COMPONENTA
Annual Report 2000

Information for shareholders

Annual Shareholders' Meeting

The Annual Shareholders' Meeting of Componenta Corporation will be held at 10.00 am on Friday, 9 February 2001 at the restaurant Papa Giovanni's Showroom, World Trade Center, Keskuskatu 7, 00100 Helsinki.

Annual report and interim reports

This annual report is published in Finnish and English. In 2001 Componenta Corporation will publish interim financial reports as follows:

January – March, on 12 April 2001
January – June, on 12 July 2001
January – September, on 12 October 2001

These publications can be ordered from Componenta Corporation at

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Stock exchange releases published by the company and other information about the company can be obtained on the Internet at www.componenta.com. Information about Componenta Corporation shares is available on the Internet page of the Helsinki Exchanges www.hex.fi.

Contents

Added value for customers and shareholders by focusing on core business

In 2000 the operative result of Componenta Group improved, but was still only at a modest level. A key feature of the year was focusing on core operations and the related steps taken to improve the supply chains and specialization among the business units.

Since the beginning of 2000 the Group has operated under the new name Componenta. The change of name, from Santasalo-JOT, was accelerated when the Santasalo name was sold as part of a company divestment and the name JOT, which was well known in the mechanical engineering sector, was being used in many other connections. The new name of the Group, Componenta, gives a good picture of our core operations and expertise, the production of components. Basic manufacturing takes place in the foundries and forges. The work is completed in our machine shops, where the components are machined, given surface treatment and pre-installed ready for delivery direct to the assembly lines of our customers. The partnership with the customer starts at the very beginning of the supply chain, when the component is designed. The customer states where it will be used and Componenta decides on the best way to manufacture it. The result of this partnership is a component of exactly the right size and shape, a component made from the right materials, with the correct weight and finish, and for the right price.

Componenta has since the 1980s grown especially through company acquisitions and restructuring the business sector. In addition to iron foundries the Group has contained or contains steel foundries and companies that specialize in municipal engineering, heating technology and alloyed metal castings. In accordance with its strategy of focusing on its core business, the Group is divesting these non-core operations and finding more suitable owners for them. In 2000 the balance sheet was reduced by more than EUR 20 million through the following actions: Älmhult foundry, Componenta AT and Componenta Wear Parts were sold off, the ownership of SEW-Componenta, which makes industrial gear units, was altered, and the Group's information technology services were outsourced. We shall continue to streamline the Group's structure in line with the strategy drawn up by the Board of Directors. Our objective over the next 3 - 5 years is to release EUR 50 - 70 million of capital that is tied up in non-core business.

The corporate organization was also changed in accordance with the strategy. Antti Lehtonen, who was the Group's executive vice president, took up the position of Chairman of the Board at the associated company Keycast. Yrjö Julin, who is in charge of the operations of the Cast Components business division, was appointed Componenta's COO, Chief Operating Officer. Cast Components made a decision to introduce a new more custormer oriented operating model. By bringing sales, marketing, product engineering and monitoring of delive-ries together into same organization, the business group will raise the efficiency of its operations and improve its contacts with customers. A single person or team will handle all contacts with a customer.

Raising the efficiency of the Group's operations has had a key role during the year. Steps were taken to improve the logistic chains and cooperation between the foundries and machine shops, including the establishment of a new machine shop. In accordance with the philosophy of the TQM (Total Quality of Management) the Group put much effort into shortening the entire supply chain.

Componenta's production plants are located in Finland and Sweden. The company has roughly the same number of people in both countries. Ways of operating and traditions are different for historical reasons. Today, when changes take place constantly in companies, forecasting the future and safeguarding a company's future are difficult tasks. The ways of operating used in the past are no longer the only right way to operate. One

President and CEO Heikki Lehtonen

of our corporate values is openness, which is precisely what is needed in the midst of change. It means that we have to accept diversity. Furthermore we have to be open for new ideas and ways of operating, and through this to find the best ways to develop and reach the set goals: to safeguard the future.

Production volumes in the heavy truck industry have levelled off, but continue at a healthy level. Demand in the general engineering industry, which rose towards the end of the year, continues to be strong. The impact of actions taken during 2000 can be seen in terms of improved operations, and the conditions for achieving better results have been created. Corporate structuring will continue during 2001. We will continue with the visions of my great grandfather, the founder of the company, and will make precisely those components that our customers need. Generating added value for our customers, while safeguarding our profitability and the continuation of our operations.

Heikki Lehtonen
President and CEO

Business idea

Componenta Group promotes the business of its customers by providing, in a profitable way, solutions that give added value.

Componenta knows the business of its customers thanks to its close co-operation with them. The added value for the customer is formed by Componenta's ability to provide components that are competitive in terms of price, quality and total service.

Values

The values of Componenta Group are openness, honesty and human orientation. These values are reflected in our daily operations in the following ways:

- We are open to new ideas and to change, and are willing to develop. Through this we look to continually improve our ways of working.
- We are honest with ourselves and with each other. We do what we promise.
- Our work - with colleagues, superiors, subordinates, customers and other partners - is based on trust and mutual respect.

2000 IN BRIEF >>>

Year 2000 was a year of strategic streamlining

In 2000

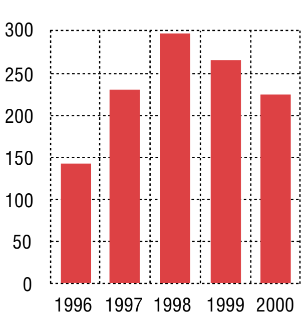
- Fluctuations in the operating environment cut into profitability
- Loss-making units depressed the result of the Cast Components business group
- Record number of new contracts signed to supply components
- Major improvement in the performance of Special Components
- In line with strategy, the group continued to divest operations that are not part of its core operations

Financial targets

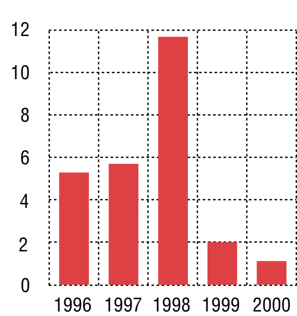
- Return on investment (ROI) to be at least five per cent above the yield on long-term government bond
- Organic growth to exceed growth in customer industries by at least five percentage points. This growth is based on the increasing outsourcing of operations by manufacturing companies.
- Equity ratio of at least 40 per cent
- Divident of 30 - 50 per cent of result

Key figures	2000	1999	± %
Net sales, MEUR	225.7	266.4	-15
Shares of exports and foreign activities in net sales, %	77.0	78.0	
Operating profit, MEUR	9.1	12.6	-28
Operating profit, %	4.0	4.7	
Profit after financial items, MEUR	1.1	2.0	-45
Profit for the financial year, MEUR	1.1	3.1	-65
Earnings per share, EUR	0.10	0.27	
Divident per share, EUR (2000: Board proposal)	0.15	0.15	
Return on investment, ROI %	5.0	5.1	
Return on equity, ROE %	2.0	1.8	
Equity ratio, %, preferred capital notes in debt	29.1	30.0	
Equity ratio, %, preferred capital notes in equity	37.7	37.9	
Net gearing, %, preferred capital notes in debt	170.2	159.6	
Net gearing, %, preferred capital notes in equity	108.5	105.2	
Equity per share, EUR	7.25	7.31	
P/E-multiple	20.12	20.89	

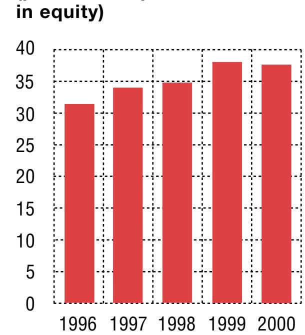
Net Sales, MEUR



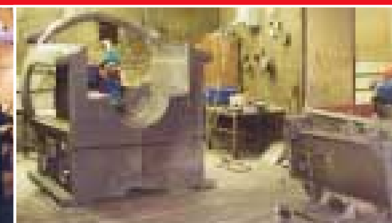
Profit after financial items, MEUR



Equity ratio, %
(preferred capital notes in equity)



Review of events in 2000



January	February	March 1	April	May	June 2
July 3	August 4	September 5	October	November	December

Divesting of non-core operations

1 Componenta Älmhult sold

The operations of the group's smallest and loss-making foundry Componenta Älmhult were sold to the Swedish Kemisten group of foundries. Älmhult produced annually less than 5,000 tonnes of components made of grey cast and ductile iron.

2 Componenta Wear Parts sold to associated company

The operations of Componenta Wear Parts in the Special Components business group were sold to Keycast. The company is the largest supplier of steel cast components in the Nordic countries, with an annual production capacity of 9,000 tonnes. Kecast had pro forma net sales in 1999 of EUR 33 million. The company has nearly 300 employees.

2 Change in ownership structure of SEW-Componenta

Componenta and SEW-Eurodrive agreed to alter the ownership structure of jointly owned SEW-Componenta Oy. Componenta's holding in SEW-Componenta fell from 64 per cent to 50 per cent.

4 Corporate IT services formed into separate company

The ownership structure of Appsys Oy was changed. The company was Componenta's subsidiary and provider of corporate information technology services. The company expanded its operations and changed its name to Profiz Business Solution Oyj. Componenta has a 45% holding in Profiz.

5 Componenta AT sold

The operations of Componenta AT, whose business is in valves for the process control and ship building industries, were sold in an MBO.

Group strategy defined more clearly

2 Componenta Group focuses on core business

The Board of Directors of Componenta Group clarified the group's strategy. Componenta Group will in future focus more clearly on its core business, which is supplying cast components and selected special components to the heavy truck, machine construction and off-road industries.

Changes in organization

2 Appointments in Componenta Group

Yrjö Julin, in charge of the Cast Components business group, was appointed executive vice president and COO of Componenta Corporation. Pekka Salonen was appointed engineering director and Jouko Poranen was appointed quality and development director in Cast Components business group.

Antti Lehtonen, the Group's former executive vice president and in charge of the Special Components business group, took up the position of chairman of the Board at Componenta's associated company Keycast Oy on 15 June 2000.

Operative boards of directors were appointed for the units in the Special Components business group.

Added value for customers

3 Record number of new delivery agreements

Cast Components signed a considerable number of new delivery agreements for components with heavy truck manufacturers and general engineering companies. The components for the new agreements will gradually enter into production at Componenta's different units between 2000 and 2002.

4 Customer-oriented center of expertise

Cast Components decided to introduce the Customer Product Center (CPC) service model. This focuses the business group's resources and expertise on planning and implementing product development projects for customers.

5 Supply chains boost delivery reliability

Componenta added a new link to its value-added chain, by establishing a machine shop next to the Pori foundry. This reinforces the group's other logistics chains formed by foundries and machine shops.

Leading Nordic component supplier

Componenta is a metal sector company with international operations. Its main products are ready-to-install components - cast, geared and forged - for selected industrial sectors. Most of the company's net sales of EUR 225 million come from the Nordic countries and Europe. The group employs about 2,000 people. Half of its personnel work in Finland and half in Sweden. Componenta's shares are quoted on the Helsinki Exchanges.

Componenta makes **cast components** for the Northern European heavy truck industry, for general engineering companies and manufacturers of off-road equipment. Componenta has specialized in supplying ready-to-install cast and machined components in accordance with the customer's production plans direct to the customer's assembly line.

Componenta's Cast Components business group contains in Finland and Sweden five foundries and five machine shops which specialize in the further processing of cast components. The business group accounts for two thirds of the total net sales of Componenta Group.

In the **Special Components** business group, Componenta Albin makes geared components for car and heavy truck manufacturers. Componenta Wirsbo produces forged power transmission components for the heavy truck industry. In addition to these components, Special Components also produces tubular and special metal components.

Componenta's **associated companies** have been formed from companies that previously belonged to the group. These associated companies are the central heating group Thermia AB, the municipal engineering company Saint-Gobain Pipe Systems (formerly JOT Aqua Oy), Keycast Oy, which focuses on steel cast components, Ulefos NV AS, which specializes in the manufacture of manhole covers, and SEW-Componenta Oy, which makes industrial gear units.

Business principles

Componenta's customer relationships are often built on long-term partnership. Having production units which are specializing in their own areas of expertise, it is possible to look with the customer for the most effective way of operating, that benefits both the customer and Componenta. Componenta operates on the JIT (Just In Time) principle, in which production is based on orders and which keeps the supply chain to the customer as short as possible and minimizes interme-

diate storage and delays.

To provide an even better service for its customers, Cast Components is organizing itself into Customer Product Centers. These will bring together the business group's expertise in customer relations, logistics, product project management and engineering. Another objective of this new way of operating is to be more effective in directing the production of the customers' products to the specialized production units of Componenta Group.

Strategy

Componenta Group's strategy is to become the leading Northern European component supplier. The company's core business is in manufacturing industrial components and supplying them to the heavy truck, general engineering and off-road industries.

The company will achieve this leading position by

- divesting non-core business areas. The goal is to release EUR 50 - 70 million from the balance sheet for key operations and for restructuring the sector over 3 - 5 years.

- actively preparing to develop the business sector and increase the company's net sales to EUR 300 - 400 million. As customers consolidate and form larger companies, the Group must also be sufficiently large to achieve an even stronger position among them.

- benefiting from the organic growth brought by outsourcing. Organic growth can be maintained by being involved at an early stage in customer projects, both in product development and through new investments.

During the past three years Componenta has carried out nearly ten restructuring transactions, aiming to focus on its core business. This has caused the group's net sales to decline, but at the same time has made it possible to increase operations in the core business. A good example of taking advantage of the opportunities for growth is the new orders, worth close to EUR 30 million, obtained by Cast Components in 2000 that will gradually enter into production over the next two years.

Componenta's Board of Directors 2000

From the left Jouko Koskinen, Juhani Mäkinen, Olli Reenpää, Antti Lehtonen and Heikki Lehtonen.

Olli Reenpää, 66
M.Sc. (Eng)
Board Member since 1995,
Chairman since 2000
President and CEO of Otava Books and Magazines Group Ltd.
Member of the Board of Directors of Alma Media Corporation and Yhtyneet Kuvalehdet Oy, Member of the Supervisory Board of Merita Bank Plc
1,000 shares and 2,000 warrants (year 2000) of Componenta

Jouko Koskinen, 64
M.Sc. (Eng)
Board Member since 1989
President and CEO of Neles-Jamesbury Group 1980 - 1994
2,000 shares and 1,500 warrants (year 2000) of Componenta

Antti Lehtonen, 44
M.Sc. (Eng), M.Sc. (Econ)
Board Member since 1987
Chairman of the Board of Directors of Keycast Oy
Chairman of the Board of Directors of Ulefos NV AS from 1.1.2001, Member of the Board of Directors of Metsäpuu Oy
104,200 shares and 25,000 warrants (year 2000) of Componenta

Heikki Lehtonen, 41
M.Sc. (Eng)
Board Member since 1987
President and CEO of Componenta Corporation
Chairman of the Board of Directors of Jaakko Pöyry Group Ltd. and Member of the Board of Directors of Raute Plc and Otava Books and Magazines Group Ltd.
3,531,731 shares and 30,876 warrants (year 2000) of Componenta

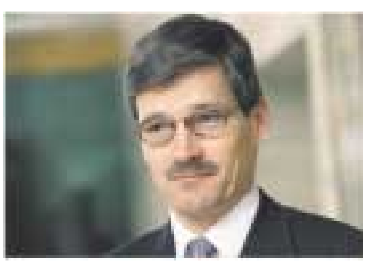
Juhani Mäkinen, 44
Attorney
Board Member since 2000
Chairman of the Board of Directors of Hannes Snellman Attorneys at Law Ltd.
Chairman of the Board of Directors of Oy Forcit Ab and Bothnia International Insurance Company Ltd., Member of the Board of Directors of Myllykoski Oyj and Mölnlycke Health Care AB
No shares and 1,500 warrants (year 2000) of Componenta

CORPORATE EXECUTIVE TEAM >>>

Componenta's Corporate Executive Team 2000

Heikki Lehtonen, 41
M.Sc. (Eng)
President and CEO
3,531,731 shares and 30,876 warrants
(year 2000) of Componenta

Yrjö Julin, 43
Lic.Tech.
Executive Vice President and COO
of Componenta Corporation
Senior Vice President, Cast Components
3,000 shares and 25,000 warrants
(year 2000) of Componenta



Arto Kiiskinen, 47
M.Sc. (Econ)
Senior Vice President, CFO
3,320 shares and 1,000 warrants
(year 1997) ≈and 12,500 warrants
(year 2000) of Componenta

Markku Pietilä, 43
M.Sc. (Eng), MBA
Senior Vice President, Corporate Development
40,600 shares and 29,000 warrants
(year 1997) and 40,000 warrants
(year 2000) of Componenta

Esa Martonen, 47
M.Sc. (Eng)
Senior Vice President, Information Systems
600 shares and 1,875 warrants (year 1997)
of Componenta

Cast Components Executive Team

Julin Yrjö, 43
Senior Vice President

Klinga Anssi, 35
Business Controller

Leino Jari, 39
Sales & Marketing

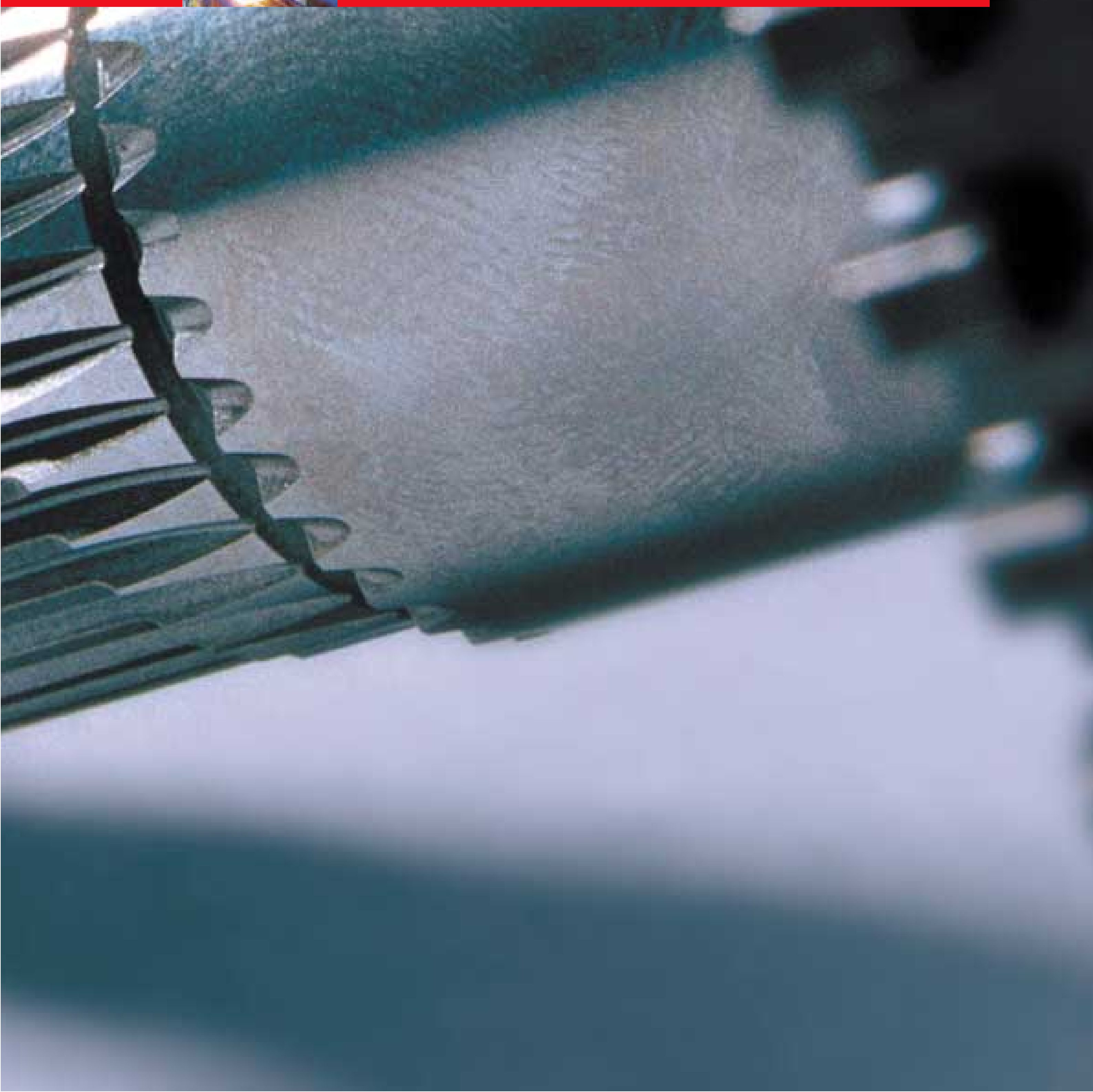
Manelius Ilkka, 46
Foundries

Poranen Jouko, 33
Quality

Reini Kari, 37
Machine Shops

Salonen Pekka, 38
Engineering

Componenta has specialized in supplying ready-to-install cast, forged and machined components direct to the customer's assembly line.



Componenta is a modern component supplier to industry

Componenta's business is the manufacturing of industrial components. It makes chassis and engine components for the heavy truck industry, housings and other parts of machines and equipment, and components for off-road machines. The components are produced at Componenta's foundries or forges and the cast and forged components are then machined at Componenta's machine shops. The components are designed specifically for the end product and their sales depend on sales and life cycle of the end product.

Heavy truck manufacturers and engineering companies are focusing their operations more and more clearly on their core business. For this reason they have outsourced their supplies of parts and components and transferred production to contract manufacturers. Outsourcing enables the companies to raise their own production efficiency, since contract manufacturers are better able to adjust the use of manufacturing capacity according to needs in the sector.

Componenta provides its customers with a one-stop service, consisting of efficient component production, management of the supply and transport chain, punctual deliveries on a JIT basis, as well as assistance in product design for customers.

Production efficiency is achieved with modern production units and machinery and by specialization at the different units. The Group's target is to increase efficiency to offset the increase in costs arising from the rise in real prices.

The supply chains from Componenta's foundries to the machine shops give customers added value without having to tie up their own capital. Componenta's internal logistic chains reduce the need for intermediate storage and cut delays. This in turn reduces unit costs, thanks to more efficient use of capital and other production resources.

Deliveries are made just at the right time, direct to the customer's production chain. This helps to avoid the formation of unnecessary buffers and delays that disrupt production. Observing JIT principles usually also brings major increases in efficiency of operations, for example in the use of space.

Contract partnership between customer and component supplier can even extend to the area of design. Componenta is well equipped, with the aid of CAE (Computer Aided Engineering) systems, for the structural design of components and for the simulation of casting and machining.

Heavy truck industry

About half of Componenta Group's net sales come from cast, forged and geared components supplied to the heavy truck industry. They are used in chassis components, engines, power transmission and axles in trucks and buses. Componenta's biggest customers in the heavy truck industry are Volvo, Scania, DaimlerChrysler, MAN and Haldex.

The components supplied by Componenta are produced in series in the group's foundries or forges with an annual production level of several thousand or tens of thousands tons. Many of the

components are machined and surface treated. The Group carries out a certain amount of pre-assembly work for customers. The main raw materials used in the components are ductile iron, grey iron and steel. ADI (austempered ductile iron) components are used in applications that require particular strength and wear resistance. Production is based on the production plans of customers, which they send electronically every week to Componenta's plants.

The heavy truck industry is cyclical by nature, but in the past few years demand for trucks in Europe has risen year after year as a result of European unification and as haulage contractors have modernized their vehicle fleets. Competition between manufacturers for market shares and mergers have resulted during 2000 in cost savings being sought more aggressively from component suppliers.

Componenta is the largest manufacturer in the Nordic countries of cast components for the heavy truck industry. Its competitors are mainly continental European and British manufacturers. Cast iron and steel have a strong, well established position in the sector, and alternative raw materials such as aluminium, plastic and ceramic can only be used to a limited extent for the same purposes in trucks and buses.

Mechanical engineering

Over a third of the group's sales are to the mechanical engineering industry. The products that Componenta manufactures for its customers include housings for electric motors, gear wheels, gear housings, pump and valve housings and parts for industrial robots. The largest customers in the mechanical engineering sector are ABB, Wärtsilä NDS, Atlas Copco, Kone, Neles Controls and Sulzer Pumps. The German diesel engine unit of the Caterpillar Group was a new customer in the machine construction industry. Volumes have picked up after the decline in mechanical engineering at the end of 1999 and the start of 2000. The volume of outsourcing projects and development work has increased in the engineering industry.

Production for the mechanical engineering sector is order-driven. Production series for the components made from ductile and grey iron at the group's foundries are often quite small compared with the volumes for the automotive industry. Most of the components are not machined, but customers increasingly wish to outsource machining. The components are made from ductile or grey iron, and there are no real alternative raw materials.

Componenta's strength in serving Nordic mechanical engineering companies lies in its geographical proximity, which gives a natural foundation for partnership operations.

Off-road industry

The off-road industry forms just over 10 per cent of the sales of Componenta Group. The group makes engine parts and fixtures for off-road machines. Production series are mostly short. Cast iron and steel are the raw materials used.

Production volumes in the off-road industry in Europe have been good for the past few years, thanks to the high level of civil engineering in the region. Componenta's biggest customers in the off-road industry are Sisu, Dynapak, Valtra and Volvo Construction Equipment.

Cast Components: full service for customers

Advanced operating methods and expertise open up the way to close cooperation with customers.

The Cast Components business group makes cast and machined components for the European heavy truck, general engineering and off-road industries. Cast Components consists of five foundries and five engineering workshops, and combining their different areas of specialization and internal logistic chains gives a competitive edge. The business group has a total of about 1,400 people working in its foundries and machine shops. Cast Components is the largest contract supplier of cast components in its sector in Scandinavia.

The advanced operating methods and expertise of Cast Components have opened up the way to close cooperation with customers. The business group's strategy is to make its operations serve better the overall needs of customers, and so the group has decided to organize itself into Customer Product Centers. These centres will then look after product development and customer relations and also help Cast Components units to specialize in their own fields of expertise.

Making services available to customers

The introduction of Cast Components' new sales organization was completed during 2000. This is a centralized organization for selling the products of the production units located in Sweden and Finland. Each customer account is managed by the same sales person, no matter which machine shop or foundry supplies the products. The purpose of the centralized operating model is to create a deeper understanding of customer needs. It will also make the know-how of the new Customer Product Center and the specialization skills of the units more readily available to customers.

The new Customer Product Center will start its operations in March 2001 when the sales force and product development personnel are combined into one organization. With this emphasis on customer-oriented operations the CPC's customer project teams will carry out product engineering with customers and will oversee the progress of projects. The components will be manufactured at Componenta's foundries and machine shops.

A major focus during 2000 at Cast Components was process management using Supply Chain Management principles. This has been introduced in four units in the business group. Work on introducing supply chain management will continue in all units. In the logistics chains formed by the foundries and machine shops, through-put times and inventory ratios are being reduced by using quality development tools. Operations are examined from the viewpoint of the entire chain, not simply as the production operations of a single unit.

Cast Components' quality management system

All the units in Componenta's Cast Components business group have had an ISO 9000 quality management system in operation for many years. In 2000 the group's units in Pietarsaari, Främmestad and Pori obtained the automotive industry's extremely demanding new generation certification for their quality systems. All Cast Components' units will have obtained VDA 6.1 and/or QS-9000 certification by 2002, apart from Osby and Suomivalimo, which will obtain certification according to the new ISO 9001:2000 quality standard. Work on building a more advanced quality management system has already started in many units. The older automotive quality standards have been combined to form the new ISO/TS 16949 standard, and representatives from the German quality organization for the automotive sector visited Cast Components in the autumn to give training in the new standard. Introducing the quality management system has been a major internal training and investment project at Componenta and this will continue in the years ahead. Seven units obtained ISO 14000 certification for their environmental management systems during the past year and the remaining three should obtain this during 2001.

Market demand boosted net sales

A strong market and the steps taken in Cast Components to increase specialization helped the business group win new contracts for components to the value of almost EUR 30 million.

Production volumes in the heavy truck industry in 2000 were at a very high level. Sales and production figures in western Europe were the highest ever and the order book continued at a high level throughout the year. In 2000 the heavy truck industry accounted for more than half of the business group's net sales. Demand was at times so strong that

The reformed sales organization deepens our knowledge of our customers' needs. Through the new Customer Product Center of Cast Components business group the specialization skills of the units are more readily available to customers.

the group's machine shops had difficulties in delivering on time and with normal costs.

Demand in the general engineering sector recovered after a poor start to the year, which improved capacity usage at the foundries in particular. General engineering accounted for just over a third of the net sales of Cast Components in 2000. The share of sales to general engineering fell from the previous year because of the poor start to the year, changes in production at Karkkila, and the transfer of manhole cover production from Alvesta to the associated company Ulefos.

The high level of civil engineering activity in Europe kept demand at a high level for components for the off-road industry in 2000. Demand from Finland's tractor manufacturers was also high for the year. The off-road industry accounted for 13% of Cast Components' sales in 2000.

Activities in 2000

During the first quarter of 2000 production of manhole cover products was transferred from the Alvesta foundry to the associated company Ulefos NV AS in Norway. Alvesta's operating result turned negative since a large part of its production consisted of casting work that was ill-suited to its area of specialization. Remedial action has been started at the unit, aiming to improve its ability to operate in its own area of specialization.

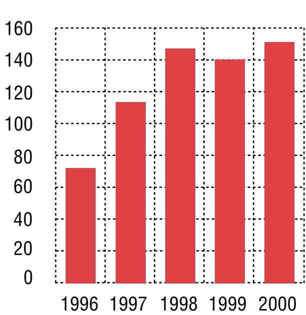
The production of truck components was transferred from the foundry of Ulefos NV AS in Norway to different units in Cast Components. Several other transfers of products took place within the business group in accordance with the strategy of specialization for the foundries and machine shops.

A restructuring programme was carried out at Componenta Karkkila, reducing the number of personnel and adapting the product selection so that it corresponds more closely to the factory's area of specialization.

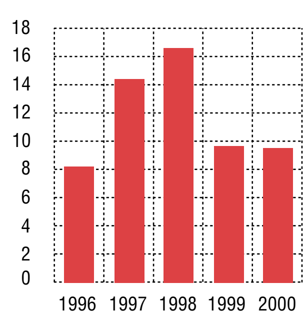
In March the operations of Componenta Älmhult were sold to the Swedish AB Kemisten i Halmstad foundry group. Älmhult was Componenta's smallest foundry unit and had a different operating model from the other units in the business group.

Ylä-Savon Koneistus Oy, in which Componenta has a 19% holding, was established beside Componenta Suomivalimo. Through this machine shop the foundry can now supply machined and ready-to-install components for Finnish general engineering customers. A machine shop was established in September next to the Pori foundry. In future Componenta Pori will also be able to supply ready-to-install and machined components.

Cast Components
Net sales, MEUR



Cast Components
Operating profit, MEUR



Cast Components
Key figures

	2000	1999
Net sales, MEUR	150.8	140.3
Sales outside Finland, %	70	70
Operating profit, MEUR	9.5	9.6
Orders received, MEUR	155.3	136.0
Personnel (average)	1,366	1,466

The Special Components business group supplies forged and geared components

The Special Components business group contains four independent business units that are located in Sweden: Componenta Albin AB, Componenta Prometek AB, Componenta Traryd AB and Componenta Wirsbo AB. Each of these units has focused on its own area of expertise. In connection with the strategic policy drawn up in Componenta Group in the summer of 2000, operative boards were set up for the companies in Special Components.

Most of the net sales of Special Components come from deliveries of forged and geared components. The business group's customer base consists of the European heavy truck, general engineering and off-road industries. The units in Special Components had a total of about 400 personnel at the end of the year.

Strong market

The strong market in the heavy truck sector was reflected in the units of the Special Components business group supplying mainly to this industry.

Componenta Albin makes gear wheels and geared components for the heavy truck industry and components for Haldex four-wheel drive systems in cars. In accordance with the contract signed with Haldex, deliveries of four-wheel drive components have increased considerably during the year. To ensure its ability to supply in accordance with demand, the factory invested in an extensively automated machining line early in the autumn.

Componenta Wirsbo supplies forged products to the heavy truck industry, as blanks and bevel gear wheels. During the year Wirsbo has trimmed its product selection and is focusing on products that belong to its core expertise. The extremely strong market in the heavy truck industry also affected order volumes at Wirsbo. Work has started on a new pressing line for forged products at Wirsbo, which will enter production at the end of 2001. This will modernize the unit's production in its area of expertise and increase production capacity.

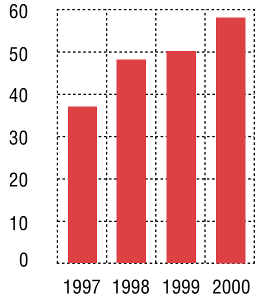
Componenta Prometek supplies steering and gear transmission components for the automotive industry. Steps were taken during 2000 to rationalize the operations of the Prometek machine shop and the operating loss of the unit decreased from the previous year.

Componenta Traryd makes valve housings for the ship-building and HEPAC industries. Running in the new moulding line and sand system for metal castings, introduced in the previous year, and low demand handicapped Traryd's oper-

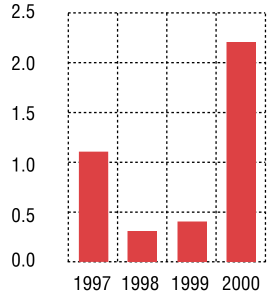
ations at the start of the year. In connection with this earlier investment, Tradyd made an addition to the production line that makes it possible to make aluminium castings.

The operations of Componenta Wear Parts AB, which was part of Special Components, were sold in June to the Keycast Group. Componenta Wear Parts supplies wear parts for earth-moving equipment and for machines used in the minerals industry. The operations of Componenta AT, which was not part of the core business, were sold in an MBO in September.

Special Components
Net sales, MEUR



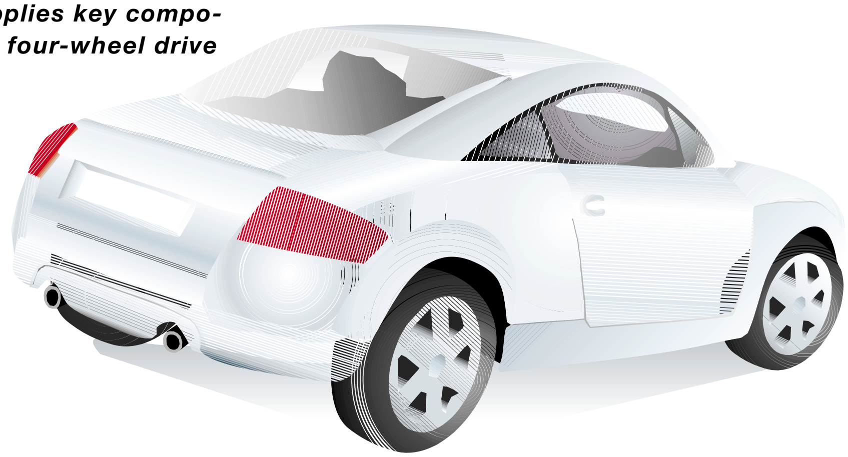
Special Components
Operating profit, MEUR



Special Components
Key figures

	2000	1999
Net sales, MEUR	57.8	50.1
Sales outside Finland, %	100	100
Operating profit, MEUR	2.2	0.4
Orders received, MEUR	60.0	47.9
Personnel (average)	434	419

The use of four-wheel drive systems in cars is growing fast in Europe. Componenta supplies key components for Haldex four-wheel drive systems.



Number of associated companies rose in 2000

Companies that have previously belonged to Componenta Group have been merged with one or more partners to form more competitive companies in which Componenta has a 30% - 50% holding. The following are currently Componenta's associated companies: Thermia AB, Saint-Gobain Pipe Systems Oy, Keycast Oy, Ulefos NV AS, SEW-Componenta Oy and Profiz Business Solution Oyj.

Thermia AB

Thermia AB was formed in 1998 by merging the business operations of Componenta Group's Heating Division and those of the Swedish company Thermia AB and its main owner BergslagsInvest AB. Thermia's main products are central heating boilers, accumulators, heat pumps and district heating substations. Most of the group's products are supplied to private homes in the Nordic countries.

Heat pumps and accumulators account for half of Thermia's sales, central heating boilers for 30% and sales by its engineering companies for 20%. In 2000 the rise in the price of oil caused sales of Thermia's boilers to fall. In contrast, sales of heat pumps and accumulators were high. The production of central heating boilers was concentrated in Finland.

Saint-Gobain Pipe Systems Oy (formerly JOT Aqua Oy)

At the end of 1998 Componenta sold part of the operations of its Municipal Engineering Division to the newly established company Saint-Gobain Pipe Systems Oy, in which the French group Saint-Gobain has a majority holding. The company specializes in municipal engineering products such as valves, pressure pipes, pipe fittings and products for the home such as drain and sewer systems. The company also sells in Finland the manhole covers made by Ulefos NV's Nieminen Foundry, situated in western Finland. About half of the company's sales are to the municipal engineering sector and the rest to private builders. Sales of municipal engineering products were satisfactory in 2000.

Keycast Oy

Keycast Raahe Oy was established at the end of 1998 by merging the operations of Componenta Group's Ljungby steel foundry and those of Raahen Teräsvalimo Oy. The group's products are wear parts for earth-moving equipment and steel components for heavy trucks, buses, off-road machines and machines for the wood processing industry. The group also makes acid resistant steel castings such as components for process valves and pumps.

In the summer of 2000 Keycast purchased the shares of Kohlswa Seriestål and the operations of Componenta Wear Parts. The company thus formed is the largest supplier of steel cast components in the Nordic countries, with an annual production capacity of 9,000 tonnes and pro forma net sales of EUR 33 million. The group aims to further develop the specialization of its production units and so improve their production efficiency. The increased size of the company makes it possible to provide even better service for customers. After a weak start to the year, demand in general engineering picked up and this was clearly seen at Keycast as well, where the order book grew towards the end of the year.

Ulefos NV AS

Ulefos NV AS was formed in October 1999 by merging the manhole cover production of Componenta Group in Harjavalta with the operations of Ulefos Jernvaerk KS. The manhole cover production of Componenta Alvesta and the sales and warehouse operations in Sweden were also transferred to the new company.

The company has a strong position in the Nordic countries in manhole covers and fittings cast from both grey iron and ductile iron. The group has a production capacity of 24,000 tonnes, which includes not only manhole covers but also some industrial castings. Production of some of the industrial castings was transferred to Componenta Group foundries.

The combining of operations in Norway and Finland was a major aspect of operations in 2000. The transfer of manhole cover products from Alvesta to the Ulefos foundry was carried out at the start of the year. The agreed transfer of work from Ulefos to Componenta's foundries was completed, although due to the strong market demand the resources reserved for the transfer were more tied up than had been expected.

SEW-Componenta Oy

In June 2000 Componenta and SEW-Eurodrive agreed to change the ownership structure of SEW-Componenta Oy, so that Componenta's shareholding in SEW-Componenta fell from 64 per cent to 50 per cent. SEW-Componenta has specialized in the design and manufacture of industrial gear units for use in power transmission. The company's factory in China mainly makes large series of gear units. The Karkkila factory manufactures components for the SEW-Compact series of gear units, which are positioned between large industrial gear units and smaller geared motors. The SEW-Compact series gear units are assembled in Karkkila, Singapore and the USA.

SEW-Componenta's net sales and order book grew considerably during the year. Most of this growth came from the strong performance of the market in China and from higher sales of SEW-Compact products.

Profiz Business Solution Oyj

Profiz Business Solution Oyj (formerly Appsys Oy) has operated as a subsidiary of Componenta since 1990, providing IT services for the group. In August 2000 the company's ownership structure underwent a change when the company purchased the entire share stock of Kheilos-Spartan Oy. Following this transaction and a share issue, the owners are Componenta Corporation, with a 45% holding, and a number of smaller companies and private individuals. In addition to its new business-to-business software and services, the company's business includes standard IT systems. The software family includes the Profiz products for managing the sales process and, as a result of the company acquisition, the Webstore business-to-business web market place. Profiz has signed a three-year agreement for IT services with Componenta.

Profiz's operations got off to a good start and net sales and the result for the end of the year matched expectations.

Key figures of the associated companies

	Thermia	Saint-Gobain	Keycast	Ulefos	SEW-Componenta*)
Net sales, MEUR	43.4	14.1	25.4	30.3	15.9
Profit after financial items, MEUR	-1.1	1.3	0.2	1.0	-1.1
Personnel	340	34	329	282	174
Componenta's holding, %	29.9	30.0	42.6	50.0	50.0

*) Pro Forma

Personnel is actively involved in developing Componenta

Restructuring in line with corporate strategy, changes in supply chains, personnel changes - all these took place in 2000 and required a willingness to adapt on the part of personnel. Work continued in the business units on developing the quality management system and management of supply chains. Work started in several units on renewing and developing wage structures, and activities continued to maintain work fitness, especially in the units in Finland.

Wage structure with incentive

Work started in the units in Finland and Sweden on renewing and developing wage structures. As a result the company is moving away from systems based on hourly rates or piecework to a structure that consists of a fixed part, determined by how demanding the work is, and a variable part that is based on performance. Representatives from different personnel groups have assisted in defining the ways to measure the variable part. One result has been a data system that can give employees real-time information on how the variable part affects their wages.

Incentive scheme updated

The terms of the warrants of the group's key personnel were updated to match the current state of the group. A total of 178 people are included in the options scheme. The warrants are to encourage key personnel to commit themselves long-term to the company in order to increase the shareholder value. The warrant programme is an addition to the incentive pay scheme in use in the group.

Training raises the standard of operations

The group's quality operations, based on the TQM (Total Quality of Management) philosophy, affect the company at all levels. Their objective is to develop continuously and to systematize management methods and ways of operating throughout the group. The main principles of TQM are customer-orientation and participation by personnel in the ongoing improvement of operations. Basic TQM training continued, but the main focus during the year has been on carrying out practical development projects, including the reduction of through-put times and the management of logistic chains.

A training programme was also arranged for middle management that included improving strategic and financial management skills. Another course was held for supervisory and managerial staff on social and interpersonal skills.

Maintaining work fitness in many ways

Many means were used, at company and group level, to maintain and improve work fitness and having strength for work. The targets of the work fitness programme are to reduce absences due to sickness, to improve the work of supervisory staff, and to support the resources and health of employees. The work fitness plans carried out in the different units included a wide range of opportunities to improve and maintain physical fitness.

Occupational health staff are actively involved in work fitness activities, together with group management and representatives elected by personnel. In many units, occupational health representatives are also members of work fitness and occupational safety committees. A special work fitness advisory committee worked with representatives from the insurance company, looking at alternatives to retirement with a disability pension, for example at various experiments with different jobs and working hours.

ENVIRONMENT >>>

Taking account of the environment is part of our quality management system

Taking account of the environment is an integral part of Componenta's operations. Production is governed by the quality standards, which also minimize environmental impact. Scrap metal is used as the raw material in the foundries, and the components made are suitable for recycling.

ISO 14001 environmental standard in use at almost all units

Componenta has an environmental management system to ISO 14001 standards in use, and it manages its environmental issues in accordance with the principles and guidelines of this system. At present an ISO 14001 certified system is in use at Albin, Pietarsaari, Karkkila, MEK Pietarsaari, Suomivalimo, Pori and Osby. The standard at many of Componenta's units exceeds the minimum requirements of the environmental management system, since the units have improved environmental issues beyond what is stipulated by the authorities. The introduction of ISO 14001 standards at Componenta is the consequence of systematic and central monitoring of projects by the business units.

Continuous monitoring of environmental results

One of the means for developing and improving the group's internal environmental activities is the annual environmental balance sheet prepared by each of the business units. The environmental impact is monitored indirectly either by online measurements or with measurements taken at regular intervals. The environmental balance sheet and measurement of environmental issues help to determine the work needed to reduce environmental impact.

The main goals of environmental activities in Componenta Group are to reduce energy consumption and usage of materials, to control emissions and noise, to reduce the amount of waste and to sort waste for recycling and re-usage. In 2000 Componenta acquired mobile equipment for measuring noise levels at the units. Air filters prevent particle emissions at the group's foundries, and Pietarsaari unit has dust measuring equipment that helps to keep dust emissions under control.

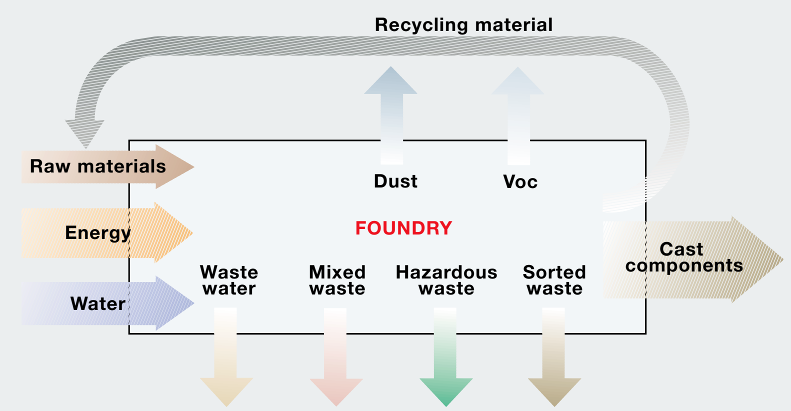
In its decision making and in developing production methods the group follows the principles of using the best practical technology when this is financially justifiable. Componenta is represented on Finland's BAT committee (Best Available Technology), which sets air emission limits. The proposals of the European BAT committee will in future determine the emission levels set in environmental permits.

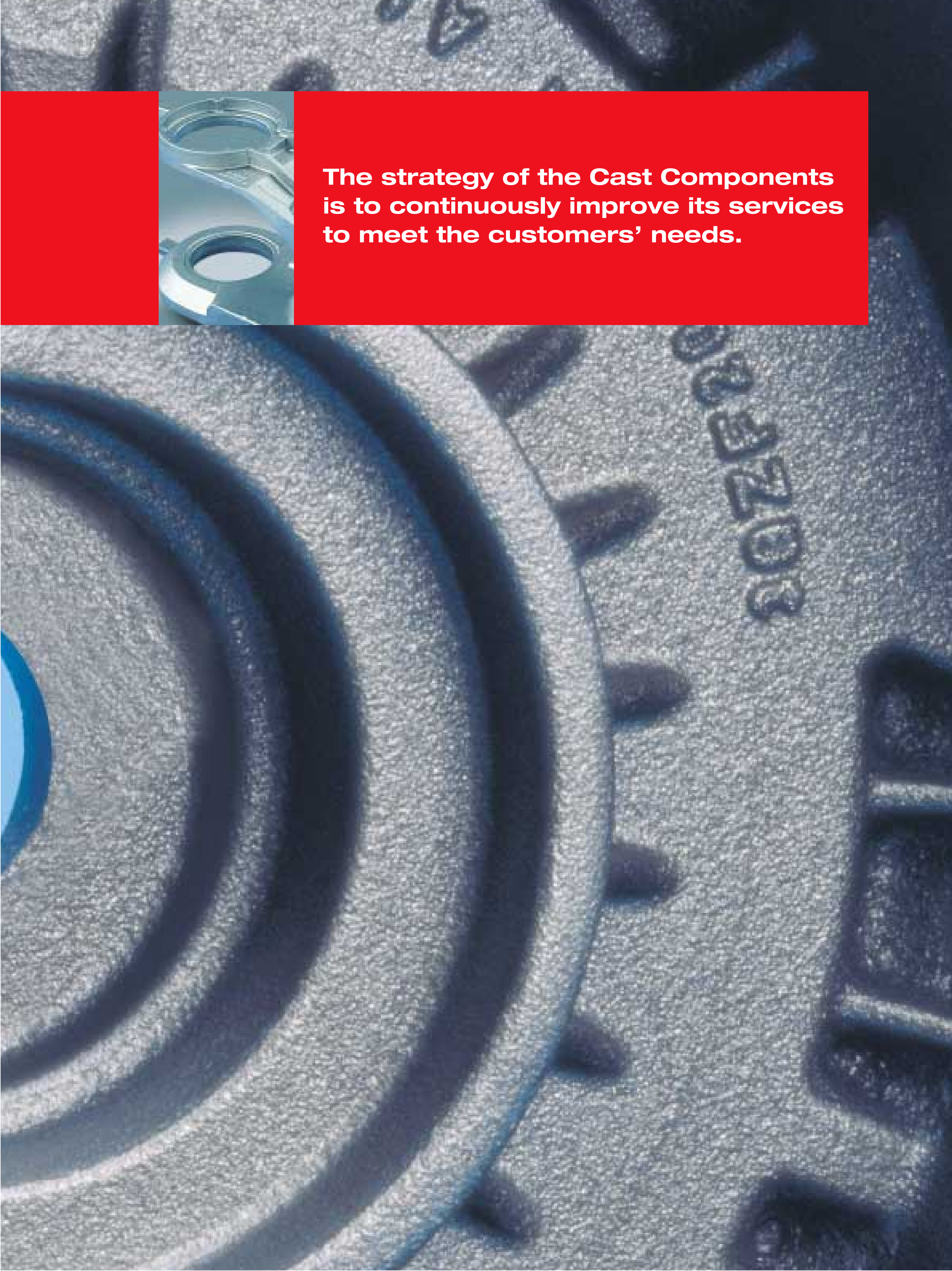
Environmental activities are important

Environmental activities are important for the group because:

- Applying the principles of continuous improvement helps to discover potential for development
- Customers require their suppliers to have systematic activities to protect the environment
- We recognize our responsibility and wish to look after our environment as well as possible
- Environmental training promotes ergonomics and motivates people to develop their own work

Effects on environment





The strategy of the Cast Components is to continuously improve its services to meet the customers' needs.

REPORT BY THE BOARD OF DIRECTORS

Componenta's business environment in 2000 proved to be more difficult than estimated. In addition to this some business units made operational losses and as a result the Group did not meet with its financial targets. Overheated demand in the heavy truck industry resulted in overloading at Componenta's machine shops and additional costs. The product losses and transfers in the Alvesta foundry as well as operational problems in the production process resulted in large losses at the unit.

Positive events and trends during the review year were the larger than usual contracts for new components signed by the Cast Components business group and the distinct improvement on the previous year in the operating profit of the Special Components business group. The Group continued its restructuring, implementing the strategy set by the Board of Directors to focus on core business.

The Group had net sales of EUR 225.7 (266.4) million, an operating profit of EUR 9.1 (12.6) million and a profit after financial items of EUR 1.1 (2.0) million. The Board of Directors proposes to the Annual Shareholders' Meeting that a dividend of EUR 0.15 per share be paid, the equivalent of 143 per cent of the net profit per share.

Markets

Production volumes by manufacturers of heavy trucks in Europe rose from the previous year's levels, even though at the start of the year it was generally thought that growth would level off. Demand started to decline in North America but the slow-down in the European market towards the end of the year was much less marked. It is estimated that Nordic truck manufacturers strengthened their market shares during the year.

The agreement announced at the end of 1999 to merge Volvo and Scania, Componenta's two largest customers, fell through in the spring since it failed to obtain approval by European competition authorities. Volvo and the French company RVI then announced in July that they were combining their operations.

Production volumes in Nordic general engineering companies started to pick up after a period of decline at the start of the year and strengthened steadily during the year. The strong export performance of Central European engineering companies has also benefited Nordic general engineering companies through joint projects and sub-contracts. Deliveries of machinery and equipment to the pulp and paper industry grew slowly during the year.

The market for off-road equipment in Europe was strong during the review year thanks to the high level of activity in civil engineering.

Strategy

Componenta's Board of Directors clarified the Group's strategy. Componenta will in future focus more clearly on its core business, which is supplying cast components and selected special components to the heavy truck, general engineering and off-road industries. The Group aims over the next 3 - 5 years to divest business areas that are not part of the strategic core business. The goal is to release EUR 50 - 70 million from the balance sheet for developing the core business and for possible restructuring in the sector.

The goal of Componenta Group is to be a major component supplier to the European heavy truck industry and general engineering sector. Componenta is at the moment the leading manufacturer of cast components in its current markets in Northern Europe. As their customer industries consolidate and form ever larger entities, contract manufacturers also need to become larger and have operations in a wider geographical area. In the company's view a component manufacturer can achieve a strong market share in Europe with annual net sales of EUR 300 - 400 million.

In addition to restructuring in the sector, the company aims to take advantage of the organic growth brought by outsourcing operations, which exceeds growth in customer industries. This will be achieved by making investments in growth areas and by active participation in customer's product development projects.

Changes in corporate structure

In March Componenta Group sold the operations of the loss-making Componenta Älmhult to the Swedish AB Kemisten i Halmstad group of foundries. In May the associated company Keycast Oy purchased the operations of Componenta Wear Parts together with the shares of Kohlswa Seriestål. The group thus formed is the largest supplier of cast steel components in the Nordic countries, with pro forma net sales of EUR 33 million and nearly 300 employees. Componenta has a 43% holding in the company.

In June Componenta and SEW-Eurodrive agreed on restructuring of the business of SEW-Componenta as a result of which Componenta's shareholding in SEW-Componenta is now 50 per cent.

The value added chain formed by the foundries and machine shops in the Cast Components business group was extended by the acquisition in August of a machine shop company next to the Pori foundry.

In August, the Componenta subsidiary Profiz Business Solution Oyj (formerly Appsys Oy) purchased the entire share stock of Kheilos-Spartan Oy, an e-commerce software specialist. Profiz made a share issue to shareholders in the acquired company and to company management and personnel. Following these changes, Componenta Corporation has a 45% holding in Profiz. Profiz will continue to provide IT services for Componenta under a long-term agreement.

The operations of Componenta AT, whose business is in valves for the process control and ship building industries, were sold in an MBO in September.

Net sales and order book

The Componenta Group had net sales of EUR 225.7 million (EUR 266.4 million in the previous year). The fall in net sales was due to divested operations. The net sales of EUR 212.6 (185.6) million for continuing operations grew by 15% on the previous year.

Exports and foreign operations accounted for EUR 173.8 (208.2) million, which was 77% (78%) of net sales. Net sales by market area were as follows: Finland 23%, other Nordic countries 54%, Central Europe 18%, North America 1% and other countries 4%.

The Group's order book stood at EUR 35.0 (33.9) million on 31 December 2000.

Net sales by business group were as follows: Cast Components EUR 150.8 (140.3) million, Special Components EUR 57.8 (50.1) million and divested and other operations EUR 17.1 (76.0) million.

Profits

The Group made an operating profit of EUR 9.1 (12.6) million, or 4% (5%) of net sales. The Group's financing costs were EUR 8.0 (10.5) million. Financing costs include exchange rate gains of EUR 0.1 million (losses of EUR 1.5 million). The profit after financial items was EUR 1.1 (2.0) million, or 0.5% (0.8%) of net sales.

The Group's profits suffered from the costs arising from excessive demand from the heavy truck industry and from the operating losses recorded by a few business units.

The Group's balance sheet total on 31 December 2000 was EUR 263.9 (285.9) million.

The Cast Components business group had an operating profit of EUR 9.5 (9.6) million. The uneven spread of demand among the different customer industries caused difficulties in the operations of Cast Components during the review year. The net sales of Cast Components grew on account of the strong demand in the heavy truck industry and because of new contracts. Sales to the heavy truck industry rose by a fifth on the previous year. The rapid rise in production volumes overloaded the machine shops in the business group. To cope with the orders in accordance with agreements it was necessary to use subcontractors, uneconomical overtime arrangements and special transport, which caused extra costs. The new machines installed in the autumn to increase production capacity came too late to make any significant improvement during the autumn.

Deliveries to general engineering companies picked up after a quiet period at the start of the year and rose steadily towards the end of the year. The increase in demand from general engineering and the growth in deliveries improved capacity usage especially at the foundries.

The operating result of Componenta Alvesta was clearly loss making in the review year. When its manhole cover production was transferred to the associated company Ulefos, much of Alvesta's production consisted of a product selection that was ill-suited to the foundry. Production efficiency declined at the foundry during the year. A programme of remedial action has started at the company, aiming to put it in better shape to operate in its own area of specialization. Once its operational efficiency has improved, the transfer of work from other Group foundries to Alvesta will continue.

The transfer of work from the Ulefos NV AS' Norwegian foundry to different units in the Cast Components business group started, in accordance with the business group's strategy of specialization. The transfers coincided with strong growth in demand from the market, which tied up more personnel and production resources than had been expected and put the transfers behind schedule. Net sales for the products taken over by Componenta will have an annual value of approximately EUR 6 million.

During the past year a restructuring programme was started at Componenta Karkkila, reducing the number of personnel and adapting the product selection so that it corresponds more closely to the factory's area of specialization. During the final quarter the company significantly reduced its operating loss from the corresponding period of the previous year.

The number of machine shops in Cast Components rose to five when a new machine shop was acquired next to Pori foundry.

During the year contracts to the value of nearly EUR 30 million were signed for new ready-to-install components. The new contracts are based on the effective integration of the operations of the foundries and machine shops. It will be possible to carry out these new orders by increasing machining capacity with moderate investments and taking advantage of the increased efficiency achieved at the foundries. The work for the new orders will gradually enter production in 2001 and 2002.

Special Components made an operating profit of EUR 2.2 (0.4) million. The improvement in the result of Special Components was mainly due to the strong market in the heavy truck industry, improvements in operational efficiency and growth in demand for four-wheel drive components.

The market for geared components was strong. Deliveries of four-wheel drive components for cars to Haldex increased significantly on the previous year. An automated machining line to cope with increasing production volumes was commissioned in the autumn at Componenta Albin.

The strong market in the truck industry also caused growth in orders and production volumes at the Group's forges. Work on the EUR 4.3 million pressing line investment at Componenta Wirsbo, which was decided on in the summer, started during the year. Deliveries of equipment for the line will take place in the second half of 2001.

Componenta Prometek reduced its operating loss from the previous year, thanks to the remedial action taken at the company.

Divested operations made an operating loss of EUR 3.2 (5.3) million. Divested operations include the net sales and result for three months for Componenta Älmhult, five months for Componenta Wear Parts, six months for SEW-Componenta and nine months for Profiz and Componenta AT.

Componenta Group's share of the results of its associated companies was EUR -0.5 (+0.5) million. The market for the products of the associated company Keycast mainly followed the trends in the engineering industry. After a poor start to the year, order books picked up in the second half of the year. However, the result for the whole was a loss.

Manhole cover production at Ulefos NV AS increased on the previous year following the transfer of Componenta Alvesta's production of manhole covers to the associated company's foundries. Correspondingly, castings for the heavy truck and general engineering industries were transferred to different Componenta foundries.

The associated company Thermia AB recorded an operating loss in the review year. Thermia concentrated production of central heating boilers at the Saarijärvi factory in Finland and closed down the Kalix factory in Sweden, which resulted in a one-time loss. The rise in the price of oil had a negative impact on sales of Thermia's central heating boilers. In contrast demand has been strong for heat pumps and their sales increased significantly on the previous year.

The net sales of SEW-Componenta have continued to grow strongly and order books have risen significantly. Most of the growth is due to the strong performance in the markets in China and to growth in the sales of SEW-Compact products.

Other and internal items contributed EUR 0.5 (7.9) million to the operating profit.

Investments

Componenta's gross investments during the financial year totalled EUR 28.2 (20.0) million and the Group made disposals of non-current assets of EUR 17.3 (27.4) million. EUR 16.5 (11.9) million of the investments were used on production facilities. The largest single items were the machining centre at Componenta Främmestad, investments in production equipment at different foundries and the first payments for the new pressing line at Wirsbo. Investments in non-current assets at associated companies totalled EUR 6.1 (6.1) million.

Financing

The Group's liquidity was strong throughout the review year. The Group's equity ratio including the preferred capital notes in equity was 37.7% (37.9%) and when treating the preferred capital notes as debt it was 29.1% (30.0%).

At the end of the financial year the Group had unused long-term committed credit facilities of EUR 53.0 million. The Group made active use of its EUR 40 million commercial paper programme during the year. The Group's interest-bearing net liabilities, excluding the EUR 22.7 million preferred capital notes, were EUR 108.0 (114.1) million.

Personnel and organization

The Group had 1,936 (2,226) employees on 31 December 2000. Of these 47.9% were in Finland, 51.7% in Sweden and 0.4% in other countries. The average number of employees during the year was 1,986 (2,681).

Board of Directors and Management

The Annual Shareholders' Meeting elected Juhani Mäkinen as a new member of the Board of Directors. Yrjö M. Lehtonen retired from the Board. The Board chose Olli Reenpää as its chairman and Jouko Koskinen as vice chairman. Yrjö Julin was appointed executive vice president and COO of Componenta Corporation after Antti Lehtonen took up the position of Chairman of the Board at the associated company Keycast Oy.

Share capital

The price of Componenta shares stood at EUR 2.11 on 31 December 2000, when it had been EUR 5.70 on 1 January 2000. The share capital had a market value at the end of the review period of EUR 21.7 million. The volume of shares traded during the review period was equivalent to 25.8% of the share capital.

In accordance with the decision of the extraordinary shareholders' meeting on 11 August 2000, Componenta Corporation issued 450,000 warrants, of which 397,030 were given to the holders of the bonds with warrants, convertible bonds and share options issued in 1997, to Componenta Group key personnel and to members of the Board of Directors of Componenta Corporation. The remaining 52,970 were given to the Componenta Corporation subsidiary Componenta CC Group Oy.

The warrants enable their holders to subscribe to a maximum of 450,000 Componenta Corporation shares. The subscription price for the shares is five (5) euros. The subscription price will be reduced every year by the amount of the dividend paid on the record date for the dividend.

The Board decided to cancel the bonds with warrants issued by the annual shareholders' meeting on 5 March 1997 and the share options and convertible bonds issued by the extraordinary shareholders' meeting on 17 December 1997 to the extent that the holders of these bonds or share options have exchanged the old bonds or share options for the new warrants. After cancelling these bonds and share options, 98,850 warrants remain of those issued in March 1997, and these entitle the holders to subscribe to 98,850 Componenta Corporation shares. Similarly, 41,250 share options remain of those issued in December 1997, and they entitle the holders to subscribe to 41,250 Componenta Corporation shares. None of the convertible bonds issued in December 1997 remain.

The company's Board of Directors has no authorization for any further share issues and is not authorized to buy back the company's shares.

Prospects for the near future

Although uncertainty has crept into growth prospects for the world economy in consequence of the slowdown in the US economy, the economic environment in Componenta's market areas is expected to be good at the start of 2001. Demand for investment goods in Europe should remain at a high level and exports from the euro area should continue to be brisk in the beginning of the year. The recovery of the markets in Asia should continue in the countries in the region.

Prospects for the heavy truck industry should remain strong in the first quarter of 2001. The strong growth in the sector is believed to have passed its peak, however, and production volumes are expected to experience a slight decline on the previous year.

Delivery volumes by the general engineering industry are forecast to continue to grow from the previous year.

Volumes in the off-road sector in Europe are expected to be slightly lower than in 2000.

For Componenta Group the state of the market described above creates the conditions for raising the efficiency of operations, and the profit after financial items should improve on the previous year. Cast Components' contracts for new components should raise net sales from the previous year's level.

CONSOLIDATED INCOME STATEMENT 1.1.-31.12.

		2000		1999		2000	
		1 000 EUR	%	1 000 EUR	%	1 000 FIM	%
Net sales	*1*	**225 666**	100	**266 415**	100	**1 341 749**	100
Other operating income	*2*	6 896		11 769		41 002	
Other operating expenses	*3*	208 735		247 034		1 241 082	
Depreciation and write-down of non-current assets	*4*	14 729		18 579		87 575	
Operating profit	*5*	**9 098**	4,0	**12 571**	4,7	**54 094**	4,0
Financial income and expenses	6	-8 047		-10 523		-47 845	
Profit after financial items		**1 051**	0,5	**2 048**	0,8	**6 249**	0,5
Extraordinary items	*7*	0		342		0	
Profit after extraordinary items		**1 051**	0,5	**2 390**	0,9	**6 249**	0,5
Income taxes	*9*	537		-566		3 193	
Conversion differences		0		-20		0	
Minority interest		-509		1 325		-3 026	
Profit for the financial year		**1 079**	0,5	**3 129**	1,2	**6 415**	0,5

1 EUR = 5,94573 FIM

CONSOLIDATED BALANCE SHEET 31.12.

Assets		2000 1 000 EUR	1999 1 000 EUR	2000 1 000 FIM
Non-currents assets				
Intangible assets		3 811	6 048	22 659
Group goodwill		24 470	26 651	145 492
Tangible assets		130 022	139 179	773 076
Investments		21 814	21 317	129 700
	10	**180 117**	**193 195**	**1 070 927**
Current assets				
Inventories	*11*	22 843	29 808	135 818
Long-term receivables	*12*	11 954	3 184	71 075
Short-term receivables	*13*	44 012	53 507	261 683
Cash and bank accounts		4 928	6 230	29 301
		83 737	**92 729**	**497 878**
Total assets		**263 854**	**285 924**	**1 568 805**

Liabilities and shareholders' equity		2000 1 000 EUR	1999 1 000 EUR	2000 1 000 FIM
Shareholders´ equity				
Share capital		20 599	20 599	122 476
Share premium account		34 743	34 914	206 572
Legal reserve		3 218	2 729	19 133
Retained earnings		15 038	13 914	89 412
Profit for the financial year		1 079	3 129	6 415
Preferred capital notes	*16*	22 705	22 705	134 998
	15	**97 382**	**97 990**	**579 007**
Minority interest		**2 144**	**10 393**	**12 748**
Liabilities				
Non-current liabilities	*19*	78 324	88 109	465 693
Deferred tax liability	*20*	3 703	7 725	22 017
Current liabilities	*21*	82 301	81 707	489 340
	18	**164 328**	**177 541**	**977 050**
Total liabilities and shareholders´ equity		**263 854**	**285 924**	**1 568 805**

PARENT COMPANY INCOME STATEMENT 1.1.-31.12.

		2000	1999
		1 000 EUR	1 000 EUR
Net sales	*1*	**2 281**	**2 227**
Other operating income	*2*	1 037	420
Other operating expenses	*3*	3 180	2 346
Depreciation and write-down of non-current assets	*4*	56	47
Operating profit		**82**	**255**
Financial income and expenses	*6*	-31	-9 274
Profit after financial items		**51**	**-9 019**
Extraordinary items	*7*	4 781	7 694
Profit after extraordinary items		**4 832**	**-1 325**
Change in untaxed reserves	*8*	2	0
Income taxes	*9*	-42	2 520
Profit for the financial year		**4 792**	**1 195**

PARENT COMPANY BALANCE SHEET 31.12.

		2000	1999
		1 000 EUR	1 000 EUR
Assets			
Non-current assets			
Intangible assets		308	134
Tangible assets		183	314
Investments		47 682	37 669
	10	**48 173**	**38 117**
Current assets			
Long-term receivables	*12*	153 335	139 763
Short-term receivables	*13*	12 748	21 078
Cash and bank accounts		2 911	3 080
		168 994	**163 921**
Total assets		**217 167**	**202 037**

		2000	1999
Liabilities and shareholders' equity		1 000 EUR	1 000 EUR
Shareholders' equity			
Share capital		20 599	20 599
Share premium account		34 743	34 743
Retained earnings		1 346	1 695
Profit for the financial year		4 792	1 195
Preferred capital notes	*16*	22 705	22 705
	15	**84 185**	**80 938**
Untaxed reserves	*17*	**30**	**32**
Liabilities			
Non-current liabilities	*19*	93 479	90 234
Current liabilities	*20*	39 473	30 833
	18	**132 952**	**121 067**
Total liabilities and shareholders' equity		**217 167**	**202 037**

CASH FLOW STATEMENTS 1.1.-31.12. 1 000 EUR

	CONSOLIDATED		PARENT COMPANY	
	2000	**1999**	**2000**	**1999**
Cash flow from operations				
Profit/loss before extraordinary items	1 051	2 048	51	-9 019
Depreciation according to plan	14 729	18 579	56	47
Unrealized exchange rate gains and losses	-601	219	-326	-3 260
Other income and expenses, with no cash payment	-355	-2 736	-19	114
Financial income and expenses	8 648	10 304	357	12 534
Gains and losses from the sale of non-current assets	-3 464	-9 284	-565	-12
Other adjustments	514	-1 748	-	-
Cash flow before change in net working capital	**20 522**	**17 382**	**-446**	**404**
Change in net working capital				
Current non-interest bearing receivables, increase (-)/decrease (+)	4 229	4 925	5 649	-6 816
Inventories, increase (-)/decrease (+)	6 308	7 302	-	-
Current non-interest bearing liabilities, increase (+)/decrease (-)	-3 176	1 517	396	-680
Cash flow from operating activities before financing and income taxes	**27 883**	**31 126**	**5 599**	**-7 092**
Paid interest and other financial expenses	-10 363	-10 912	-8 660	-17 131
Dividends received	993	31	518	67
Interest income received	1 488	824	11 087	7 862
Income taxes paid	-2 355	-643	-1 995	-472
Cash flow before extraordinary items	**17 646**	**20 426**	**6 549**	**-16 766**
Net cash flow from extraordinary items	-	-	6 734	10 686
Cash flow from operations (A)	**17 646**	**20 426**	**13 283**	**-6 080**
Cash flow from investments				
Investments in tangible and intangible assets	-16 841	-13 720	-157	-209
Proceeds from tangible and intangible assets	15 324	23 324	58	16
Loans granted	-8 770	-	-13 572	-
Investments in shares and other investments	-11 420	-6 265	-10 927	-125
Repayments of loan receivables	6 118	1 175	-	11 424
Proceeds from other investments	1 987	1 734	1 479	47
Cash flow from investments (B)	**-13 602**	**6 248**	**-23 119**	**11 153**
Cash flow from financing operations				
Draw-downs of current loans	5 995	-	7 967	-
Repayments of current loans	-	-3 975	-	-8 418
Draw-downs of non-current loans	-	-	3 245	2 718
Repayments of non-current loans	-9 785	-24 620	-	-
Dividends paid	-1 556	-3 040	-1 545	-3 031
Cash flow from financing operations (C)	**-5 346**	**-31 635**	**9 667**	**-8 731**
Change in cash and bank accounts (A + B + C) , increase (+)/decrease (-)	**-1 302**	**-4 961**	**-169**	**-3 658**
Cash and bank accounts at the beginning of period	6 230	11 191	3 080	6 738
Cash and bank accounts at the end of period	4 928	6 230	2 911	3 080
Change during the period	-1 302	-4 961	-169	-3 658

ACCOUNTING PRINCIPLES

The financial statements of Componenta Corporation and the consolidated financial statements are prepared in accordance with current laws and regulations in Finland. Finnish legislation is based on the 4th and 7th directives of the European Union.

The consolidated financial statements of Componenta Group have been prepared in euros. The accounting currency for the parent company and Finnish subsidiaries is euro.

The financial statements for foreign subsidiaries have been arranged to correspond to the Finnish Accounting Act.

The financial year for all group companies ended on 31 December 2000.

Scope of consolidated financial statements

The consolidated financial statements include Componenta Corporation and those Finnish and foreign subsidiaries in which the group holds directly or indirectly shares with over 50% of the voting rights. Subsidiaries acquired during the financial year are included in the consolidated financial statements from the date of acquisition, and subsidiaries sold during the financial year are included up until the date of sale.

Associated companies are companies in which the group holds shares with 20% to 50% of the voting rights. The consolidated financial statements do not include certain small associated companies since their impact would be insignificant. The non-consolidated associated companies do not affect the group's distributable equity.

Principles for consolidation

The consolidated financial statements are prepared according to the acquisition cost method. The excess of the acquisition cost of the shares of the subsidiaries over the shareholders' equity acquired is allocated to the non-current assets of the subsidiaries, and the remainder is presented as group goodwill. On 31 December 2000 goodwill allocated to machinery and equipment under non-current assets totalled EUR 8.7 million.

Group goodwill is amortized according to plan on a straight-line basis. Due to the strategic nature of the investment, the amortization period for the goodwill arising from the purchase of the shares of Componenta Industri AB in 1997 is 20 years. The goodwill arising from the purchase of other subsidiaries is amortized in 5 - 10 years.

The financial statements of associated companies are consolidated according to the equity method. The group's share of the result of associated companies is entered under other operating income in the income statement. Goodwill, which is the difference between the acquisition cost of shares and the group's share of the shareholders' equity of associated companies and of the accumulated untaxed reserves less deferred tax liability, is amortized over 5 - 10 years. Amortization of goodwill from associated companies is recorded in the result of associated companies. The value of shares presented in the balance sheet as the acquisition cost of the shares is adjusted by the group's share of the accumulated results of associated companies including the accumulated amortization of goodwill, and by the group's share of the sales profit arising from business divestments between the group and associated companies.

Foreign subsidiaries and conversion differences

The income statements of foreign subsidiaries are converted into euros using the average exchange rates for the accounting period. The average exchange rates are the averages of the European Central Bank's average exchange rates at each month's end. Balance sheet items are converted into euros at the European Central Bank's average exchange rate on the closing day.

The conversion difference arising from using different exchange rates for converting the income statement and the balance sheet is entered under conversion differences in the shareholders' equity. Conversion differences caused by changes in exchange rates when consolidating the shareholders' equity of subsidiaries have been recorded under conversion differences in the shareholders' equity.

Foreign currency loans are used in hedging the shareholders' equity of foreign subsidiaries with the equity hedging method. Exchange rate differences for these loans are recorded net in the consolidated balance sheet as conversion differences under shareholders' equity.

Intra-group transactions

Intra-group transactions have been eliminated, as has the internal margin included in the inventories of group companies. Intra-group receivables and liabilities have also been eliminated.

The group's share of sales profits arising from business divestments between the group and associated companies is eliminated. The eliminated sales profit is booked as an income in pace with amortization in the corresponding associated company.

Foreign currency transactions

Foreign currency transactions are recorded at the exchange rate on the transaction date. Fixed conversion rates are used for transactions between euro area currencies.

The foreign currency receivables and liabilities of the parent company and Finnish subsidiaries are converted into euros at the European Central Bank's average exchange rate on the closing day. The foreign currency receivables and liabilities of the foreign group companies are converted at the exchange rate in the country concerned on the closing day. Any resulting exchange rate differences are recorded appropriately in the income statement as sales or purchasing adjustments or as financial items.

Foreign exchange and interest rate derivative instruments

Currency-denominated open derivatives are valued at the exchange rate on the closing day of the period.

Derivative financial instruments concluded to hedge foreign currency and interest rate risks have been recorded in the income statement simultaneously with the commitment hedged. Changes in the value of foreign exchange derivatives are entered in the income statement so that the interest portion is deferred and entered as interest income and expenses, and the exchange rate difference is recorded in the result when the commitment hedged is recorded in the income statement.

Minority interest

Minority interest is calculated as the minority shareholders' share of the result for the financial period and of the shareholders' equity of subsidiary companies.

Net sales

Indirect taxes, discounts given and exchange rate differences for sales have been deducted from sales income when calculating net sales.

Freight charges and other costs relating to sales as well as credit losses are included in other operating costs.

Other income from operations
Other income from operations includes income from the divesting of operations and the sale of subsidiary companies. Correspondingly, sales losses from the divesting of operations and the sale of subsidiary companies are entered under other operating costs.

Extraordinary items
Consolidated extraordinary items from the previous financial year include changes in deferred tax liabilities and assets for previous financial years that are due to the change in accounting principles.

Parent company extraordinary items also include group contributions received and taxes relating to these.

Direct taxes, deferred tax liabilities and assets
Consolidated direct taxes include direct taxes based on the taxable result of group companies, calculated according to local tax regulations, and the changes in deferred tax liabilities and assets. Changes in deferred tax liabilities and assets have been calculated from the temporary differences between financial and tax years, from entries made in the consolidated accounts, from confirmed losses and losses for the financial year of the group companies, and from changes in accelerated depreciation and other untaxed reserves. Deferred tax assets for confirmed losses or for losses for the financial period have only been recognized to the extent that it is probable that they can be utilized. Taxes include taxes paid for the period and taxes for previous periods that have been due for payment or refund.

Deferred tax liabilities and assets are presented in the balance sheet after netting the liabilities and assets under the same tax jurisdiction.

Deferred taxes are calculated for Finnish companies using a tax rate of 29% and for Swedish companies a rate of 28%.

Deferred tax liabilities calculated from the revaluation of non-current assets are stated in a note to the financial statements.

Taxes on group contributions recorded under extraordinary items in individual companies are included in extraordinary items.

Non-current assets and depreciation
Non-current assets are recorded in the balance sheet at their direct acquisition cost less planned depreciation. In addition, certain buildings include revaluations made in previous years, and depreciation is not made on these revaluations. No depreciation is made on land and water areas.

Planned depreciation is calculated on a straight line basis on the original acquisition cost, based on the estimated useful economic life, as follows:

capitalized development costs	5 years
intangible rights	3 - 10 years
group goodwill	5 - 20 years
other capitalized expenditure	3 - 20 years
buildings and structures	40 years
computing equipment	3 - 5 years
other machinery and equipment	10 - 25 years
other tangible assets	5 - 10 years

Depreciation of group goodwill allocated to non-current asset items takes place according to the planned depreciation schedule for the item in question.

Due to the divestment of business operations, the closing balance on 31 December 2000 no longer includes capitalized development costs, and the income statement includes depreciation of capitalized development costs only for six months.

The sales profits and losses of from the sale of non-current assets are included in the operating profit.

Leasing
Leasing payments are treated as rental expenses. The group has no significant finance leasing contracts. Unpaid payments based on leasing agreements are presented under contingent liabilities.

Research and development costs
The group´s immaterial research and development costs are recorded as expenses for the period.

Inventories
The acquisition cost of inventories includes indirect purchasing and manufacturing costs. Inventories are valued at the lowest of the acquisition cost, the replacement price or the probable sale price.

The use of inventories is entered according to the FIFO principle.

Pension obligations
Pension coverage for employees of group companies in Finland is provided through insurance schemes in line with statutory arrangements. The schemes are funded through payments to an insurance company. According to an agreement made with the pension insurance company, the group is responsible in Finland for unemployment payments and work disability payments included in pension insurance payments in their entirety at the moment when the pension starts.

Foreign subsidiaries operate pension schemes in accordance with local practice and legislation.

Untaxed reserves
The changes in untaxed reserves include the change in accelerated depreciation and the change of other untaxed reserves.

In the parent company and the financial statements of Finnish and Swedish subsidiaries, the change in the difference between planned and recorded depreciation is presented as change in untaxed reserves in the income statement, and the accumulated difference between planned and recorded depreciation is presented in the balance sheet under untaxed reserves. In addition, there are other untaxed reserves in some Swedish subsidiaries.

In the consolidated balance sheet, untaxed reserves are allocated to shareholders' equity and the deferred tax liability. The change in untaxed reserves for the period is allocated in the income statement to the result for the period and to the change in the deferred tax liability.

Untaxed reserves recorded under consolidated shareholders' equity are not distributable funds.

NOTES TO THE INCOME STATEMENT

Figures are in thousands of euros unless otherwise stated

	CONSOLIDATED 2000	CONSOLIDATED 1999	PARENT COMPANY 2000	PARENT COMPANY 1999
1. Net sales by georaphical market area and by business group				
By geographical market area, MEUR				
Finland	51.9	58.2	2.3	2.2
Other Scandinavian countries	120.8	117.9	-	-
North America	3.2	15.7	-	-
Central Europe	40.5	56.6	-	-
Other countries	9.3	18.1	-	-
Total	225.7	266.4	2.3	2.2
By business group, MEUR				
Cast Components	150.8	140.3	-	-
Special Components	57.8	50.1	-	-
Divested operations	13.1	80.8	-	-
Others and internal sales	4.0	-4.8	2.3	2.2
Total	225.7	266.4	2.3	2.2
2. Other operating income				
Rental income	901	608	472	408
Profit from sales of non-current assets	41	209	-	12
Compensation for damages	-	1 287	-	-
Swedish pension surplus refund	2 117	-	-	-
Profit from sale of shares and divested operations	4 057	9 074	565	-
Other operating income	277	100	-	-
Share of profit/loss of associated companies	-497	491	-	-
Total	6 896	11 769	1 037	420
3. Operating expenses				
Change in inventory of finished goods	-1 599	-232	-	-
Production for own use	-35	-28	-	-
Materials. supplies and products				
Purchases during the financial year	70 763	85 415	-	-
Change in inventories	2 376	-302	-	-
Total	73 139	85 113	-	-
External services	19 455	17 461	-	-
Personnel expenses*	76 385	94 449	808	863
Other operating expenses				
Rents	3 457	5 903	507	497
Losses from sales of non-current assets	288	-	-	-
Expenses for closing down operations	1 917	-	-	-
Other operating expenses	35 729	44 369	1 865	986
Total	41 391	50 272	2 372	1 483
Total operating expenses	208 735	247 034	3 180	2 346
*Personnel expenses and average number of personnel				
Wages and salaries	57 360	71 801	644	676
Pensions and pension insurance payments	7 702	10 486	125	169
Other personnel expenses	11 323	12 162	39	18
	76 385	94 449	808	863
Remuneration to members of Boards of Directors and managing directors	1 353	1 901	90	56
The company has no specific pension commitments for Board members or managing directors				
Average number of personnel by business group				
Cast Components	1 390	1 466	-	-
Special Components	453	420	-	-
Divested operations	76	720	-	-
Other	67	75	13	14
Total	1 986	2 681	13	14

	CONSOLIDATED 2000	CONSOLIDATED 1999	PARENT COMPANY 2000	PARENT COMPANY 1999
4. Depreciation and write-down of non-current assets				
Intangible assets				
Capitalized development costs	306	466	-	-
Intangible rights	110	129	-	-
Goodwill	-	23	-	-
Group goodwill	2 335	2 684	-	-
Other capitalized expenditure	734	936	27	20
	3 485	4 238	27	20
Tangible assets				
Buildings and structures	774	1 166	-	-
Machinery and equipment	10 432	13 089	29	27
Other tangible assets	38	86	-	-
	11 244	14 341	29	27
Total depreciation and write-down of non-current assets	14 729	18 579	56	47
5. Operating profit by business group, MEUR				
Cast Components	9.5	9.6		
Special Components	2.2	0.4		
Divested operations	-3.2	-5.3		
Other and internal items	0.6	7.9		
Total	9.1	12.6		
6. Financial income and expenses				
Financial income				
Dividend income				
Dividends from group companies	-	-	509	38
Other dividends	10	31	9	29
	10	31	518	67
Interest and other financial income				
Interest and other financial income from group companies	-	-	6 829	10 702
Interest and other financial income	2 318	730	1 577	33
	2 318	730	8 406	10 735
Write-down of investments in non-current assets	-	-	-	-7 000
Interest expenses and other financial expenses				
Interest expenses for group companies	-	-	-94	-101
Other financial expenses for group companies	-	-	-441	-
Interest expenses and other financial expenses	-10 375	-11 284	-8 420	-12 975
	-10 375	-11 284	-8 955	-13 076
Total financial income and expenses	-8 047	-10 523	-31	-2 274
‘Financial income and expenses’ include net exchange rate gains and losses				
From group companies	-	-	-441	5 482
From others	72	-1 459	673	-6 189
	72	-1 459	232	-707
7. Extraordinary items				
Extraordinary income				
Group contribution received	-	-	6 734	10 686
Deferred tax assets from consolidation in previous years	-	342	-	-
	-	342	6 734	10 686
Income taxes on extraordinary items	-	-	-1 953	-2 992
Total extraordinary items	-	342	4 781	7 694

	CONSOLIDATED 2000	CONSOLIDATED 1999	PARENT COMPANY 2000	PARENT COMPANY 1999
8. Change in accelerated depreciation				
Other capitalized expenditure			0	0
Machinery and equipment			2	0
Total change in accelerated depreciation			2	0
9. Income taxes				
Income taxes for the financial year	-2 224	-573	-1 995	-472
Income taxes for previous financial years	-131	-70	-	-
Change in deferred tax liabilities	786	510	-	-
Change in deferred tax assets	2 106	-433	-	-
Total	537	-566	-1 995	-472
Income taxes on extraordinary items	-	-	1 953	2 992
Total income taxes	537	-566	-42	2 520

NOTES TO THE BALANCE SHEET

10. Non-current assets

Consolidated

Intangible assets

	Capitalized development costs	Intangible rights	Other capitalized expendi-ture	Advance payments	Group goodwill	2000 total	1999 total
Acquisition cost in the beginning of the year	3 959	847	7 085	-	36 001	47 892	51 036
Increase	-	32	396	18	187	633	1 481
Decrease	-3 959	-170	-3 347	-	-	-7 476	-9 139
Reclassification	-	2	2 151	-	-	2 153	3 697
Conversion difference	-	-9	146	-	-79	58	817
Acquisition cost at year end	0	702	6 431	18	36 109	43 260	47 892
Accumulated depreciation in the beginning of the year	-1 267	-375	-4 201	-	-9 350	-15 193	-14 380
Accumulated depreciation on decrease and reclassification	1 573	86	2 077	-	-	3 736	3 276
Conversion difference	-	2	-85	-	46	-37	149
Depreciation during year	-306	-110	-734	-	-2 335	-3 485	-4 238
Accumulated depreciation at year end	0	-397	-2 943	-	-11 639	-14 979	-15 193
Book value at year end	0	305	3 488	18	24 470	28 281	32 699

Tangible assets

	Land and water areas	Buildings and structures	Machinery and equipment	Other tangible assets	Advanced payments and con-struction in progress	2000 total	1999 total
Acquisition cost in the beginning of the year	3 933	58 537	131 510	550	1 041	195 571	218 168
Increase	-	307	10 864	29	5 000	16 200	12 239
Decrease	´-431	-2 933	-14 943	-216	-32	-18 555	-40 548
Reclassification	-	-1 732	3 897	-	-4 318	-2 153	-3 697
Conversion difference	-15	-265	-1 575	8	-20	-1 867	9 409
Acquisition cost at year end	3 487	53 914	129 753	371	1 671	189 196	195 571
Accumulated depreciation in the beginning of the year	-	-7 692	-48 431	-270	-	-56 393	-57 459
Accumulated depreciation on decrease and reclassification	-	2 325	5 047	119	-	7 491	19 217
Conversion difference	-	45	931	-3	-	972	-3 810
Depreciation during year	-	-774	-10 433	-38	-	-11 244	-14 341
Accumulated depreciation at year end	-	-6 096	-52 886	-192	-	-59 175	-56 393
Book value at year end	3 487	47 818	76 867	179	1 671	130 022	139 179

The figures in tangible assets include the following revaluations:

	Land areas	Buildings	2000 total	1999 total
In the beginning ot the year	673	26 923	27 596	28 101
Decrease	-84	-753	-837	-505
At year end	589	26 170	26 759	27 596

Deferred tax liabilities on revaluation (not booked)	
31.12.2000	6 521
31.12.1999	6 763
Book value of production machinery and equipment	
31.12.2000	68 041
31.12.1999	61 744

Investments

	Shares in associated companies	Other shares	2000 total	1999 total
Acquisition cost in the beginning of the year	18 634	2 574	21 208	15 093
Increase	6 138	143	6 281	6 265
Decrease	-1 154	-1 840	-2 994	-150
Reclassification	45	-	45	-
Acquisition cost at year end	23 663	877	24 540	21 208
Accumulated share of profit/loss and decreases/increases	47	60	107	-1
Dividends received	-773	-	-773	-130
Conversion difference	-41	26	-15	168
Elimination of internal profit	-1 661	-	-1 661	-
Other decrease/increase	113	-	113	-421
Share of profit/loss for financial year	-497	-	-497	491
Book value at year end	20 851	963	21 814	21 317

On 31 December 2000, the book value of the associated companies includes 3 379 tEUR of goodwill.

Parent company

Intangible assets

	Other capitalized expenditure	Advance payments	2000 total	1999 total
Acquisition cost in the beginning of the year	206	0	206	211
Increase	-	2	2	11
Decrease	-	-	-	-16
Reclassification	199	-	199	0
Acquisition cost at year end	405	2	407	206
Accumulated depreciation in the beginning of the year	-72	-	-72	-52
Depreciation during year	-27	-	-27	-20
Accumulated depreciation at year end	-99	0	-99	-72
Book value at year end	306	2	308	134

Tangible assets

	Land and water areas	Machinery and equipment	Other tangible assets	Advanced payments and construction in progress	2000 total	1999 total
Acquisition cost in the beginning of the year	25	206	82	92	405	207
Increase	-	15	1	139	155	198
Decrease	-25	-	-	-32	-58	-
Reclassification	-	-	-	-199	-199	-
Acquisition cost at year end	0	221	83	0	303	405
Accumulated depreciation in the beginning of the year	-	-92	-	-	-92	-65
Depreciation during year	-	-29	-	-	-29	-27
Accumulated depreciation at year end	-	-121	-	-	-121	-92
Book value at year end	0	100	83	0	183	314

Investments

	Shares in associated companies	Other shares	Shares in subsidiaries	2000 ´total	1999 total
Acquisition cost in the beginning of the year	841	1 238	42 590	44 669	44 579
Increase	5 670	52	5 205	10 927	125
Decrease	-	-912	-2	-914	-35
Reclassification	45	-	-45	0	-
Acquisition cost at year end	6 556	378	47 748	54 682	44 669
Accumulated write-downs	-	-	-7 000	-7 000	-
Write-downs for financial year	-	-	-	-	-7 000
Book value at year end	6 556	378	40 748	47 682	37 669

	CONSOLIDATED 2000	CONSOLIDATED 1999	PARENT COMPANY 2000	PARENT COMPANY 1999
11. Inventories				
Materials and supplies	10 731	12 133	-	-
Work in progress	5 035	5 476	-	-
Finished goods	7 077	12 173	-	-
Advanced payments	0	26	-	-
Total	22 843	29 808	-	-
12. Long-term receivables				
From Group companies				
Loan receivables	-	-	143 302	138 048
From associated companies				
Loan receivables	10 033	2 039	10 033	1 715
Other long-term receivables				
Loan receivables	1 084	1 042	-	-
Other long-term receivables	837	103	-	-
	1 921	1 145	-	-
Total long-term receivables	11 954	3 184	153 335	139 763

	CONSOLIDATED 2000	CONSOLIDATED 1999	PARENT COMPANY 2000	PARENT COMPANY 1999
13. Short term receivables				
From Group companies				
Trade receivables	-	-	2 641	1 089
Other current receivables	-	-	6 734	12 167
Prepaid expenses and accrued income	-	-	296	3 582
	-	-	9 671	16 838
From associated companies				
Trade receivables	230	229	129	-
Other current receivables	3 624	0	603	-
Prepaid expenses and accrued income	22	0	22	-
Loan receivables	0	2 098	100	-
	3 876	2 327	854	-
Other short-term receivables				
Trade receivables	32 037	33 100	20	480
Loan receivables	1 387	1 086	1 185	964
Other current receivables	3 068	11 183	112	1 425
Deferred tax assets	0	992	-	-
Prepaid expenses and accrued income	3 644	4 819	906	1 371
	40 136	51 180	2 223	4 240
Total short-term receivables	44 012	53 507	12 748	21 078
Breakdown of prepaid expenses and accrued income				
Exchange rate gains from intra-group loans	-	-	-	3 558
Periodization of loan fees	285	298	285	298
Other exchange rate gains	601	-	601	-
Accrued interest income	200	19	317	41
Periodization of pension expenses	107	971	-	-
Periodization of taxes	728	1 400	-	997
Other	1 745	2 131	21	58
	3 666	4 819	1 224	4 952

There are no loans granted to managing directors and members of the Boards of Directors of Group companies

	CONSOLIDATED 2000	CONSOLIDATED 1999	PARENT COMPANY 2000	PARENT COMPANY 1999
Deferred tax assets				
From consolidation	237	244	-	-
From losses of the Group companies	3 156	1 044	-	-
Netting with deferred tax liabilities	-3 393	-296	-	-
	0	992	-	-
Change in deferred tax assets in taxes for the financial year				
From consolidation	-5	-161		
From losses of the Group companies	2 111	-272		
Total	2 106	-433		
Transfer from deferred tax liabilities	-	63		
Netting with deferred tax liabilities	-3 098	-296		
Change in deferred tax assets from consolidation in previous years in extraordinary items	-	342		
Change in balance sheet in the financial period	-992	-324		

14. Share capital and warrants

The company's share capital on 31 December 2000 stood at EUR 20,598,820 and was divided into 10,299,410 shares, each of which carries one vote. The shares have a nominal value of 2 euros.

At the end of the financial year, the company had issued warrants with entitlement to the following subscriptions

	Number of shares	Holding, %
Warrants 1997	98,850	0.91%
Warrants 1998	41,250	0.38%
Warrants 2000	450,000	4.13%
	590,100	5.42%
Number of shares including warrants	10,889,510	100.00%

Warrants issued by the Group

		Warrants from the bond with warrants 1997	Warrants 1998	Warrants 2000
Issuer		Componenta Corporation	Componenta Corporation	Componenta Corporation
Number of warrants		98,850	41,250	450,000
Held by a Group company				49,220
Subscription date	1/4	1.4.1998 - 30.4.2003	1.4.1998 - 30.4.2003	
	1/4	1.4.1999 - 30.4.2003	1.4.1999 - 30.4.2003	
	1/4	1.4.2000 - 30.4.2003	1.4.2000 - 30.4.2003	
	1/4	1.4.2001 - 30.4.2003	1.4.2001 - 30.4.2003	
	1/2			1.10.2002 - 31.10.2006
	1/2			1.10.2004 - 31.10.2006
Subscription terms		One warrant entitles the holder to subscribe for one Componenta Corporation share with a par value of 2 euros at a subscription price of EUR 9.48 (FIM 56.37) per share. The subscription price will be adjusted by the dividends paid. EUR 9.48 is the subscription price after the dividend for 1999. The original subscription price was EUR 10.26 (FIM 61). The shares subscribed with the warrants entitle to dividend for the financial year in which the subscription takes place.	One warrant entitles the holder to subscribe for one Componenta Corporation share with a par value of 2 euros at a subscription price of EUR 13.85 (FIM 82.35) per share. The subscription price will be adjusted by the dividends paid. EUR 13.85 is the subscription price after the dividend for 1999. The original subscription price was EUR 14.63 (FIM 87). The shares subscribed with the warrants entitle to dividend for the financial year in which the subscription takes place.	One warrant entitles the holder to subscribe for one Componenta Corporation share with a par value of 2 euros at a subscription price of EUR 5 (FIM 29.73) per share. The subscription price will be adjusted by the dividends paid. The shares subscribed with the warrants entitle to dividend for the financial year in which the subscription takes place.

15. Shareholders' equity

	CONSOLIDATED 2000	CONSOLIDATED 1999	PARENT COMPANY 2000	PARENT COMPANY 1999
Share capital 1 Jan.	20 599	17 322	20 599	17 322
Bonus issue	-	3 276	-	3 276
Share capital 31 Dec.	20 599	20 599	20 599	20 599
Share premium account 1 Jan.	34 914	38 190	34 743	38 020
Change in minority interest	-171	-	-	-
Bonus issue	-	-3 276	-	-3 276
Share premium account 31 Dec.	34 743	34 914	34 743	34 743
Legal reserve 1 Jan.	2 729	2 679	-	-
Transfer from retained earnings	677	315	-	-
Transfer to cover retained losses	-140	-342	-	-
Change in minority interest	15	65	-	-
Conversion difference +/-	-63	12	-	-
Legal reserve 31 Dec.	3 218	2 729	-	-
Retained earnings 1 Jan.	17 043	17 257	2 891	4 727
Dividends paid	-1 556	-3 040	-1 545	-3 031
Conversion difference +/-	102	-151	-	-
Change in minority interest	-15	-179	-	-
Transfer to legal reserve	-677	-315	-	-
Transfer from legal reserve	140	342	-	-
	15 037	13 914	1 346	1 696
Profit for the financial year	1 079	3 129	4 792	1 195
Preferred capital notes	22 705	22 705	22 705	22 705
Total shareholders' equity	97 381	97 990	84 185	80 938
Equity in untaxed reserves	11 109	12 851	-	-
Distributable shareholders' equity	5 007	4 195	6 138	2 891

16. Preferred capital notes

The loans are for EUR 12.6 million (FIM 75 million) and EUR 10.1 million (FIM 60 million). The notes are dated 19 March 1997 and 12 December 1997 and both loans mature on 18 March 2004. The preferred capital notes will be repaid on the maturity date only if, after repayment of the notes, Componenta Corporation and the Group have full cover for their respective restricted equity. If the conditions for repayment are not met, the loan period will be extended by one year at a time.

The loans carry interest of 9% p.a. If the loans are not repaid on the maturity date, the interest rate thereafter shall be 5% above the 12 month Euribor.

The interest paid annually shall not exceed the distributable non-restricted equity of Componenta Corporation or the Group. Any unpaid interest shall remain a liability of the company. The preferred capital notes rank junior to the Company's other debt commitments. The loans are not secured.

Accrued interest on the loans at 31 December 2000 has been recorded as an expense in the income statement and as a liability in the accrued expenses.

17. Untaxed reserves

	CONSOLIDATED 2000	CONSOLIDATED 1999	PARENT COMPANY 2000	PARENT COMPANY 1999
Accelerated depreciation				
Other capitalized expenditure	-	-	12	12
Machinery and equipment	-	-	18	20
	-	-	30	32

	CONSOLIDATED 2000	CONSOLIDATED 1999
Untaxed reserves	25 027	28 310
Equity elimination of acquired subsidiaries	-6 146	-6 313
Minority interest	-	-153
Conversion difference	-676	-972
Deferred tax liabilities of the untaxed reserves	-7 096	-8 021
Equity in untaxed reserves	11 109	12 851

The deferred tax liabilities of the untaxed reserves of the Swedish subsidiaries are calculated with a tax rate of 28 per cent. The deferred tax liabilities of the untaxed reserves of the Finnish companies are calculated using a tax rate of 29 per cent.

	CONSOLIDATED 2000	CONSOLIDATED 1999	PARENT COMPANY 2000	PARENT COMPANY 1999
18. Liabilities				
Interest bearing liabilities	126 292	130 104	128 980	117 789
Non-interest bearing liabilities	38 036	47 437	3 972	3 278
	164 328	177 541	132 952	121 067
19. Non-current liabilities				
Non-current interest bearing liabilities to Group companies	-	-	25 882	23 855
Other non-current interest bearing liabilities				
Convertible bonds	-	134	-	934
Loans from financial institutions	67 136	73 084	65 111	64 088
Loans from pension funds	9 207	13 058	1 111	1 357
Non-current loans from associated companies	1 375	-	1 375	-
Other non-current interest bearing liabilities	582	1 809	-	-
	78 300	88 085	67 597	66 379
Total non-current interest bearing liabilities	78 300	88 085	93 479	90 234
Non-current non-interest bearing liabilities				
Deferred tax liability	3 703	7 725	-	-
Other liabilities	24	24	-	-
	3 727	7 749	-	-
Total non-current non-interest bearing liabilities	3 727	7 749	-	-
Non-current loans fall due for repayment as follows:				
2002	11 133		34 452	
2003-2005	56 602		51 367	
2006-	10 565		7 660	
	78 300		93 479	
Non-current loans falling due for payment in five or more years:				
Loans from financial institutions	7 425	14 967	7 425	13 649
Loans from pension funds	3 140	4 006	235	399
	10 565	18 973	7 660	14 048
Foreign currency breakdown of non-current liabilities, %				
In euro currencies	73%	71%		
SEK	27%	23%		
USD	0%	4%		
Other	0%	2%		
	100%	100%		

	CONSOLIDATED		PARENT COMPANY	
	2000	1999	2000	1999
20. Deferred tax liabilities				
From untaxed reserves	7 096	8 021	-	-
Netting with deferred tax assets	-3 393	-296	-	-
	3 703	7 725	-	-
Change in deferred tax liabilities in taxes for the financial year				
From untaxed reserves	786	456		
From consolidation	-	150		
Increase in deferred tax liabilities due to change in tax rate	-	-96		
	786	510		
Transfer to deferred tax assets	-	63		
Netting with deferred tax assets	-3 098	-296		
Conversion difference	-138	158		
Change in balance sheet in financial year	-4 022	-585		
21. Current liabilities				
Current interest bearing liabilities				
Loans from financial institutions	15 345	20 178	6 508	7 551
Loans from pension funds	3 707	1 798	242	243
Bonds with warrants	-	1 009	-	1 009
Other current interest bearing liabilities	28 940	19 033	28 750	18 751
	47 992	42 018	35 500	27 555
Total current interest bearing liabilities	47 992	42 018	35 500	27 555
Current non-interest bearing liabilities				
Current non-interest bearing liabilities to Group companies				
Accounts payable	-	-	21	21
Accrued expenses and deferred income	-	-	976	40
	-	-	997	61
Current non-interest bearing liabilities to associated companies				
Accounts payable	39	695	1	-
Accrued expenses and deferred income	2	-	4	-
Other liabilities	21	-	21	-
	62	695	26	-
Other current non-interest bearing liabilities				
Advances received	15	94	-	-
Accounts payable	13 276	15 161	143	199
Accrued expenses and deferred income	16 459	18 367	2 709	2 994
Other current non-interest bearing liabilities	4 497	5 372	97	25
	34 247	38 994	2 949	3 218
Total current non-interest bearing liabilities	34 309	39 689	3 972	3 278
Total current liabilities	82 301	81 707	39 472	30 833
Breakdown of accrued expenses and deferred income				
Accrued interest expenses	2 419	3 003	2 259	2 593
Exchange rate losses	-	219	927	298
Accrued pension expenses	894	1 358	14	24
Accrued rents	-	15	-	-
Accrued salaries including social security expenses	2 418	2 505	-	-
Annual discounts	23	40	-	-
Holiday pay reserve including social security expenses	8 431	9 302	81	90
Accrued income taxes	654	-	402	-
Other accrued expenses	1 622	1 925	6	28
Total	16 461	18 367	3 689	3 033

	CONSOLIDATED 2000	CONSOLIDATED 1999	PARENT COMPANY 2000	PARENT COMPANY 1999
22. Contingent liabilities				
Mortgages				
For own debts	15 404	16 434	-	-
	15 404	16 434	-	-
General charges				
For own debts	12 315	14 502	2 523	2 523
For subsidiaries	-	-	2 018	2 018
	12 315	14 502	4 541	4 541
Guarantees				
For subsidiaries	-	-	12 849	20 047
For associated companies	6 061	6 017	6 061	6 017
	6 061	6 017	18 910	26 064
Other own commitments				
Other commitments	8 480	11 324	274	1 580
Leasing commitments				
Next year	532	733	94	53
In more than one year	482	730	41	90
	1 014	1 463	135	143
Secured liabilities				
Secured liabilities				
Loans from financial institutions	14 187	15 864	12 614	12 614
Loans from pension funds	10 398	12 627	1 196	1 367
	24 585	28 491	13 810	13 981

23. Financial risk management and derivative instruments

The financial risks relating to Componenta Group's business operations are managed in accordance with the financial policy approved by the Board of Directors. This aims to protect the Group against adverse changes in the financial markets and safeguard the performance of the Group and its financial position. Management of financial risks takes place in the corporate treasury function.

Availability of financing and re-financing risk
The Company aims to ensure the availability of financing by spreading the maturing dates, sources of funding and financial instruments in its loan portfolio. The proportion of one source of funding may not exceed a limit set by the Board of Directors. No more than a quarter of the total loan portfolio should mature each year. The maturing dates for loans are presented in note to the balance sheet, item 19.

Liquidity risk
The financial policy states that the Group's liquidity should cover the forecast needs for 12 months or be the equivalent of at least one month's net sales. In addition to cash reserves, the Group ensures its liquidity with unused long-term committed credit facilities that amounted to EUR 53 million at the end of the financial year. Cash reserves are invested with the institutions on a list of counterparties approved by the Board that are considered to have a low credit risk.

Foreign exchange risk
In accordance with the Group's financial policy the foreign exchange risk is divided into transaction risk, which arises from income and expenses denominated in foreign currencies, and translation risk, which arises from balance sheet items denominated in foreign currencies. The transaction risk is calculated from the business flow position, which includes commercial foreign currency flows, interest flows and hedging items for a 12 month period. Export agreements are to a very large extent made in euros, so they are not exposed to currency risk. The translation risk is calculated from receivables, liabilities and the shareholders' equity of foreign subsidiaries in the consolidated balance sheet that are denominated in foreign currency.

Following the introduction of the euro, the Group's foreign exchange risk mainly consists of Swedish crowns, Great Britain pounds and US dollars. The estimated transaction position for 12 months ahead in Swedish crowns is EUR 16 million at the year end.

In accordance with the financial policy, the Group's transaction and translation risks are hedged so that any unfavourable changes in exchange rates will not weaken the Group's result by more than half a per cent of net sales, with a statistical confidence level of 95 per cent. The risk limit is based on volatility and correlation estimates for exchanges rates in accordance with the Value at Risk model using the Monte Carlo simulation. On 31 December 2000 the Group's currency risk for three months stood at 0.44

per cent and for a six month period at 0.24 per cent of the net sales for the corresponding period. The Group uses standard hedging instruments such as forward exchange contracts and currency options, which are reliably priced on the market.

Interest rate risk

Because of the cyclical nature of the markets of the Group's customers, the interest rates of Componenta's net loans position should be renewed on avarage after one year and before two years, according to the Financial Policy. On 31 December 2000 the the interest rates of the loans fell on renewal after 15 months on the avarage. The interest rate risk is also spread among several interest renewal periods, so changes in interest rates affect the Group's result in stages but relatively quickly. The duration of the net interest position is affected by the choice of interest rate periods and by interest rate swaps.

The Group's net interest position is hedged so that any unfavourable changes in market interest rates can raise the Group's net interest by a maximum of half a per cent of net sales with a statistical confidence level of 95 per cent. The interest rate risk position at the end of the financial year for a six month period was 0.24 per cent of the net sales in the corresponding period. The calculation is based on estimated market interest rate volatility.

Derivative instruments

Consolidated		**2000**		**1999**
	Nominal value	Current value	Nominal value	Current value
Currency derivatives				
Forward exchange contracts	70 057	576	59 297	-213
Of which hedging future currency flows	7 695	-18	4 665	-5
Options				
Bought	-	-	4 500	1
Of which hedging future currency flows	-	-	4 500	1
Currency swaps	2 687	-15	2 489	-11
Interest rate derivatives				
Interest rate swaps	32 291	408	29 291	348
Bund future contracts	5 000	-60	-	-
Euribor future contracts	4 000	1	-	-

Parent company		**2000**		**1999**
	Nominal value	Current value	Nominal value	Current value
Currency derivatives				
Forward exchange contracts	70 057	576	59 297	-213
Of which hedging future currency flows	7 695	-18	4 665	-5
Options				
Bought	-	-	4 500	1
Of which hedging future currency flows	-	-	4 500	1
Currency swaps	2 687	-15	2 489	-11
Interest rate derivatives				
Interest rate swaps	32 291	408	29 291	348
Bund future contracts	5 000	-60	-	-
Euribor future contracts	4 000	1	-	-
Intra-group currency derivatives				
Forward exchange contracts	18 094	-249	12 116	17
Of which hedging future currency flows	18 094	-249	12 116	17
Currency swaps				
hedging intra-group loans	10 402	0	34 187	0

The current value is the profit or loss from the derivative instruments according to the market price on 31 December. Option contracts are valued using an option valuation model.

The nominal values of derivative instruments may not necessarily correspond to the payments made by the parties, and for this reason are not a measure of the exposure of the company caused by the use of derivatives.

24. Group companies

Company	Domicile	Group share of holding %	Parent company share of holding %
Componenta Albin AB	Kristinehamn, Sweden	100.0	
Componenta Alvesta AB	Alvesta, Sweden	100.0	
Componenta AT AB	Osby, Sweden	100.0	
Componenta CC Group Oy	Helsinki, Finland	100.0	100.0
Componenta Drives Oy	Helsinki, Finland	100.0	100.0
Componenta Främmestad AB	Essunga, Sweden	100.0	
Componenta Industri AB	Kristinehamn, Sweden	100.0	
Componenta Karkkila Oy	Karkkila, Finland	100.0	
Componenta Mek Pietarsaari Oy	Pietarsaari, Finland	100.0	
Componenta Mek Pori Oy	Pori, Finland	100.0	
Componenta Osby AB	Osby, Sweden	100.0	
Componenta Pietarsaari Oy	Pietarsaari, Finland	100.0	
Componenta Pori Oy	Pori, Finland	100.0	
Componenta Prometek AB	Uppsala, Sweden	100.0	
Componenta Suomivalimo Oy	Iisalmi, Finland	100.0	
Componenta Traryd AB	Markaryd, Sweden	100.0	
Componenta Wear Parts AB	Kristinehamn, Sweden	100.0	
Componenta Wirsbo AB	Surahammar, Sweden	100.0	
Componenta Åmål AB	Åmål, Sweden	100.0	
Iisalmen Konepajakiinteistö Oy	Iisalmi, Finland	100.0	
JOT Aqua AB	Tukholma, Sweden	100.0	
JOT Components AB	Kristinehamn, Sweden	100.0	
JOT Components Holding BV	Rotterdam, The Netherlands	100.0	100.0
Karkkilan Konepaja Oy	Karkkila, Finland	100.0	50.0
Karkkilan Koskikiinteistö Oy	Karkkila, Finland	81.0	66.9
Karkkilan Lääkärikeskus Oy	Karkkila, Finland	60.0	60.0
Karkkilan Valimokiinteistö Oy	Karkkila, Finland	100.0	
Kiinteistö Oy Ala-Emali	Karkkila, Finland	100.0	100.0
Kiinteistö Oy Uotilan Pajamäki	Rauma, Finland	100.0	100.0
Kiinteistö Oy Uusporila	Karkkila, Finland	77.3	31.8
Kiinteistö Oy Ylä-Emali	Karkkila, Finland	100.0	100.0
Luoteis-Uudenmaan Kiinteistöt Oy	Karkkila, Finland	100.0	100.0
Pietarsaaren malli-ja huoltopalvelu Oy	Pietarsaari, Finland	100.0	
Santasalo France S.A.R.L.	France	100.0	
Santasalo UK Ltd	The United Kingdom	100.0	
Uudenmaan Rakennustiimi Oy	Karkkila, Finland	100.0	100.0
Vanhan Ruukin Kiinteistöpalvelu Oy	Karkkila, Finland	100.0	100.0
Vesiterm AS	Tallinn, Estonia	100.0	
Ärnkome Oy	Rauma, Finland	100.0	100.0

25. Associated companies

Company	Domicile	Group share of holding %	Parent company share of holding %
Saint-Gobain Pipe Systems Oy (*	Harjavalta, Finland	30.0	-
Thermia AB (*	Sweden	29.9	-
Keycast Oy (*	Raahe, Finland	42.6	-
Ulefos NV AS (*	Norway	50.0	-
SEW-Componenta Oy (*	Karkkila, Finland	50.0	50.0
Profiz Business Solutions Oyj (*	Espoo, Finland	45.0	45.0
Karkkilan Keskustakiinteistöt Oy	Karkkila, Finland	50.0	50.0
Pommisuoja Oy	Helsinki, Finland	22.0	-
Mallix Oy	Lahti, Finland	36.0	-
Kiinteistö Oy Niliharju	Helsinki, Finland	25.0	25.0

The associated companies marked with a (* are consolidated by using the equity method.
Other associated companies do not affect the Group's distributable equity.

SHARES. SHAREHOLDERS AND SHAREHOLDERS BY CATEGORY

Breakdown of share ownership on December 31, 2000

Number of shares	Shareholders	%	Shares	%
1-100	237	15.19	14,949	0.15
101-500	550	35.26	161,184	1.56
501-1,000	367	23.53	308,038	2.99
1,001-5,000	294	18.85	715,166	6.94
5,001-10,000	42	2.69	307,894	2.99
10,001-50,000	42	2.69	1,046,975	10.17
50,001-100,000	8	0.51	597,200	5.80
100,001-500,000	19	1.22	3,959,763	38.45
500,001-	1	0.06	3,186,731	30.94
Total	**1,560**	**100.00**	**10,297,900**	**99.99**
Shares not transferred to the book-entry securities system			1,510	0.01
Total			**10,299,410**	**100.00**

Largest registered shareholders on December 31, 2000

	Shareholder		Shares	Share of total voting rights %
1	Lehtonen Heikki		3,526,731	34.24
	Lehtonen Heikki	3,186,731		
	Helsingin Santapaperi Oy	340,000		
2	Etra Invest Oy		498,600	4.84
3	Norvestia Plc		484,200	4.70
4	Ilmarinen Mutual Pension Insurance Company		382,600	3.71
5	Sampo Group		359,400	3.49
	Sampo Life Insurance Company Ltd	159,400		
	Industrial Insurance Company Ltd	200,000		
6	Nominee holding/Merita Bank Plc		218,800	2.12
7	Federation of Finnish Metal Engineering and Electrotechnical Industries		213,400	2.07
8	Alfred Berg Finland Investment Fund		186,000	1.81
9	Lehtonen Anna-Maria		178,823	1.74
10	Local Government Pension Institution Finland		150,000	1.46
11	Finnish National Fund for Research and Development (Sitra)		148,800	1.44
12	Seligson & Co Investment Fund		123,200	1.20
13	Investment Fund Alfred Berg Optimal		119,900	1.16
14	Life Insurance Company Pohjola		116,800	1.13
15	Inkinen Simo-Pekka		112,600	1.09
16	Other shareholders		3,479,556	33.78
Total			**10,299,410**	**100.00**

The members of the Board of Directors own 35.3% of the shares. All shares have equal voting rights. The members of the Board of Directors hold 10.3% 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 33.9%.

Releases according to section 9 of chapter 2 of the Finnish Securities Markets Act in 2000

January 27, 2000 Sampo Group's holding in Componenta Corporation fell below 5 percent and was 4.91 percent of the total shares and voting rights.

October 17, 2000 Norvestia Plc's holding in Componenta Corporation fell below 5 percent and was 4.8 percent of the total shares and voting rights.

Shareholders by category on December 31, 2000

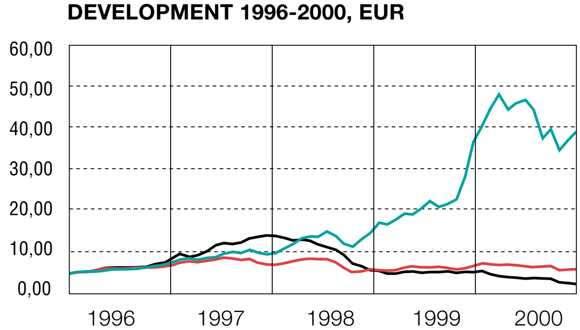
	%
Households	49.98
Finnish private companies	19.69
Financial and insurance institutions	12.96
General government	9.74
Non-profit organizations	4.31
Nominee holdings and other foreign shareholders	3.32
Shares not transferred to the book entry securities system	0.01
	100.00

Adjusted per share data

	1996	1997	1998	1999	2000
Earnings per share (EPS), EUR	0.47	0.44	0.91	0.27	0.10
Equity per share, EUR	5.34	6.76	7.33	7.31	7.25
Dividend per share, EUR	0.34	0.34	0.29	0.15	0.15
Payout ratio	71.49	76.26	32.44	54.96	143.04
Effective dividend yield, %	4.65	2.43	5.49	2.63	7.11
P/E multiple	15.37	31.42	5.91	20.89	20.12
Share price at December 31, EUR	7.23	13.86	5.37	5.70	2.11
Average trading price, EUR	6.36	10.83	10.82	5.20	3.77
Lowest trading price, EUR	4.20	7.06	4.88	4.49	2.00
Highest trading price, EUR	7.57	15.14	14.63	6.10	6.50
Market capitalization at December 31, MEUR	53	143	55	59	22
Trading volume, 1,000 shares	2,059	4,407	2,822	4,079	2,659
Trading volume, %	27.8	42.8	27.4	39.6	25.8
Weighted average of the number of shares, 1,000 shares	7,385	8,433	10,293	10,299	10,299
Number of shares at December 31, 1,000 shares	7,399	10,292	10,299	10,299	10,299

* Proposal of the Board of Directors

COMPONENTA CORPORATION SHARE PRICE DEVELOPMENT 1996-2000, EUR

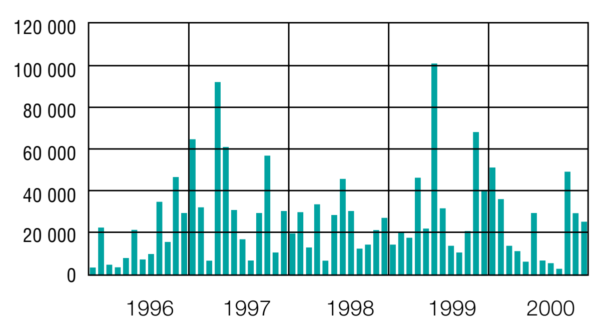


HEX All-share index

HEX metal industry index

Componenta Corporation share price, EUR

COMPONENTA CORPORATION SHARE TRADING VOLUME 1996-2000



COMPONENTA GROUP DEVELOPMENT 1996 - 2000

MEUR	1996	1997	1998	1999	2000
Net sales	143.8	230.2	297.9	266.4	225.7
Other operating income	0.6	1.1	7.9	11.3	7.4
Share of profit/loss in associated companies	0.0	-0.1	0.3	0.5	-0.5
Other operating expenses	-125.9	-205.4	-266.8	-247.0	-208.7
Depreciation and write-down of non-current assets	-8.1	-12.3	-17.7	-18.6	-14.7
Operating profit	10.3	13.5	21.6	12.6	9.1
Financial income and expenses	-5.0	-7.8	-9.9	-10.5	-8.0
Profit after financial items	5.3	5.7	11.7	2.0	1.1
Extraordinary items	0.0	0.0	0.0	0.3	0.0
Profit/loss after extraordinary items	5.3	5.7	11.7	2.3	1.1
Profit/loss for the financial year	3.5	3.6	9.3	3.1	1.1
Order book	24.1	59.8	53.1	33.9	35.0
Change in net sales, %	6.8	60.1	29.4	-10.6	-15.3
Share of export and foreign activities in net sales, %	64.6	67.0	75.0	78.0	77.0
Balance sheet total	145	296	317	286	264
Net interest bearing debt, preferred capital notes in equity	74	113	146	114	108
Net interest bearing debt, preferred capital notes in debt	74	136	169	137	131
Invested Capital	125	243	268	239	226
Return on Investments, %	9.6	7.7	9.7	5.1	5.0
Return on Equity, %	8.4	4.7	10.3	1.8	2.0
Equity Ratio, %, preferred capital notes in debt	31.4	26.2	27.5	30.0	29.1
Equity Ratio, %, preferred capital notes in equity	31.4	33.9	34.6	37.9	37.7
Net gearing, %, preferred capital notes in equity	163.7	135.8	133.6	105.2	108.5
Net gearing, %, preferred capital notes in debt	163.7	204.9	194.7	159.6	170.2
Investments to non-current assets	21.1	119.7	31.8	20.0	28.2
Number of personnel December 31	1,446	2,898	2,771	2,226	1,936
Average number of personnel	1,463	2,275	2,981	2,681	1,986

CALCULATION OF KEY FINANCIAL RATIOS

Return on equity -% (ROE)	=	(Profit after financial items – income taxes) / (Shareholders' equity without preferred capital notes + minority interest (quarterly average)) x 100
Return on investments -% (ROI)	=	(Profit after financial items + interest and other financial expenses) / (Balance sheet total - interest free liabilities (quarterly average)) x 100
Equity ratio, %	=	(Shareholders' equity, preferred capital notes excluded + minority interest) / (Balance sheet total - advances received) x 100
Earnings per share, EUR (EPS)	=	(Profit after financial items – income taxes +/- minority interest) / (Average number of shares during the year)
Earnings per share with dilution, EUR	=	As above, but earnings have been increased by calculating interest on market terms and net of tax, on the capital increase corresponding to the outstanding warrants. The number of shares has been increased with the warrants outstanding. When calculating the dilution effect of warrants, the number of shares has been adjusted with the number of own shares which the company could have acquired, if it would have used the funds generated from the warrants to buy back of own shares at market price (= average trading price).
Average trading price	=	(Trading volume, EUR) / (Number of shares traded during the year)
Equity per share, EUR	=	(Shareholders' equity, preferred capital notes excluded) / (Number of shares at December 31)
Dividend per share, EUR	=	(Dividend) / (Number of shares at December 31)
Payout ratio, %	=	(Dividend) / (Earnings (as in Earnings per share)) x 100
Effective dividend yield, %	=	(Dividend per share) / (Share price at December 31) x 100
Market capitalization	=	Number of shares x share price at December 31
P/E multiple	=	(Market share price at December 31) / (Earnings per share)
Net interest bearing debt	=	Interest bearing liabilities + preferred capital notes - cash and bank accounts - interest bearing loan receivables
Net gearing, %	=	(Net interest bearing debt) / (Shareholders' equity, preferred capital notes excluded + minority interest)

PROPOSAL OF THE BOARD OF DIRECTORS FOR THE DISTRIBUTION OF PROFITS

The distributable equity according to the consolidated balance sheet is EUR 5,007,000. The distributable equity according to the parent company balance sheet is EUR 6,138,077.42, of which the net profit for the financial period is EUR 4,792,422.35. The Board of Directors proposes to the Annual Shareholders' meeting, that from the distributable equity a dividend of EUR 0.15 per share is paid, total dividends being EUR 1,544,911.50, and EUR 4,593,165.92 remains in the distributable equity.

Helsinki, January 24, 2001

Olli Reenpää Jouko Koskinen Juhani Mäkinen

Antti Lehtonen Heikki Lehtonen

AUDITOR'S REPORT

To the shareholders of Componenta Corporation

We have audited the accounting, the financial statements and the corporate governance of Componenta Corporation for the period 1.1.2000 - 31.12.2000. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets and notes to the financial statements, have been prepared by the Board of Directors and the Managing Director. Based on our audit we express an opinion on these financial statements and on corporate governance.

We have conducted the audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. The purpose of our audit of corporate governance is to examine that the members of the Board of Directors and the Managing Director have legally complied with the rules of the Companies' Act.

In our opinion the financial statements have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements. The financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company's result of operations as well as of the financial position. The financial statements with the consolidated financial statements can be adopted and the members of the Board of Directors and the Managing Director of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the distributable assets is in compliance with the Companies Act.

Helsinki, January 24, 2001

SVH Pricewaterhouse Coopers Oy
Authorised Public Accountants

Kari Miettinen
APA

CORPORATE DEVELOPMENT

Net sales (MEUR)	1.1.-31.12.2000	1.1.-31.12.1999
Cast Components	150.8	140.3
Special Components	57.8	50.1
Divested operations	13.1	80.8
Others and internal sales	4.0	-4.8
Componenta Group total	**225.7**	**266.4**

Operating profit (MEUR)	1.1.-31.12.2000	1.1.-31.12.1999
Cast Components	9.5	9.6
Special Components	2.2	0.4
Divested operations	-3.2	-5.3
Others and internal sales	0.5	7.9
Componenta Group total	**9.1**	**12.6**

Order book (MEUR)	31.12.2000	31.12.1999
Cast Components	25.0	20.7
Special Components	10.0	8.8
Divested operations	-	4.5
Others and internal sales	-0.1	-0.2
Componenta Group total	**35.0**	**33.9**

QUARTERLY DEVELOPMENT

Corporate (MEUR)	IV/00	III/00	II/00	I/00	IV/99	III/99	II/99	I/99
Net sales	57.4	43.8	61.9	62.6	71.9	57.2	71.2	66.1
Operating profit	2.3	-0.2	5.6	1.4	2.3	6.3	3.7	0.3
Net financial items	-1.8	-2.0	-2.2	-2.0	-2.7	-2.8	-2.3	-2.7
Profit/loss after financial items	0.5	-2.2	3.5	-0.7	-0.5	3.4	1.5	-2.4

By business group

Net sales (MEUR)	IV/00	III/00	II/00	I/00	IV/99	III/99	II/99	I/99
Cast Components	41.4	31.6	39.4	38.4	37.6	29.2	37.5	36.0
Special Components	14.9	11.6	15.5	15.8	15.0	10.4	13.0	11.7
Divested operations	0.0	0.1	6.0	7.0	20.6	18.0	22.8	19.4
Others and internal sales	1.1	0.6	1.0	1.4	-1.3	-0.4	-2.1	-1.0
Componenta Group total	**57.4**	**43.8**	**61.9**	**62.6**	**71.9**	**57.2**	**71.2**	**66.1**

Operating profit (MEUR)	IV/00	III/00	II/00	I/00	IV/99	III/99	II/99	I/99
Cast Components	2.8	0.0	3.3	3.4	1.5	1.2	4.0	2.9
Special Components	0.4	0.2	0.7	1.0	1.0	-0.2	0.2	-0.6
Divested operations	-0.1	-0.4	0.2	-3.0	-2.6	-0.5	-0.7	-1.5
Others and internal sales	-0.9	0.0	1.4	0.0	2.4	5.8	0.2	-0.5
Componenta Group total	**2.3**	**-0.2**	**5.6**	**1.4**	**2.3**	**6.3**	**3.7**	**0.3**

Order book (MEUR)	IV/00	III/00	II/00	I/00	IV/99	III/99	II/99	I/99
Cast Components	25.0	26.6	25.2	22.0	20.7	22.5	20.6	24.7
Special Components	10.0	11.7	10.9	10.4	8.8	9.9	8.8	8.6
Divested operations	-	-	0.1	4.0	4.5	19.1	18.6	19.7
Others and internal sales	-0.1	-0.1	-0.1	-0.1	-0.2	-1.7	-0.1	0.1
Componenta Group total	**35.0**	**38.3**	**36.1**	**36.4**	**33.9**	**49.8**	**47.9**	**53.1**

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