



ANNUAL REPORT
2013

COMPONENTA

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Componenta 2013

The second largest supplier of cast components and casting solutions in Europe. We serve our customers locally and globally.

Componenta is the second largest supplier of cast components and casting solutions in Europe. The company's operations are based on excellence and experience in cast components, their engineering and manufacture.

Componenta has a global market. Its customers are well-known manufacturers of vehicles, machines and equipment, often market leaders in their sectors. With an extensive offering and services tailored for each customer sector, Componenta is able to meet the challenges of each sector and its customers and cover the complete cast component supply chain.

In 2013, Componenta's net sales amounted to EUR 511 million and the number of employees to approximately 4,400. The Group has production units in four countries and customer service centres in ten countries.

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The shares of Componenta Corporation are quoted on the NASDAQ OMX Helsinki, and the shares of Componenta's subsidiary, Componenta Dokümcülük AS, are quoted on the Istanbul Stock Exchange.

For the reader

The text portion of Componenta's 2013 Annual Report has been published as an online report. The text portion covers the Group and its business, including matters such as sustainability, development and measures taken in 2013. The full financial statements, including the report by the Board of Directors and the auditor's report, have been added to the online report as a PDF file. The Corporate Governance Statement for 2013 has been published separately. All reports are available online at www.componenta.com.

“ Visit also our website www.componenta.com for more information about our business, sustainability and offering.

President's review

In 2013, we focused on the implementation of our efficiency program with the aim of strengthening the foundation for profitable business operations and growth over the coming years.

As a whole, 2013 was a satisfactory year for Componenta, even though market expectations were not fully met towards the end of the year. In the difficult operational environment characterised by economic uncertainty, market demand remained modest, influencing our sales.

Componenta's customer segments developed individually. In the heavy trucks industry, our customers' volumes increased towards the end of the year. However, demand declined in the construction and mining industry, particularly for mining machinery and equipment. Demand varied in the machine building industry, but still remained at the previous year's level on the whole. Demand for agricultural machinery remained steady and Componenta increased its market share, unlike in the automotive industry, where demand remained low. The fluctuation in demand affected our order and sales figures. In the first part of the year, sales remained low, but improved during the year, and our new sales developed positively. During the last quarter of the year, our sales and order book grew by 5% in comparison with the corresponding period in the previous year.

Our main focus area in 2013 was the efficiency program aimed at improving productivity, quality and profitability and cutting structural costs. Our efficiency program involves development projects and measures in all of our production countries and almost all of our units. The target of the first phase of the program is to cut costs and improve profitability by EUR 25 million per year by the end of 2014. In September 2013, we expanded our efficiency program with new projects focused on improving our foundries' utilization rates, developing our processes and increasing our profitability. The objective of the new projects is to reduce annual costs by at least EUR 10 million by the end of 2015. The program proceeded well during the year, resulting in a structural profit improvement

of EUR 14.8 million in 2013. The implemented measures are expected to improve the company's operating result by EUR 25 million in 2014.

In a situation where uncertainty about the development of the economy has significantly affected the demand for investment goods and therefore also the size of the market, we have focused our attention on the areas where we can make a difference. Improving productivity in our operations, making our operational structures more efficient, centralizing our functions, cutting unnecessary costs and increasing our market shares have been at the core of our operations. In order to be our customers' preferred partner and casting solution provider, we need to have competitive expertise and resources and ensure their continuous development.

In 2013, we invested in the development of our engineering operations, modifying and increasing our resources in terms of personnel and the necessary tools. The renewal of production structures and processes is set to continue in 2014, when we will also implement investments in Turkey and the Netherlands in order to improve the quality of our processes and significantly reduce the environmental impact of our component production by reducing emissions and the amount of waste. These personnel and process development measures are also our way of operating responsibly.

Over the past few years, we have expanded our presence outside of Europe, in the United States and Russia. In fact, 2013 was the first complete year for Componenta's Russian operations. Our presence in the Russian market and local customer service close to our customers operating in Russia has got off to a good start, and we have already made our first major deals and acquired new customers.

At the beginning of 2014, many economic indicators are heading in a better direction in Europe, creating the foundation for cautious optimism. Uncertainty factors have decreased, the economic situation is stabilizing and the prerequisites for modest growth are emerging. At Componenta, we will continue to carry out efficiency improvement measures and work hard for our customers and their satisfaction. Our cost savings and, consequently, improved competitiveness have created the necessary prerequisites for increasing our market shares and improving our utilization rates.

Heikki Lehtonen, President and CEO



As a whole, all of this forms a solid foundation for improved financial performance, which will also benefit all our stakeholders.

I would like to take this opportunity to express my sincere gratitude to our customers, personnel, owners and investors for their valuable cooperation and commitment in 2013.

Heikki Lehtonen
President and CEO

“ In addition to the efficiency improvement measures we continued investments in development of customer cooperation and engineering services.

Key figures

Componenta's key figures 2013 compared to the previous year

Key figures

	2013	2012
Order book, MEUR	87.3	82.9
Net Sales, MEUR	510.5	544.8
Operating profit, excluding one-time items, MEUR	18.2	10.0
% of net sales	3.6	1.8
Result after financial items, excluding one-time items, MEUR	-6.2	-17.6
Return on investment, excluding one-time items, %	5.9	4.0
Return on equity, excluding one-time items, %	-12.8	-24.8
Equity ratio, %	18.9	18.1
Interest bearing net debt, MEUR	229.6	236.4
Net gearing, %	269.6	283.5
Earning/share, excluding one-time items, EUR	-0.55	-0.92
Equity per share, EUR	2.66	3.36
Dividend per share, EUR	0,00*)	0.00
Investment in production facilities, MEUR	18.9	19.2
Number of personnel at end of year, including leased personnel	4,431	4,277
Capacity utilization rate, %	59	63
Energy consumption, GWh	671	695

*) Board proposal

The year in brief

Key measures at Componenta during the year 2013

Componenta's year 2013

Share issue, hybrid bond and notes in order to strengthen the balance sheet and financial position

In August, Componenta issued new shares, a hybrid bond and two notes, worth a total of EUR 77.3 million. These were used to acquire equity financing worth nearly EUR 29 million, which reinforced the company's equity ratio by 5 percentage points. The funds were used for refinancing and repaying the 2010 note that fell due on 29 September 2013, repaying other interest-bearing debts and for the company's general financing needs.

Trainee Program continued with a mobility period

Componenta's third International Trainee Program continued with a mobility period in 2013. The two-year programme had started in 2012, and the students had spent the first summer as trainees in their home country. In the summer of 2013, they performed their training in another Componenta country. A total of 18 trainees participated in the programme, and afterwards most of them were recruited by Componenta.

Merger of the Pietarsaari and Pori foundries

As the end result of the cooperation negotiations at the Pietarsaari foundry, in November 2013 it was decided that the small Disa production line would be transferred from the Pietarsaari foundry to the Pori foundry and the Pietarsaari foundry would be closed down. The decision and the related measures are a part of the Group-wide efficiency programme aimed at improving the capacity utilisation rates of the iron foundries by centralising their production in larger units.

Operational divisional structure adopted in reporting

At the beginning of 2013, the new divisional structure was also adopted in reporting. The restructuring carried out on 1 November 2012 had replaced Componenta's previous country-based segments with three operational segments: the Foundry Division, the Machine Shop Division and the Aluminium Division. The new structure enables the efficient utilisation of management resources, competence and internal synergies within each division.

Efficiency Improvement programme expanded

The ongoing Group-wide efficiency programme aimed at productivity and profitability improvements was expanded with new development projects. The new projects focus on improving the foundries' utilisation rates, developing processes and increasing profitability by EUR 10 million in 2015 in addition to the previous result improvement target of EUR 25 million. Launched in October 2012, the efficiency improvement programme progressed smoothly during the year.

Investments reducing environmental impact

As a part of the efficiency programme, Componenta decided in September to invest EUR 5.5 million in the development of production processes and the reduction of waste at the Orhangazi foundry in Turkey and in the reduction of emissions into the environment at the Heerlen foundry in the Netherlands. By the end of summer 2014, Orhangazi will implement the new casting sand system, which will bring many benefits. Heerlen will carry out a chimney investment to reduce odour emissions in the summer of 2014.

95 years at the leading edge of foundry business development

Componenta has been one of the forerunners in the Finnish and European foundry business for 95 years. The keys to the company's success include solid know-how and competence as well as continuous reform and the introduction of new ways of working. In addition to its own development, Componenta has contributed to the establishment of industry standards and the reform of the whole casting business. Componenta is Casting Future Solutions – together with the customers.

Forerunner of foundry business

Componenta, which turned 95 years in November, is one of the forerunners in the Finnish and European foundry business. Today Componenta is the second largest supplier of cast components and casting solutions in Europe.

Componenta's strategy 2014 – 2016

Making our vision a reality requires profitability.

In line with the Group strategy, updated in December 2013, we will above all focus on improving our profitability in the near future.

Componenta's mission is Casting Future Solutions and vision is to be preferred casting solution provider, locally and globally. All of our operations are based on Componenta's common values and sustainability principles.

In order to achieve our vision we supply demanding castings and services covering the complete supply chain to selected industries. While doing so, we focus on the further development of our strategic strengths and the implementation of measures that improve our profitability.

Competitive advantage through strengths

Componenta's strategy is based on the Group's diverse production potential and broad product portfolio, enabling the flexible supply of extensive product lines and demanding products.

We also provide our customers with services covering the complete supply chain, such as engineering, casting, machining, surface treatment and logistics services. All of these help us create comprehensive solutions that provide added value for our customers. We serve selected industrial sectors with mutual synergies and companies which have strong, long-term relationships with Componenta. Our geographical focus area is Europe, but we also work with global customers.

In 2014–2016, we will focus on the further development of the strengths listed above. They form a unique whole and provide a competitive advantage against other operators in the industry.

Sound foundation for growth

Over the past few years, the casting market has suffered from economic uncertainty. There has been too much production capacity in the European casting market and, as a result, several foundries have gone bankrupt. As the number of foundries has declined, meeting customers' casting needs has provided the remaining foundries with opportunities to increase their net sales and market shares.

Due to the challenging market situation, Componenta's profitability has fallen short of the target level, and therefore improving profitability is our most important strategic goal over the short term. In October 2012, we initiated a Group-wide efficiency programme in order to improve productivity and achieve cost savings. The programme was aimed at a profitability improvement of EUR 25 million per year in 2013–2014. In September 2013, the efficiency programme was expanded with new projects aimed at increasing profitability by a further EUR 10 million in 2015. In 2014 and 2015, the efficiency programme will focus on those measures that will improve the quality of our products and operations as well as our productivity, processes and production structure.

Alongside our efficiency programme, we will also continue to take strategic measures to develop our engineering and project management services and strengthen our common One Componenta ways of working, particularly in matters related to quality, health and safety, customer service and enterprise resource planning.

Good profitability forms a solid foundation for business development, while also creating the preconditions for future growth and improved cooperation and partnership with customers.

Componenta's financial objectives 2015

	Objective 2015	Actual 2013
EBIT	minimum 8%	3.6%
Equity ratio	minimum 40%	18.9%
Return on investment	minimum 15%	5.9%*)

*) Excluding one-time items

In short term, in years 2012 – 2013, Componenta's targets have been to reach the targets of financial solidity and profitability, to decrease the company's debt and to achieve a good credit rating.

“ All of our operations are based on Componenta's common values and sustainability principles.

Componenta's mission

“Casting Future Solutions”

Componenta's vision

“Preferred casting solution provider both locally and globally.”

Componenta's values

Openness: We are open to new things, development and change – and thereby also the continuous improvement of our ways of working.

Honesty: We are honest with our selves and with each other. We do what we promise.

Respect: Our cooperation with our colleagues, supervisors, subordinates, customers and other partners is based on trust and mutual respect.

Strategic measures

Measures to reach the strategic goals continued in 2013.

Measures to reach strategic goals in 2013

Goal	Measures taken in 2013 were among others:
 <p>We grow and operate together as One Componenta</p>	<ul style="list-style-type: none"> • Increasing tools that support coherent processes and ways of working, including the new HR Information System • Boosting the use of the ERP system SAP and preparing for its expansion • Conducting the Pulse opinion survey among white-collar employees • Implementing structural and organizational changes in order to boost operations and clarify management
 <p>We offer the best customer experience</p>	<ul style="list-style-type: none"> • Developing the quotation process • Expanding engineering partnership with customers • Concentrating engineering and customer service functions in the Netherlands • Improving communication between sales, production planning and production • Carrying out a customer satisfaction survey
 <p>We excel in delivery certainty, quality and cost efficiency</p>	<ul style="list-style-type: none"> • Efficiency projects aimed at improving productivity, quality and profitability in Finland, Turkey, the Netherlands and Sweden • Developing and speeding up the production start-up processes for new products • Quality improvement projects for products and processes using LEAN Six Sigma tools • Developing reporting on delivery certainty
 <p>We boost up solution selling</p>	<ul style="list-style-type: none"> • Continuing to develop engineering functions in Orhangazi, Turkey • Increasing casting simulation capacity • Developing product segmentation • Developing product development and engineering competence and knowledge of customer sectors

Business operations

Componenta's operations cover all services of a component's supply chain, from engineering to a ready-to-install part of a vehicle, machine or equipment.

Componenta's business is the engineering and manufacture of iron and aluminium cast components and solutions made from these.

Both globally and locally, we serve our customers who are manufacturers of vehicles, machines and equipment.

Our business operations have been divided into three business segments: the Foundry Division, the Machine Shop Division and the Aluminium Division. In addition, the Group has a segment called Other Business.

The division of business into segments means that Componenta's foundries, machine shops and aluminium

production units are able to allocate their resources effectively for the development of the functions and the utilisation of synergies within each division.

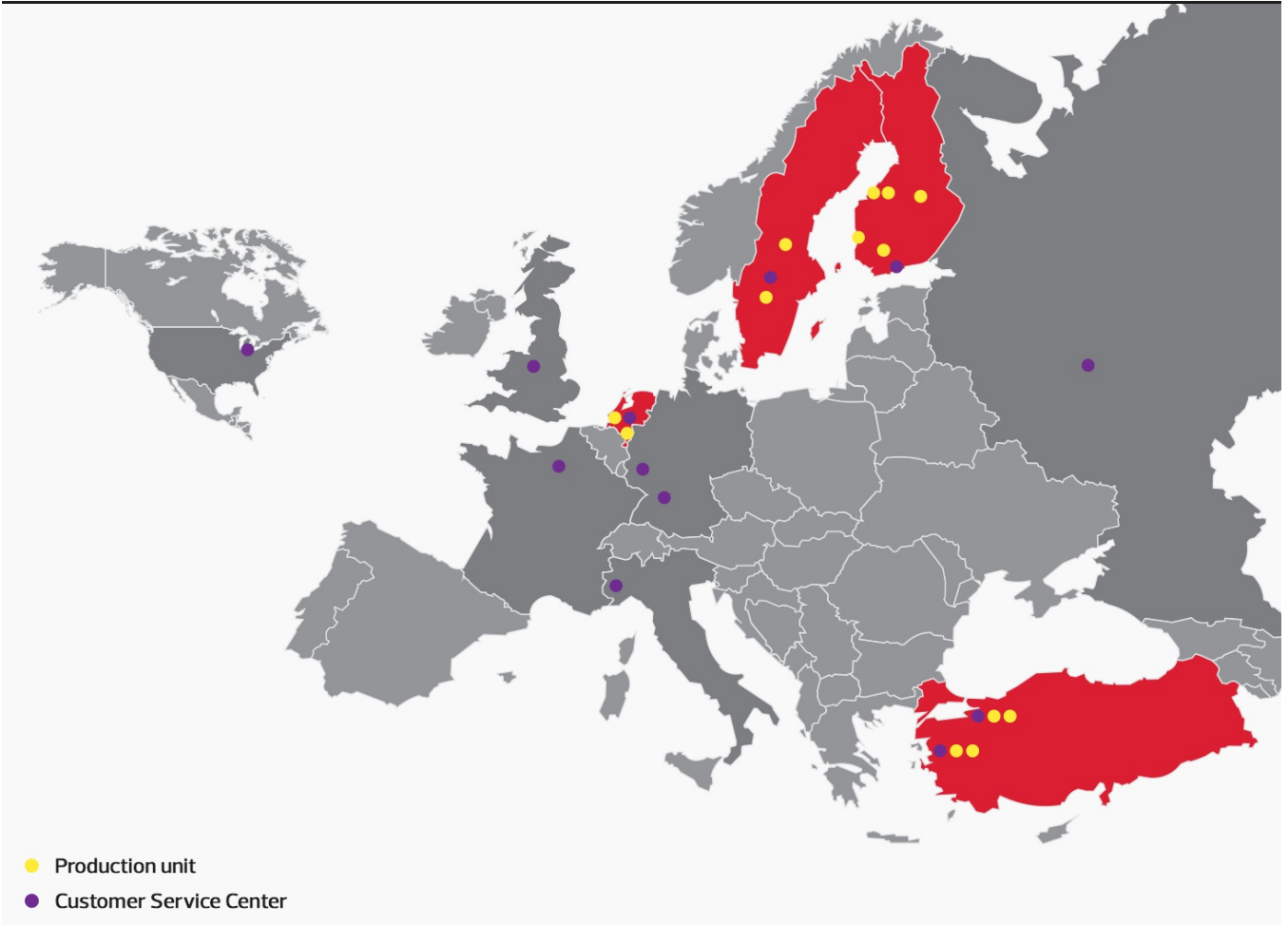
Customer service functions, including sales, engineering and product development functions and logistics services, support our business operations and ensure close cooperation with customers and the provision of expert services throughout the supply chain. Componenta has customer service centres in all its production countries – including Finland, Turkey, the Netherlands and Sweden – but also in the United Kingdom, Italy, France, Germany, the United States and Russia.

Our business in 2013

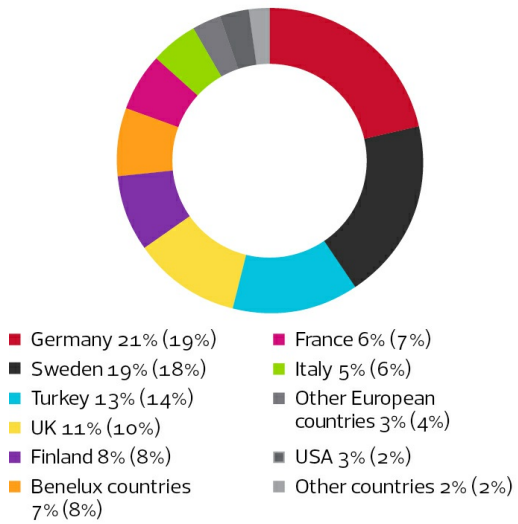
	2013	2012
Order book	87 MEUR	83 MEUR
Net sales	511 MEUR	545 MEUR
Operating profit*)	18 MEUR	10 MEUR
Capacity utilization rate	59%	63%
Investments	19 MEUR	19 MEUR

*) Excluding one-time items

Componenta's operational units



Net sales by market area



Development of business environment

The demand for Componenta's products and the Group's business operations in 2013 were influenced by changes in the operating environment and customer sectors.

Componenta has a global market. Our customers are well-known manufacturers of heavy trucks, construction and mining machinery, private cars, agricultural machinery and other machinery and equipment, such as lifts, cranes and diesel engines.

Componenta has production units in four countries and customer service centres in ten countries; we are present and close to our customers in our key market areas.

The demand for the Group's products and services as well as its business operations are influenced by changes in the operational environment and customer sectors.

In 2013, uncertainty concerning the development of the European and world economy affected demand in our customer sectors throughout the year. Although demand varied by customer sector during the year, the reduction and postponement of production-related investments showed in Componenta's order intake and production and supply volumes.

In Componenta's heavy trucks customer sector, demand slowed down in the 2013 summer holiday season after a good first half of the year, but it started to increase again towards the end of the year.

At the beginning of 2014, the order book for the heavy trucks customer sector was 9% higher than the year before.

In the construction and mining customer sector, demand remained steady in the early part of 2013, but declined during the later months of the year. However, the order book for the construction and mining customer sector was 6% higher at the beginning of 2014 than at the same time in the previous year.

The machine building customer sector had a steady order book throughout 2013. At the beginning of 2014, the order book for the sector was 17% higher than at the corresponding time in 2013.

The order book for the agricultural machinery customer sector levelled off after positive development in the early part of 2013. At the beginning of 2014, the order book stood 2% lower than the year before.

In the automotive customer sector, demand grew in the early part of 2013, but started to decline during the summer. At the beginning of 2014, the order book was 9% below the previous year's level.

Componenta's operational units

- Production units in four countries
- Customer service centres in ten countries

[Map of Componenta's operational units](#)

Customers

Componenta's customers are manufacturers of vehicles, machines and equipment in various industries. With many of them we have long-term relationships and collaboration.

Componenta supplies components cast from iron and aluminium and solutions made from these to customers operating in five different industrial sectors. Our customers are leading operators in these sectors.

We provide our customers with services that cover the complete component supply chain. We know our customers' industries and challenges and combine these with our expertise in engineering, casting, machining and logistics. We aim to be the preferred casting solution provider for our customers, both locally and globally.

Heavy trucks, 31% of sales in 2013

We provide customer-specific solutions optimising the shape and material of the components in order to achieve targets, such as the reduced weight of a vehicle.

Our customers include, among others, DAF, Daimler, Iveco, MAN, Scania and Volvo.

Construction and mining, 19% of sales in 2013

We provide solutions to large manufacturers of machinery and equipment, utilising 3D and CAD tools, analyses and simulations.

Our customers include, among others, Bomag, Caterpillar, JCB and Volvo VCE.

Machine building, 18% of sales in 2013

This major customer segment comprises machine builders from various industrial sectors. We provide solutions and components for the wind power industry, railway machinery and equipment, industrial gear units and so on.

Our customers include, among others, ABB, Atlas Copco, Konecranes, Kone Elevators, NCB Lohmann and Wärtsilä.

Automotive, 15% of sales in 2013

We provide aluminium wheels to leading manufacturers. We also produce two wheel types of our own: DJ and MAXX. Demanding engineering allows us to introduce new properties to components and end products. These include, among other things, reduced weight, improved durability, smaller fuel consumption and, therefore, lower CO2 emissions.

Our customers include, among others, ATU, Borbet, Fiat, Ford, Renault and Tofas.

Agricultural machinery, 17% of sales in 2013

We engage in demanding engineering in cooperation with our customers in order to meet technical challenges related to the products. We supply components cast from iron and aluminium, either cast coated, machined or surface treated according to need.

Our customers include, among others, AGCO, Case New Holland, Claas, Gima, Valtra and T.T.F.

Sales by customer industry



- Heavy trucks 31% (28%)
- Construction and mining 19% (23%)
- Machine building 18% (19%)
- Agricultural machinery 17% (15%)
- Automotive 15% (15%)

Componenta's customers

- well-known manufacturers in several industries
- locally or globally operating companies

Business segments

Componenta's core business is divided into three segments or divisions: Foundry Division, Machine Shop Division and Aluminium Division.

The division of Componenta's business into segments was renewed at the end of 2012 when the Group's organization was changed to support the implementation of the efficiency programme aimed at productivity and profitability improvements.

Instead of the previous country-based segments, the Group's business operations were divided into three operational segments: the Foundry Division, the Machine Shop Division and the Aluminium Division. Since the beginning of 2013, the Group has reported on its business development and financial performance in accordance with the new divisional structure.

As the names imply, the business segments consist of the iron foundry, machine shop and aluminium foundry operations and aluminium wheel production in the countries in which Componenta operates: Turkey, Finland, the Netherlands and Sweden.

The Foundry Division consists of the Group's iron foundries, which are located in Orhangazi in Turkey, in Heerlen and Weert in the Netherlands, and in Iisalmi, Karkkila, Pietarsaari and Pori in Finland.

The Machine Shop Division comprises the Group's machine shops located in Orhangazi, Turkey, and Främmestad, Sweden. The division also includes the piston production unit in Pietarsaari, Finland.

The Aluminium Division includes an aluminium foundry and an aluminium wheel production unit, both of which are located in Manisa, Turkey.

The segments listed above form the core business of Componenta Group. There is also an additional segment called Other Business, which includes the Componenta Wirsbo forges in Sweden, the sales and logistics company Componenta UK Ltd in England, service and real estate companies in Finland, the head office functions and the associated company Kumsan A.S. in Turkey.

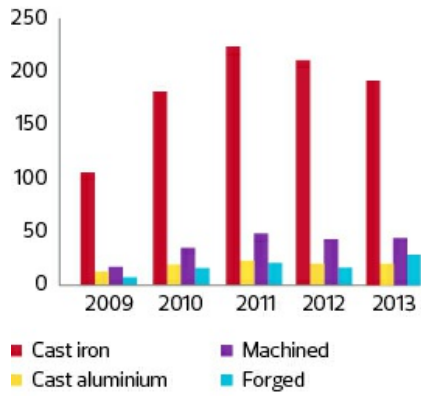
The divisional structure reinforces the One Componenta way of working in line with the Group's strategy and safeguards customer service through the efficient supply chain consisting of Componenta's specialised production units and logistics centres. It also enables more efficient utilisation of synergies within each division.

Share of each division of the Group *)

	Order book, MEUR	Net sales, MEUR	Operating profit	Personnel
Foundry Division	51.2	329.0	1,4%	2,875
Machine Shop Division	20.5	115.5	2,3%	382
Aluminium Division	12.8	72.8	13,4%	744
Other Business	21.7	141.9	1,1%	463

*) Including the Group's internal eliminations, some 30 per cent, and the supply of casting blanks from foundries to machine shops within the Group

Production tons, 1,000 t



Foundry division

The division comprises of the Group's iron foundries in Finland, Turkey and the Netherlands.

Foundry Division

Production units	Componenta Orhangazi Componenta Högfors Componenta Pietarsaari Componenta Pori Componenta Suomivalimo Componenta Heerlen Componenta Weert	Turkey Finland Netherlands
Order book	At the turn of the year, the order book for the Foundry Division stood at EUR 51.2 million (EUR 55.6 million), 8% below the previous year's level. The order book comprises orders from manufacturers of heavy trucks, construction and mining machinery, and agricultural machinery, and from the machine building industry.	
Net sales	Net sales for the Foundry Division declined from the previous year to EUR 329 (367) million. The division's operating profit excluding one-time items was EUR 4.6 million (EUR -2.9 million). The operating profit improved thanks to greater efficiency in operations, cost savings and the weakening of the Turkish lira.	
Number of personnel	In 2013, the number of personnel on average in the Foundry Division, including leased personnel, was 2,875 (3,126).	
Management	The Senior Vice President of the Foundry Division is Olli Karhunen	

The key measures taken in the Foundry Division in 2013 focused on implementing the efficiency programme and the related projects aimed at improving quality, productivity and cost-efficiency. In addition, the adjustment of the number of employees and their working hours to the fluctuating order book continued throughout the year, as did many other measures taken in order to minimise costs.

Several production layout changes and product improvements were carried out at the Orhangazi foundry in order to improve the quality of the operations and products. Changes were made in the casting sand system and smelting plant processes in order to increase

efficiency in the use of raw materials, reduce the amount of waste and the environmental impact of the operations. In the autumn, the company decided to transfer the production line of the Pietarsaari foundry to Pori and merge the operations of the two foundries. The measures related to this decision and the decision to cut fixed costs played a prominent role in the Finnish foundries in 2013. In the Dutch foundries, the focus was on the restructuring and the measures aimed at improving productivity. Towards the end of the year, preparations began for the chimney investment reducing the flue gases and emissions of the foundry, scheduled for the summer of 2014.

Share of net sales

65%

Share of energy consumption

78%

Share of waste

85%

Machine shop division

The division comprises of the Group's machine shops in Turkey and Sweden, and Pistons production unit in Finland.

Machine Shop Division

Production units	Componenta Orhangazi MS	Turkey
	Componenta Främmestad	Sweden
	Componenta Pistons (piston production unit)	Finland
Order book	At the turn of the year, the order book for the Machine Shop Division stood at EUR 20.5 million (EUR 18.7 million), 10% higher than at the same time in the previous year. The order book comprises orders from manufacturers of heavy trucks, construction and mining machinery, and agricultural machinery, and from the machine building industry.	
Net sales	Net sales for the Machine Shop Division declined slightly from the previous year to EUR 116 (117) million. The division's operating profit excluding one-time items was EUR 2.7 million (EUR 2.3 million). The operating profit improved thanks to the cost savings resulting from the efficiency programme and the weakening of the Turkish lira.	
Number of personnel	In 2013, the number of personnel on average in the Machine Shop Division, including leased personnel, was 382 (377).	
Management	The Senior Vice President of the Machine Shop Division is Juha Alhonoja.	

The key measures taken in the Machine Shop Division in 2013 were related to the product transfers from the Främmestad machine shop to the Orhangazi machine shop, where the machining of major series will be concentrated. At the Orhangazi foundry, the machine shop was extended and machining capacity was increased. Both machine shops took measures in order to increase cost-efficiency and productivity.

As a result of the decision to double the production capacity of the Pistons unit located in Pietarsaari, measures aimed at implementing the investment were initiated in late 2013. The extension of the piston production unit, to be completed in 2014, will reinforce Componenta's position as a global supplier of pistons.

Share of net sales

23%

Share of energy consumption

2%

Share of waste

2%

Aluminium division

The division comprises of the Group's aluminium foundry and production unit of aluminium wheels in Turkey.

Aluminium Division

Production units	Componenta Manisa (aluminium foundry) Componenta Wheels (production unit for aluminium wheels)	Turkey
Order book	At the turn of the year, the order book for the Aluminium Division stood at EUR 12.8 million (EUR 12.1 million), 6% higher than at the same time in the previous year. The order book comprises orders from the automotive and heavy trucks industries.	
Net sales	Net sales for the Aluminium Division declined slightly from the previous year to EUR 72.8 (73.4) million. The division's operating profit excluding one-time items was EUR 9.7 million (EUR 9.2 million). The operating profit improved thanks to greater volumes and the weakening of the Turkish lira.	
Number of personnel	In 2013, the number of personnel on average in the Aluminium Division, including leased personnel, was 744 (712).	
Management	The Senior Vice President of the Aluminium Division is Sabri Özdoğan	

The key measures taken in the Aluminium Division in 2013 were related to implementing new and coherent ways of working, improving production efficiency and strengthening engineering and product development in aluminium components. The audits performed by Europe's leading manufacturers of cars and heavy trucks – and the

successful outcomes of the audits – reinforced Componenta's position as a supplier of demanding aluminium castings. During the year, many new products designed in cooperation with our customers went into production.

Share of net sales

14%

Share of energy consumption

12%

Share of waste

9%

Business development in 2013

Several projects to increase productivity, improve quality and cut costs were planned, initiated and implemented during the year.

Componenta supplies demanding cast components with complete supply chain services both locally and globally to manufacturers of vehicles, machines and equipment. Componenta's foundries specialise in manufacturing components of different weight and production series of varying length. In the manufacture of components, the extensive product portfolio enables selecting the best alternative in terms of technical properties and cost-efficiency.

In addition to casting, services which cover the complete supply chain form an important part of our business, as they help us create solutions that provide added value for our customers. These include co-engineering with our customers, product development, machining, surface treatment, pre-assembly and logistics services.

Componenta is able to meet the needs of both large, global customers and smaller customers by providing them with casting solutions and cast components which support their business operations as well as high-quality service.

The most significant measures taken in all production units in 2013 were related to the efficiency programme launched in October 2012 and its expansion in October 2013. In this context, the units planned, initiated and implemented several projects in order to increase productivity, improve quality and cut costs.

The efficiency programme, aimed at cost savings of EUR 25 million by the end of 2014, involves the following projects:

- Productivity and quality improvement project at the Orhangazi foundry in Turkey
- Profitability and productivity improvement project in the Netherlands

- A project aimed at increasing capacity utilisation rates at the foundries in Finland
- A project aimed at increasing cost-efficiency and productivity at the Främmestad machine shop in Sweden
- Improvement of efficiency and reduction of fixed costs in the administration, sales and engineering organization

In September 2013, the efficiency programme was expanded with new development projects focusing primarily on increasing foundry utilisation rates, developing processes and improving profitability in Turkey, the Netherlands, Finland and Sweden. The objective is to achieve cost savings of EUR 10 million by 2015.

Measures aimed at achieving the Group's strategic targets were continued in 2013.

We have many ways of maintaining customer satisfaction and continuous improvement at different stages of our cooperation with customers. The operational model of Componenta's Finnish customer service centre was also adopted by Weert in the Netherlands towards the end of the year. Centralised customer service improves the sales support services provided to customers, while also increasing the efficiency and fluency of internal operations. Our customers also appreciate the casting solutions provided by Componenta and our ability to integrate casting, machining and other supply chain services, which could be seen in the results of the Customer Satisfaction Survey carried out in the autumn 2013.

In 2013, Componenta was involved in designing and implementing several new component solutions for various customers in different industrial sectors. Many of the projects involved the new SSF iron material, which has excellent strength and durability properties and machinability.

We developed the quality of our products and operations in all Componenta countries by using Lean Six Sigma tools under the guidance of trained Master Black Belt and Black Belt experts.

The deployment of the Group-wide ERP system SAP, which reinforces our One Componenta ways of working, was completed in Turkey in the spring of 2013. In the autumn, preparations for the deployment of the system were initiated at the Främmestad machine shop in Sweden.

The Group's best practices were utilised particularly in the development projects aimed at quality and cost-efficiency improvements within the Group-wide efficiency programme, and in planning new investments.

Sustainability at Componenta

Sustainability is an integral part of all Componenta operations. We maintain and develop our economic, social and environmental responsibility by looking after our profitability, people and the environment.

In 2013, sustainability was particularly apparent in measures aimed at

- improving profitability in all Componenta countries and units
- strengthening the company's balance sheet and financial position
- developing the organization's operations and common One Componenta ways of working
- boosting production and taking measures in order to improve the indoor and outdoor environment and working conditions
- deciding on significant investments to reduce the environmental load.

In our operations, we take into account the ISO 26000 guidelines with regard to social responsibility. We comply with laws and regulations and our common, Group-wide operating principles and policies (including the Componenta Way to Operate and the Code of Conduct) in daily management, operations and cooperation with all stakeholders. Our operations are based on Componenta's common values.

All Componenta production units have third-party certified quality and environmental management systems. Furthermore, four of our units employ an occupational health and safety management system certified under the OHSAS 18001 standard, and the establishment of the system is in progress or beginning in our other units as well.

Profitability ensures the continuity of operations

Economic responsibility at Componenta is accountability for the Group's profitability and competitiveness and increasing shareholder value, and we will achieve all of

these by operating competitively and developing our operations over the long term. Comprehensive risk management allows us to identify and prepare for risks that may impact our business.

Looking after people

Social responsibility at Componenta includes good leadership and consideration of people. We develop our personnel's competence and occupational wellbeing and safety. We do not condone any form of bribery or discrimination under any circumstances. In 2013, no incidents of discrimination were reported within the Group.

We also pay special attention to environmental and safety requirements, social responsibility and ethics in matters pertaining to our suppliers and the procurement of raw materials. We do not pay bribes or make any other illegal payments. No cases of corruption emerged in the Group in 2013.

Environmental impact of a component during its life cycle

At Componenta, environmental responsibility means minimising the environmental impact of cast components during their life cycle, starting with the manufacture of each component. Componenta is a significant recycler and reuser of waste. Most of the raw material used for cast components is recycled material. The recycling percentage of waste generated from the production process was 63% in 2013. We also reuse the heat energy created in melting; for example, in heating buildings.

The high quality of our products and operations also means minimising the environmental impact of our production and operating cost-efficiently. The better the quality, the lower the number of rejects in production and the smaller the consumption of raw material and energy.

environmentally friendly products that also reduce the environmental impact of end use. For instance, lighter components in cars reduce fuel consumption and emissions into the environment.

By co-designing products with our customers and choosing the right materials, we are able to develop more

Sustainability targets and measures in 2013

We cast future solutions in accordance with sustainable business principles.
We listen to the needs of our stakeholders and observe the requirements set for us by our operational environment.

Responsible business	Targets	Measures taken in 2013
 <p>Ensuring competitiveness and profitability and increasing shareholder value</p>	<ul style="list-style-type: none"> Reducing the Group's debt-equity ratio and strengthening the balance sheet and financial position Improving profitability and competitiveness 	<ul style="list-style-type: none"> Share issue, hybrid bond and two notes Continuing and expanding the efficiency programme in order to improve profitability
 <p>Good leadership, consideration of people and the development of competence, wellbeing and safety</p>	<ul style="list-style-type: none"> Developing the personnel's competence and increasing occupational wellbeing Implementing and developing coherent operational models and practices to support efficient business operations and management Ensuring that the operators in the supply chain adhere to the required principles of quality and responsibility 	<ul style="list-style-type: none"> Developing function-specific structures and the organization Securing adequate resources in order to implement the efficiency programmes Improving the working environment and working conditions as part of the efficiency improvement projects Developing engineering and product development operations Audits of raw material suppliers with the focus on quality, environmental issues and occupational safety
 <p>Reducing the environmental impact of a cast component during its life cycle</p>	<ul style="list-style-type: none"> Improving energy efficiency in production Minimising the production waste dumped at landfill sites Developing environmentally friendly and high-quality products in cooperation with customers 	<ul style="list-style-type: none"> Increasing energy efficiency in the units Reducing the environmental impact of production as part of quality and process development Reviews aimed at increasing opportunities for the reuse of production waste Product design projects where the optimisation of component material and structure has also reduced their environmental impact

Significance of responsibility at Componenta

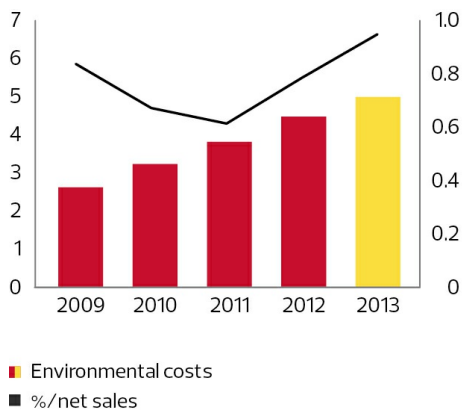
- Responsibility means taking continuous, concrete measures that observe both people and the environment.
- It is a part of our business and our cooperation with stakeholders.
- Responsibility is also a part of our competitiveness and contributes to our success as we compete for customers, employees and investors.

Personnel by country



■ Turkey 60% (58%) ■ The Netherlands 13% (13%)
 ■ Finland 17% (20%) ■ Sweden 10% (9%)

Environmental costs, MEUR



Environmental impact of production

Eco-friendly is also economically friendly.

Environmentally friendly solutions are often cost-efficient as well. We can reduce the environmental impact of our production through good quality management. By using smooth processes, producing good quality and doing things right the first time, we can save energy and materials and reduce working hours in production. As a result, we will operate more efficiently at reduced costs.

Componenta's policy for quality, the environment, health and safety also guides our measures related to quality and environmental aspects. All of the Group's production units have a third-party certified quality and environmental management system.

The production of components requires plenty of energy, and the casting process also generates significant amounts of waste. Energy consumption, waste prevention and the reuse of waste instead of dumping it at landfill sites have been identified as key environmental aspects at Componenta.

Our primary means of improving material efficiency in production is component engineering. In 2013, we continued to reinforce our engineering functions and develop the competence of our engineering personnel, which has been one of our key development areas within the Group during the past few years.

In the context of the Group-wide production efficiency programme launched in October 2012, we implemented and prepared several projects in 2013 with the aim of improving efficiency and quality by using the company's best practices. By means of different indicators, we are actively monitoring the environmental impact of our production, such as the amount of waste and emissions, which can be reduced significantly with our new efficient and smooth production processes.

Environmental complaints at Componenta in 2013 were mainly related to the smell issue of the Heerlen foundry.

During the year 2013 we had some dangerous situations when the fire brigade was alarmed. They did not cause any personal injuries and their material damages were minor.

Investments to reduce environmental impact

In 2014, we will make investments in the Heerlen foundry in the Netherlands and the Orhangazi foundry in Turkey in order to reduce the environmental impact of both production units significantly.

The odour emissions of the Heerlen foundry will be reduced by switching to a new afterburner, different raw material and higher chimneys. The state of the Netherlands, the province of Limburg and the municipality of Heerlen will participate in the costs of Componenta's environmental investment of EUR 6 million, which will be implemented in the summer of 2014 in order to reduce odour emissions into the neighbourhood.

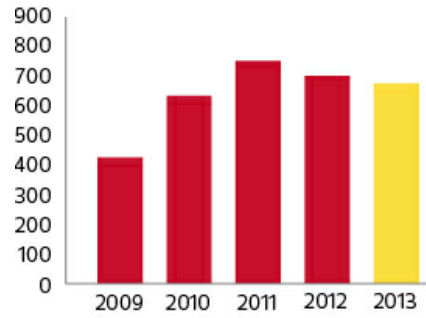
The sand system of the Orhangazi foundry will be renewed by the end of summer 2014. The change in the process will improve both the efficiency of material consumption and the casting process, while also reducing the amount of waste generated. As a result, the need to fettle castings will reduce and the quality of components will improve.

Environmental cost breakdown



- Waste management 84% (83%)
- Wastewater management 4% (5%)
- Protection of ambient air and climate total 5% (4%)
- Protection of soil and groundwater 2% (2%)
- Protection of biodiversity and landscape 0% (0%)
- Other environmental protection activities 5% (7%)

Total energy consumption, GWh



Responsible sourcing and raw materials

High-quality castings are made from pure raw materials

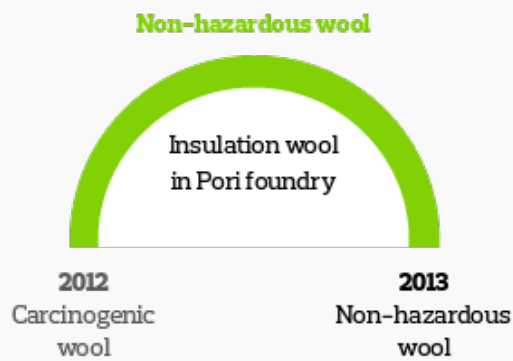
Componenta has established strict requirements for raw materials, and their achievement is monitored in the quality control processes of suppliers and in Componenta's own receiving inspections. We expect our suppliers to adhere to the same standards that we adhere to in our operations in terms of quality, the environment and ways of working. ISO certification is a minimum target for our suppliers.

For example, recycled steel used as the primary raw material at iron foundries may not contain any impurities or hazardous substances, such as lead.

Alloying elements for castings added in the melting phase are not environmentally hazardous. Every batch of molten raw material is analysed before the liquid moves on to the next phase of the process and is cast into a component. This analysis includes, among other things, measuring lead to an accuracy of three decimal places. Quality control at the foundries is conducted by using analysers and measuring equipment, the performance of which is tested on a regular basis.

In 2013, Componenta purchased raw material worth EUR 204 million. The biggest supply country was Turkey.

Case / Pori foundry discontinued the use of carcinogenic insulation wools

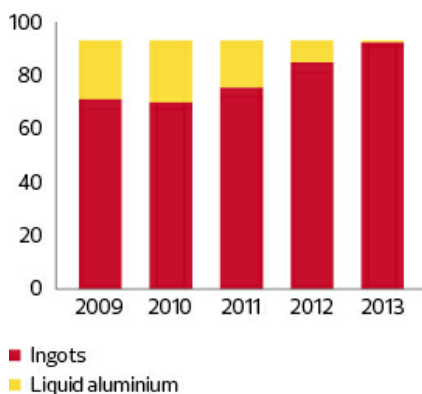


Foundries use high-temperature insulation wools for furnace insulation in smelting plants. Some of these insulation wools contain ceramic fibres that are carcinogenic. As a result, these wools were included in the REACH Candidate List, and in the summer of 2013 it was proposed that they be included in the list of substances subject to authorisation.

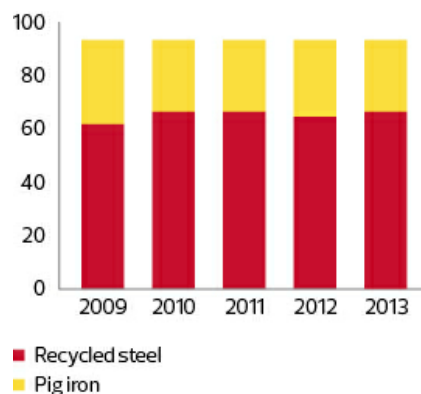
After a trial period in late 2013, the Pori foundry switched exclusively to insulation wool that is not classified as hazardous. Prior to this decision, alternative materials were assessed, experiences regarding the use of insulation wools were discussed and best practices were compared between our Finnish foundries.

Componenta's foundry in Pietarsaari had already switched to insulation wools that are not hazardous, and this was included in the improvement programmes of the other Finnish foundries as well. Suomivalimo is likely to discontinue the use of carcinogenic insulation wool in early 2014. In addition, the Högfors foundry has replaced most of the hazardous wool with a non-hazardous alternative. The objective is to replace all the remaining carcinogenic insulation wools with non-hazardous ones before their use becomes subject to authorisation.

Ingots and liquid aluminium used in melting, %



Recycled steel and pig iron used in melting, %



Product development

The environmental impacts of a product, during its production and use, can be reduced by product development and engineering.

Componenta's supply chain begins with component design and engineering, when the environmental aspects and impacts of a product can be taken into account. Engineering can, for example, help reduce the weight of a product or the need for finishing processes, resulting in less raw materials and energy being used in manufacturing. The engineering process also presents opportunities to influence work stages and processes with the aim of improving quality and manufacturing efficiency, saving costs and reducing the environmental impacts of the manufacturing phase.

Already in 2012, Componenta introduced a new standardised grade of iron in production. The new SSF iron grade, which belongs to nodular cast irons and has a high silicon content, is the most significant step forward during the 60-year history of nodular cast irons. Its strength and durability properties and machinability are superior to previous solutions.

The customer achieves cost savings, as the new material enables replacing expensive welded and cast steel structures with cheaper ones made from cast iron. In addition, the properties of the material the manufacture of lighter and thinner-walled components that still endure intense stress.

The end user also benefits from the new material. Its improved properties permit increasing machine loads, meaning that heavier tasks can be performed with lighter machinery.

In 2013, Componenta was involved in designing and implementing several new component solutions for various customers in different industrial sectors. Below is a short description of one of the projects.

Case / New component for a forestry machine



Componenta participated in a product design project of one of its customers – a manufacturer of forestry machines – from the creation of the very first concepts. The design was carried out in cooperation, and Componenta advised the customer in order to optimise the product for casting and to take advantage of all the properties of the new material.

The project lasted for five months, during which time almost ten different product versions were made and around 40 simulations were run. The product was co-designed with the customer and, at the same time, the manufacturing method was developed in order to ensure that the tools required in the manufacturing process would be ready by the time the design of the component was finished. This also ensured that no further changes would have to be made to the product after placing the order.

The product changed significantly during the design process. Unlike with the original concept, the final product combined the functions of several different welded parts, maximising the benefits of the casting.

Both parties were pleased with the end result. The first castings were delivered to the customer on schedule by doing things right the first time.

“ New SSF material brings significant benefits to production and use of components.

“ Our engineering services help our customers to develop more environmental friendly products.

Energy efficiency

Various measures are taken continuously to increase efficiency of energy consumption.

As a whole, Componenta uses a great deal of energy, as energy is required in the casting process for melting the raw material and holding its temperature. Componenta is continuously taking measures to increase the efficiency of energy consumption; for example, by means of casting planning and limiting the use of holding furnaces. Energy efficiency is also influenced by production volumes and the evenness of the load.

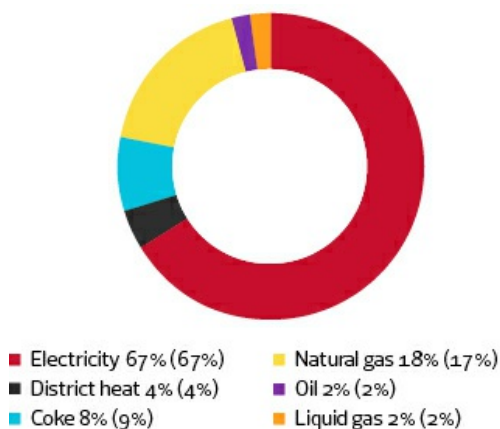
In 2013, our total energy consumption was 671 GWh. 67% of the energy used was electricity. The foundries consume about 90% of all the energy. In proportion to the production volumes, energy consumption at the iron foundries rose 2% which was due to the lower capacity utilization rate.

In 2013, a significant energy saving project was initiated at the Orhangazi foundry in Turkey. It aims to increase efficiency in both melting and using molten material at the smelting plant by changing the process and ways of working, thus achieving significant savings in the use of

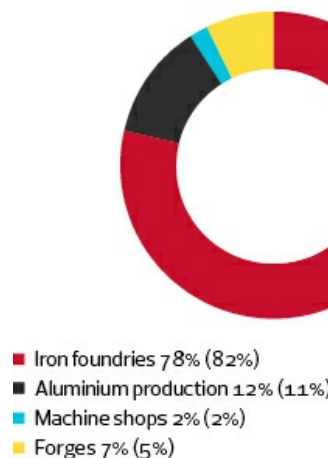
electric energy. Most of the measures will be implemented in 2014. In Finland, the transfer of production from Pietarsaari to the Pori foundry will contribute to reducing the Group's energy consumption, both in terms of electricity and heating. Furthermore, the various units of the Group are taking several other measures to bring down their energy consumption.

Componenta is committed to national targets for reducing energy consumption in Finland and the Netherlands. In Finland, Componenta is participating in a scheme for energy efficiency agreements for different industrial sectors. The agreements extend to 2016 and include a commitment to both energy savings and improved energy efficiency. In the Netherlands, we are participating in the "Roadmap to 2030" target programme involving other Dutch foundries and the Dutch metallurgical industry. The aim is to achieve a 50 per cent reduction in energy consumption by 2030 in comparison with the 2005 levels.

Distribution of energy consumption



Energy consumption by production plant



Reducing emissions

Most of the production-related emissions are generated at the foundries. In 2013 it was decided to carry out investments to reduce emissions in the Group's foundries in Turkey and Netherlands.

Most of Componenta's production-related emissions are dust and VOC (volatile organic compounds) emissions generated at the foundries. There are also some odour emissions. Machining and forging do not cause significant emissions.

Dust is given off in different parts of the casting process. Inside the foundries, dust is controlled by using extraction points, and filtering equipment prevents the dust from escaping into the air outside.

VOC emissions are given off by the amines and solvents used at the foundries. Emissions given off by solvents have been reduced by switching to water-based paints and coatings. Amine gases have been reduced by means of acid scrubbers. Measures have been taken in order to reduce smell; for instance, certain substances used in production have been replaced with others.

In 2013, an investment reducing emissions was made at the Orhangazi foundry in Turkey, where new filtering equipment was installed at the smelting plant and,

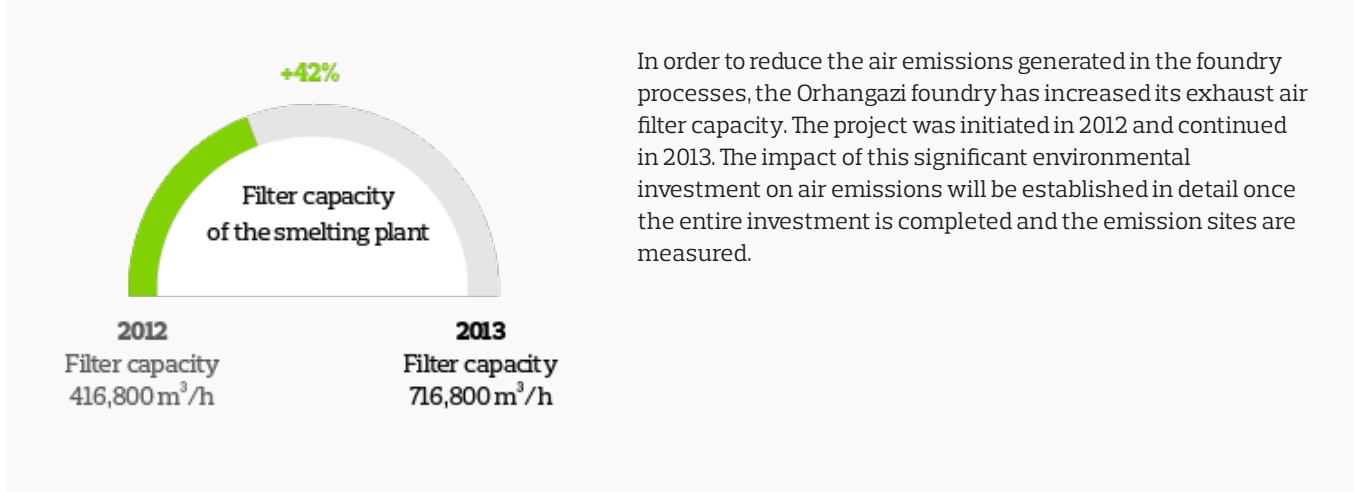
as a result, dust and smoke emissions in both the indoor and outdoor environment were eliminated. In September 2013, Componenta decided to make an investment that will reduce emissions substantially at the Heerlen foundry in the Netherlands. Higher chimneys will be built in the summer of 2014, significantly reducing odour emissions in the environment.

Carbon footprint

Although combustion gives rise to direct carbon dioxide emissions, they are not very significant compared to other environmental aspects of production.

The Group seeks to reduce its carbon footprint by optimising transport, among other things. Travel-related emissions have reduced significantly, as internal joint meetings are nowadays held by using the video conferencing equipment available at all Componenta locations.

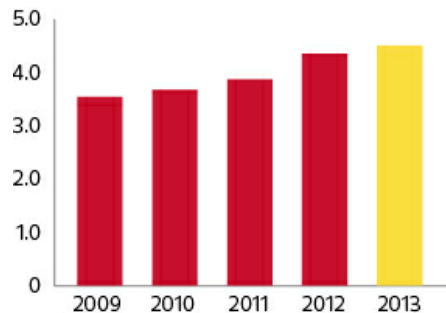
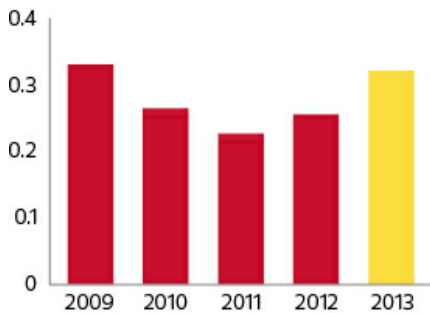
Case / Air emissions reduced at the foundry by increasing filter



In order to reduce the air emissions generated in the foundry processes, the Orhangazi foundry has increased its exhaust air filter capacity. The project was initiated in 2012 and continued in 2013. The impact of this significant environmental investment on air emissions will be established in detail once the entire investment is completed and the emission sites are measured.

Particle emissions in foundries, kg / cast t

Amines and solvents, (VOC emissions), kg / cast t



Reuse of waste

In 2013 a total of 63 per cent of the waste generated at Componenta was reused. We also continued our search for new reuse applications.

In proportion to the products manufactured, Componenta's production generates great amounts of waste. Foundries using disposable moulds – including all Componenta iron foundries – may generate even more waste than actual castings, and therefore the reuse and prevention of waste is important.

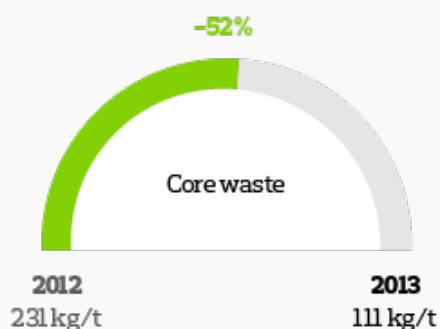
In order to reduce the amount of waste sand, in 2013 Componenta's largest foundry – Orhangazi, Turkey – launched a project aimed at, among other things, substantially increasing the reuse of circulating sand by boosting sand reclamation. The project will be completed in 2014.

Sorted production waste is reused in accordance with the legislation of each country. Before reuse, all waste materials are examined and their composition is ensured by using laboratory tests. A total of 63 per cent of the waste generated at Componenta in 2013 was reused.

In 2013, we continued our active search for new reuse applications in cooperation with the concrete and cement industry, among other things. The amount of waste is also being reduced by means of internal recycling. For instance, the runners and burrs removed after casting as well as the metal chips generated in machining are remelted at the foundries.

Most of the water used at Componenta, some 95 per cent, is utilised in cooling and sand production at the foundries. Some foundries take their cooling water from nearby water sources, and a few of our production units have their own waste water treatment plants. As water circulates in the production system, smaller quantities need to be sent to external waste water treatment plants. The Manisa aluminium foundry generates approximately 78 per cent of the Group's waste water.

Case / Reduction of core waste at the foundry



The Heerlen Furan foundry has reduced the amount of core sand waste by reintroducing some of the sand into the system. Nowadays, some of the reclaimed sand is reused in producing sand cores, which has also reduced the amount of new sand required.

Case / Hazardous salt waste reduced to one-tenth of previous levels



Heat treatment, i.e. hardening a component in molten salt (200–300 °C), increases the hardness and durability of the structure. After the salt bath, the components are washed. This makes some of the salt dissolve in the washing water, which is then forwarded to an external operator for hazardous waste treatment.

In 2013, the Högfors foundry introduced evaporation equipment for washing water. It enables the recovery of salt from washing water and reusing most of it. It also increases safety: the recovered salt is in the form of flakes and does not splash like new granular salt when added to the salt bath. The achieved benefits include the reduction of hazardous waste, material savings and improved occupational safety.

Case / Our search for new reuse applications for foundry sand

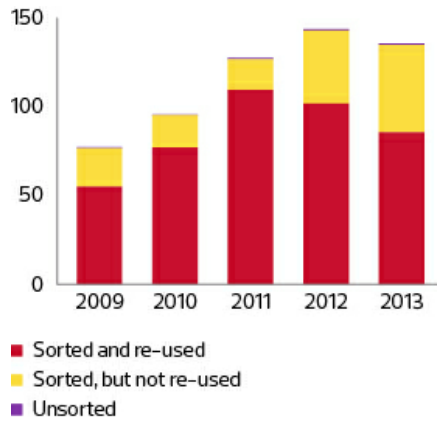


Componenta's Finnish units generate a total of 25,000 tonnes of excess foundry sand annually. According to the law, foundry sand can be reused at a landfill site, if this is mentioned in the environmental permit for the site, or at an earth construction site, if a separate environmental permit is applied for. Otherwise, foundry sand has to be dumped at a landfill site.

In 2013, only a few per cent of excess foundry sand was reused outside of landfill sites. However, reuse applications could be increased due to the excellent composition of foundry sand: most foundry sand types contain around 10 per cent of bentonite, which is added to mixtures used in earth construction, among other things. In addition, the concentrations of harmful ingredients in foundry sand are either below or very close to the limits of inert waste. Expanding reuse applications would also bring significant environmental benefits.

At the moment, the environmental permit process required for foundry sand is in effect preventing its flexible reuse. Therefore, we have initiated a project in Finland that produces information for the authorities on the environmental impact and reuse opportunities of foundry sand. The project aims to change the current legislation (Government Decree Concerning the Recovery of Certain Wastes in Earth Construction) so that foundry sand could be reused in different projects with a less burdensome notification procedure than in the environmental permit process. In the context of the project, we are participating in a Finnish programme called UJUMA2, which examines the reuse of waste, and an EU LIFE funded project at the Hitura nickel mine in Finland.

Waste, 1,000 t



Responsible employer

Responsibility includes good leadership, consideration of people, and development of competences, wellbeing and safety.

At Componenta, social responsibility means looking after our personnel and the wellbeing, working conditions, occupational safety and competence development of the people working in our various supply chains.

Responsibility is based on Componenta's personnel policy, management principles and values – Openness, Honesty and Respect. We respect our employees' rights, and international agreements on human rights and equality are integrated into Componenta's operating culture.

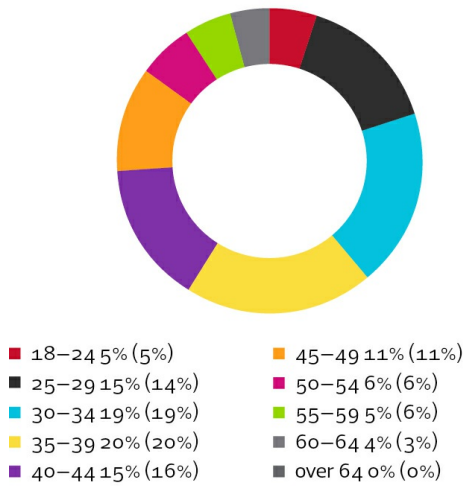
We mapped our personnel's job satisfaction and working atmosphere regularly, and in 2013 a Pulse survey was carried out in the Componenta business unit in each country Componenta has operations. The results were examined together in each function, and necessary improvement measures were agreed.

Key figures

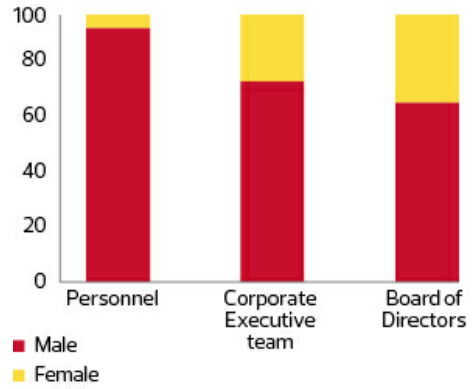
	2013	2012	2011	2010	2009
Total number of own and leased personnel	4,398	4,642	4,717	4,155	3,797
Total number of own and leased personnel on duty, FTE	3,617	3,855	4,003	3,224	2,424
Change during the year, %	-5	-2	14	9	-27
Absenteeism due to sickness and accidents, %	4.9	4.0	3.9	3.8	4.5
Recruitments	388	546	746	654	335
Turnover, %	15	18	17	10	26
Type of employment, %					
Permanent	86	82	73	81	93
Temporary	8	9	16	9	5
Leased	6	9	10	9	2

*) Includes all days of absence from first to last.

Personnel age structure



Gender distribution of personnel & management, %



Efficiency program 2013

In addition to developing productivity, efficiency and quality, the efficiency improvement measures also reinforced information exchange, teamwork and knowledge sharing.

Componenta continued to improve its competitiveness in 2013 by carrying out efficiency improvement measures focusing on the development of productivity, efficiency and quality in the business units. The adaptation measures related to increasing efficiency, such as lay-offs and inevitable headcount reductions, were carried out in close cooperation with the personnel and agreed on in a good, constructive spirit.

The improvement of efficiency also improved transparency in all operations. For instance, sharing best practices between operations increased, reinforcing the implementation of coherent ways of working, both in production and in the support functions. As part of the efficiency programme, organizational reforms were carried out in the business units with the aim of making their organizational structures lower and improving supervisory work and information flow. The changes were supported in the units by providing supervisors with practical coaching to reinforce their competence in daily management and change implementation.

The efficiency improvement measures, such as transferring the manufacture of certain products from one country to another, underlined the importance of international teamwork and knowledge sharing. The exchange of information was facilitated by, among other things, establishing new meeting practices for local and

international management teams and other teams and by developing project work. The exchange of international knowledge and experience was supported through short- and medium-term expatriate assignments for key personnel.

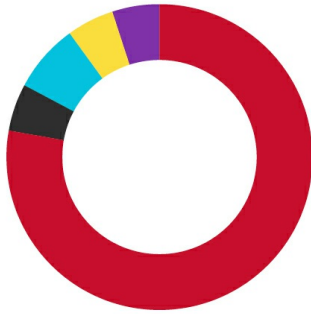
Coherent tools

We continued to strengthen our common management practices and One Componenta operating principle by introducing new tools that support coherent processes and ways of working. One example is our new Group-wide HR Information System (HRIS).

In the context of renewing the system, all key HR processes were revised and developed as part of the strategic annual planning and general management processes. The new system and improved processes help supervisors in daily management and high-quality supervisory work. Furthermore, the management and implementation of HR processes have been simplified. The new HR system also provides employees with access to their up-to-date personal details

In addition to the HR system, efficiency and transparency are increased by the ERP system SAP, which already covers most of Componenta's operations and production units.

Personnel by function



- Production (blue collar) 80% (78%)
- Production management 4% (5%)
- Administration and management 7% (7%)
- Quality and maintenance 4% (5%)
- Sales, product development and purchasing 4% (5%)

Competence development

In 2013, in addition to the efficiency improvement program, the development programs and measures continued to ensure sufficient and competent resources for the future.

In 2013, a Group-wide resource and potential review was carried out in order to ensure that Componenta has access to all resources which are essential for business. The review created a transparent overview of the successor and substitute situation as well as a comprehensive understanding of the existing resources and need for new resources with regard to the implementation of the strategy. In addition, the review was used to establish clear development measures in terms of competence development and resourcing.

Componenta's two-year International Trainee Program aims to ensure competent and strategically important future resources, increase students' awareness of Componenta and the entire industry, share knowledge and competence by offering trainees the opportunity to get to know Componenta's different units and functions and, finally, to strengthen cooperation between Componenta and educational institutes.

During the review period the third International Trainee Program continued with a mobility period during which the trainees learned more about ways of working in a foreign country, supported by their mentors. Each trainee wrote a project thesis on a topic related to Componenta; for example, on process implementation or business development. In 2012–2013, a total of 18 trainees participated in the International Trainee Program, and afterwards most of them were recruited by Componenta in functions such as financial management, engineering, sales and production.

In 2013, Componenta deployed a 360 assessment tool based on the company's leadership competencies. The first 360 assessments were conducted on the Group's key personnel.

During the review period, the company began establishing a competence management scheme, which included clarifying competence requirements for different tasks and roles. In addition, targets were set for all white-collar employees, and their achievement is monitored through the HR Information System.

The development of the engineering function continued by, among other things, updating employees' roles, job descriptions and competence requirements and the way to operate. All engineers have an individual career and development plan based on the defined roles and competence requirements. The further development of engineering competence and resources is one of Componenta's most important strategic targets.

The personnel's general competence was developed by, among other things, organising training in matters such as occupational safety, quality, environmental issues and various information systems. The employees were also offered language training in order to develop their language skills.

Engineering service development continues in Orhangazi



Componenta's target is to provide world-class engineering services to fulfil customer needs, while also ensuring the best possible solutions from the perspectives of delivery certainty, quality and cost.

The Orhangazi Engineering Center in Turkey plays an active role in sales and production through several product development processes, such as requests for quotation, new product introduction and requests for modification. In addition, the know-how of engineers is needed in internal product transfers carried out between Componenta's units for optimised production.

In 2011, development actions began at the Orhangazi Engineering Center in order to increase engineering resources and capabilities, clarify engineering roles and develop project management skills.

In 2013, the main focus of the project was to define the needs for engineering related to sales and production in order to safeguard the ownership and coordination of cross-functional processes. In addition, several necessary human resource management processes and tools were implemented, paying special attention to future engineering needs. In addition to recruiting new engineers, the existing organization was renewed in order to meet engineering targets.

Education



- High school or vocational school 56% (58%)
- University degree 11% (10%)
- Basic education 25% (24%)
- Polytechnic or college degree 8% (8%)

Safety and wellbeing

We invest in comprehensive occupational health services in all the countries in which we operate, with the aim of preventing the deterioration of our employees' work ability.

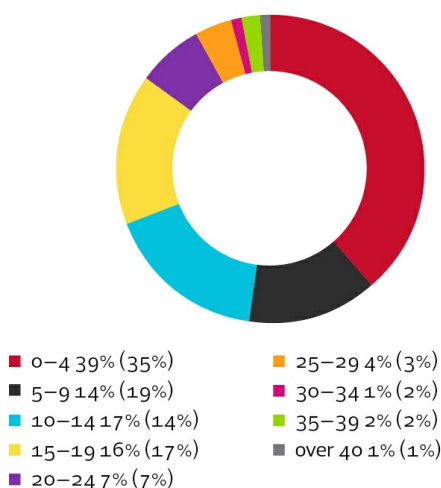
Componenta aims to develop and improve occupational safety continuously. The OHSAS 18001 standard on occupational health and safety was implemented in 2013 at the Högfors foundry in Karkkila, Finland. The standard integrates occupational health and safety issues with everyday operations and management. It also helps prevent accidents and illnesses and safeguard the wellbeing of the personnel.

Componenta invests in comprehensive occupational health services in all the countries in which we operate, with the aim of preventing the deterioration of our employees' work ability. Componenta aims at a significant reduction in absence due to illness through centralised monitoring and preventive measures.

For instance, during the review period all Componenta countries organised different sporting events for the personnel. Periods of sick leave are monitored systematically at all units at the management team level.

Unfortunately, two fatal occupational accidents occurred during the review period: one at the Suomivalimo foundry in Iisalmi, Finland, and the other at the Orhangazi foundry in Turkey. Alongside the accident investigations of the authorities, Componenta conducted thorough investigations into the reasons behind the accidents and took the necessary measures to prevent similar accidents from occurring in the future.

Employment years



Stakeholder engagement

Collaboration and dialogue with the stakeholders is part of Componenta's sustainable business, as our operations have an extensive impact on our stakeholders.

The competent and committed personnel ensure the fluency of everyday business, the long-term development and the achievement of the company's strategic goals. The development of Componenta's image as an employer is considered important, not only for increasing the level of commitment among existing employees but also for attracting new employees. In all the countries in which we operate, Componenta participates in student fairs and engages in active cooperation with selected student organizations by supporting their activities and organising visits, among other things.

In 2013, Componenta paid specific attention to supporting the company's employer image and resourcing, particularly in engineering and product development. The measures included, among other things, activities related to educational institutes and professor networks in different countries. Componenta's engineering and product development experts held lectures at various educational institutes and continued their close cooperation with professors specialising in the industry.

Case / School cooperation in several forms



Componenta's school cooperation takes several forms and they are based on an annual plan which covers all Componenta countries. Cooperation forms are e.g. foundry and machine shop visits, fairs, discussions with the professors of selected universities and sciences, summer jobs as well as trainee and final thesis opportunities.

For example in the Netherlands, Componenta's engineering professionals are regularly invited to give lectures for the students participating in technical studies in Eindhoven University and Heerlen University. The given lectures have covered e.g. Six Sigma and engineering processes topics.

“ We act openly with our stakeholders, working together. Profitable operations allow us to create value for our stakeholders.

“ We continuously develop our image as an employer and actively cooperate with educational institutes

Stakeholder value

At Componenta, economic responsibility means safeguarding the Group's competitiveness and profitability, which also benefits our stakeholders.

Competitive and profitable business operations, adequate resources and good management of finances create a solid foundation for other areas of responsibility and sustainable development, while also safeguarding the conditions for business now and in the future.

Profitable operations allow us to create added value for our stakeholders. Componenta's key stakeholders include customers, personnel, owners and investors. In addition, our other stakeholders include financial institutions, material suppliers and subcontractors as well as society, authorities and the neighbours of our production units.

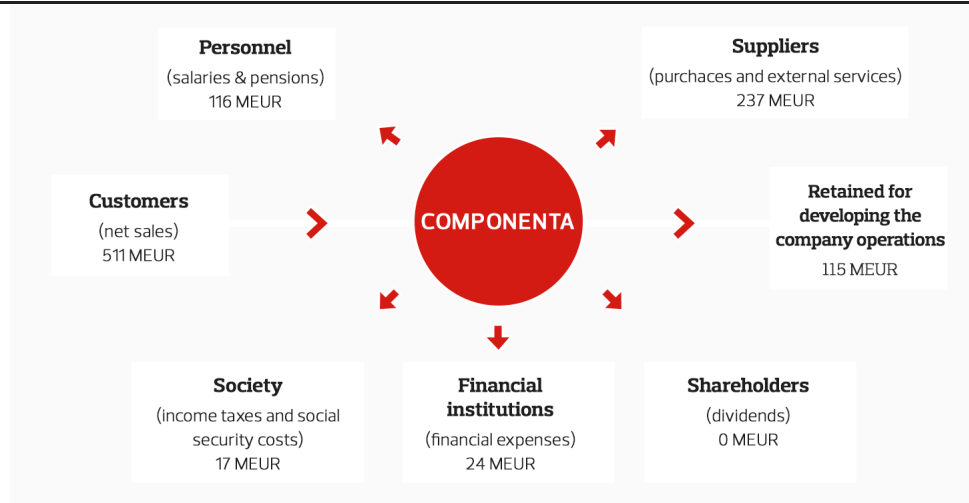
We act openly with our stakeholders, working together and meeting their expectations. We engage in an ongoing

dialogue with our stakeholders and take their feedback into account in our operations and development activities.

The customer feedback in 2013 indicated that they appreciate Componenta's capabilities and ability to offer competitive casting solutions. In 2014, we continue our development measures to boost engineering services, quality and delivery certainty and ensure customer satisfaction.

Componenta participates in many collaboration bodies and projects within its field in its countries of operation. We are also constantly participating in different developing projects together with other companies, universities and research institutes.

Added value to stakeholders



Our key stakeholders

- Customers
- Personnel
- Owners and investors

Improving Profitability

During the year several measures to improve profitability were carried out with good results.

The Group's balance sheet and financial position were strengthened by carrying out various capital market operations in August 2013. A share issue, hybrid bond and two notes raised a total of EUR 77.3 million. The raised capital was used for refinancing and repaying the 2010 note that fell due on 29 September 2013, repaying other interest-bearing debts and for the company's general financing needs.

In 2013, we continued to implement measures related to our Group-wide efficiency improvement programme in all Componenta countries and units. The efficiency programme, initiated in October 2012, comprises five subprogrammes aimed at increasing profitability and productivity and achieving cost savings of EUR 25 million in 2013 and 2014.

The efficiency improvement programme proceeded well, in accordance with the set targets. In September 2013, it was expanded with new development projects targeted at a profitability improvement of EUR 10 million by increasing foundry utilisation rates and developing production processes.

Progress of the efficiency improvement programme in 2013

The measures and development projects of the efficiency improvement programme carried out in our business units and countries of operations during 2013 are shown in the table below.

Country and unit	Measures carried out in 2013	Total savings, target 25MEUR + 10MEUR
TURKEY Orhangazi foundry	<p>The efficiency programme, aimed at increasing productivity and quality, proceeded according to plan and utilising the Group's best practices. The overall productivity of the foundry developed positively.</p> <ul style="list-style-type: none"> Layout changes in production, product improvements and other measures to improve efficiency Simulation capacity increased in engineering Process improvements in the casting sand system and the smelting plant Efficiency of raw material use increased in production 	EUR 9 million by the end of 2014
NETHERLANDS All units	<p>Productivity improved at all production lines. The efficiency programme, aimed at profitability improvements, was expanded.</p> <ul style="list-style-type: none"> Restructuring of production units, including the reduction of 55 jobs Further development of capacity utilisation rate and productivity Increasing the efficiency of new sales Centralisation of customer service and engineering functions At the Heerlen foundry, preparations for the chimney investment reducing odour emissions in the environment 	EUR 5 million by the end of 2014
SWEDEN, TURKEY Främmostad machine shop Orhangazi machine shop	<p>In order to improve profitability, the machining of major series was centralised in the Orhangazi machine shop.</p> <ul style="list-style-type: none"> Orhangazi machine shop extension Product transfers from Främmostad to Orhangazi Development projects aimed at increasing cost-efficiency and productivity at both machine shops 	EUR 3 million by the end of 2014
FINLAND Pietarsaari foundry, other Finnish foundries	<p>Restructuring in order to improve the profitability of the Finnish foundries. Transfer of the production line of the Pietarsaari foundry to the Pori foundry and the closure of the foundry in October 2014.</p> <ul style="list-style-type: none"> Transfer of the Disa production line to the Pori foundry Product transfers to the Orhangazi foundry in Turkey and the Pori foundry in Finland Improvement of utilisation rate and reduction of fixed costs at all Finnish foundries 	EUR 3 million by the end of 2014
GROUP Administration, sales and engineering	<p>Improvement of profitability and operational efficiency and the reduction of fixed costs.</p>	EUR 3 million in 2013
SWEDEN Wirsbo forges	<p>Wind-down of the Smedjebacken forge and the transfer of products to Arvika in order to improve productivity</p> <ul style="list-style-type: none"> Reduction of 41 jobs in the forge business Productivity development projects 	EUR 2 million in 2013
		Total of EUR 10 million in 2015

“ The group-wide efficiency improvement programme made progress in 2013 according to plan.

Responsible management

The Componenta Way to Operate and the Code of Conduct, guarantee consistent internal processes and practices regardless of the location and country of the unit or function.

Componenta is a multinational casting solution provider. In our business operations, we comply with all current laws and regulations and generally accepted business practices in all the countries in which we operate. Our Group-wide One Componenta operating principles and policies, the Componenta Way to Operate and the Code of Conduct, guarantee consistent internal processes and practices regardless of the location and country of the unit or function.

International agreements on human rights and equality are integrated into Componenta's operating culture, and we comply with local labour laws everywhere, in every situation.

Componenta's values of Openness, Honesty and Respect are a strong foundation for the Group's daily operations and cooperation with stakeholders. **Openness** means that we are open to new ideas and to change and that we are willing to develop. Through this, we seek to continually

“ International agreements on human rights and equality are the premise for our operating culture.

improve our ways of working. **Honesty** is about being honest with ourselves and with each other: we do what we promise. **Respect** means that our cooperation with all stakeholders is based on trust and mutual respect.

The administration and management of Componenta Corporation are based on Finnish legislation, the company's Articles of Association and the rules, regulations and guidelines of the Helsinki stock exchange and the Finnish Financial Supervisory Authority. Componenta complies with the Corporate Governance Code for Finnish listed companies.

Risk management is part of the company's monitoring system which ensures that the risks to which our business is exposed are identified, evaluated and monitored. This allows us to anticipate threats to and opportunities for business operations and ensure business continuity.

GRI content index table

GRI Standard Disclosure Items	Reporting	Location in the Annual Report	Comments
STANDARD DISCLOSURE			
1. STRATEGY AND ANALYSIS			
1.1 CEO Statement	Disclosed	President's review	
1.2 Description of key impacts, risks, and opportunities	Disclosed	Sustainability www.componenta.com	
2. ORGANIZATIONAL PROFILE			
2.1-2.10 Organizational Profile	Disclosed	Key figures Business Business segments Corporate Governance	
3. REPORT PARAMETRES			
3.1-3.11; 3.13 Report Profile and Reporting Principles	Disclosed	Reporting principles	
3.12 GRI Content Index	Disclosed	GRI content index table	
4. GOVERNANCE, COMMITMENTS & ENGAGEMENT			
Governance			
4.1-4.10 Governance	Disclosed	Corporate Governance	
Commitments to External Initiatives			
4.11 Precautionary approach	Disclosed	Risk management and control	
4.12 External charters	Disclosed		Componenta is committed to national targets for reducing energy consumption in Finland and the Netherland
4.13 Memberships in associations	Disclosed	www.componenta.com	
Stakeholder Engagement			
4.14-4.17 Stakeholder Engagement	Disclosed	Stakeholder value www.componenta.com	
MANAGEMENT APPROACH AND PERFORMANCE INDICATORS			
1. ECONOMIC RESPONSIBILITY			

Management Approach, Economic responsibility	Disclosed	Sustainability
Economic performance		
EC1 Economic value generated and distributed	Disclosed	Stakeholder value
EC3 Coverage of defined benefit plan obligations	Disclosed	Notes to the Consolidated Financial Statements, 26. Pension obligations and other benefit plans
2. ENVIRONMENTAL RESPONSIBILITY		
Management Approach, Environmental responsibility	Disclosed	Sustainability Environmental impact
Materials		
EN1 Materials used by weight or volume	Disclosed	www.componenta.com
EN2 Recycled input materials	Disclosed	www.componenta.com
Energy		
EN3 Direct energy consumption by primary energy source	Disclosed	Environmental impact
EN4 Indirect energy consumption by primary source	Disclosed	Environmental impact
Water		
EN8 Total water withdrawal by source	Disclosed	www.componenta.com
Emissions, Effluents and Waste		
EN20 Significant emissions to air	Disclosed	www.componenta.com
EN21 Total water discharge by quality and destination	Disclosed	www.componenta.com
EN22 Total weight of waste by type and disposal method	Disclosed	Sustainability www.componenta.com
EN23 Total number and volume of significant spills	Disclosed	www.componenta.com
Products and Services		
EN26 Initiatives to mitigate environmental impacts of products and services	Disclosed	Sustainability
Compliance		
EN28 Non-compliances with environmental laws and regulations	Disclosed	www.componenta.com
Overall		
EN30 Total environmental protection expenditures and investments by type	Disclosed	Sustainability Environmental impact
3. SOCIAL RESPONSIBILITY		

Labor Practices & Decent Work			
Management Approach, Labour practices & Decent work	Disclosed	Sustainability Responsible employer	
Employment			
LA1 Total workforce by employment type, employment contract, and gender	Disclosed	Responsible employer	
LA2 Employee turnover by gender	Disclosed	Responsible employer	
Occupational Health and Safety			
LA7 Injuries and absences	Partially disclosed	Responsible employer	Absenteeism due to sickness and accidents
Training and Education			
LA11 Programs for skills management and lifelong learning	Disclosed	www.componenta.com	
Diversity and Equal Opportunity			
LA13 Composition of governance bodies and breakdown of employees	Disclosed	Board of Directors Corporate Executive Team Responsible employer	
Human Rights			
Management Approach, Human rights	Disclosed	www.componenta.com	
Investment and Procurement Practices			
HR2 Human rights screening of significant suppliers and contractors	Partially disclosed	www.componenta.com	Group's purchasing policy Code of Conduct
Diversity and Equal Opportunity			
HR4 Total number of incidents of discrimination and actions taken	Disclosed	Sustainability	
Society			
Management Approach, Society	Disclosed	Sustainability	
Corruption			
SO3 Anti-corruption training	Partially disclosed	Sustainability	Code of Conduct
SO4 Actions taken in response to incidents of corruption	Disclosed	Sustainability	
Product responsibility			
Product and service labelling			
PR5 Practices related to customer satisfaction	Disclosed	Business development	

Reporting principles

Componenta reports on sustainability as part of the Annual Report and following the guidelines of GRI G3.

Componenta is publishing its Annual Report for the first time as an online report for 2013. The Annual Report includes information on Componenta's business, strategy and goals as well as the results of operations. The latter includes sustainability issues, such as the economic, social and environmental impact of the company's operations. The financial statements for 2013, including the report by the Board of Directors and the auditor's report, have been added to the online annual report as a PDF file.

Componenta reported on the environmental impact of its operations for the first time in 2003. Since 2006, our sustainability reporting has covered all three areas of responsibility, and this information was published as a separate report until 2010. Since 2011, we have reported on sustainability as part of the Annual Report, as responsibility at Componenta is linked directly to the company's strategy and goals, and is part of business operations.

The G3 guidelines set by the Global Reporting Initiative (GRI) were adhered to in collecting the 2013 sustainability information. The figures for social responsibility cover the Group's entire personnel. Environmental information is reported for the Group's production units in Finland, Turkey, the Netherlands and Sweden that have a significant environmental impact. The figures for economic responsibility were prepared in accordance with the International Financial Reporting Standards (IFRS) and are audited. The information in the rest of the report has not been verified.

Complying with the GRI guidelines ensures the reliability and comparability of the information reported. A third-party GRI Application Level check conducted by a corporate responsibility specialist Mitopro Oy confirmed Componenta's self-declaration that the Annual Report 2013 meets the requirements for GRI's Application Level **B**.

“ Our report 2013 conforms to the requirements of the GRI Application Level B

Governance

Administration and management of Componenta

The parent company of Componenta Group is Componenta Corporation, a Finnish public company whose share is listed on the Helsinki stock exchange. Componenta's head office is located in Helsinki.

Administration and management of Componenta Corporation are based on Finnish legislation, the company's Articles of Association and the rules and regulations of the Helsinki stock exchange and the Finnish Financial Supervisory Authority. Componenta complies with the Corporate Governance Code for Finnish listed companies, which is available on the Internet at www.cgfinland.fi.

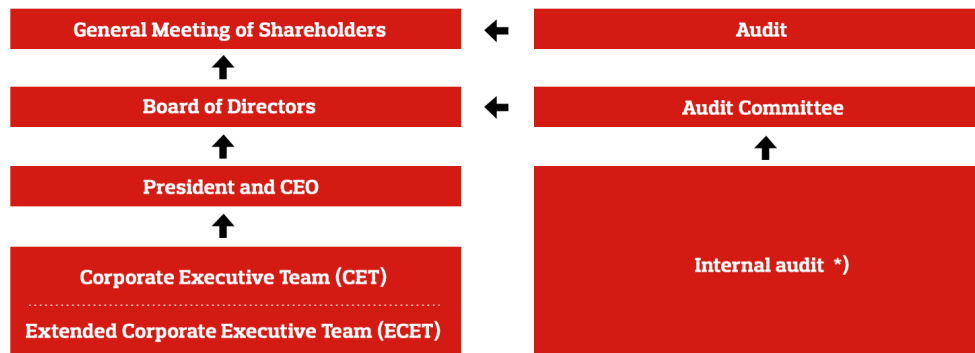
The Corporate Governance Statement for 2013 referred to in recommendation 54 of the Finnish Corporate Governance Code for Finnish listed companies is given as separate

report on Componenta's website at the address www.componenta.com and in this Annual Report. The content of this Corporate Governance section fully corresponds to the separate statement. The Corporate Governance Statement has been handled at the meeting of the Audit Committee of Componenta Corporation's Board of Directors on 3 February 2014.

Governing bodies of Componenta

Supreme authority at Componenta is exercised by the shareholders at the General Meeting of Shareholders.

The company is managed by the Board of Directors and the President and CEO. The Group's Corporate Executive Team assists and supports the President and CEO in carrying out his duties.



*) Componenta Group's financial administration conducts an internal audit of Group companies in accordance with the annual plan together with the external auditors.

Operational responsibility at the Group level lies with the President and CEO. The Group's Corporate Executive Team assists the President and CEO in this task. Operational

responsibility at the division level lies with the Senior Vice President of each division, assisted by a management team.

Reporting structure

COMPONENTA GROUP		
Foundry Division	Machine Shop Division	Aluminium Division ^{*)}
Orhangazi (TR) Weert (NL) Heerlen (NL) Högfors (FI) Pori (FI) Pietarsaari (FI) Suomivalimo (FI)	Orhangazi (TR) Främmostad (SE) Pistons (FI)	Manisa (TR) ^{**)} Manisa Wheels (TR)

^{*)} Divisions = reporting segments

^{**)} Production units belonging to each division

Componenta reports on its financial performance and business development in accordance with the divisional structure presented above as of 1 January 2013.

General Meeting

Componenta's supreme decision-making body is the General Meeting. The Annual General Meeting of Componenta must be held within six months of the end of the financial period. The General Meeting decides on matters that come under its authority as defined in the Finnish Limited Liability Companies Act and the company's Articles of Association, including approval of the financial statements, decisions concerning the use of the profit shown on the balance sheet and the election of the Board members and the auditor.

In 2013, the Annual General Meeting was held on 22 March 2013 in Helsinki. At the Annual General Meeting, 45.8% of the company's shares and votes were represented. An Extraordinary General Meeting was held on 16 August 2013. At the Extraordinary General Meeting, 42.1% of the company's shares and votes were represented.

Board of Directors

The Annual General Meeting elects each year Componenta's Board of Directors, which according to the company's Articles of Association has three to seven members. The term of office of the Board continues until the close of the following Annual General Meeting. The Board elects from its members the Chairman and the Vice Chairman.

The majority of the Board members must be independent of the company. In addition, at least two of the members belonging to this majority must be independent of major shareholders in the company. Independence is evaluated in accordance with Recommendation 15 of the Corporate Governance Code for Finnish listed companies.

The Board of Directors draws up written Rules of Procedure for itself. The main tasks and duties of the Board of Directors are to:

- oversee the management and business operations of Componenta and make major decisions relating to the strategy, capital expenditure, organization, corporate restructuring and financing
- appoint the President and CEO and the members of the Group's Corporate Executive Team, and approve the organizational structure and the principles for incentive schemes
- ensure that the company's accounting, supervision of financial management and risk management have been arranged appropriately
- approve the key operating principles and values, and confirm the annual business plans and budgets
- make proposals to the General Meetings and convene the meetings.

The Board meets when it is convened by the Chairman or, in his absence, by the Vice Chairman. The Board forms a quorum when more than half of the members are present, and one of them must be the Chairman or Vice Chairman. Componenta's General Counsel serves as secretary to the Board meetings.

The Board of Directors evaluates its own performance annually under the leadership of the Chairman. The Board also reviews the corporate governance annually and amends it when required.

In 2013, the Annual General Meeting selected the following six members to Componenta's Board of Directors:

- Heikki Lehtonen, President and CEO at Componenta Corporation
- Marjo Miettinen, Chief Executive Officer at EM Group Oy
- Riitta Palomäki, Chief Financial Officer at Uponor Corporation
- Matti Ruotsala, Executive Vice President, Power Division at Fortum Corporation
- Tommi Salunen, Managing Partner at Aava Advisors Ltd
- Harri Suutari, professional board member

Marjo Miettinen, Riitta Palomäki, Matti Ruotsala, Tommi Salunen and Harri Suutari are independent of the company and of the shareholders. Heikki Lehtonen is President and CEO of Componenta Corporation. He is also a major shareholder through companies that he controls.

The Board of Directors is presented in more detail in the section [The Board of Directors](#).

The Board of Directors met 19 times during 2013. The average attendance rate at Board meetings was 97%. Componenta's General Counsel, Pauliina Rannikko, served as secretary to the Board meetings.

The Board of Directors evaluated its own performance in December 2013 under the leadership of the Chairman. The Componenta Corporate Governance document was updated at the Board meeting held on 21 March 2013.

Componenta's Board of Directors and Board meetings in 2013

Board member		Attendance at Board meetings	Attendance at Audit Committee meetings
Harri Suutari	Chairman of the Board of Directors	19/19	-
Lehtonen Heikki		19/19	-
Marjo Miettinen	Member of the Audit Committee *)	17/19	1/1
Riitta Palomäki	Chairman of the Audit Committee	19/19	5/5
Matti Ruotsala	Vice Chairman of the Board of Directors	18/19	-
Tommi Salunen **)	Member of the Audit Committee	13/14	4/4
Board member until 22 March 2013			
Pii Kotilainen		5/5	-
Juhani Mäkinen		4/5	1/1

*) Member until 22 March 2013

**) New member as of 22 March 2013

Board Committees

Componenta has a Board Audit Committee. After the Annual General Meeting, the Board of Directors elects from among its members the Chairman and members for the Committee, for one year at a time. In the election of the Audit Committee members, the relevant qualification requirements are taken into account.

In 2013, the Board of Directors elected Riitta Palomäki as the Chairman and Tommi Salunen as a member of the Audit Committee. Both members of the Audit Committee are independent of the company and its major shareholders.

The Audit Committee has no independent decision-making power. Instead, the Board of Directors makes decisions based on the preparations of the Audit Committee. The Chairman of the Audit Committee reports on the work of the Audit Committee at the Board meetings following the Audit Committee meetings. The invitation and materials of the Audit Committee meetings are sent to all Board members, who all have the right to attend the meetings of the Audit Committee.

The Board of Directors has confirmed a written agenda for the Audit Committee. The main tasks and duties of the Audit Committee are to:

- monitor and supervise the reporting process of financial statements, ensure that the reporting process generates correct information, and approve important accounting principles
- review and oversee the quality and integrity of the annual report and the annual financial statements as well as the interim reports
- monitor the financial position of the company and the sufficiency of financing and prepare matters and proposals to the Board on a need-to-know basis
- monitor the efficiency, plans and processes of the Group's internal control, internal audit and risk management systems
- review the company's Corporate Governance Statement

- review the external audit plan and monitor the statutory audit of the financial statements and consolidated financial statements, approve the budget of the external audit as well as new assignments above the limit set by the Audit Committee
- meet with the external auditor quarterly and review all material reports from the auditor
- evaluate the independence of the statutory auditor or audit firm, particularly the provision of related services to the company to be audited
- prepare the proposal for a resolution on the election of the auditor
- meet with the management of the company, particularly the CEO and the CFO, and risk management.

In 2013, the Audit Committee convened five times and the attendance rate was 100%. Componenta's CFO Mika Hassinen served as secretary to the Audit Committee. Also regularly participating at the Committee's meetings were the President and CEO, the auditors and the General Counsel responsible for risk management.

The Committee regularly evaluates its performance and working practices and carries out a related self-evaluation once a year. In December 2013, the Audit Committee evaluated its own performance in 2013 under the leadership of the Chairman.

President and CEO

The Board of Directors appoints the President and CEO and decides on the President's remuneration and other benefits. The President and CEO is responsible for managing and developing Componenta's business in accordance with the Finnish Limited Liability Companies Act and the instructions given by the Board of Directors.

The President and CEO prepares and presents matters for consideration at Board meetings and implements the decisions of the Board of Directors. He reports to

the Board of Directors on matters including the company's financial situation, its business environment and other major matters. The President and CEO is Chairman of Componenta's Corporate Executive Team and Extended Corporate Executive Team.

Heikki Lehtonen, b.1959, M.Sc. (Eng.), is President and CEO of Componenta. He has acted as Componenta's President and CEO since 1993.

Corporate Executive Team

Componenta's Corporate Executive Team assists the President and CEO in managing and developing Componenta. The Board of Directors decides on the appointment of members of the Corporate Executive Team and on the terms of their employment based on the proposal of the President and CEO, in accordance with the "one over one" principle in use at the Group.

The members of Componenta's Corporate Executive Team are those in charge of the Group's major functions and directors in charge of the Group's Operations. The Corporate Executive Team convenes regularly, at least once a month. Its key tasks include promoting the achievement of the Group's long-term business goals, the creation of added value and the development of business operations, ensuring the efficiency of operations throughout the Group, developing management practices and promoting common operating models and principles.

At the beginning of 2013, the Corporate Executive Team comprised President and CEO Heikki Lehtonen, Senior Vice President of Machine Shop Division Juha Alhonoja, CFO Mika Hassinen, Senior Vice President of Foundry Division Olli Karhunen, Senior Vice President of Sales and Customer Services Antti Lehto (until 31 May 2013), Senior Vice President of Human Resources and Internal Communication Anu Mankki, General Counsel Pauliina Rannikko and Senior Vice President of Aluminium Division Sabri Özdoğan.

Furio Scolaro, Senior Vice President, Sales and Product Development, was appointed as a member of the Corporate Executive Team as of 1 June 2013 after Antti Lehto had moved to another employer.

The Corporate Executive Team is presented in more detail in the section [Corporate Executive Team](#).

In 2013, the Corporate Executive Team focused on implementing the Group-wide efficiency programme and the related projects aimed at improving productivity and cost-efficiency. The Corporate Executive Team also updated the Group's strategy.

Extended Corporate Executive Team

Componenta's Extended Corporate Executive Team is responsible for monitoring the divisions' financial and operational development and planning and implementing the necessary measures.

In 2013, the Extended Corporate Executive Team comprised the members of the Corporate Executive Team as well as Seppo Erkkilä, Vice President, Foundries in Finland; Ömer Lütüf Erten, Vice President, Orhangazi Foundry in Turkey; and Patrick Steensels, Vice President, Heerlen Foundry in the Netherlands, who is also in charge of coordinating Componenta's operations in the Netherlands.

Remuneration Statement 2013

Remuneration of key management

Remuneration of the Board of Directors and the Audit Committee

The Annual General Meeting decides on the remuneration of the Board of Directors and the Audit Committee. In 2013, the Annual General Meeting decided that the Chairman of the Board of Directors be paid an annual fee of EUR 60,000, ordinary Board members EUR 30,000 and members of

committees subordinated to the Board EUR 5,000, and that travel expenses be paid in accordance with the company's travel regulations.

The total amount of annual fees paid to Board members in 2013 was EUR 220,000. Board members do not participate in Componenta's share-based incentive scheme or pension schemes.

Remuneration of the Board of Directors and the Audit Committee

Board of Directors in 2013		Salaries, fees and fringe benefits, EUR 1,000
Suutari Harri	Chairman	60
Ruotsala Matti	Vice Chairman	30
Lehtonen Heikki	member	30
Miettinen Marjo	member	30
Palomäki Riitta	member, Chairman of the Audit Committee	35
Salunen Tommi	member, member of the Audit Committee	35
Total		220

Remuneration of the President and CEO and other management

Componenta's Board of Directors decides on the remuneration and other benefits of the President and the deputy to the President, and on the terms of employment of members of the Corporate Executive Team, based on the proposal of the President and CEO and in accordance with the "one over one" principle used by the Group.

Remuneration systems

Each year, the Board of Directors reviews the market competitiveness of total remuneration, the used instruments and their weighting and goals in the remuneration of different target groups.

Short-term remuneration system

Short-term remuneration (one calendar year) is based on meeting measurable personal and business targets set for the year.

Long-term share-based incentive scheme

The Board of Directors decides on long-term share-based incentive schemes as part of total remuneration and manages the implementation of the schemes.

A share-based incentive scheme has been approved for the Group's key personnel for 2013. The aim of the scheme is to unite the objectives of shareholders and key personnel in order to increase the value of the company, commit key personnel to the company and offer them a competitive reward scheme based on ownership of company shares.

The scheme contains one earning period, calendar year 2013, and the earning criteria for the period is the result of Componenta Group after financial items.

Any bonuses for the 2013 earning period will be paid partly in company shares and partly in cash. The aim is that the portion paid in cash covers taxes and tax-related costs arising from the bonus for the key person. The shares may not be transferred during the restriction period of approximately two years. In the event that a key person's employment is terminated during the restriction period, he or she must return the shares provided as a bonus to the company without compensation.

Remuneration and benefits of other members of the Corporate Executive Team

The fixed cash salary of the members of the Corporate Executive Team includes compensation for any work on the boards of directors of Componenta Group companies and any associated companies.

The maximum bonus, linked to financial and personal targets, that is paid under short-term remuneration systems is position-related and, on average, some 40 per cent of a person's annual earnings.

The potential bonus from the long-term share-based incentive scheme for one earning period corresponds to, on average, 30–40 per cent of a person's annual earnings.

Members of the Corporate Executive Team are entitled to additional healthcare insurance in addition to the statutory occupational healthcare.

Members of the Corporate Executive Team are also entitled to a company car as part of their total remuneration.

Pension agreements

The Finnish members of the Corporate Executive Team, working in Finland, including the President and CEO, are paid supplementary pension worth 6 per cent of their basic annual salary. For the CFO acting as deputy to the President, the company's annual payments for his supplementary pension correspond to his total gross salary for one month.

Remuneration of the President and CEO, deputy to the President and other members of the Corporate Executive Team

2013	Salaries, fees and fringe benefits EUR 1,000	Bonuses, EUR 1,000	Voluntary pension benefits, EUR 1,000	Benefits paid on termination of employment, EUR 1,000	Share-based payments, EUR 1,000	Total, EUR 1,000
President and CEO Heikki Lehtonen	319	-	64	-	-	383
Deputy to the President Mika Hassinen	226	-	15	-	-	241
Other members of the Corporate Executive Team	984	-	45	-	-	1,029
TOTAL	1,529	-	124	-	-	1,653

Terms of employment of President and CEO Heikki Lehtonen

Salary and fringe benefits	Total monthly salary EUR 25,000, which consists of cash salary and fringe benefits (unlimited company car benefit and telephone benefit).
Short-term remuneration system	The President and CEO does not participate in the short-term remuneration system, which has been taken into account in his long-term remuneration.
Long-term incentive schemes	The President and CEO has been entitled to the Group's long-term share-based incentive scheme.
Pension	<p>The retirement age of the President and CEO is 63 years, and he has a supplementary pension agreement. The agreement includes old age pension after reaching the age of retirement, paid-up pension policy rights if the employment of the insured person is terminated before reaching the age entitling to old age pension as stated in the insurance policy, disability insurance, and life insurance for the duration of the employment, of the paid-up pension policy and of pension. This benefit was accumulated by EUR 19,000 in 2013.</p> <p>In addition, the President and CEO has a separate pension capitalisation agreement, under which the pension begins at the age of 63 years and ends at the age of 68 years or when the savings in the capitalisation agreement have been used up. The pension capitalisation agreement was made in 2013 and in 2013 EUR 45 000 was paid to the savings under the capitalisation agreement. The Board of Directors confirms the amount of the payment each year. The actual pension is calculated annually by dividing the remaining amount of the savings by the remaining number of months for the pension.</p>
Termination of employment	The President and CEO's contract of employment may be terminated by the company by giving twelve months' notice and by the President and CEO by giving six months' notice. The President and CEO is not entitled to any separate compensation after giving notice or being given notice other than the salary and benefits agreed in the terms of notice and the supplementary pension in accordance with the principles of the paid-up pension policy.

Risk management and internal control

Main features of the internal control and risk management systems in relation to the financial reporting process

The objective of internal control and risk management related to Componenta's financial reporting is to ensure that the reporting is reliable and that all applicable laws and regulations have been complied with.

Componenta compiles its financial reporting in accordance with the International Financial Reporting Standards (IFRS), the new Finnish Securities Markets Act, the Finnish Accounting Act and the guidelines and statements of the Finnish Accounting Board, while also complying with the rules and regulations of the Finnish Financial Supervisory Authority and the rules of NASDAQ OMX Helsinki Ltd.

Control environment

The purpose of Componenta's internal control is to ensure that the Group operates in line with its strategy profitably and effectively, that risk management is arranged appropriately and adequately, and that financial and operational reporting is reliable. Control is based on Componenta's values, operating principles, policies and guidelines (the Componenta Way to Operate, the Disclosure Policy and the Code of Conduct). Internal control is a part of management, governance and daily operations.

Financial reporting and supervision are based on budgets drafted and confirmed once a year and on monthly performance reporting. Group Accounting is responsible for the financial reporting process and for ensuring that the related instructions are consistent and updated regularly. Controllers at the unit and division level as well as management are responsible for ensuring that reporting is carried out in accordance with instructions.

Open and adequate communications ensure an effective and functional control environment. Information on reporting tools as well as instructions and principles relating to financial reporting have been provided to all the parties involved in financial reporting, and they are also available on the Group's intranet. Matters such as upcoming changes to IFRS and accounting principles or new reporting requirements are communicated to the financial organization on a regular basis. The Group's CFO reports to the Board's Audit Committee regularly on matters pertaining to internal control.

The Audit Committee appointed by the Board of Directors supervises the Group's financial reporting process and monitors the effectiveness of internal control, internal audit and risk management systems, and reports its observations to the Board.

Monitoring

The profitability and efficiency of Componenta's operations and the achievement of financial objectives are monitored regularly by means of Group-wide financial reporting. The effectiveness of measures in internal control related to financial reporting is monitored by the Board of Directors, the Audit Committee, the President and CEO, the Corporate Executive Team and operative management teams.

Common, Group-wide ways of operating also cover reporting, and the related instructions are included in the Controller's Manual maintained by Group Accounting. Group Accounting has defined the control measures which cover the reporting process and allocated responsibilities for their implementation.

All operational business units have their own controllers who are responsible for financial reporting in cooperation with the management of the respective unit. The management team for each business unit and division analyses its own financial reports, including volumes, profits, costs, profitability and working capital, every month before the reporting meeting of the Corporate Executive Team.

The Board of Directors is responsible for the final evaluation of the Group's result.

Internal audit

Componenta Group's internal audit is conducted in accordance with the operating principles approved by the Board of Directors, which are based on the Group's internal reporting and the annual audit plan approved by the Audit Committee.

Componenta Group's financial administration conducts an internal audit of Group companies in accordance with the annual plan together with the external auditors.

Financial reporting that covers the whole Group regularly monitors how well financial targets are being met. The reports include actual figures, budgets and up-to-date estimates for the current year.

Risk management

Risk management is part of the company's monitoring system and it aims to ensure that the risks to which the company's business is exposed are identified, evaluated and monitored. It aims to help forecast the threats and opportunities for business operations and ensure the continuity of business.

The Board of Directors confirms the principles and responsibilities for risk management. The Board's Audit Committee monitors the effectiveness of risk management systems. The President and CEO supervises the implementation of the risk management programme and ensures that it focuses on matters that are essential for local and operational activities. The Corporate Executive Team participates in identifying and evaluating risks, in allocating responsibilities and in monitoring the risks.

The General Counsel is responsible for general development of Componenta's risk management, and the CFO is responsible for development of risk management relating to financial risks.

Management of business operations is responsible for identifying and managing risks in their own business areas as part of their operational activities.

All employees are responsible for identifying and evaluating the risks that are related to their work or that are otherwise under their control and for reporting on them to their supervisors.

The financial risks relating to Componenta Group's business operations are managed in accordance with the Treasury Policy approved by the Board of Directors. The Group's treasury department manages financial risks and ensures for their own part the availability of equity and debt finance to the Group on competitive terms. The Group's treasury department is also responsible for managing and hedging the cash position.

The Corporate Executive Team conducts the Group-level Enterprise Risk Management (ERM) process annually and monitors the major risks of the operations regularly. The Senior Vice Presidents of Operations organise operation-level ERM processes annually and report the main results of the ERM process to the Corporate Executive Team. In the context of the ERM process, the main risks are identified and evaluated and corrective actions are decided on.

In 2013, the Group's Corporate Executive Team conducted the annual Enterprise Risk Management (ERM) process, in which risks were identified and evaluated and measures were decided on.

Audit

The Annual General Meeting appoints the auditor and decides on the remuneration of the auditor. The company has one auditor that must be a firm of authorised public accountants approved by the Finland Chamber of Commerce. In addition to the duties prescribed in current accounting regulations, the auditor reports regularly to Componenta's Audit Committee and to the Board of Directors of Componenta when necessary.

The responsible auditor may function as an auditor for a maximum of seven years in succession.

In 2013, Componenta's auditor was Authorised Public Accountants PricewaterhouseCoopers Oy. The responsible auditor was Jan Holmberg. In accordance with the decision of the Annual General Meeting on 22 March 2013, the fees paid to the auditor are based on invoicing. The fees paid to the auditors of Componenta Group's companies, based on the work performed, totalled EUR 577,000, comprising audit fees of EUR 497,000 and fees for other services EUR 80,000.

Communications

Information about Componenta and its governance is published on the Group's website. All releases and reports published by Componenta are available on the Group's website immediately after they have been published.

The Componenta Corporate Governance document in its entirety, the separate Corporate Governance Statement and the Remuneration Statement are available online at www.componenta.com.

Board of Directors

In 2013, Componenta's Board of Directors comprised of six members.



Harri Suutari

b. 1959, B. Sc. (Eng.)
Board Member since 2012, Chairman 2012 -

Main occupation
Board professional 2012 -

Primary work experience
President & CEO at PKC Group Oyj 2008 - 2012
President and CEO at PKC Group Oyj 2002 - 2005
President and CEO at Ponsse Oyj 1994 - 2000
President and CEO at Kajaani Automatiikka Oy
1984 - 1996

Positions of trust

Chairman of the Board of Directors at Alma Media Oyj and Tulikivi Oyj
Member of the Board of Directors at Oy M-Filter Ab and PKC Group Oyj

Componenta shares

213,150



Matti Ruotsala

b. 1956, M. Sc. (Eng.)
Board Member since 2012,
Vice Chairman 2013 -

Main occupation
Executive Vice President at Fortum Corporation, Power
Division 2009 -

Primary work experience
President of Generation at Fortum Power and Heat Oy 2007 -
2009
Managing Director at Valtra Ltd 2005 - 2007 and Vice President
at AGCO Corporation 2005 - 2007

Chief Operating Officer (COO) and Deputy to CEO at Konecranes
Plc 2001 - 2005
Several senior and managerial positions at Konecranes Plc and
Kone Corporation 1982 - 2001

Positions of trust

Chairman of the Board at Kemjoki Oy and PKC Group Oyj
Member of the Board at Halton Group Ltd and Teollisuuden Voima
Oyj

Componenta shares

20,000



Heikki Lehtonen

b. 1959, M.Sc. (Eng.)
Board Member since 1987

Main occupation
President and CEO at Componenta Corporation 1993 -

Primary work experience
President and CEO at Santasalo-Gears Ltd 1987 -
1994 Managerial and expert positions at JOT-Companies Ltd
1980 - 1987

Positions of trust

Vice Chairman of the Board of Directors at Pöyry Plc
Member of the Board of Directors of Otava Ltd and the Finnish
Foundation for Share Promotion
Member of the Supervisory Board of Finnish Business and Policy
Forum EVA

Componenta shares

7,528,492



Marjo Miettinen

b. 1957, M.Sc. (Ed.)
Board Member since 2004

Main occupation

Chief Executive Officer at EM Group Oy 2006 -

Primary work experience

Managerial and expert positions 1989 - 2001 and Chairman of the Board of Directors at Ensto Oy 2002 - 2006

Positions of trust

Chairman of the Board of Teleste Oy and Teknari Oy
Member of the Board of Directors of EM Group Oy, Ensto Oy, Efore Plc and TUT foundation

Componenta shares

45,000



Riitta Palomäki

b. 1957, B.Sc. (Econ.)
Board Member since 2012

Main occupation

CFO at Uponor 2009 -

Primary work experience

CFO at Kuusakoski Group Oy 2003 - 2009
Vice President, Controlling at ABB Oy 2001 - 2003

Financial Director, Standard Lifting Equipment at Konecranes Oy
1997 - 2001

Financial Director at ABB Service Oy 1991 - 1997

Various managerial positions within ICT at ABB Industry Oy 1983 -1991

Componenta shares

10,000



Tommi Salunen

b. 1972, M. Sc. (Econ.)
Board Member since 2013

Main occupation

Chairman and Managing Partner, Aava Advisors Oy since 2012

Primary work experience

Head of investment banking Helsinki at Carnegie 2010 - 2012
and director and senior adviser 2008 - 2010 at Investment Bank Ab

CEO at Kaupthing Bank Oy 2006 - 2007

Expert positions at Nordea 1998 - 2006

Positions of trust

Member of the Board of Directors of Staffpoint Holding Oy

Componenta shares

20,000

Corporate Executive Team

In 2013, Componenta's Corporate Executive Team comprised of eight persons.



Heikki Lehtonen

b. 1959, M.Sc. (Eng)
President and CEO 1993 -

Componenta shares
7,528,492

Primary work experience

President and CEO at Santasalo-Gears Ltd 1987 - 1994
Managerial and expert positions at JOT-Companies Ltd 1980 - 1987



Juha Alhonoja

b. 1975, Lic.Sc. (Tech.)
Senior Vice President, Machine Shop Division 2012 -

Componenta shares
1,400

Primary work experience

Vice President, Machining Technology at Componenta 2009 - 2012
Director, Manufacturing at Gardner Denver 2008
Several managerial and development positions at Componenta Group and business units in Finland, Sweden and the Netherlands 2001 - 2008



Mika Hassinen

b. 1969, M.Sc. (Econ.), M.Sc. (For.)
CFO 2008 -, Deputy to the CEO 2012 -

Componenta shares
13,500

Primary work experience

Senior Vice President, Finance & IT, Corporate Market Services at Stora Enso Oyj 2005 - 2007
Managerial and expert positions at Stora Enso Oyj, Deutsche Bank AG Ltd and McKinsey & Co 1996 - 2005



Olli Karhunen

b. 1959, M.Sc. (Eng.)
Senior Vice President, Foundry Division 2012 -

Componenta shares
15,115

Primary work experience

Senior Vice President, Componenta, Foundries Division 2006 - 2010, Operations Finland 2011, operations Development 2012
Managerial positions at Componenta Group and its divisions and business units 1990 - 2006
Expert and other positions at Kuusakoski Oy and Technical Research Center 1984 - 1990



Anu Mankki

b. 1963, M.Sc. (Phil.)
Senior Vice President, Human Resources 2005 -

Componenta shares
2,800

Primary work experience

Vice President, Human resources development at Metso Corporation 2003 - 2005
Managerial and expert positions relating to HR in Finland and abroad at Metso Corporation, Metso Paper and Valmet Paper Machines 1988 - 2003



Pauliina Rannikko

b. 1970, LL.M., M.Sc. (Econ.)
General Counsel and Senior Vice President, Legal and Risk management 2010 -

Componenta shares
600

Primary work experience

Group General Counsel, Onninen Oy 2007 - 2010
Managerial and expert positions at Finnair Oy and Roschier, Attorneys Ltd 1997 - 2007



Furio Scolaro

b. 1962, M.Sc. (Eng.)
Senior Vice President, Sales and Product Development 2013 -

Componenta shares
400

Primary work experience

Several sales management positions at Componenta in France as of 2009, latest Sales Director, Construction and Mining 2012 - 2013
Global Key Account Manager at SNECI, France 1997 - 2009
Sales Office Manager at Labinal, Italy 1991 - 1997
Project manager at Valeo, France 1989 - 1991



Sabri Özdoğan

b. 1975, B. Sc. (Eng.)
Senior Vice President, Aluminium Division 2012 -

Componenta shares
513

Primary work experience

Business Unit Director at Componenta Manisa Wheels 2008 - 2012, manager in wheel production center 2006 - 2008
Planning supervisor and assistant manager at Döktas AS Manisa 2004 - 2006, planning engineer 1999 - 2004

Financial Statements 2013

Information about Componenta's result and financial position.

We have published the Financial Statements 2013 which contains information about Componenta's result and financial position. The Financial Statements for 2013 includes the consolidated financial statements, the financial statements of the parent company, the report by the Board of Directors and the auditor's report.

Click the link below to download The Financial Statements 2013 as PDF.

In this online annual report key economic figures for 2013 are presented in the section [Key economic figures](#).

Key economic figures

2013 income statement, statement of financial position and cash flow statement in short, and Group development figures 2009 – 2013.

Consolidated income statement 1.1.–31.12.

MEUR	2013	2012
Net Sales	510.5	544.8
Other operating income	5.9	2.3
Operating expenses	-483.2	-525.3
Depreciation, amortization and write-down of non-current assets	-18.4	-17.9
Share of the associated companies' result	0.1	0.2
Operating profit	14.9	4.0
Financial income and expenses in total	-24.5	-29.4
Profit/loss after financial items	-9.6	-25.4
Income taxes	-6.0	1.4
Profit/loss for the financial period	-15.5	-24.0

Consolidated income statement excluding one-time items 1.1.–31.12.

MEUR	2013	2012
Net Sales	510.5	544.8
Other operating income	5.7	1.0
Operating expenses	-480.1	-519.6
Depreciation, amortization and write-down of non-current assets	-18.0	-16.3
Share of the associated companies' result	0.1	0.2
Operating profit	18.2	10.0
Financial income and expenses in total	-24.4	-27.7
Profit/loss after financial items	-6.2	-17.6
Income taxes	-4.5	0.1
Profit/loss for the financial period	-10.7	-17.6

Consolidated statement of financial position 31.12.

MEUR	2013	2012
Assets		
Non-current assets	344.1	340.5
Current assets		
Inventories	63.1	65.2
Other current assets	44.7	54.7
	107.8	119.8
Total assets	452.0	460.4
Liabilities and shareholders' equity		
Shareholder's equity	85.2	83.4
Liabilities		
Non-current liabilities		
Interest bearing	136.4	202.4
Non-interest bearing	21.7	21.4
Current liabilities		
Interest bearing	103.3	54.7
Non-interest bearing	105.4	98.6
	366.8	377.0
Total liabilities and shareholders' equity	452.0	460.4

Cash flow statement 1.1.-31.12.

MEUR	2013	2012
Cash flow from operations before change in net working capital, financing and taxes	28.6	22.7
Change in net working capital	2.6	-1.0
Cash flow from operations before financing and taxes	31.2	21.7
Cash flow from operations	2.2	-8.7
Cash flow from investments	-15.7	-19.2
Cash flow from financing activities	3.0	5.9
Change in liquid assets	-10.5	-22.0

Group development 2009 – 2013

MEUR	2009	2010	2011	2012	2013
Net sales	299.6	451.6	576.4	544.8	510.5
Operating profit	-15.4	13.5	22.5	4.0	14.9
Financial income and expenses	-21.8	-23.5	-25.9	-29.4	-24.5
Profit/loss after financial items	-37.2	-10.0	-3.4	-25.4	-9.6
Profit for the financial period	-28.7	-7.5	-3.1	-24.0	-15.5
Order book at period end	58.8	94.6	99.5	82.9	87.3
Change in net sales, %	-56.0	50.7	27.6	-5.5	-6.3
Share of export and foreign activities in net sales, %	82.7	88.1	90.0	92.0	91.6

Group development 2009 – 2013 excluding one-time items

MEUR	2009	2010	2011	2012	2013
Net sales	299.6	451.6	576.4	544.8	510.5
Operating profit	-15.4	13.6	29.8	10.0	18.2
Financial income and expenses	-21.8	-23.5	-25.9	-27.7	-24.4
Profit/loss after financial items	-37.2	-9.9	3.9	-17.6	-6.2
	31.12.2009	31.12.2010	31.12.2011	31.12.2012	31.12.2013
Statement of financial position total, MEUR	388	420	437	460	452
Net interest bearing debt, MEUR	242	230	243	236	230
Invested caoital, MEUR	317	311	326	340	325
Return on investment, %	-4.1	5.0	7.8	2.0	4.9
Return on equity, %	-45.1	-10.3	-5.8	-32.9	-18.6
Equity ratio, %	17.5	16.8	9.4	18.1	18.9
Net gearing, %	356.4	325.0	591.4	283.5	269.6
Investments in non-current assets, MEUR	17.9	8.5	21.8	19.2	18.9
Number of personnel at period end	3,614	4,016	4,240	4,104	4,154
Average number of personnel	3,684	3,853	4,234	4,249	4,153

Information for investors

Information relating to Componenta's Annual General Meeting and Interim Reports in 2014.

Annual General Meeting

The Annual General Meeting of Componenta Corporation will be held **at 14.30 on Thursday, 13 March 2014** at the company's headquarters in Käpylä, in the auditorium of the Sato building at Panuntie 4, 00610 Helsinki, Finland.

Right to participate

A shareholder, who on the record date of the General Meeting, 3 March 2014, is registered as a shareholder in the company's shareholders' register maintained by Euroclear Finland Ltd, is entitled to attend the General Meeting.

Registration

A shareholder, who is registered in the shareholders' register, wishing to participate in the General Meeting is required to register his/her participation no later than 10 March 2014 at 10.00 by letter to the address Componenta Corporation, Panuntie 4, 00610 Helsinki, by telephone +358 10 403 2744, by fax +358 10 403 2721 or by email to ir.componenta@componenta.com. The registration letter or message must arrive prior to the expiration of the registration period.

Dividend and dividend policy

The Board of Directors proposes to the Annual General Meeting that no dividend be paid for the 1 January – 31 December 2013 financial period.

The Board of Directors takes the Group's financial performance, financing structure and growth expectations into account when making its proposal for the dividend to be paid. The objective is to pay dividends amounting to 25–40 per cent of net profit.

Financial information in 2014

Interim report January – March 2014 on Friday **25 April 2014**

Interim report January – June 2014 on Wednesday **16 July 2014**

Interim report January – September 2014 on Tuesday **21 October 2014**

The press conferences for media representatives and analysts, held when the interim reports are published, will be webcast simultaneously on the company's website at www.componenta.com.

Componenta's publications and releases are available immediately after their release date at www.componenta.com.

Componenta's 2013 Annual Report has been published as an online report which can be printed out as a ready-to-use PDF file or a tailored PDF file consisting of the pages the reader is interested in. Previous Annual Reports, Sustainability Reports and Interim Reports are also available online. Publications printed on paper can be ordered by visiting Componenta's website at www.componenta.com or by emailing ir.componenta@componenta.com.

If you register on Componenta's website at www.componenta.com, all releases will be sent to your email address immediately after their release.

All of Componenta's financial publications are drafted in both Finnish and English.

Investor relations and contacts

Our aim is to provide comprehensive information about Componenta's business, operating environment and financial position for investment decisions.

Thirty days prior to the publication of any financial statements or interim reports, we have a closed window

period during which we do not meet with capital market representatives or comment on result developments.

Investors and shareholders are served by Componenta's investor relations team consisting of the President and CEO, the CFO and the Communications Director. Contact our investor relations team by email at ir.componenta@componenta.com.

More information for investors

All our published releases and reports are available on our IR website at www.componenta.com.

Contact

Investors and shareholders are served by Componenta's investor relations team by email at ir.componenta@componenta.com.