.6 95.3	8.9 72.4	10.8 82.3	12.6 93.6
Componenta total	93.2	90.0	72.4	02.3	93.0
Operating profit, MEUR	Q1/2005	Q2/2005	Q3/2005	Q4/2005	Q1/2006
Foundries	1.5	2.0	-0.9	-0.2	3.3
Machine shops	1.8	1.6	0.4	1.5	2.6
Heavy components	-0.9	0.1	-1.1	-0.9	-0.1
Other items	-0.1	0.2	0.0	-0.6	-0.8
Cast Components total	2.3	4.0	-1.5	-0.2	5.0
Other business	1.6	4.6	-0.4	-0.5	0.3
Componenta total	3.9	8.6	-1.9	-0.7	5.3
Order book at period end, MEUR	Q1/2005	Q2/2005	Q3/2005	Q4/2005	Q1/2006
Cast Components total	55.2	55.1	49.2	54.1	58.7
Other business	8.6	7.4	6.4	6.3	6.8
Componenta total	63.8	62.4	55.6	60.4	65.5
Group development excluding one-time items					
MEUR		1.131.12.2005	1.13	31.3.2005	1.131.3.2006
Net sales		343.2		93.2	93.6
Operating profit		6.6		3.8	5.3
Net financial items		-8.9		-2.1	-2.2
Profit/loss after financial items		-2.4		1.7	3.1

Group development by business group excluding one-time items			
Operating profit, MEUR	1.131.12.2005	1.131.3.2005	1.131.3.2006
Foundries	2.4	1.5	3.3
Machine shops	5.4	1.8	2.6
Heavy components	-2.8	-0.9	-0.1
Other items	-0.5	-0.1	-0.8

 Heavy components
 -2.8
 -0.9
 -0.1

 Other items
 -0.5
 -0.1
 -0.8

 Cast Components total
 4.5
 2.3
 5.0

 Other business
 2.1
 1.5
 0.3

 Componenta total
 6.6
 3.8
 5.3

Group development by quarter excluding one-time items

MEUR	Q1/2005	Q2/2005	Q3/2005	Q4/2005	Q1/2006
Net sales	93.2	95.3	72.4	82.3	93.6
Operating profit	3.8	4.7	-1.6	-0.3	5.3
Net financial items	-2.1	-2.2	-2.3	-2.3	-2.2
Profit/loss after financial items	1.7	2.5	-4.0	-2.6	3.1

Quarterly development by business group excluding one-time items

data tony at the protection by additional growth overstanding one time terms								
Operating profit, MEUR	Q1/2005	Q2/2005	Q3/2005	Q4/2005	Q1/2006			
Foundries	1.5	2.0	-0.9	-0.2	3.3			
Machine shops	1.8	1.6	0.4	1.5	2.6			
Heavy components	-0.9	0.1	-1.1	-0.9	-0.1			
Other items	-0.1	0.2	0.0	-0.6	-0.8			
Cast Components total	2.3	4.0	-1.5	-0.2	5.0			
Other business	1.5	0.7	-0.1	-0.1	0.3			
Componenta total	3.8	4.7	-1.6	-0.3	5.3			

Largest registered shareholders on 31 March 2006

				Share of
				total
Sha	reholder		Shares	voting rights %
1	Lehtonen Heikki		3,811,131	39.58
	Cabana Trade S.A.	3,676,731		
	Oy Högfors-Trading Ab	115,900		
	Heikki Lehtonen	18,500		
2	Etra-Invest Oy		2,224,750	23.11
3	Inkinen Simo-Pekka		455,844	4.73
4	Nordea Life Assurance Finland Ltd.		306,425	3.18
5	Ilmarinen Mutual Pension Insurance Company		257,600	2.68
6	Lehtonen Anna-Maria		178,823	1.86
7	Lehtonen Yrjö M		106,040	1.10
8	Bergholm Heikki		101,000	1.05
9	Hietala Pekka		97,000	1.01
10	Finnish Cultural Foundation		75,000	0.78
Nor	ninee-registered shares		190,776	1.98
Oth	er shareholders		1,824,320	18.95
Tota	al		9,628,709	100.00

The members of the Board of Directors own 40.7% 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 39.4%.

COMPONENTA

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