

COMPONENTA

Componenta Corporation Financial Statements

1 January - 31 December 2005

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Income statement

MEUR	2005 1 - 12	2004 1 - 12
Net sales	343.2	316.0
Operating profit of Cast Components	5.2	12.4
Operating profit/loss of De Globe	-0.7	-1.7
Operating profit of Other Business	2.1	1.8
Operating profit (excluding one-time items)	6.6	12.5
Financial income and expenses	-8.9	-7.9
Result after financial items (excluding one-time items)	-2.4	4.6
One-time items	3.3	13.3
Result after financial items	1.0	17.9
Net result	2.5	15.6

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Income statement Q4

MEUR	2005 10 – 12	2004 10 – 12
Net sales	82.3	91.4
Operating profit of Cast and Other Components	1.1	4.5
Operating profit of De Globe	-1.3	-1.5
Operating profit of Other Business	-0.1	0.9
Operating profit (excluding one-time items)	-0.3	3.9
Financial income and expenses	-2.3	-2.4
Result after financial items (excluding one-time items)	-2.6	1.5
One-time items	-0.3	-0.2
Result after financial items	-3.0	1.3
Earnings per share, EUR	-0.32	0.14

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Key Ratios

	31.12.2005	31.12.2004
Earnings per share (EPS), EUR	0.26	1.62
Equity ratio, % (preferred capital note in equity)	32.1	29.5
Return on equity, %	4.2	28.1
Return on investment, %	5.0	14.2
Net interest bearing debt, MEUR (preferred capital note in equity)	106.8	118.1
Net gearing, % (preferred capital note in equity)	123.7	147.0
Order book, MEUR	60.4	59.2
Investments in non-current assets, MEUR	25.1	37.0
Average number of personnel	2,214	2,168

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Cash flow

MEUR	1.1.-31.12.2005	1.1.-31.12.2004
Result after financial items	1.0	17.9
Depreciation, amortization and write-down	11.9	9.0
Net financial income and expenses	8.9	8.5
Other income and expenses, adjustments to cash flow	-4.7	-15.1
Change in net working capital	8.7	-1.2
Cash flow from operations before financing and income taxes	25.8	19.0
Interest received and paid and dividends received	-7.2	-7.8
Taxes paid	0.0	0.0
Net cash flow from operations	18.6	11.2
Capital expenditure in tangible and intangible assets	-17.5	-27.3
Proceeds from tangible and intangible assets	0.2	3.3
Other investments and loans granted	-2.7	-4.7
Proceeds from other investments and repayments of loan receivables	8.4	19.3
Net cash flow from investing activities	-11.6	-9.4
Net cash flow from financing activities	-2.8	-1.2
Change in liquid assets	4.1	0.7

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Review period in brief

- Net sales increased from the previous year and the year end order book recovered to the same level as at the previous year end.
- The consolidated result after financial items, excluding one-time items, declined from the previous year mainly due to the costs and breaks in production caused by running in the new foundry machinery and equipment installed at Karkkila and Heerlen.
- Running in the new machinery and equipment installed at Karkkila and Heerlen weakened the result in the review period by a total of MEUR 5.5. These units recorded a combined operating loss in 2005 of MEUR -12.5 (-7.0).
- The price of scrap steel at the end of the year was clearly lower than in the previous year.
- One-time items of MEUR 3.3 (13.3) consisted mainly of profit of MEUR 2.2 from the sale of Keycast and Profiz shares, the recognition as income of MEUR 4.6 in negative goodwill in connection with the purchase of De Globe shares, closing down costs of MEUR 1.1 at Alvesta, and one-time costs of MEUR 2.7 for adjustments and restructuring at De Globe and Åmål.

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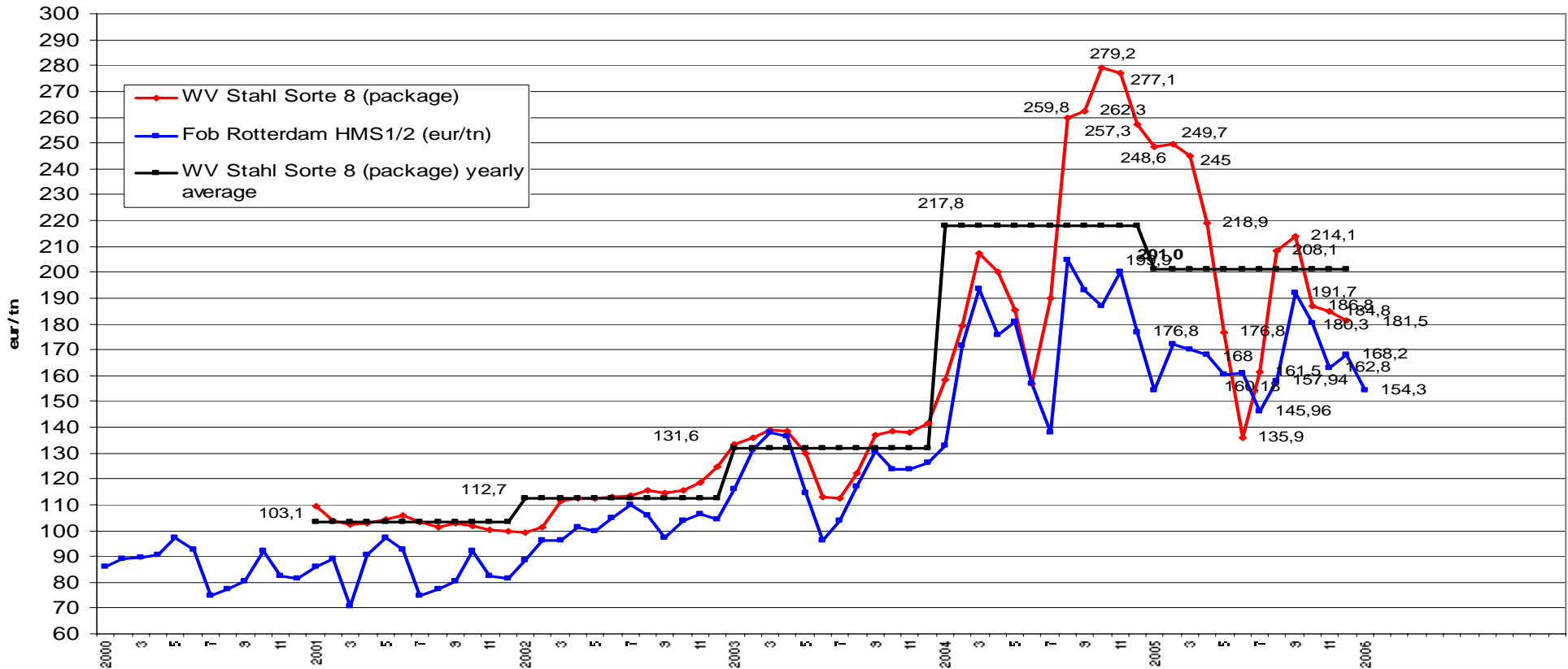
Review period in brief

- In a transaction confirmed on 30 June 2005, Componenta sold its 43% holding of the shares of Keycast Oy to a new company established by OKO Venture Capital and Keycast's operative management. The price for the shares was MEUR 6.5 and Componenta recorded a sales profit of MEUR 2.1 on the transaction in the second quarter.
- Under an agreement signed on 30 June 2005, Componenta acquired the remaining 45% of the shares and voting rights of the Dutch foundry company De Globe. The shares were sold by Industriebank LIOF, a Dutch capital investment fund, for a price of MEUR 2.3. Following the purchase, Componenta owns 100% of De Globe's shares. Componenta recognized as income the MEUR 4.6 in negative goodwill arising from the transaction.
- On 20 Oct 2005 the European Commission announced that it had decided to order Componenta to return to the City of Karkkila alleged state aid that infringes the provisions on state aid in the EC treaty totalling MEUR 2.4 with interest from the date when the aid was made available to Corporation (MEUR 2.6 on 31 Dec 2005). Componenta has appealed to the Court of First Instance of the European Communities against the decision of the European Commission in an application for annulment filed on 29 Dec 2005. The dispute is not included in the income statement but is presented under contingent liabilities in the notes to the financial statements.

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

Updated 16.1.2006



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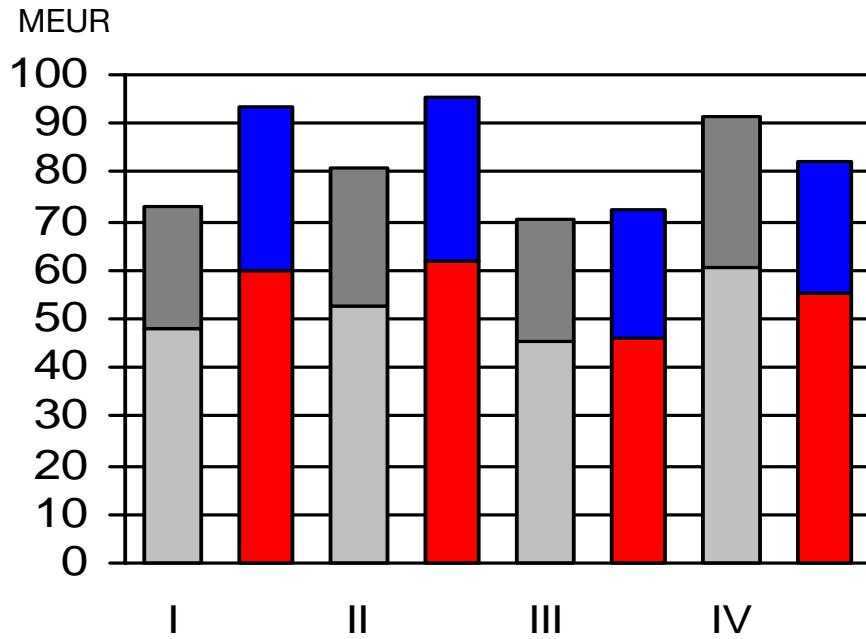
Net sales and order book

- Componenta's net sales rose 9% to MEUR 343.
- Net sales of Cast Components rose 5%, of De Globe 10% and of other business 18%.
- Deliveries by customer sector rose from the previous year as follows.
 - Heavy truck industry +6% Q4: -15%
 - Off-road manufacturers +12% Q4: -8%
 - Machine building industry +13% Q4: -3%
 - Power and transmission industries +12% Q4: +1%
- Componenta's order book stood at MEUR 60.4 (MEUR 59.2) at the end of December.

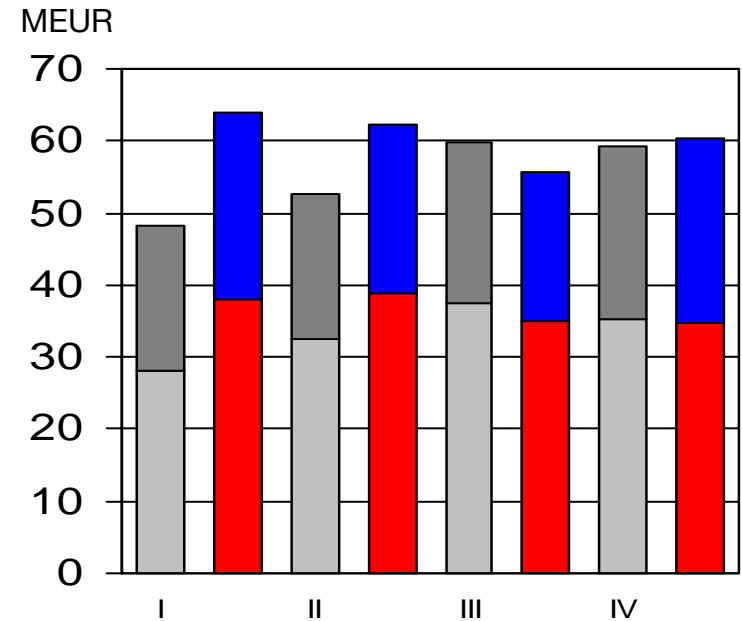
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Net sales and order book

Net sales



Order book

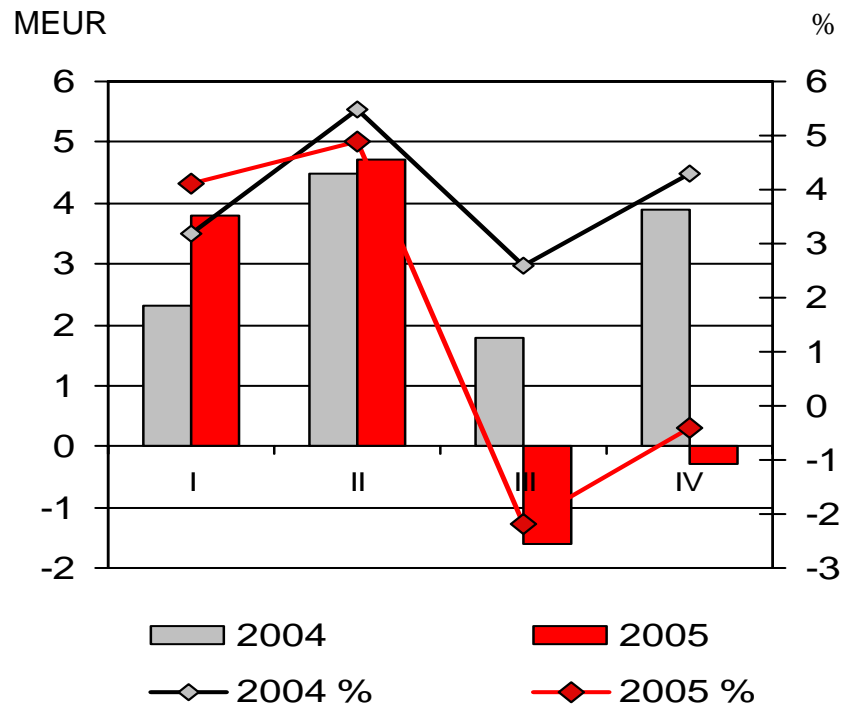


- 2005 De Globe
- 2004 De Globe
- 2005 Componenta Cast Components and Other business
- 2004 Componenta Cast Components and Other business

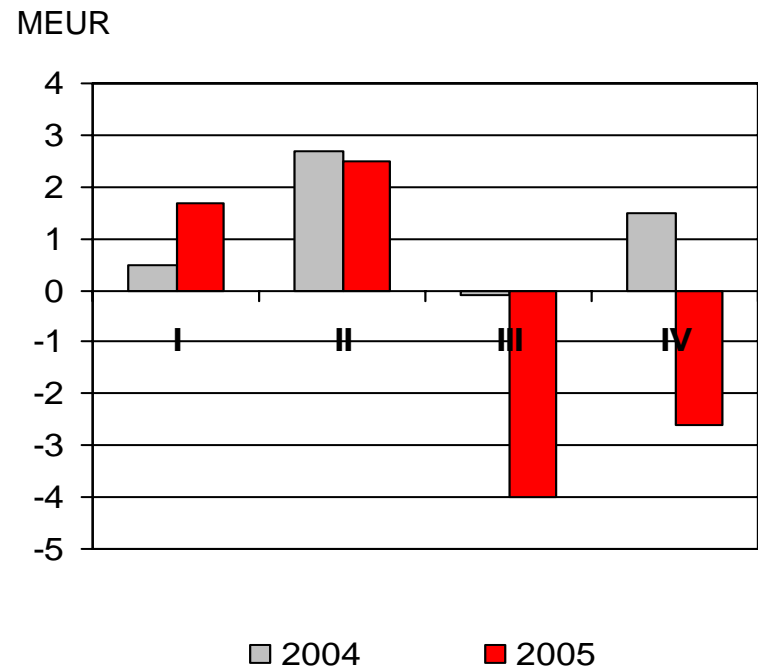
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Operating profit and result after financial items (excluding one-time items)

Operating profit

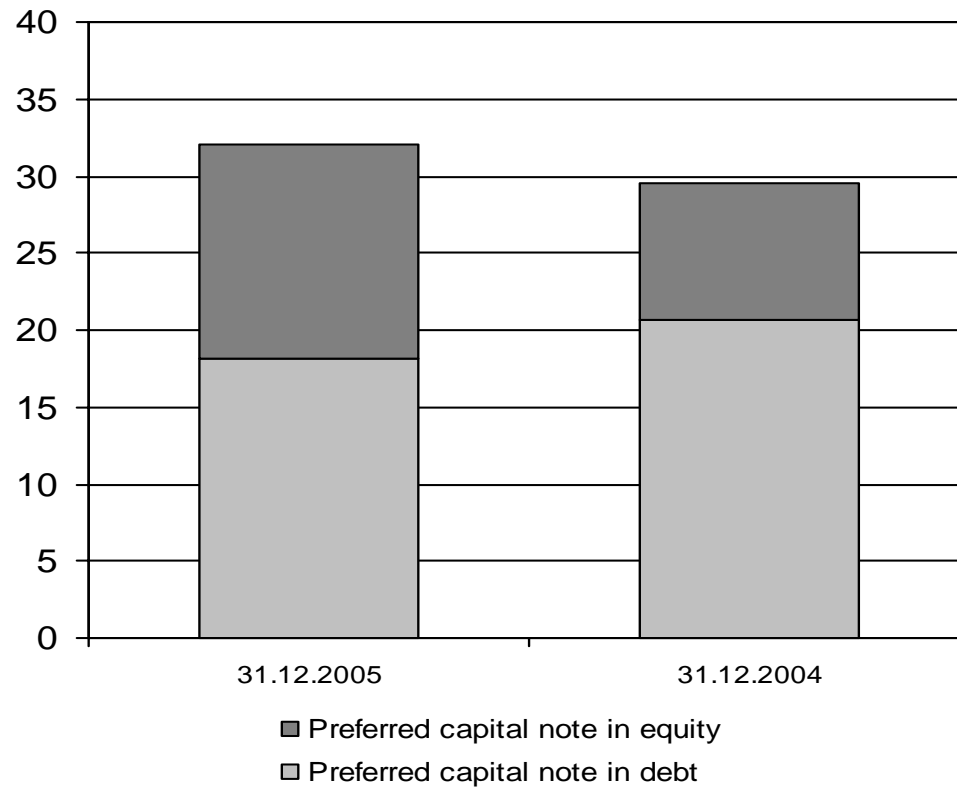


Profit/loss after financial items



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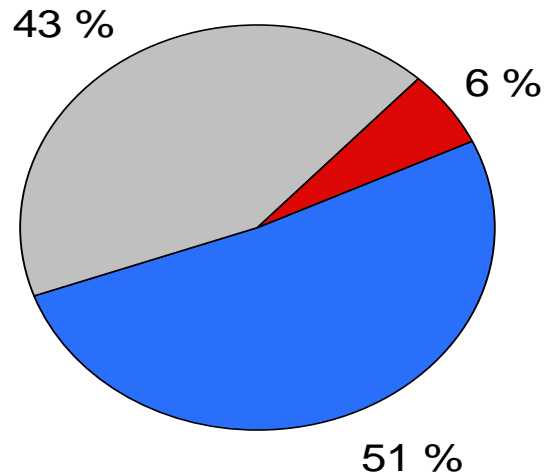
Equity ratio, %



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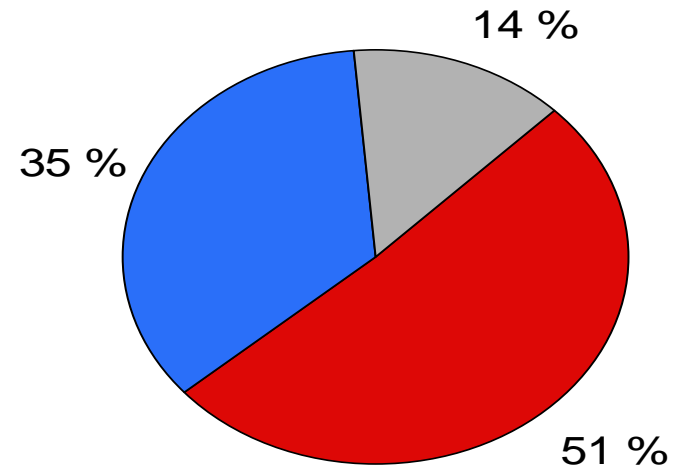
Division of sales

Sales by market area



- Nordic Countries
- Other European Countries
- Other Countries

Sales by business group



- Componenta Cast Components
- De Globe
- Other Business

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Sales to customer industries



Heavy trucks

Off-road

Machine building

Power and transmission

Others

46% (47%)

24% (23%)

15% (15%)

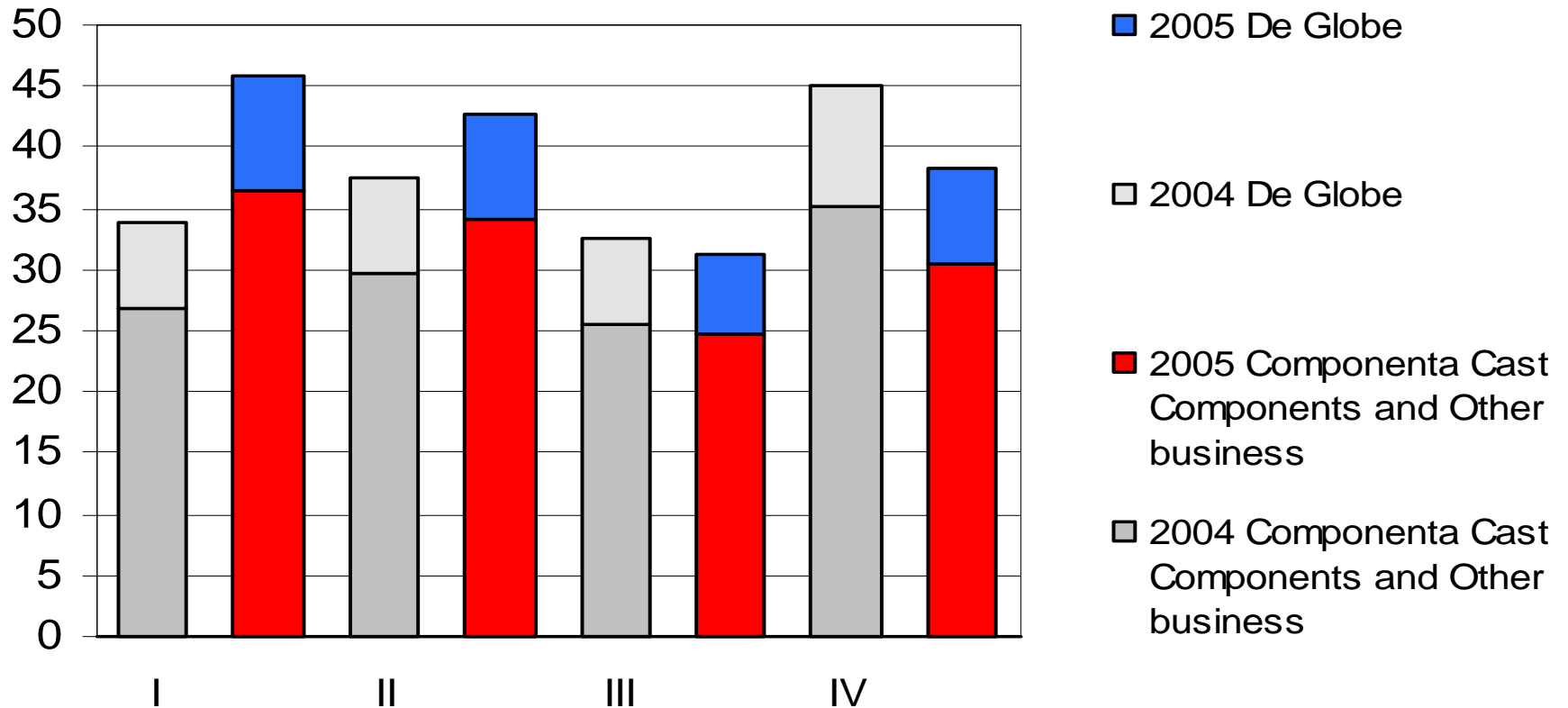
12% (12%)

3% (3%)

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Sales to heavy truck industry

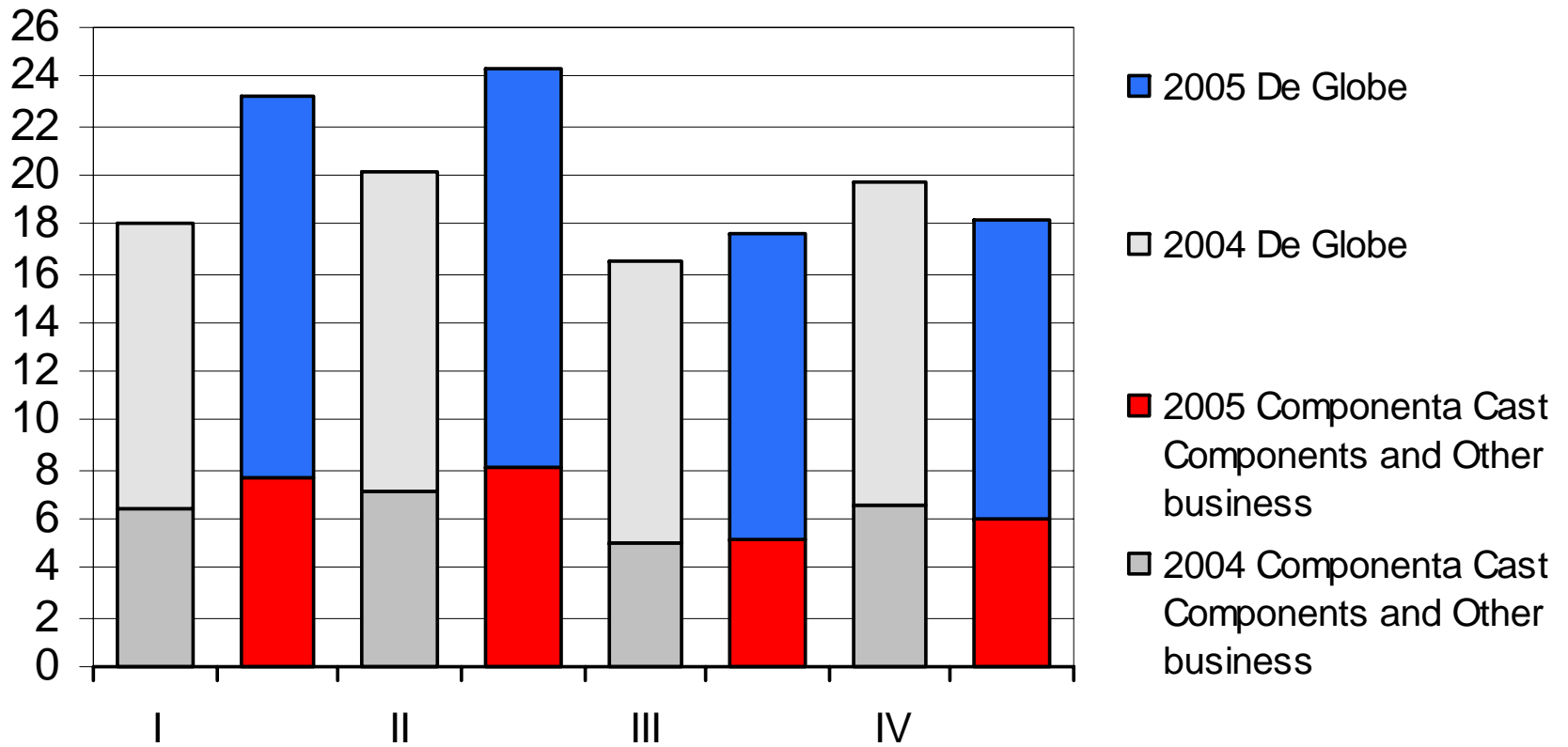
MEUR



COMPONENTA

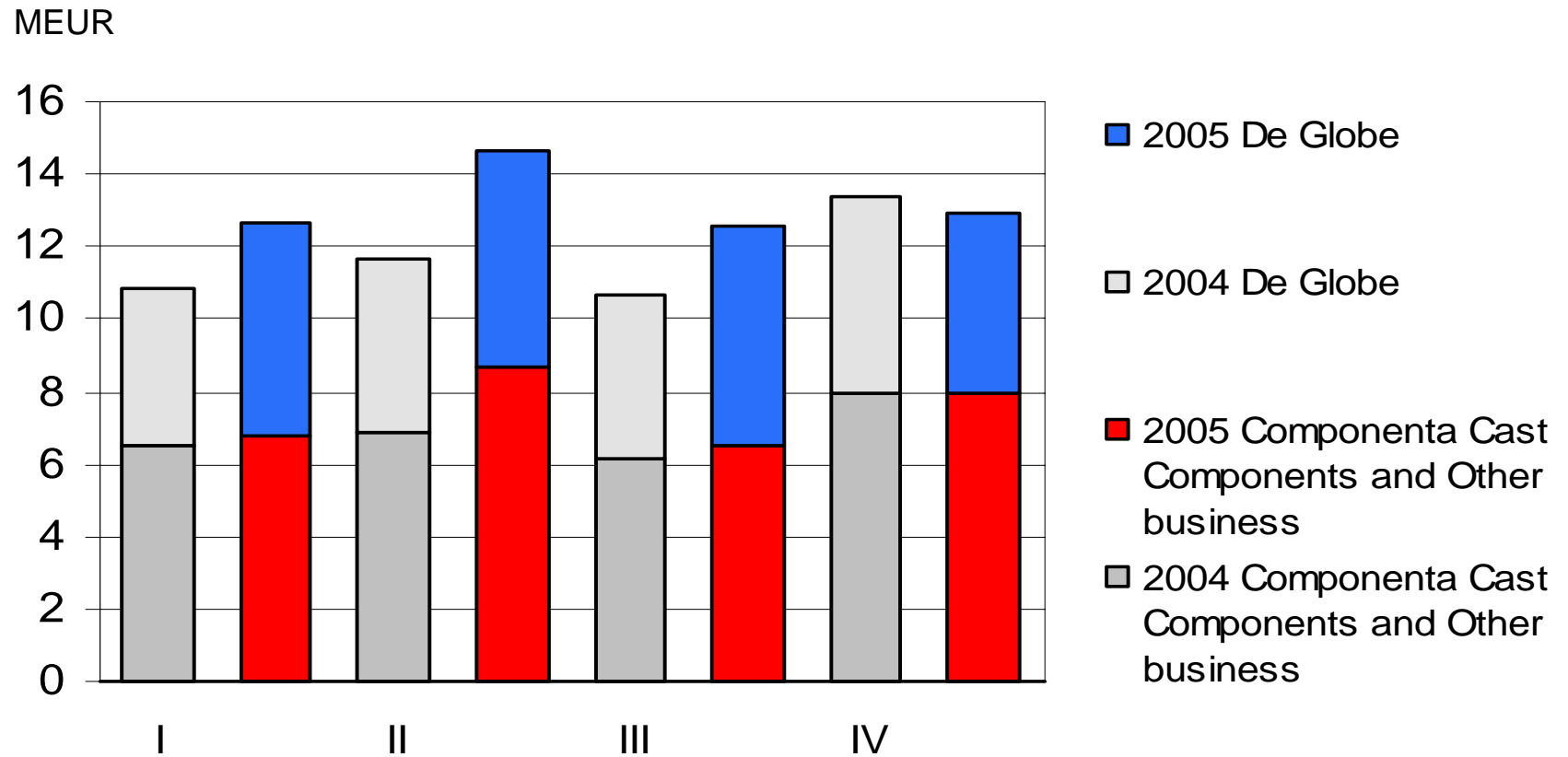
Sales to off-road industry

MEUR



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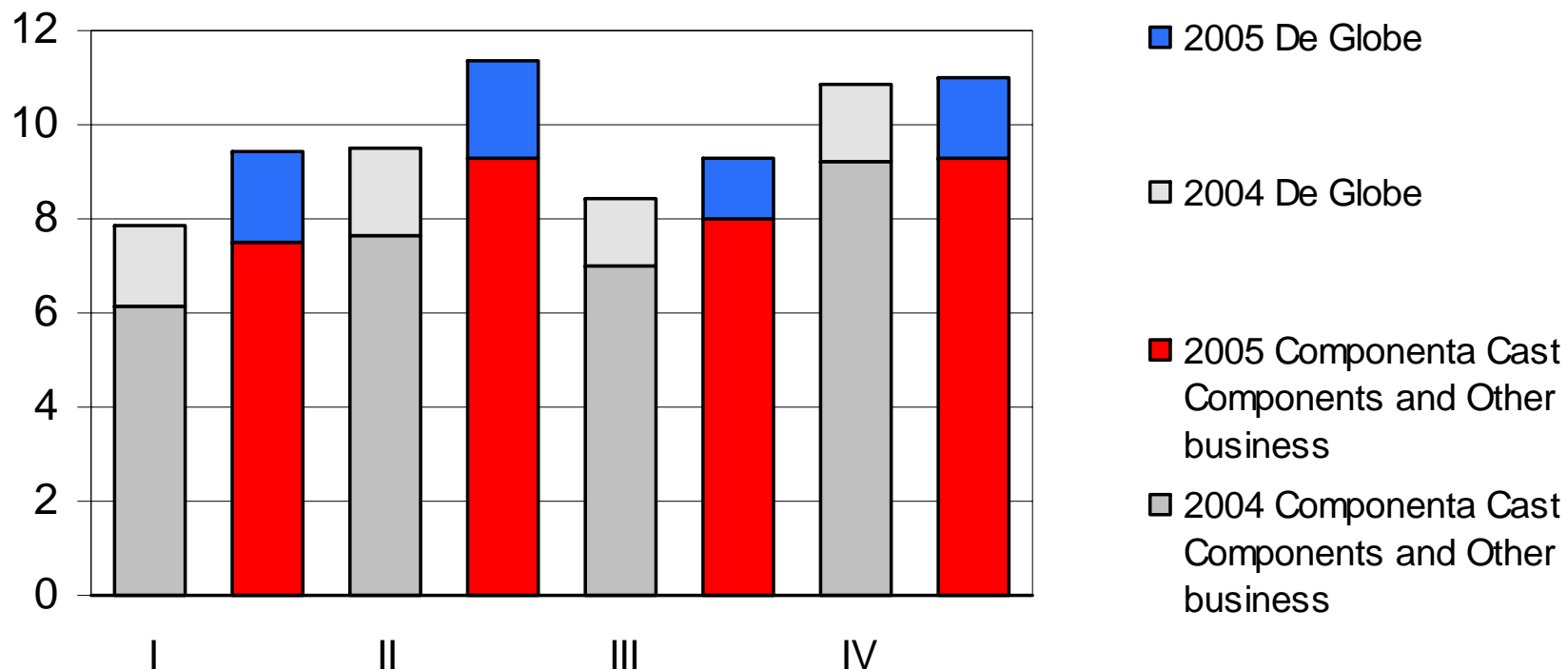
Sales to machine building industry



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Sales to power and transmission industry

MEUR

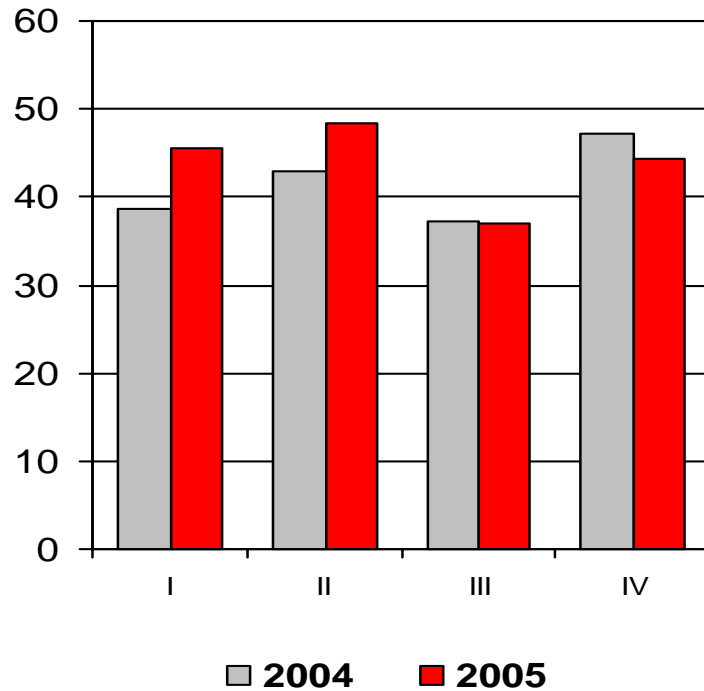


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Componenta Cast Components

Net sales

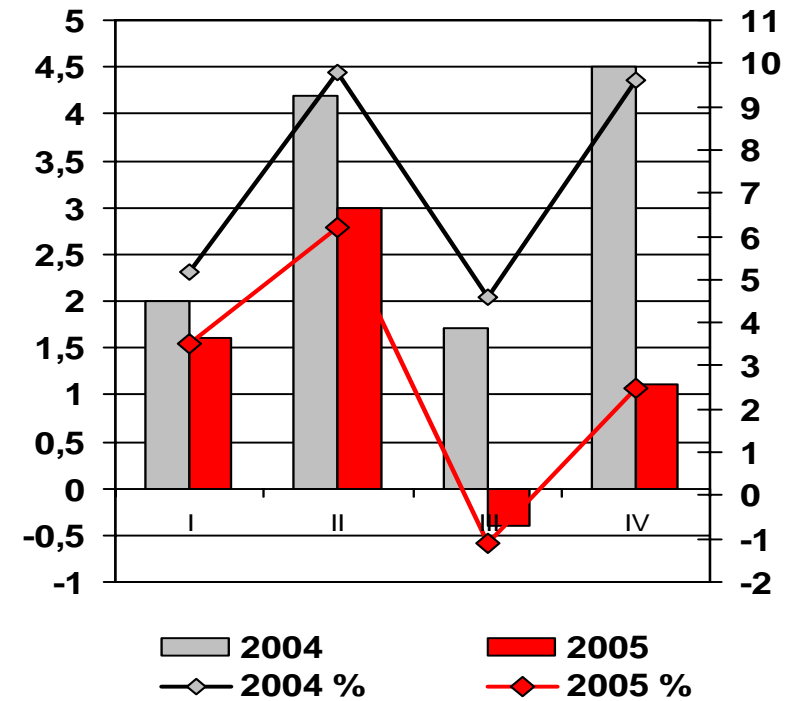
MEUR



Operating profit

MEUR

%



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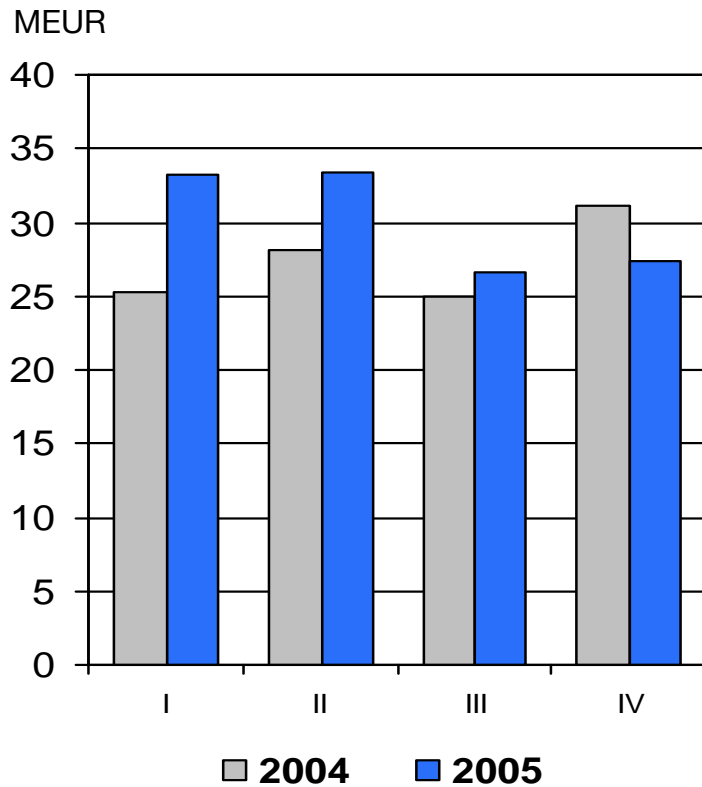
Performance of Componenta Cast Components

- Sales increased (+5%) and order book at year end was MEUR 28.3 (27.3).
- Technical problems on the production line at the Karkkila foundry and running in production weakened the business group's result by MEUR 3.9. The unit made an operating loss of MEUR -6.8 (-2.9) in 2005.
- Commissioning the new painting line at the Främmestad machine shop weakened the result.
- During the year the production organization at Karkkila was restructured and strengthened, a new melting furnace boosting production capacity was taken into operation in the second quarter, and automatic pouring machine was introduced in the third quarter.
- Commissioning the new equipment and machinery installed at the foundry and machine shop in Pietarsaari during the summer took place as planned and production on the new lines had largely been run in by the end of the year.

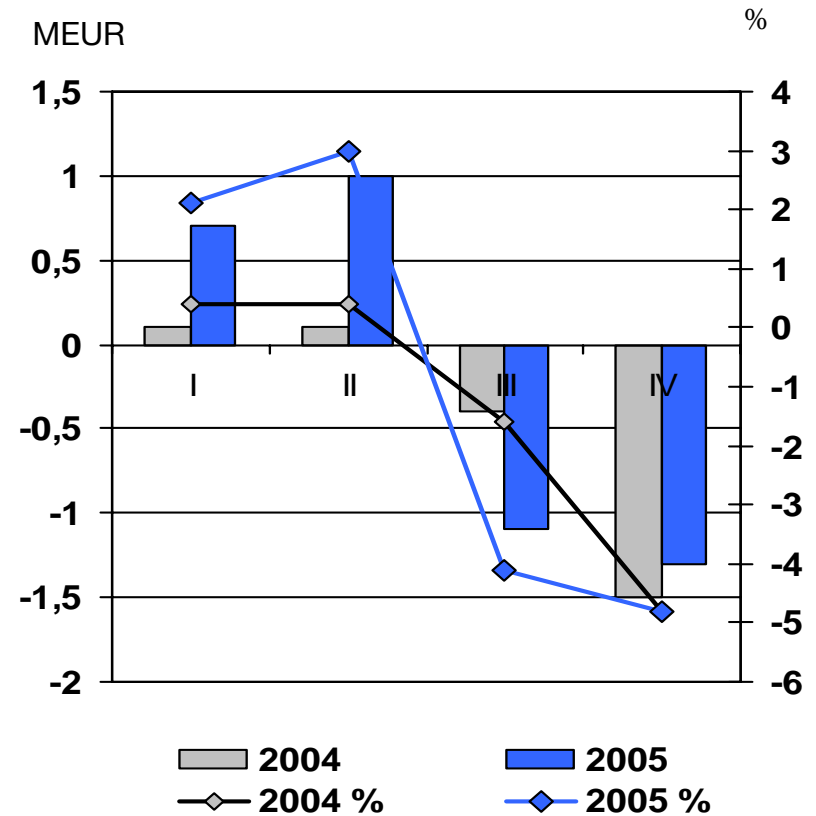
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De Globe

Net sales



Operating profit



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Performance of De Globe

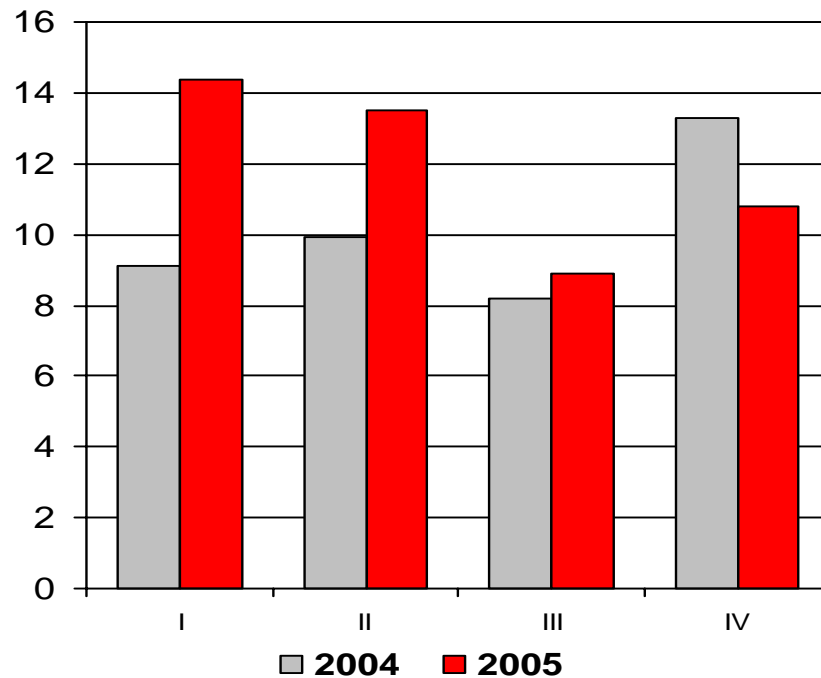
- Net sales grew (+10%) and order book at year end was MEUR 25.8 (23.9).
- De Globe's operating loss declined to MEUR -0.7 (-1.1).
- Growth in sales and correcting the prices of unprofitable products improved the result.
- Transferring the foundry from Belfeld alongside the Heerlen foundry and running in the production line weakened the result for the year by EUR 1.6 million.
- Breaks in production at the Heerlen foundry in July, September and November slowed down the running in of production at the foundry and considerably weakened the result for the year. The Furan production line at Heerlen made an operating loss of MEUR -5.7 (-4.1).

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Other Business

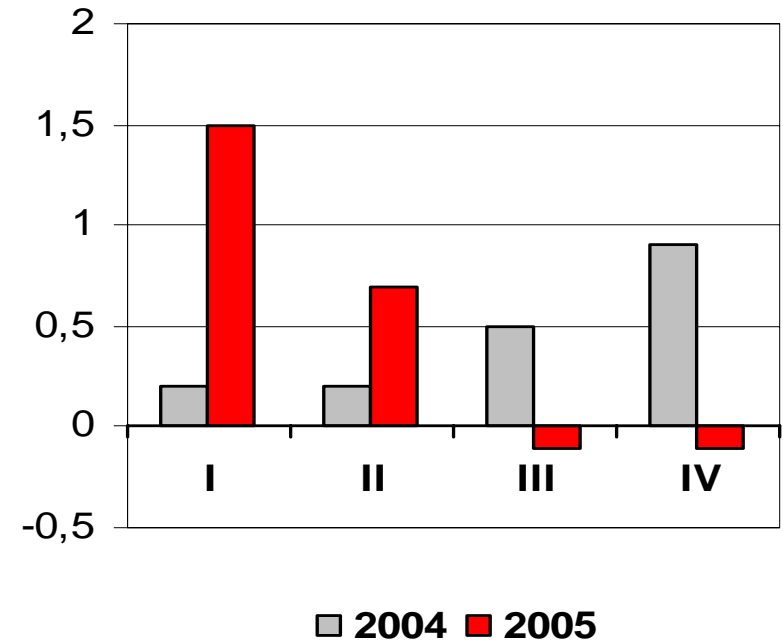
Net sales

MEUR



Operating profit (excluding one-time items)

MEUR



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Performance of Other Business

- Sales by the Wirsbo forges increased 19% from the previous year to MEUR 46.6. The operating profit for the year improved slightly from the previous year.
- The share of the result of the associated companies was MEUR 2.1 (MEUR 1.9).
 - Ulefos NV's net sales totalled MEUR 35.6 (MEUR 33.3) million and profit after financial items was MEUR 3.9 (MEUR 2.7).
- Profiz and Keycast shares were sold during the first half of the year.

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Prospects Q1/2006

- 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 in the heavy truck industry took a downward turn in the last half of 2005.
- Demand for components for the off road industry was lower in the final quarter than in the corresponding period in the previous year.
- Demand for components from the power and transmission industries and from machinery and equipment manufacturers remained at a healthy level during 2005.
- Commissioning the new machinery and equipment during 2004 and 2005 year weakened Component's financial performance especially in 2005. The technical aspects of the investments at Karkkila in Finland, Heerlen in the Netherlands and Främmestad in Sweden have been completed during the year.

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Prospects Q1/2006

- Running in the new equipment operationally at Karkkila and Heerlen will continue during 2006. The goal is to reduce the operating losses of these units during 2006 and to achieve an operating profit in 2007.
- Componenta's order book at the end of 2005 stood at the same level as at the same time in the previous year.
- Net sales in the first quarter of 2006 are expected to grow 10% from the last quarter of 2005 and to be on the same level as in the corresponding period in the previous year.
- The result after financial items, excluding one-time items, in the first quarter of 2006 is estimated to improve from the last quarter of 2005.