

ANNUAL REPORT

2014

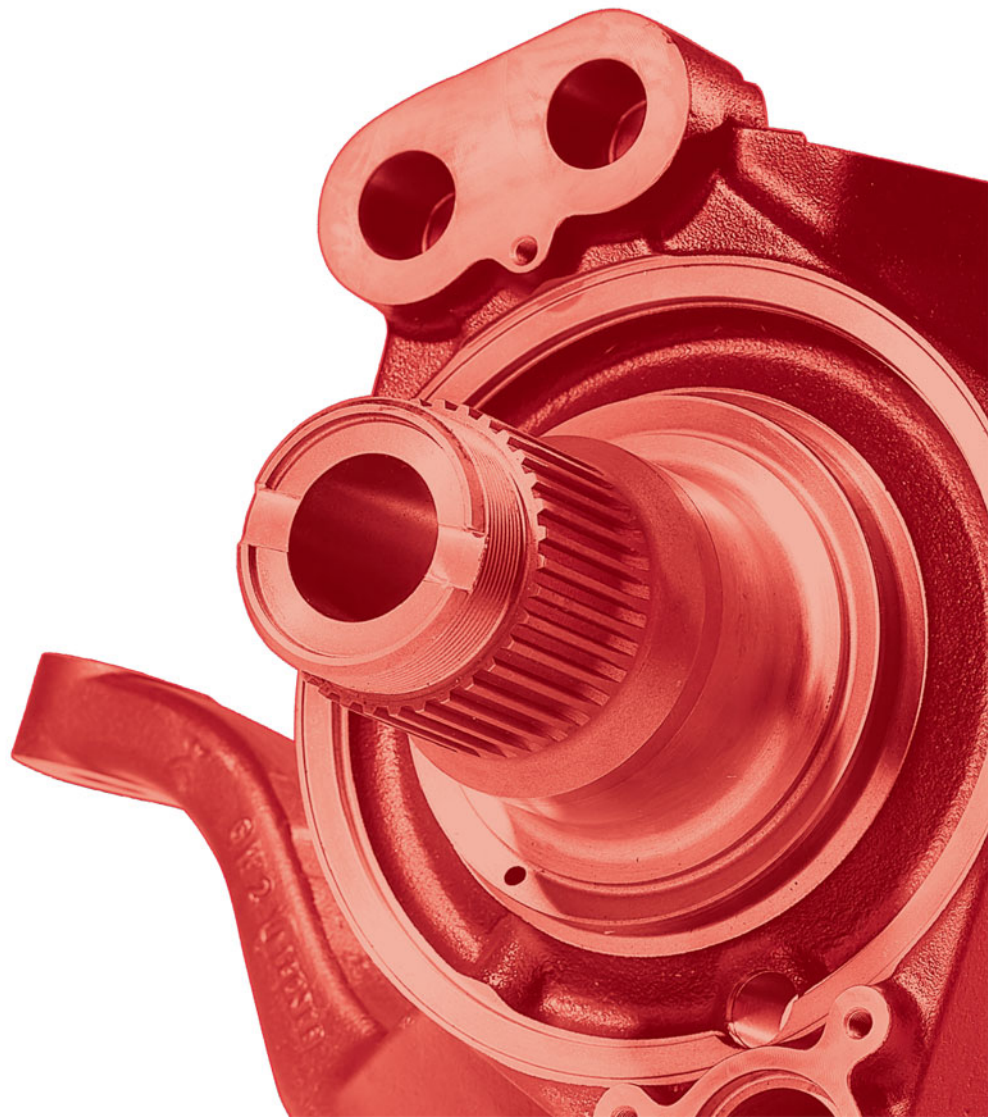


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President's review

In 2014, the efficiency and productivity of Componenta's business operations improved and the financing structure was renewed.

The business environment remained challenging in 2014, which led to Componenta's net sales being 3% lower than in the previous year. Operating profit excluding one-time items and exchange rate differences of balance sheet items, however, improved due to the successful implementation of the Group's efficiency program and the achievement of cost cutting and profitability improvement targets.

The net result for the financial year was modest due to high one-time items and exchange rate differences of operative balance sheet items, which included costs associated with the reorganization of operations and the closure of units, as well as impairment of fixed assets in various operating countries.

Componenta renewed its capital structure in August - September. The Group's short-term financing was replaced with long-term loan agreements, which led to longer maturities and will result in lower annual borrowing costs. We also carried out two share issues, which increased the company's equity ratio and improved liquidity. This created a sustainable foundation for the company's continued development.

The productivity and profitability improvement program that covers all Group functions will continue in 2015. The overall target of the efficiency improvement program is EUR 45 million improvement compared to the level of 2012. Of this target, EUR 27.5 million was achieved by the end of 2014. The efficiency improvement measures that have already been implemented, and the measures to be implemented in 2015, are estimated to further improve our result by EUR 17.5 million in 2015 and 2016. The program significantly improves Componenta's competitiveness by improving productivity and reducing fixed costs, while also decreasing the consumption of energy and raw materials. Consolidating our production

operations in larger units and reducing the number of production lines will improve our utilisation rates. In 2014, we completed the previously initiated transfers of casting and machining production, which led to the closure of the Pietarsaari foundry in July. As part of the development program, we also developed our operating methods and internal processes. We strengthened our customer project management by establishing a Project Management function, we reshaped the management and organizational structures of our units, and strengthened our management resources and competencies.

In late 2014, we launched Group-wide quality and customer service improvement projects aimed at the comprehensive development of the quality of our supply processes, reducing quality costs, increasing the efficiency of our customer service processes, and improving the quality of our customer service further. The projects will continue in 2015.

In 2014, we achieved good success in the sales of new product projects. Several years of investments in engineering expertise and resources, as well as in tools and product development partnerships with customers, produced good results. Our efforts to achieve the target we set a year ago—achieving EUR 100 million in organic growth through new products and solutions in selected customer segments and accounts by 2016—have progressed well. At the beginning of 2015, Componenta's order book was 2% higher than in the previous year, and our market share, particularly in the heavy trucks, machine building and agricultural machinery segments has grown and will continue to grow in 2015 and 2016.

In spite of the changes and uncertainty in the markets caused by the Ukrainian crisis, the decrease in the prices of energy and raw materials, low interest rates and the

improved competitiveness of the euro balance out the development of the economy and the markets. These developments, combined with the active capital market decisions of the European Central Bank, create the conditions for turning the economy around and for the positive development of our business in 2015.

Heikki Lehtonen, President and CEO



I would like to extend my warmest thanks to our customers, owners and personnel for their commitment and valuable cooperation!

Heikki Lehtonen

President and CEO



In 2014, we achieved good success in the sales of new product projects.

Componenta in brief

Our offering and services for the customers cover the complete cast component supply chain, thus meeting the demands and challenges of each sector and customer.

Componenta is one of the largest suppliers of cast components and casting solutions in Europe. Our operations are based on excellence and experience in the engineering, casting and machining of cast components.

Componenta has a global market. Its customers are well-known manufacturers of vehicles, machines and equipment, market leaders in their sectors. Our offering and services for them cover the complete cast component supply chain and meet the demands and challenges of each sector and customer.

In 2014, Componenta's net sales amounted to EUR 495 million and the number of employees to approximately

4,250. Componenta's production units are located in Finland, Turkey, the Netherlands and Sweden, and the company operates customer service centres in those four countries as well as in the United Kingdom, Italy, France, Germany, the United States and Russia.

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

Key figures

	2014	2013
Order book, MEUR	88.9	87.3
Net sales, MEUR	495.2	510.5
Operating profit, excluding one-time items, MEUR	15.1	18.2
% of net sales	3.0	3.6
Result after financial items, excluding one-time items, MEUR	-12.2	-6.2
Return on investment, excluding one-time items, %	4.8	5.9
Return on equity, excluding one-time items, %	-14.8	-12.8
Equity ratio, %	23.7	18.9
Interest bearing net debt, MEUR	216.0	229.6
Net gearing, %	194.4	269.6
Earnings per share, excluding one-time items, EUR	-0.35	-0.55
Equity per share, EUR	1.06	2.66
Dividend per share, EUR	0,00*)	0.00
Investment in production facilities, MEUR	22.6	18.9
Number of personnel at end of year, including leased personnel	4,238	4,431
Capacity utilization rate, %	58	59
Energy consumption, GWh	666	671

*) Board proposal

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

The year in brief

Key measures at Componenta during the year 2014.

Componenta's year 2014

Efficiency improvement program continues



The efficiency improvement program aimed at productivity and profitability improvements in all of our operating countries progressed in line with expectations. The program, which was launched in 2012 and has progressed well, targeting EUR 35 million improvement of EBITDA, was extended for a second time with new efficiency improvement measures. The measures are aimed at continued improvements in competitiveness and a cost reduction of at least EUR 10 million by 2016.

Financing arrangements totalling EUR 250 million provide a strong foundation and shareholder support for the future



Financing arrangements carried out in three phases in August–September provided evidence of the shareholders' strong commitment and created a solid foundation for competitive business operations. Two share issues, a club loan agreement signed by the Turkish subsidiary and the parent company's syndicated loan agreement and revolving credit facility improved the Group's equity ratio, lengthened the average maturity of loans and will reduce annual financial expenses.



Investments to reduce environmental impacts



The Orhangazi foundry in Turkey implemented a new casting sand system that reduces the amount of waste generated in production. The Heerlen foundry in the Netherlands completed work on a new heat recovery and flue gas removal system that reduces the odour emissions of production. The Främmestad machine shop in Sweden invested in equipment to reduce water consumption and solid waste.

Continuous efforts to improve quality



To meet both customer requirements and quality standards, the entire Componenta supply chain continued to engage in training and development efforts during the year. At the closing event of the Lean Six Sigma training in June, 11 new Black Belts received their certification. Our quality efforts were also recognised by our customers, which was evidenced by excellent audit results and certificates.



Componenta's fourth trainee program started in spring 2014



Componenta's fourth international trainee program attracted broad interest among students in Finland, Turkey and the Netherlands. The 26 trainees selected from 700 applicants started the two-year program in June. During the first year of the program, the trainees work in their own countries and, in the second year, they will work at a Componenta unit located in another country of operation.

Measures to improve utilisation rates and productivity and reduce costs



Many improvement and change projects were carried out as part of the Group's efficiency improvement program. The capacity utilisation rates of iron foundries were improved by consolidating production in the larger units, which led to the closure in July of the Pietarsaari foundry in Finland. Operational efficiency was improved and costs were also reduced through many measures implemented in Sweden, Turkey and the Netherlands.



The efficiency improvement program in all our operating countries progressed as expected. Financial arrangements carried out during the year provided evidence of the shareholders' strong commitment and created a solid foundation for competitive business operations.

Strategy

Profitability and efficiency in business operations enables expansion to new emerging markets together with our customers.

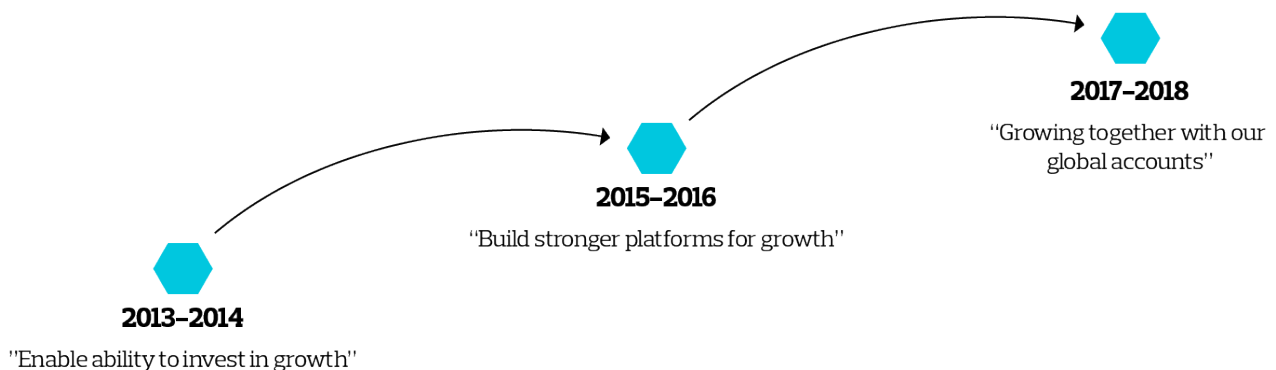
Componenta's mission is Casting Future Solutions and our vision is to be the preferred casting solutions provider for our customers locally and globally. All of our operations are based on our common values and sustainability principles.

In order to realise our vision, we must be a profitable and efficient industry expert and manufacturer, and we must continuously develop our business to grow with our globally operating customers. The foundation of Componenta's strategy lies in the Group's strengths: diverse production potential, broad product portfolio, services that cover the complete supply chain, and long-term customer relationships. We create added value for

our customers through comprehensive solutions that combine engineering, casting, machining, surface treatment and/or logistics according to the customer's needs.

The implementation of our strategy is progressing gradually. In 2013 and 2014, we systematically implemented measures to develop productivity and quality in order to ensure profitability and create the foundation for future growth. We will continue to implement and adapt these measures in 2015 and 2016, as well as focus on enhancing the efficiency of our component production and improving the service portfolio we offer to our key customers.

Steps to implement our strategy

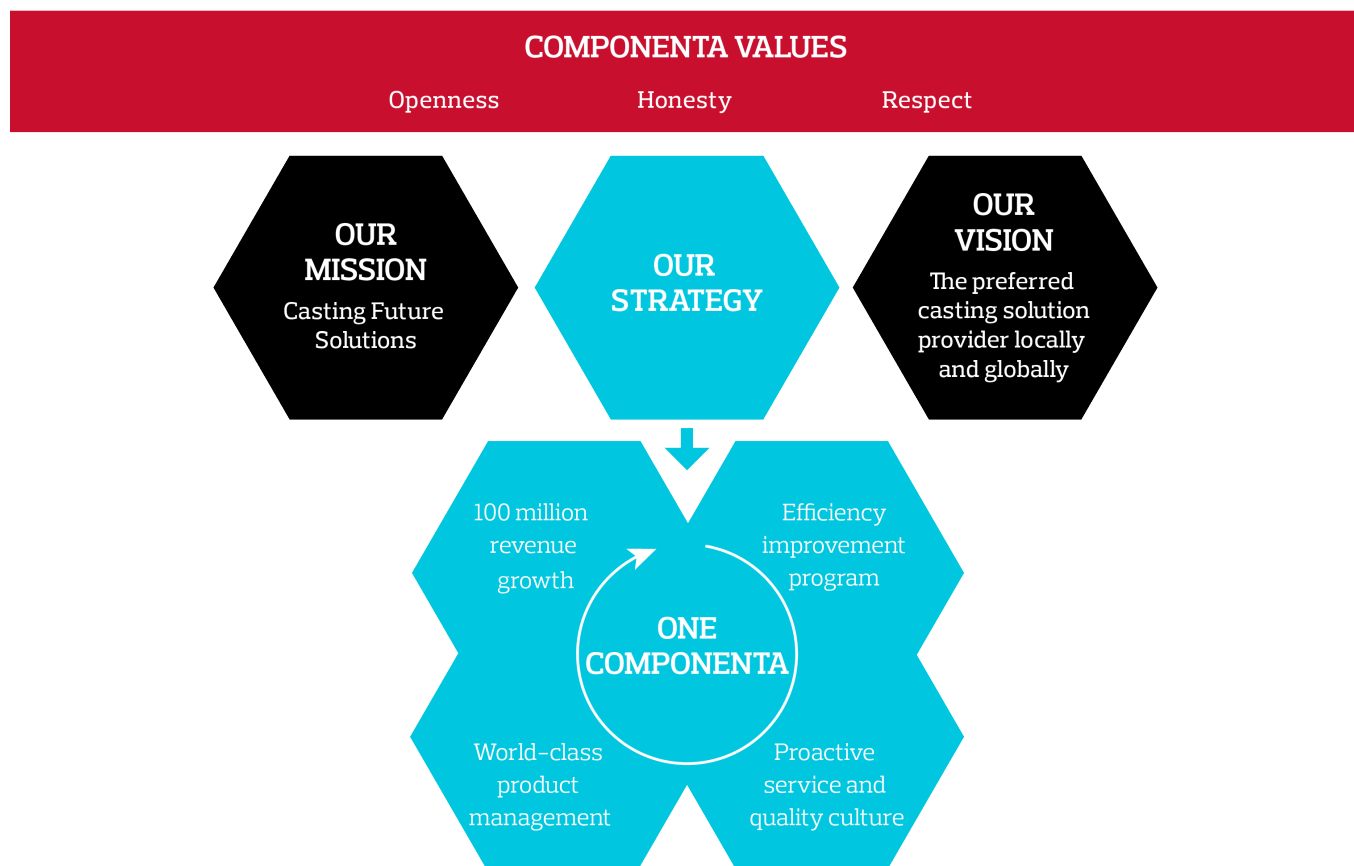


In 2014, our strategic activities were focused on improving profitability and efficiency. The Group-wide New Force efficiency improvement program progressed according to plan, and it was expanded with new development projects and measures in December 2014. Development measures were initiated in areas important to customer service and customer

satisfaction, including engineering and product development, quality and project management, all aimed at better meeting customer demands. By deepening our existing customer relationships and increasing cooperation, we also aim to increase new sales. During the year, we continued to develop our common One Componenta ways of working and operating practices.

At the beginning of 2015, Componenta further specified its strategic targets for achieving the Group's long-term vision. The goal remains to strengthen the conditions for profitable growth. Our attention and measures will be focused on implementing the measures to ensure

competitiveness that have been planned as part of the efficiency improvement program, as well as on strengthening our proactive service and quality culture, excellence in product management, and increasing sales.



Componenta's financial objectives 2015

	Objective 2015	Actual 2014
EBIT	minimum 8%	3.0%*)
Equity ratio	minimum 40%	23.7%
Return on investment	minimum 15%	4.8%*)

*) Excluding one-time items

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 ourselves 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 in 2014.

Measures to reach strategic goals in 2014

Goal	Measures taken in 2014 were among others
 <p>New Force efficiency programme</p>	<ul style="list-style-type: none"> • In Turkey, measures to improve quality and productivity at the Orhangazi foundry, including a new sand recycling system, a new layout for the core department, a new operational model and new organization, starting construction on a new and efficient Disa production line • In Finland, relocating the Disa production line from the Pietarsaari foundry to Pori and closure of the Pietarsaari foundry, measures required by the increased production volume of the Pori foundry, including machine investments, layout changes and the installation of more filters • In the Netherlands, process changes and investments at the Heerlen foundry to improve the efficiency of operations and reduce environmental emissions. At the Heerlen and Weert foundries, a new operational model and organization, as well as combining the Customer Service Centre, compressor production and machining services under the same management, along with the necessary transfers and reductions of personnel • In Sweden, product transfers from the Främmestad machine shop to the Orhangazi machine shop in Turkey, reorganizing production operations at Främmestad and closing one of the machining halls • In Sweden, transferring production from Smedjebacken to other Wirsbo Group forges and closure of the Smedjebacken forge • Group-level changes to common functions and cutting fixed costs
 <p>World-class product management</p>	<ul style="list-style-type: none"> • Development of centralised project management to ensure the efficient implementation of engineering and other customer projects • Measures to improve the efficiency of, and expedite, new product introductions • Measures to improve customer service in sales and engineering
 <p>One Componenta</p>	<ul style="list-style-type: none"> • Deployment of SAP enterprise resource planning system at the Främmestad machine shop in Sweden • Continued development and implementation of the Group's consistent way of working by unit/country • Internal training and development events for various personnel groups and functions
 <p>Increasing net sales</p>	<ul style="list-style-type: none"> • Active measures to deepen and expand cooperation with current customers • New engineering and product development projects • Continuous development of materials and processes

Business

Componenta's business 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 is one of the largest providers of cast components and casting solutions in Europe. Our operations are based on excellence and experience in cast components, their engineering and manufacture.

We serve leading companies in many different industrial sectors, well-known manufacturers of vehicles, machines and equipment. Our customers trust us and our ability to operate and supply.

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. The Group's business units in charge of casting and machining iron

and aluminium components form three divisions: Foundry Division, Machine Shop Division and Aluminium Division. In addition, the Group has a segment called Other Business. The Group's common customer service functions, sales, product development, engineering, quality and logistics services ensure close cooperation with customers and the provision of expert services throughout the supply chain.

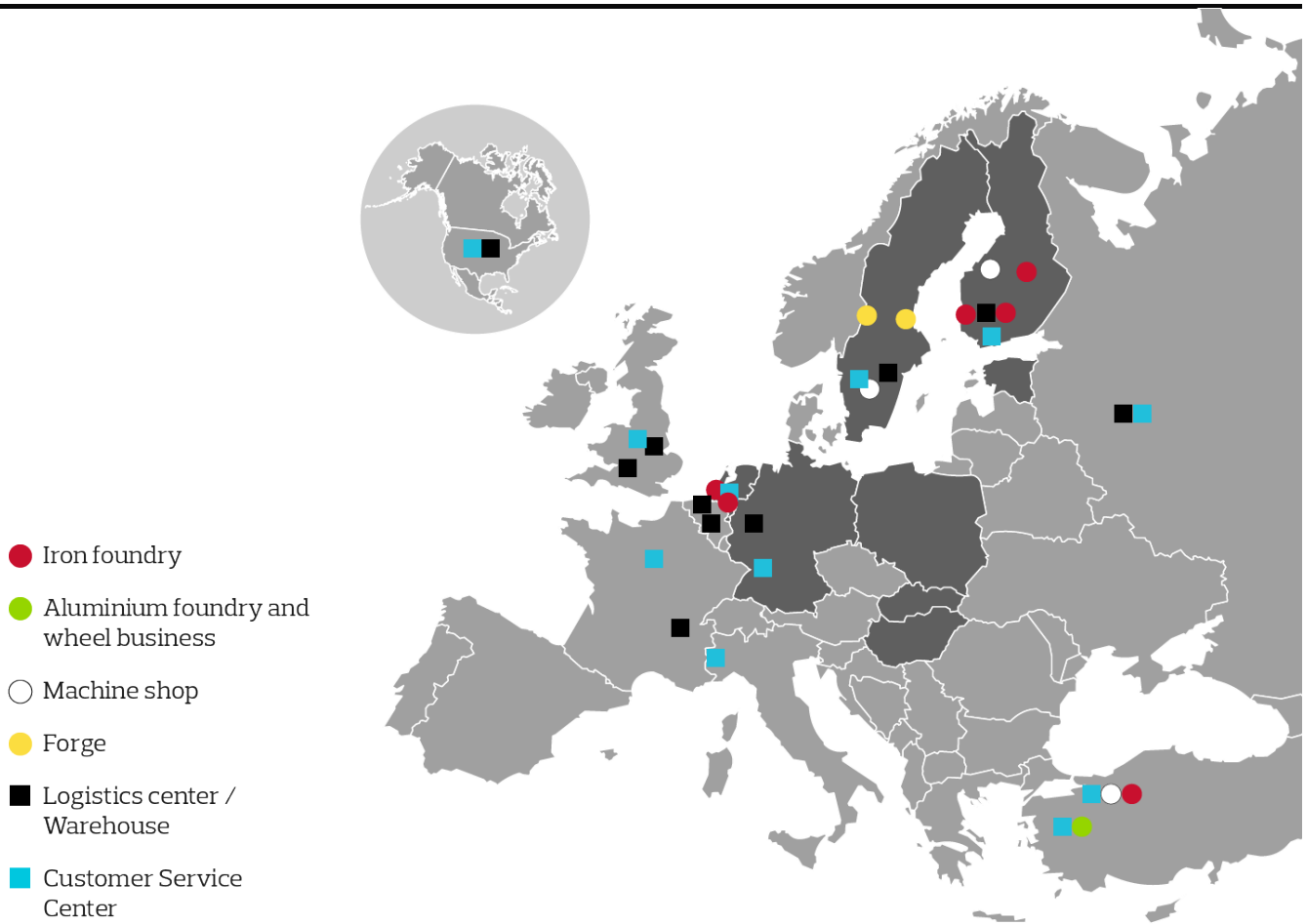
Componenta has production in four countries, Finland, Turkey, Netherlands and Sweden, and the customer services centers are operating in 10 countries. The Group employed approximately 4,250 persons at the end of the year 2014.

Our business in 2014

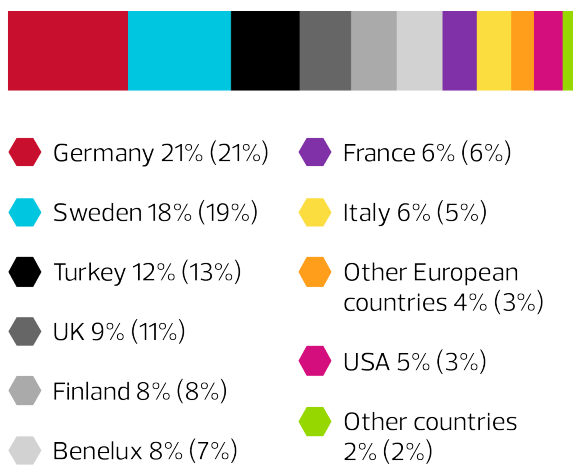
	2014	2013
Order book	89 MEUR	87 MEUR
Net sales	495 MEUR	511 MEUR
Operating profit *)	18 MEUR	15 MEUR
Capacity utilization rate	58%	59%
Investments	23 MEUR	19 MEUR

*) Excluding one-time items and exchange rate differences arising from open operative balance sheet positions

Componenta locations



Net sales by market area



We serve leading companies in many different industrial sectors, well-known manufacturers of vehicles, machines and equipment.

Business environment development

The demand for Componenta's products and services was influenced by changes in the business environment and customer sectors.

Componenta is one of Europe's largest suppliers of cast components. Our production units are located in four countries and customer service centres in 10 countries.

We provide local services to our global customers, who are well-known manufacturers of heavy trucks, construction and mining machinery, passenger cars, agricultural machinery and other machinery and equipment, such as lifts, cranes and diesel engines.

Market demand and growth in the foundry industry are highly dependent on macroeconomic trends. The demand for Componenta's products and services as well as its business operations are influenced by changes in the business environment and customer sectors.

Faced with a challenging economic situation, customers seek competitive suppliers that are strong and competent strategic partners with the capacity to develop their business operations and deliver demanding cast components even in economically challenging times.

As customers seek comprehensive solutions, they also have an interest in product development and engineering partnerships. They also look for cost advantages, which requires that operations are based in countries with low production costs.

In 2014, Componenta improved its competitiveness by implementing many measures related to the Group's efficiency programme to improve productivity and reduce costs. At the same time, the Group continued to develop its engineering and quality services as well as delivery certainty, and offer customers various casting solutions and applications that create added

value. Through these measures we will realize our long term goal to be the preferred casting solution provider for customers.

The economic uncertainty in Europe and the economic sanctions imposed by the EU countries and Russia to each others had the effect of weakening demand prospects from the summer 2014 onwards. The Group's order book increased slightly in the first quarter, but levelled off in the second quarter and took a downward turn in the second half of the year. The order books varied from one customer sector to another, which evened out developments in the total order book.

Demand from the heavy truck industry in the first part of the year was almost the same as in the previous year. Demand in the sector declined in Europe in 2014. The decline in Componenta's order book was less than in the overall market due to the growth in new products for truck manufacturers. At the beginning of 2015 the order book for Componenta's heavy truck customer business sector was 12% higher than at the same time in 2014. Demand in the heavy truck industry in Europe is expected to stay at the same level as in the previous year or to improve slightly in 2015.

Demand for construction and mining machinery was higher in the first half of 2014 than in the previous year. Towards the end of the year demand from end customers was clearly growing in North America, but in Europe demand was slack. At the beginning of 2015 the order book for Componenta's construction and mining customer sector was 19% lower than at the same time in the previous year. In 2015 demand in North America is expected to increase and in Europe to stabilize. Mining

industry prospects are still weak due to low mineral prices. As a whole, the demand is expected to be lower than in the previous year.

Demand from the machine building customer segment remained firm throughout 2014. At the beginning of 2015 the order book for the segment was on the same level than at the same time in the previous year. Prospects for the segment are expected to pick up during 2015.

In the first half of 2014 demand from the agricultural machinery customer sector was at the same level as in the previous year. In the second half of the year demand for agricultural machinery took a clear downward turn, as prices for agricultural products fell in consequence of the sanctions and counter sanctions imposed by the western countries and Russia. At the beginning of 2015,

the order book for the customer sector was 8% lower than at the same time in the previous year. Due to the economic sanctions and worldwide crop prospects, the prices of the agricultural products in Europe have decreased clearly and therefore, the demand for agricultural machinery is expected to further decrease in 2015.

In 2014 demand from Componenta's automotive customer segment remained at almost the same level as in the previous year, improving slightly towards the end of the year. At the beginning of 2015 the order book for the segment was 26% higher than in the previous year. Demand in 2015 is expected to improve from the previous year.



We provide local services to our global customers, who are all well-known players in their industrial fields.

Customers

Componenta's customers are manufacturers of vehicles, machines and equipment in different industrial sectors. Many of the customers are leading players in their sectors.

Componenta supplies components cast from iron and aluminium and solutions made from these to customers operating in five different industrial sectors. Many of our customer relationships and partnerships have continued for years, even decades. The products supplied by Componenta are often critical to the quality and functionality of the customers' products.

We provide our customers with services that cover the complete component supply chain. We know each customer's business and challenges, and we respond to the challenges by leveraging our expertise and experience in component engineering, casting, machining and logistics services. We aim to be the preferred casting solution provider for our customers, both locally and globally.

Heavy trucks, 33% share of Componenta's sales in 2014

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, 17% share of Componenta's sales in 2014

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 CE.

Machine building, 19% share of Componenta's sales in 2014

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, Bombardier, Kone, NCB Lohmann, Vestas and Wartsilä

Agricultural machinery, 14% share of Componenta's sales in 2014

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 Case New Holland, Claas, Fendt, Gima, John Deere, Massey Ferguson, Valtra and T.T.F.

Automotive, 17% share of Componenta's sales in 2014

Demanding engineering allows us to introduce new properties to aluminium components and further to end products. These include, among other things, reduced weight, improved durability, smaller fuel consumption

and, therefore, lower CO2 emissions. We provide aluminium wheels to leading manufacturers. We also produce two aluminium wheel brands of our own: DJ wheels and MAXX wheels.

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

Sales by customer industry



Heavy trucks 33% (31%)

Construction and mining 17% (19%)

Machine building 19% (18%)

Agricultural machinery 14% (17%)

Automotive 17% (15%)



We aim to be the preferred casting solution provider for our customers, both locally and globally.

Business segments

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

Componenta's business operations are divided by production units into three segments: the Foundry Division, the Machine Shop Division and the Aluminium Division. The segment structure supports the implementation of the efficiency improvement program to boost productivity and profitability. The Group's business development and financial performance is also reported in accordance with this segment structure.

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 and Pori in Finland.

The Machine Shop Division comprises the Group's machine shops located in Orhangazi in Turkey, and Främmestad in Sweden, as well as Componenta Pistons in Pietarsaari in Finland.

The Aluminium Division includes an aluminium foundry and an aluminium wheel production unit, both of which are located in Manisa in 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 Wirso forges in Sweden, the sales and logistics company Componenta UK Ltd in England, the associated company Kumsan A.S. in Turkey, service and real estate companies in Finland, and the head office functions.

The divisions follow the consistent "One Componenta" way of working while safeguarding customer service through the efficient supply chain consisting of Componenta's specialised production units and logistics centres. At the same time, each division can focus on leveraging synergies and developing the units within its own area of expertise.

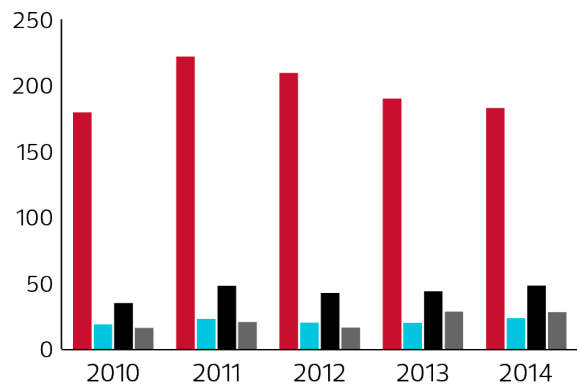
Share of each division of the Group *)

2014	Order book, MEUR	Net sales, MEUR	Operating profit**)	Personnel
Foundry Division	49.2	307.8	1.7%	2,751
Machine Shop Division	22.1	121.7	3.1%	396
Aluminium Division	15.9	79.5	10.3%	830
Other Business	17.7	129.9	0.5%	461

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

***) Excluding one-time items and exchange rate differences of balance sheet items

Production tons, 1,000 t



- Cast iron
- Cast aluminium
- Machined
- Forged

Foundry division

Componenta's iron foundries are specialised according to various moulding techniques, sizes of castings and series.

Foundry Division

Production units	Componenta Orhangazi	Turkey
	Componenta Högfors Componenta Pori Componenta Suomivalimo	Finland
	Componenta Heerlen Componenta Weert	Netherlands
Order book	At the turn of the year, the order book for the Foundry Division stood at EUR 49.2 million (EUR 51.2 million), 4% 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 308 (329) million.	
Operating profit	The division's operating profit excluding one-time items and exchange rate differences of balance sheet items and was EUR 5.3 million (EUR 2.0 million). The operating profit improved 165% from the previous year as a result of higher efficiency in operations and the cost savings.	
Number of personnel	At the end of 2014, the number of personnel in the Foundry Division, including leased personnel, was 2,557 (2,797).	
Management	The Senior Vice President of the Foundry Division is Olli Karhunen.	

The year 2014 was characterised by major changes for Componenta's iron foundries, which are specialised according to various moulding techniques, sizes of castings and series sizes. Transfers of production lines and products from Pietarsaari to Pori in Finland and Orhangazi in Turkey were completed, as was the closure of the Pietarsaari foundry. The efficiency of production processes was improved and the environmental impacts of production reduced through substantial investments in Orhangazi, Pori and Heerlen. Planned measures to even out production lines and production capacities, as well as to improve the efficiency of production operations, will continue in 2015.

Ways of working, organizations and management were reshaped in Orhangazi and the Netherlands. Componenta's largest foundry, Orhangazi, adopted an operational model in which production is divided into two production and supply chains. The functions responsible for customer service, quality and production planning, as well as those responsible for production support and maintenance services, work in close cooperation with the production. As a result of the restructuring, duties and areas of responsibility changed for a large proportion of the foundry's personnel.

Componenta's foundries in Weert and Heerlen in the Netherlands adapted and revised services that support production planning and new production introductions with the aim of making the functions cost-efficient and flexible. There were also changes in the management of both Weert and Heerlen units.



A year of major changes in the Foundry Division.

Share of the Group's energy consumption

78%

The change and development projects are part of a Group-wide efficiency program and strategic measures, and they are aimed at improving competitiveness through developing productivity and quality while cutting costs.

Share of the Group's net sales

62%

Share of the Group's waste

86%

Machine shop division

The machine shops machine, make surface treatment, pre-assemble and deliver iron components cast in the Group's foundries.

Machine Shop Division

Production units	Componenta Orhangazi MS Componenta Främmestad Componenta Pistons (piston production unit)	Turkey Sweden Finland
Order book	At the turn of the year, the order book for the Machine Shop Division stood at EUR 22.1 million (EUR 20.5 million), 8% 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 the machine building industry.	
Net sales	Net sales for the Machine Shop Division increased from the previous year to EUR 122 (116) million.	
Operating profit	The division's operating profit excluding one-time items and exchange rate differences of balance sheet items and was EUR 3.8 million (EUR 2.7 million). The operating profit improved 38% from the previous year mainly due to higher volumes and greater efficiency in production.	
Number of personnel	At the end of 2014, the number of personnel in the Machine Shop Division, including leased personnel, was 410 (369).	
Management	The Senior Vice President of the Machine Shop Division is Juha Alhonoja.	

The machine shops in the Machine Shop Division machine, make surface treatment and pre-assemble iron components cast in the Group's foundries and deliver them to customers. Production reorganization continued in Främmestad following product transfers to the Orhangazi machine shop. One of the two production halls was closed down and production was centralised in a single hall, reducing the transportation of materials and eliminating overlapping operations. At the end of the year, Främmestad deployed the SAP enterprise resource planning system that was already in use at the Group's other production units. Caterpillar awarded Främmestad the SQEP certificate for the second time in recognition of high quality and delivery certainty.

The Orhangazi machine shop focused on starting production on products transferred from Främmestad. The increase in production volume led to an increase in the machine shop's machining capacity by six new machining centres, and the number of personnel also grew. The machine shop's productivity developed favourably in 2014.

The measures introduced in 2014 at the machine shops in Sweden and Turkey to develop quality and delivery certainty will continue in 2015.

The division's piston manufacturing unit in Pietarsaari, Componenta Pistons, completed most of its production

expansion, with the remaining work to be finished in the first half of 2015. Production also began in 2014 on the

latest product in the piston product family, a 500 mm piston engineered for large diesel engines.



The Machine Shop Division's net sales grew and the efficiency of production was improved in 2014.

Share of the Group's energy consumption

2%

Share of the Group's net sales

25%

Share of the Group's waste

1%

Aluminium division

The Aluminium Division casts and machines aluminium components for cars and heavy trucks as well as aluminium wheels.

Aluminium Division

Production units	Componenta Manisa (aluminium foundry) Componenta Manisa 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 15.9 million (EUR 12.8 million), 24% 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 improved slightly from the previous year to EUR 79.5 (72.8) million.	
Operating profit	The division's operating profit excluding one-time items and exchange rate differences of balance sheet items and was EUR 8.2 million (EUR 8.6 million). The operating profit declined 5% from the previous year due to the increases of aluminium raw material prices and premiums.	
Number of personnel	At the end of the year, the number of personnel in the Aluminium Division, including leased personnel, was 831 (799).	
Management	The Senior Vice President of the Aluminium Division is Sabri Özdoğan.	

The Aluminium Division casts and machines aluminium components for cars and heavy trucks as well as aluminium wheels. The aluminium wheels are mainly manufactured for other brands, but also using two own wheel brand names, DJ and MAXX.

In 2014, production capacity was almost fully in use at the Aluminium Division's units, both the aluminium foundry and the aluminium wheel production unit. Production continued without any major changes or investments, and productivity was at a good level. The use of raw materials and energy increased due to higher

production volumes, which, combined with increased prices, had an impact on the division's financial performance.

The sales of new products developed more favourably than in the previous year. The introduction of new products in production was successful and the units passed quality audits performed by customers without major deviations. The Aluminium Division's delivery certainty was excellent, meeting its automotive industry customers' requirement of 100% delivery accuracy.



The Aluminium Division's net sales grew, but operating profit declined due to increased prices of aluminium raw materials and premiums.

Share of the Group's energy consumption

13%

Share of the Group's net sales

16 %

Share of the Group's waste

8 %

Business development

Several measures were implemented during the year to improve efficiency and develop customer cooperation.

Componenta engineers, manufactures and supplies to customers demanding cast components and related solutions. Componenta's foundries specialise in manufacturing components of different weight and production series of varying length, which makes it possible to choose the most appropriate, technically suitable and cost-efficient production location for each casting related work phase.

The value chain offered by Componenta covers the full supply chain of cast components, comprising all services from engineering to manufacturing and logistics. These services are used to create various customised solutions that provide added value to, and meet the needs of, large global customers as well as smaller customers locally.

The key business development measures in 2014 were related to the New Force efficiency improvement program underway across the Group's operating countries and production units. The target of the programme, which began in 2012 and was expanded in 2013 and 2014, is to reduce costs and improve profitability by EUR 45 million per year by the end of 2016.

The program progressed according to plan in 2014. The following development projects and measures were taken under the programme to increase the capacity utilisation rate of foundries, improve processes and productivity, increase quality and reduce costs:

- Improving productivity and quality at the Orhangazi foundry
- Improving productivity at the Främmestad and Orhangazi machine shops
- Restructuring foundries in Finland
- Restructuring foundries in the Netherlands

- Improving the productivity of Wirsbo Group's forges
- Product transfers to centralise production in larger units

The development and strengthening of the consistent One Componenta processes and operating methods that support business operations continued in 2014. Following the deployment of the SAP enterprise resource planning system at the Främmestad machine shop in Sweden in December, all of the production units that are part of the Group's core business operations now use the same system. Personnel skills and competencies, leadership, the flow of information and cooperation were developed in all of our operating countries. Training was arranged for various personnel groups to increase personal competencies required in their duties as well as teamwork.

Componenta's vision and long-term goal is to be the preferred casting solution provider for customers. To achieve this, we must have first-class engineering and production operations as well as active and high-quality customer service. Successful cooperation with the customer often starts in the early stages of the customer's product project, which allows Componenta to fully leverage its competence and expertise in materials, casting and machining in order to implement the best possible component or solution. According to the results of the annual customer satisfaction survey, most recently conducted in late 2014, with each passing year customers place more value on Componenta's ability to listen to the customer, understand the customer's needs, and produce innovative solutions.

Quality is one of the key indicators of customer satisfaction, and the continuous improvement of quality is one of Componenta's most important development

areas. Regularly arranged Lean Six Sigma quality training to support systematic quality improvement continued in 2014, with the first Master Black Belts trained internally at Componenta receiving their qualifications in June.

Building good quality in a component starts from the engineering phase and continues throughout the supply chain. At the end of 2014, we combined our quality and engineering functions to ensure that these key customer service functions work seamlessly together and are developed appropriately.

Componenta's engineering and product development resources were strengthened further in 2014. Several

engineering projects that met customer expectations and requirements were carried out during the year. In addition to close cooperation with customers, we focused on developing project management, expediting new product introductions and strengthening cooperation throughout the production chain.

In 2014, Componenta was actively involved in a FIMECC (Finnish Metals and Engineering Competence Cluster) material development programme in partnership with several businesses and universities to investigate the attributes of new cast irons and their potential improvement.



According to the results of the annual customer satisfaction survey, with each passing year customers place more value on Componenta's ability to listen to the customer, understand the customer's needs, and produce innovative solutions.

Customer service development

In 2014 we carried out a number of demanding product projects in cooperation with customers.

Componenta's customer service has been concentrated in customer service centre. Sales and sales support services as well as engineering and/or logistics services are available to customers in our production countries – Finland, Turkey, the Netherlands and Sweden – and also in the United Kingdom, Italy, France, Germany, the United States and Russia.

In accordance with the One Componenta operating principle, we use a Group-wide Customer Relation Management system (CRM) to support sales. In engineering and product development, we use modern 3D CAD tools and simulation software for casting and machining. We also want to ensure smoother customer service, and therefore we have initiated development projects aimed at improving the management of engineering and customer projects and at introducing new products in production more faster and efficiently.

Componenta's service concept, which covers the complete supply chain, and specialised production units offer diverse cast component solutions for local and global customers. We aim to grow sales by continuing to deepen our long-term customer relationships and by expanding cooperation in order to meet our customers' more diverse component needs.

Engineering in a key position

Understanding the requirements and challenges of each customer sector and aligning the opportunities offered by casting and machining technology constitute competence that we use to create new and innovative solutions together with our customers.

We carried out a number of demanding projects in 2014 in cooperation with customers and several operators from Componenta's supply chain. In engineering, key measures were aimed at increasing product development resources, providing timely calculations for RFQs, and introducing new products in production in accordance with customers' requirements and wishes. This was achieved by means of professional and competent resources, good internal cooperation and project management in the implementation of challenging projects.

High quality guarantees efficient operations and satisfied customers

The components supplied by Componenta are often critical to our customers' products, which highlights the importance of quality in our products, processes and ways of working.

Componenta has a Group-wide policy for quality, the environment, health and safety. In order to improve the quality of our entire supply chain, our units use a systematic Lean Six Sigma method. The tools used in quality development include continuous quality training and Six Sigma projects that improve the quality of our operations, production and products. We train new quality experts every year, and the Six Sigma training completed in June 2014 produced Master Black Belts (the highest level) in the Six Sigma method to further reinforce the quality expertise of our units. Aimed at improving quality and solving problems,

Six Sigma methods also increase customer satisfaction and reduce costs.

The Group's quality operations and their organization were developed in 2014. The production, quality and delivery certainty of a component can be influenced early on in the engineering phase by making decisions concerning the component's structure and manufacture and by simulating production. This expedites the introduction of the component in production and

reduces the number of rejects and, as a result, the use of raw materials and other production resources. In 2014, we decided to combine engineering and quality operations as well as their development under the same management. For Componenta, quality and engineering are key success factors and the cornerstones of customer satisfaction, and their improvement will continue in 2015.

Our ability to listen to customers

3.70

Customer satisfaction survey 2014, on a scale of 0-5.

Our ability to understand customers' business needs

3.67

Customer satisfaction survey 2014, on a scale of 0-5.

Sustainability

Sustainability is based on values, strategy and operating methods and is an integral part of all of our operations. We look after profitability, people and the environment.

In 2014

- we improved the efficiency and profitability of our operations
- we strengthened the Group's equity ratio and financial position
- we developed our operating models and organization
- we expanded our common One Componenta way of working
- we reshaped production operations and processes
- we made investments and improved processes and working conditions
- we carried out measures to reduce our use of raw materials, waste volume and the environmental load of production operations

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

All Componenta production units have third-party certified quality and environmental management systems. The Group's units in Orhangazi and Manisa in Turkey, foundries in Karkkila and Pori in Finland, and Componenta Pistons also have a certified OHSAS 18001 occupational health and safety system. The development and eventual certification of an

occupational health and safety system is also underway, or planned, at other production units.

Increasing profitability, competitiveness and shareholder value

Economic responsibility at Componenta involves ensuring our profitability and competitiveness and the growth of shareholder value. This means the continuous development of the functions and services across the value chain.

The measures implemented under our ongoing Group-wide efficiency improvement program have improved the profitability of operations. The long-term development of our production and customer service operations strengthens and improves our competitiveness, making us a competent and reliable partner for customers and investors. Managing, identifying and preparing for the risks associated with business operations is part of our responsible operating method and management.

Good leadership and looking after people

Social responsibility at Componenta involves good leadership, consideration for people and the development of competence, wellbeing and safety. In 2014, we focused particularly on leadership development through several different training programs.

We do not condone any form of bribery or discrimination under any circumstances. No incidents of discrimination were reported at Componenta in 2014.

We also pay special attention to environmental and safety requirements, social responsibility and ethical principles in matters pertaining to our suppliers. We do not pay bribes or make any other illegal payments. No cases of corruption emerged in Componenta in 2014.

Reducing environmental impacts, recycling and reuse

Environmental responsibility at Componenta includes reducing the environmental impacts in manufacturing from raw material to ready made cast components. Componenta is a significant recycler of raw materials and waste.

Component engineering and choices of materials can influence the environmental impact of a component during its life cycle. The main raw material used for cast components is recycled steel, in 2014 its share was 71%. In 2014, 60% of the waste generated in the production process was reused or recycled. We also reuse the heat energy created in melting; for example, in heating buildings.

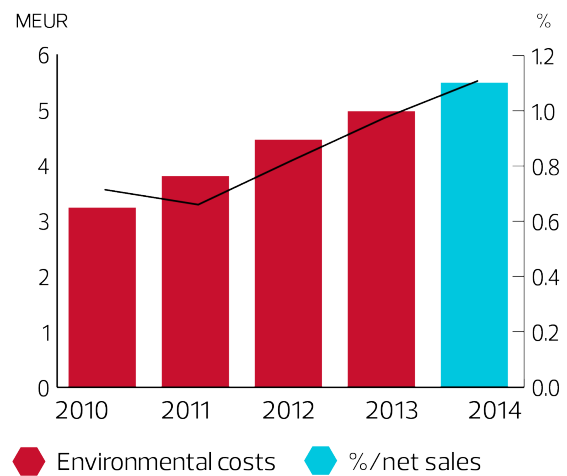
The high quality of our products and operations also means reducing the environmental impact of our production operations and operating cost-efficiently. The better the quality we produce, the lower the number of the rejected castings and the smaller the consumption of raw material, energy and resources.

Personnel by country



- ◆ Turkey 61% (60%)
- ◆ Finland 16% (17%)
- ◆ The Netherlands 13% (13%)
- ◆ Sweden 10% (10%)

Environmental costs



Environmental impact

We strive to minimise the environmental impacts that manufacturing of iron and aluminium cast component create, by developing more environmentally friendly production methods and processes.

The production of cast components requires plenty of energy, and the production process also generates significant amounts of waste. As such, Componenta's key environmental aspects and targets are related to energy consumption and its reduction, waste prevention and the reuse of waste instead of dumping it at landfill sites.

At the production unit and local levels, we also monitor and measure raw material consumption and emissions from production, namely particle and VOC emissions as well as environmental noise caused by production. All Componenta foundries and forges comply with the emission and noise limits defined in the conditions of their environmental permits.

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

Component engineering decisions and choices of materials made in cooperation with the customer can reduce the environmental impacts arising from the production and use of components. A production-friendly casting is manufactured cost-efficiently and in an environmentally friendly manner, leveraging Componenta's technical expertise in casting, engineering and materials. Durable and lightweight materials and optimised structure lead to longer useful lives for products, reduce emissions and have other benefits.

We can also 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 operate more efficiently and at lower cost.



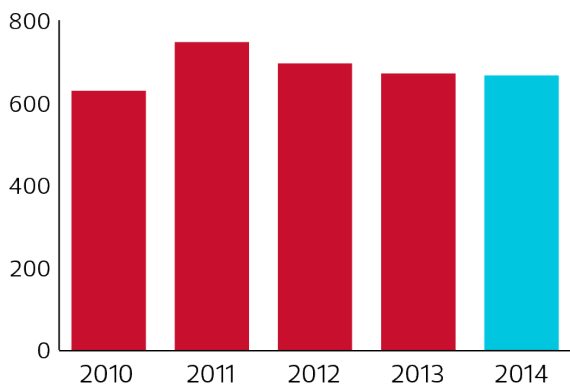
All Componenta foundries and forges comply with the emission and noise limits defined in the conditions of their environmental permits.

Environmental cost breakdown



- ◆ Waste management 85% (84%)
- ◆ Wastewater management 3% (4%)
- ◆ Protection of ambient air and climate total 4% (5%)
- ◆ Protection of soil and groundwater 3% (2%)
- ◆ Protection of biodiversity and landscape 0% (0%)
- ◆ Other environmental protection activities 5% (5%)

Total energy consumption, GWh



Sourcing and raw materials

The quality and environmental impacts of components start from the responsible sourcing of raw materials and other inputs.

Componenta has established strict requirements for raw materials that are critical to production operations, and the fulfilment of these requirements is monitored in the quality control processes of suppliers and our own receival inspections. New raw materials are always tested in production before their actual use. For example, recycled steel used at iron foundries may not contain any impurities or hazardous substances, such as lead. Each batch of molten raw material is carefully analysed before it is cast into components, including, among other things, measuring lead to an accuracy of three decimal places.

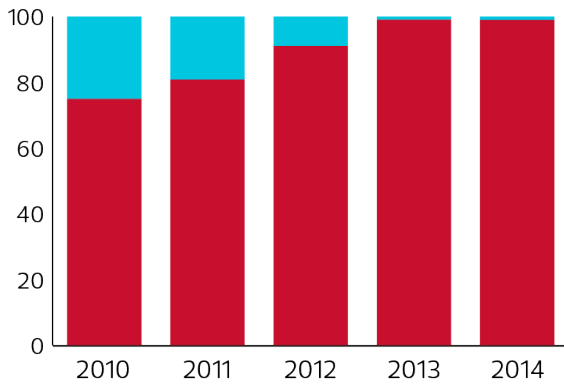
Using optimal raw materials ensures that production operations are efficient and environmentally friendly, which is why we also apply the Group's internal best practices in the selection of raw materials. In 2014, we compared the attributes of sand used in casting moulds at the Orhangazi and Weert foundries, and assessed the necessary measures based on the results.

The majority of the raw materials are sourced for each foundry as locally as possible, allowing for quality requirements and availability. The Group-wide sourcing policy and the related Code of Conduct ensure that safety, environmental aspects, social responsibility and ethical principles are taken into consideration.

In addition to price and quality, the selection of suppliers takes into account many factors of environmental and social significance, such as sustainable development, working conditions, safety and logistics. 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. We have evaluated all of our key suppliers of raw materials and we continued to carry out supplier audits in 2014.

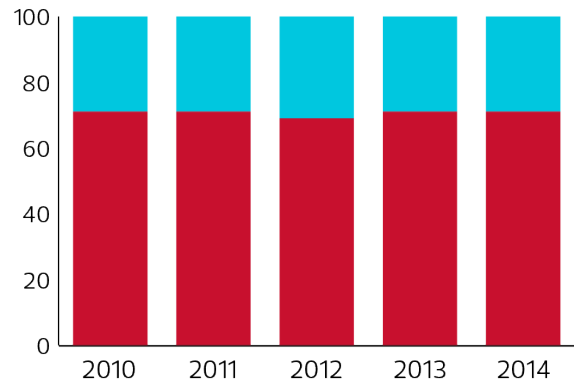
In 2014, Componenta purchased raw materials worth EUR 203 million. The largest supply country was Turkey.

Ingots and liquid aluminium used in melting, %



◆ Ingots
 ◆ Liquid aluminium

Recycled steel and pig iron used in melting, %



◆ Recycled steel
 ◆ Pig iron

Engineering and product development

High quality starts already in engineering of a product.

At Componenta, engineering is a broad entity covering product design and product development, but also new product introduction, production planning and comprehensive project management. The diverse development of engineering competence and resources is one of our key strategic targets.

We create added value for our customers by managing the wide spectrum of product development and engineering and by understanding and meeting our customers' needs. The outcome of successful engineering is a component that has the best possible material, structure, and operating characteristics and can be introduced in production and launched in the market quickly. This also reduces the costs of the product and the environmental impact related to manufacture and use.

Componenta is continuously involved in developing improved and more durable casting materials. We cast

several different grades of iron and aluminium, which enables selecting the most suitable material for each component. For example, the excellent strength and durability properties of the SSF iron, which was introduced in production most recently, enable the manufacture of lighter and thinner-walled components that are also more durable in use. This is a clear benefit for vehicle and machine manufacturers and end users alike.

We use modern engineering tools and methods, such as 3D CAD, casting simulation, machining simulation, and 3D printing.

Below three case examples of the results achieved through engineering and product development.

Case

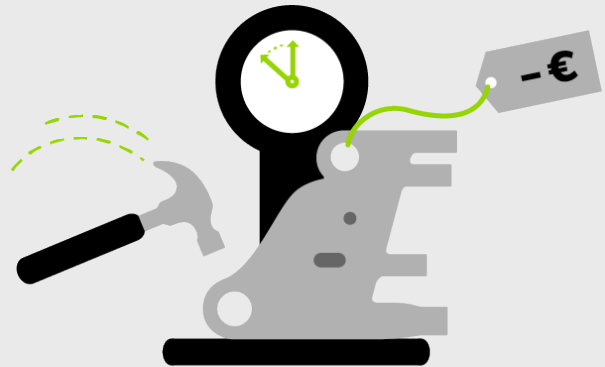
A 13% cheaper, 15% lighter and more durable backhoe loader part**Target**

The target of designing a critical component for the bucket of a backhoe loader was to reduce the weight and price of the component and increase the pay load.

End result

During the design phase that was completed in only four months, the following results were achieved for the backhoe loader part:

- Weight reduction from 135 kg to 115 kg
- Cost savings of 13%
- Stress level decreased from 450 Mpa to 350 Mpa
- Extremely durable structure (bump test cancelled after 38 collisions, no damage to cast component)



Reduced costs, enhanced product quality

Case

From a fabricated bolster into a ready-to-install cast component**Target**

The target was to transform a fabricated train bolster into a ready-to-install cast iron component.

End result

- Ready-to-install component (cast, machined, painted and tested)
- Significant cost reduction compared with the fabricated solution
- Result from fatigue test: extremely durable structure
- Integration of pneumatic function into the cast component



A ready-to-install component as a result of careful design

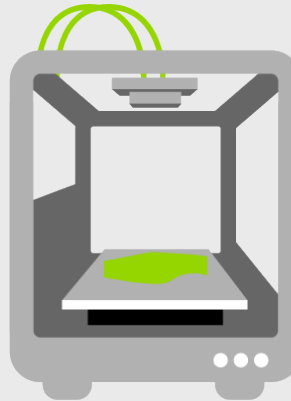
Case

Faster lead times through prototyping with 3D-printed sand cores**Starting point**

Two machined prototypes of exhaust carriers for a tractor had to be finished within 20 days.

End result

- Delivery of cast and machined components according to the customer's schedule
- No extensive rework of 3D data
- Learning for future serial production by utilising the in-house supply chain



3D printing guarantees efficient operations

Our ability to generate innovative ideas

3.41

Customer satisfaction survey 2014, on a scale of 0-5.

Engineering cooperation

3.68

Customer satisfaction survey 2014, on a scale of 0-5.

Energy efficiency in production

We actively monitor our energy consumption in the units and take measures to increase the energy efficiency.

At foundries, the melting of raw material and holding its temperature involves high energy requirements, which makes Componenta a significant consumer of energy. We actively monitor our energy consumption figures and take measures to improve 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 2014, our total energy consumption decreased slightly from the previous year and amounted to 666 GWh. Of the energy consumed, 68% was electrical energy. Foundries accounted for 90% of the total energy consumption. Energy consumption relative to production volume increased by 2% at iron foundries due

to the capacity utilisation rate being lower than in the previous year.

In Finland and the Netherlands, Componenta is committed to national targets for reducing energy consumption. In Finland, we are part of the voluntary energy conservation and energy efficiency agreement for various industrial sectors that extends to 2016. In 2015, energy audits will become a statutory requirement in Finland for large corporations such as Componenta. 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% reduction in energy consumption by 2030 in comparison with the 2005 levels.

Distribution of energy consumption



- Electricity 68% (67%)
- District heat 4% (4%)
- Coke 7% (8%)
- Natural gas 18% (18%)
- Oil 2% (2%)
- Liquid gas 2% (2%)

Energy consumption by production plant



- Iron foundries 78% (78%)
- Aluminium production 13% (12%)
- Machine shops 2% (2%)
- Forges 7% (7%)

Emissions

Emissions from the foundries reduced as a result of the investments and changes made in 2014.

The most significant emissions from Componenta's production operations are related to dust generated in foundries as well as volatile organic compounds (VOC). There are also some odour emissions. Efforts are also made to reduce other emissions, such as noise from production units. Machining and forging do not cause significant emissions.

The mould sand and binding agents used at foundries generate dust in various stages of the process. Inside the foundries, dust is controlled by using extraction points, and filtering equipment prevents the dust from escaping into the air outside. The Orhangazi foundry replaced filtering equipment at the smelting plant and, as a result, dust and smoke emissions in both the indoor and outdoor environment were eliminated. In late 2014, efficient filtering equipment from the Pietarsaari foundry was installed at the Pori foundry, improving the filtration capacity of the increased production operations in Pori and significantly reducing particle emissions in 2015. The soundproofed equipment also means a reduction in noise.

VOC emissions are given off by the amines and solvents used in the production process. 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. To reduce odour emissions, raw materials have been changed, such as the change of sand raw materials at the Heerlen foundry in 2014. Measures were also taken in Heerlen to minimise odour emissions by raising chimneys to 45 metres and installing a flue gas after-burner in the cupola furnace.

Carbon footprint

The only greenhouse gas emissions generated by Componenta's production operations are direct carbon dioxide emissions arising from combustion in foundries. They are quantitatively not significant compared to other environmental aspects of production.

Componenta's measures to reduce the carbon footprint include optimising the transport of raw materials and finished products. We have also significantly reduced travel that causes emissions, and internal joint meetings are nowadays held by using the video conferencing equipment available at all Componenta locations.

Case

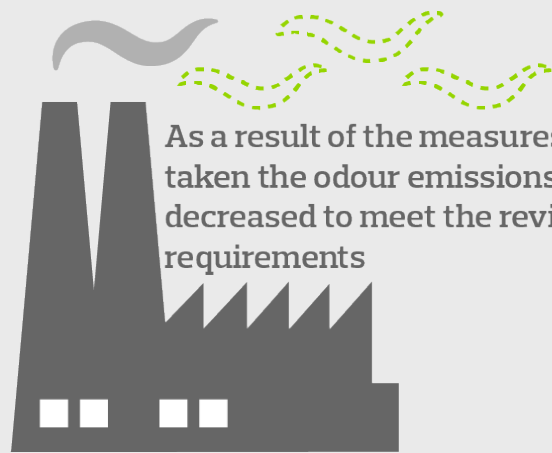
Reducing odour emissions at the Heerlen foundry

The Heerlen foundry in the Netherlands is located in an industrial zone surrounded by residential areas. The foundry was granted an environmental permit by the local environmental authority (Provincie Limburg, PL) in 2004, when production was relocated to Heerlen from the Group's foundry in Belfeld. The permit specified acceptable standards for odour emissions, which the foundry met.

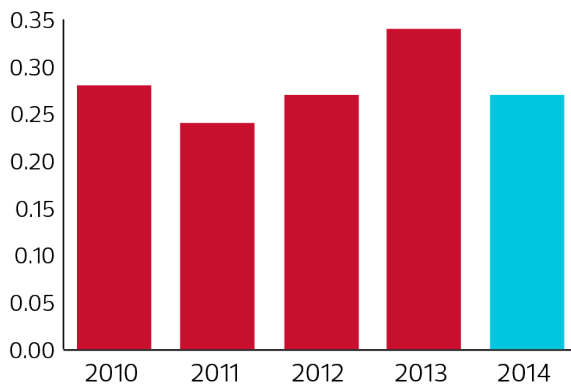
Nevertheless, the people living in neighbouring areas filed several complaints about the odours emitted by the foundry. In 2007, the local authorities proposed that the foundry's odour emissions should be reduced to a quarter of their level at the time.

Componenta and the local permit authority discussed potential solutions and compensation for associated costs, as Componenta was not in breach of its existing environmental permit. Many alternative solutions were investigated and tested between 2008 and 2013.

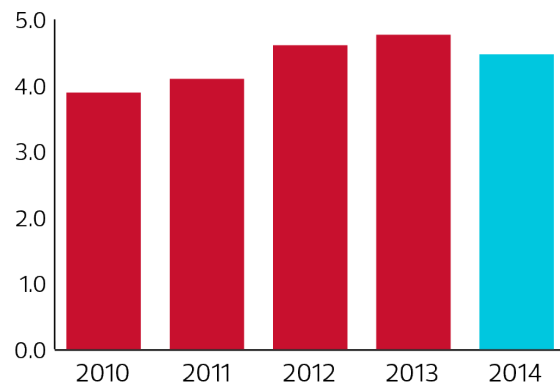
This ultimately resulted in a solution for reducing the Heerlen foundry's odour emissions to a quarter of their previous level by replacing sand raw materials with more environmentally friendly alternatives, raising height of chimneys to 45 metres, and installing a flue gas after-burner in the cupola furnace. Agreement on the costs was reached and the final agreement between Componenta and PL was signed in December 2013. Construction work on the chimneys began in January 2014. The higher chimneys and the after-burner were then incorporated into the process during the summer shutdown in 2014. Deployment and fine-tuning took place from September to November. Measurements of odour emissions taken in December 2014 indicated that the Heerlen foundry meets the requirements concerning odour emissions specified in the environmental permit revised in 2012.



Particle emissions in foundries, kg / cast t



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



Waste and recycling

A large proportion of the waste generated by Componenta's production operations is sorted for reuse. The aim is to find reuse options locally, often in the vicinity of production units.

In proportion to the products manufactured, Componenta's production operations generate a lot of waste in spite of the internal rotation of materials. 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 2014, Componenta's production units generated a total of 162,240 tonnes of waste, of which approximately 60% was reused. The relative amount of waste directed to reuse was due to the lower recovery rate of waste at the Orhangazi foundry. Nearly all waste generated by Componenta is sorted, and unsorted waste represented only 0.5% of the total waste volume in 2014.

More than half of the Group's total waste volume for 2014 was generated at the Orhangazi foundry in Turkey. Of the waste generated by the Orhangazi foundry, 28% was directed to reuse. Landfill waste was also generated from processing the foundry's accumulated waste for reuse. The Orhangazi foundry replaced its casting sand

regeneration unit and acquired sand core breaking equipment in late 2014, which will lead to a decrease in production waste in the coming years.

Reused waste generated by Componenta includes metals, slag, sand and dust. Promoting the reuse of waste and identifying new options for reuse is a high priority for us, which is why we participated in many different waste reuse projects in 2014.

Nearly all of the water used by Componenta is consumed at foundries, where it is used in the cooling of castings and the manufacturing of mould sand. 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. Some foundries take their cooling water from nearby water sources. Of the water sent to waste water treatment plants by Componenta, 81% originates from the Manisa aluminium foundry and wheel production.

Case

Waste of the Orhangazi foundry are separated for reuse and recycling

At the end of 2013, Componenta started a project to acquire waste separation equipment for the Orhangazi foundry. The project was carried out in partnership with Vossenbergh, a Dutch specialist company, with the aim of finding a solution to separating foundry waste that maximises the proportion that can be reused at the Orhangazi foundry.

The equipment consists of a crusher that makes the material finer and sieving machines to separate different waste fractions and different grades of materials. Magnetic separators in the equipment separate iron from the waste. Finished in 2014, the equipment separates foundry waste into different fractions. The foundry sand suitable for the new sand reclamation plant at Orhangazi is reused, while the rest is directed to the cement industry. Granular slag is reused in the cement industry or road construction. Most of the separated iron is remelted in the foundry's smelting plant and cast into castings.

The waste separation process reduces the environmental impact of the foundry, and it also produces significant savings in raw material and waste costs. This type of separation and reclamation process was not available in Turkey, and therefore know-how and equipment were brought in from the Netherlands.



The new system reduces environmental impacts, while bringing significant savings

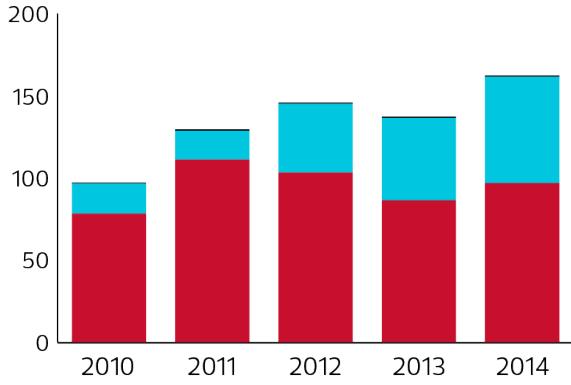


Reused waste includes metals, slag, sand and dust.



Unsorted waste represents only 0.5% of the total waste volume.

Waste, 1,000 t



- Sorted and re-used
- Sorted, but not re-used
- Unsorted

Investments

The investments carried out during the year developed production processes and at the same time reduced environmental impacts of the production.

At Componenta, every investment is also assessed with regard to its environmental impacts. New machinery and equipment and changes in production methods can affect variables such as energy consumption, raw material consumption and emissions.

In 2014, Componenta carried out two major investments in the development of production processes and reducing environmental emissions and waste as part of the Group-wide efficiency improvement program aimed at productivity and profitability improvements.

The Orhangazi foundry in Turkey implemented a new casting sand system that significantly reduces the amount of waste sand generated. Other process improvements were also implemented in conjunction

with the introduction of the new system. The changes improve the efficiency of material use, reduce the amount of waste generated, decrease the need for fettling castings and reduce costs, while improving the quality of cast components.

At the Heerlen foundry in the Netherlands, raw materials were replaced with more environmentally friendly alternatives, chimneys on the roof of the foundry were raised to 45 metres, and a flue gas after-burner was installed in the cupola furnace. These measures significantly reduce odour emissions and ensure that new emission limits will be met going forward. [Read more about our improvements.](#)

Case

New sand regeneration device was installed in the Orhangazi foundry

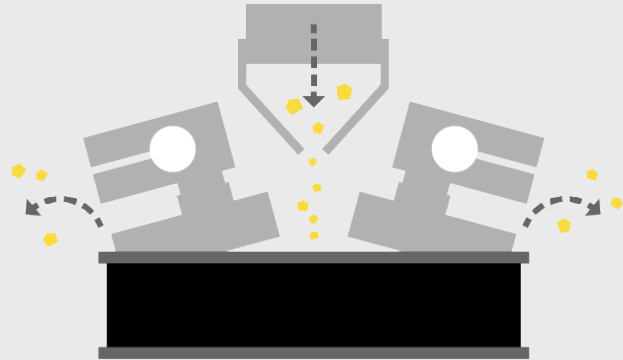
In late 2014, the Orhangazi foundry implemented new sand treatment and recycling equipment that operates 24/7 to produce 230 – 250 tonnes of sand per day for use in the casting process. The sand drying kiln and cooler, the sand core breaking equipment and the system's ventilation and dust extraction components were also replaced at the same time. The entire investment was planned and implemented using the Group's in-house expertise and best practices.

The new equipment produces higher quality regenerated sand than before. The capacity of the equipment is sufficient to meet the growing core sand requirements. Thanks to the new equipment, the quantity of sand dumped at landfill sites is reduced to almost zero. The equipment also facilitates the reuse of previously generated waste sand.

The equipment's rotary grinding drum breaks the sand, rounds the sand particles and removes binding agents left over from the casting process from the grains of sand. After being treated in this manner, the sand can be reused in the production of cores. Cores produced from cleaned regenerated sand are even stronger than those made from virgin sand due to the rounded shape of the sand particles.

Part of the dust separated by the equipment has a high concentration of bentonite and coal dust, which can replace new raw materials in moulding sand. Magnetic separators are used to also remove chromite sand from regenerated sand for use in cores that require a high degree of heat tolerance.

The new regeneration equipment helps reduce mould defects, gas defects and other defects caused by cores, while also improving the surface quality of castings.



The new device generates

230–250 tons of sand 24/7



In 2014, as part of the Group-wide efficiency program aimed at productivity and profitability improvements, Componenta carried out two major investments to develop production processes and reduce environmental emissions and waste.

Responsible employer

Social responsibility includes good leadership, consideration for people, and development of competence, wellbeing and safety.

Social responsibility is based on Componenta's HR 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.

Strategy-aligned HR management

The HR strategy is an integrated part of Componenta's business strategy, and personnel's development measures are always firmly linked to business development and the company's strategic focus areas.

We actively monitor and analyse external trends affecting the availability of resources over the long and short terms. We also monitor the social and economic movements, that may have an impact on resources, and prepare to adapt to them.

In 2014, the key HR management measures were related to the Group's strategic Must-Win Battles and particularly to the efficiency improvement program. The strategic focus areas are:

1. Developing the organization and managing resources to increase the efficiency of operations
2. Proactive resourcing and strategic HR planning
3. Development of leadership competences at the organizational and individual level.

Regular surveys

We regularly investigate the personnel's job satisfaction and working atmosphere. The Pulse survey was carried out in Componenta units in all our operating countries during 2014, similar to previous years. The survey's results were reviewed by function and the required development measures were jointly agreed.

In addition to the Pulse survey, we also carried out the Heartbeat personnel survey among production personnel. The development and improvement proposals that emerged are carefully taken into account. In addition to the personnel surveys, we encourage and support continuous dialogue between employees and supervisors.

Key figures

	2014	2013	2012	2011	2010
Total number of own and leased personnel	4,438	4,464	4,642	4,717	4,155
Total number of own and leased personnel on duty, FTE	3,727	3,617	3,855	4,003	3,224
Change during the year, %	-1	-4	-2	14	9
Absenteeism due to sickness and accidents, %	5.1	4.9	4.0	3.9	3.8
Recruitments	563	388	546	746	654
Turnover, %	23	15	18	17	10
Type of employment, %					
Permanent	85	86	82	73	81
Temporary	8	8	9	16	9
Leased	7	6	9	10	9

*) Includes all days of absence from first to last

95%

fully or to some extent agree that their contribution is important to the success of the company
(Pulse 2014)

86%

committed to Componenta strategy
(Pulse 2014)



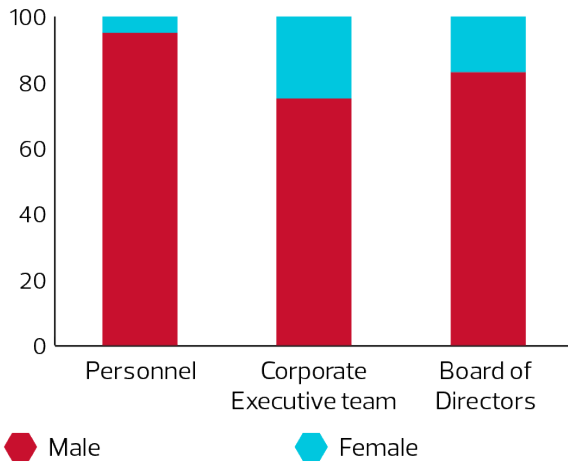
We encourage and support continuous dialogue between employees and supervisors.

Personnel age structure



- 18–24 4% (5%)
- 25–29 14% (15%)
- 30–34 17% (19%)
- 35–39 19% (20%)
- 40–44 15% (15%)
- 45–49 14% (11%)
- 50–54 7% (6%)
- 55–59 5% (5%)
- 60–64 4% (4%)
- over 64 1% (0%)

Gender distribution of personnel and management, %



Organizational development

Componenta's competitiveness was enhanced by developing productivity, delivery certainty and quality in the production units.

The harmonisation of our ways of working increases the efficiency, transparency and flexibility of our functions in the whole Group. We aim to implement the best practices of our production units and support functions in different countries in all our other units as well. This allows us to ensure the uniformity of our operations and to increase efficiency and flexibility throughout the organization.

Organizational renewals

As part of the efficiency improvement program 2014, the organizations and ways of working were renewed, aiming to lower the reporting structure and increase internal efficiency and the rapid flow of information. The changes were supported in the units by providing the supervisors with many practical coaching programs to reinforce their competence in daily management and change implementation.

A new way of operating was implemented at the Orhangazi foundry by dividing the production into two supply chains. The integration of the Pietarsaari foundry with the Pori foundry was also completed during 2014. The personnel restructuring carried out as part of the project included personnel reductions,

relocating employees in different Group functions and strengthening the resources of the Pori foundry. Due to the slow development of the order books, we focused on developing and enhancing ways of operating and streamlining structures in our Dutch foundry units. The efficiency improvement measures have also included personnel reductions, which will continue in 2015.

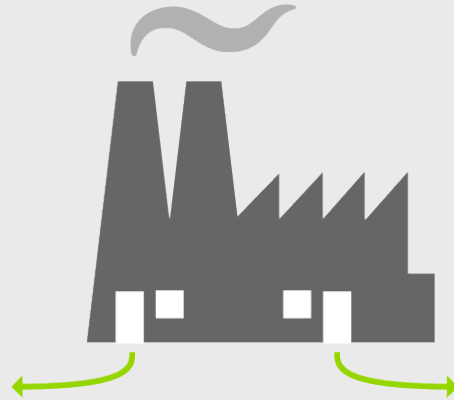
Adjusting working hours to quick market movements requires proactive resource planning and management from the organization. Improving the efficiency of our functions has included personnel adaptation measures in all our operating countries, such as temporary layoffs and personnel reductions. These were agreed together with the personnel, following the laws and negotiation practices of each country.

To ensure the effective takeover of new products, we established a Project Management Office in the Group, concentrating on ensuring the active and efficient collaboration and management of different actors in critical product projects. The new ways of operating were supported by coaching programs, internal work seminars and proactive resourcing.

Case

Two new supply chains at the Orhangazi foundry

The organization change carried out at the Componenta Orhangazi foundry divided the foundry's operations into two supply chains that work together but are separate entities. In addition to production-related efficiency improvement targets, the change aims to distribute the responsibilities for business and daily management to lower levels in the organization, as well as increasing horizontal integration and cooperation. An extensive resource assessment process was carried out as part of the organizational reform, including career and successor planning, talent reviews and 360-degree reviews.



The organizational change created two efficient supply chains

Case

Quality Mindshift

We aim to continuously improve quality and develop the related processes from engineering to casting, machining, finishing and logistics. In 2014 the Quality Mindshift project was launched. The aim is to comprehensively improve quality and, as part of the project, we began to specify existing and required quality processes, develop ways and models of working, and assess and develop resources, roles, responsibilities and critical competence. Our key aim is to strengthen the quality mindset and create a culture that supports it. As the first step and measure aiming to support change, we implemented a new quality management model during the last quarter of 2014. The Quality Mindshift project will continue in 2015.



Quality has a key role throughout the operations



The Project Management Office ensures the active and efficient collaboration and management of different actors in critical product projects.

HR planning

HR planning ensures the required resources for the implementation of strategy and development projects.

Strategic HR planning and proactive measures ensure timely resources and efficient project implementation. In 2014, we carried out the annual Group-wide Talent Review focusing on resources and potentials. Starting with the units, the process provided a clear and comprehensive understanding of existing resources and competences in relation to strategy implementation and existing business development projects.

During the review, questions related to successors, deputies and career planning were also addressed. In addition, talented employees, especially those in the early stages of their careers, and their development

needs were identified. Based on the review, clear development measures in terms of competence development and resourcing were established, and their implementation started in 2014 and will continue in 2015.

Another key aim of strategic HR planning is to ensure the development of the competence and vision required in the Group through career and job rotation. The exchange of international knowledge and experience was supported through short- and medium-term expatriate assignments for key personnel, while, at the same time, ensuring the transfer and strengthening of the Group's shared practices.



Strategic HR planning and proactive measures ensure timely resources and efficient project implementation.

Developing management competences

Managerial work has been developed through career rotation, reviews, recruitments and development programs.

In relation to the management of the organization and our personnel, in 2014 we launched several development programs and coaching processes for managers and supervisors at all organizational levels. Through these programs and diverse development projects, we strengthen and improve our management culture and overall occupational wellbeing, while also building Componenta into an even stronger, customer-oriented service organization.

We have determinedly developed managerial work through career rotation, reviews, recruitment and development programs. The programs strengthen the key leadership competencies in our business: **Let's make it happen, Let's do it together, Ready to and for change, Forerunner for the future** and **Power to Serve**. They also create a consistent view of business dynamics and strengthen our One Componenta practices and business competence in general. The programs will be implemented either throughout the Group or in individual countries, in cooperation with internal and external coaches. Componenta tailored tools, such as 360 reviews, Disc way of working analyses and other competence assessments, are utilised as part of the coaching processes.

In addition to the coaching and development programs, our personnel's general competence was developed in 2014 by organising training in occupational safety, quality, environmental issues and various information

systems. Employees were also offered language training in order to develop their language skills.

Development discussions

Our employees' competence and achievement of objectives are reviewed through development discussions twice a year. In the discussions, objectives, plans, competences and career opportunities are assessed and discussed together with employees. Through the development discussions, we want to ensure that each employee is offered a job, level and area of responsibility that matches their skills, allowing them to leverage and continuously develop their skills. Employees are encouraged to take part in diverse coaching programs and projects, particularly beyond their own areas of responsibility. This allows them to challenge themselves and learn new things. Projects also help to increase cooperation between different functions, utilise multidisciplinary competence and create synergy.

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, for example, establishing new meeting practices for management and other teams and by developing project work.

Case

Componenta Compact

Componenta Compact is a coaching program for production supervisors that focuses on developing practical supervisory skills with the aim of improving daily supervisory work. This very interactive program consists of five different modules on matters such as labour legislation, the characteristics and responsibilities of a good supervisor, improvement of quality and productivity, increasing the efficiency of ways of working, change management, effective communications and motivating employees. The coaching is very practical and is carried out through group discussions and teamwork. The coaching is strongly based on Componenta's values of Openness, Honesty and Respect. In 2014, coaching was launched in Turkey and it will be implemented in all our operating countries with local partners in 2015.



Case

Componenta Conduct – management looking to the future

In 2014, the need for coaching for the different management teams and their key members emerged. Management teams play an essential role in implementing the Group's strategy and strengthening good management practices. We commenced the Componenta Conduct coaching process that focuses on improving and enhancing management teams' internal cooperation, communication and dynamics. Moreover, the management teams specify their more detailed shared targets, rules and ways of working during the process. The coaching program is comprised of three elements: developing teamwork, setting roles and targets within the team and establishing an individual development path by assessing each team member and giving them feedback on their management characteristics. The program was implemented in Finland and Sweden in 2014, and it will be implemented in all Componenta units and key management teams during 2015.



The executive development program enhances working practices



Investments in development in all areas will be strongly reflected in our quality and profit.



Developing the competences of our personnel plays a key role in ensuring future operations, efficiency, occupational wellbeing and good management.

Education



High school or vocational school 56% (56%)

Basic education 24% (25%)

University degree 13% (11%)

Polytechnic or college degree 7% (8%)

Wellbeing and occupational safety

A safer working environment is developed and wellbeing improved together with the employees.

Developing and ensuring comprehensive occupational wellbeing are central issues at Componenta. All the regulations related to production and support functions are complied with, in line with local regulations. The required occupational wellbeing and health services are provided to employees at each unit. We aim to minimise and prevent the risk of accidents. Various occupational safety training courses are continuously provided at our units, and we ensure that the personnel have access to updated, suitable and sufficient tools at all times.

We invest in comprehensive occupational health services in all our operating countries, in order to prevent the deterioration of our employees' work

ability. Our aim is to significantly reduce absences due to illness through centralised monitoring and preventive measures. The new health management system adopted by the Finnish functions was an important renewal in terms of occupational wellbeing.

To support occupational wellbeing and prevent illnesses, we arrange various events related to physical and mental wellbeing and coping at work. For instance, during 2014 different sporting and cultural events were organised in all the Componenta countries. These events included, among other things, golf competitions, football matches and trips to historic sites and theatres.

Case

The new health management system was introduced in Finland

Componenta's Finnish functions launched an occupational wellbeing renewal, by deploying a new health management system. The new system improves the ability to monitor and react proactively to the wellbeing of employees and solve related issues. The system enables better interaction and cooperation between employees and supervisors in matters related to occupational health. The system aims to guarantee that each employee receives preventive and required care immediately, and recovery after the treatment of illnesses is also actively monitored. In addition, as part of the renewal, a self-notification system for sick leave and a HelpDesk to support it were deployed.

The new system is based on close cooperation with healthcare professionals who guide and support employees in matters related to occupational wellbeing and ensure that the diagnosis and treatment of illnesses is carried out with premium quality. The system was piloted at our Högfors foundry in 2014, and its deployment will be expanded to the other Finnish units in early 2015.



The health management system allows proactive maintenance of workplace well-being

Case

Utilisation of the OHSAS 18001 standard brings many benefits

The OHSAS 18001 standard on occupational health and safety is already used at Componenta's Turkish units and at some Finnish units. The deployment of the standard is currently being expanded to other units as well. The standard integrates occupational health and safety issues with everyday operations and management, and it aims to prevent accidents and illnesses and ensure the wellbeing of the personnel. The standard focuses attention to a holistic assessment and analysis of risks in order to identify them and improve ways of working. OHSAS 18001 helps to improve efficiency, cooperation and the personnel's motivation and wellbeing. It facilitates the more effective flow of information and communications, while also providing the personnel with more information on safety.



OHSAS 18001 integrates occupational health and safety issues with everyday operations



We comply with all the regulations and rules related to production and support functions in all countries, in line with the local regulations.

Employment years



- ◆ 0-4 36% (39%)
- ◆ 5-9 15% (14%)
- ◆ 10-14 18% (17%)
- ◆ 15-19 16% (16%)
- ◆ 20-24 7% (7%)
- ◆ 25-29 5% (4%)
- ◆ 30-34 1% (1%)
- ◆ 35-39 1% (2%)
- ◆ over 40 1% (1%)

New tools

Efficient tools support consistent processes and ways of working.

We continued to strengthen our common management practices and the One Componenta way to operate by introducing new tools that support consistent processes and ways of working. We also continued successfully with expanding the operation and active use of the HR system we deployed in 2013.

Efficiency and transparency are increased by the ERP system SAP, which already covers most of Componenta's operations and production units. The system was deployed at Componenta's Främmestad machine shop in Sweden in 2014, and expanding the use of the system will continue in 2015 to cover our customer service network in Germany and in the USA.

concept, Componenta's local newsletter, that is published locally and in the local language in all our four production countries. The local newsletter was received favourably, and it clearly responded to a communications-related need at our units in different countries. The local newsletter improves the flow of information between different organizational levels and countries.

In HR management, the renewal of the orientation process was started and as a part of it, the orientation materials for new employees were updated.

Enhanced communications

We also made internal communications more effective by launching a new communications

Case

Local Newsletter

The first issues of the Componenta Local Newsletter were published at the beginning of December 2014 in Finland, Sweden, the Netherlands and Turkey. The local newsletter contains topical information at the unit and country level, is produced locally in each country, and aims particularly to increase the availability of information on the company's key themes to the production personnel. The content of the newsletter includes greetings from the business unit directors, topical themes in HR management, shop stewards' news and local events with photographs. In addition, each issue includes an interview with a local employee. The newsletter also presents the different units' key performance indicators.

The newsletter's layout is identical in each country, and thus contributing to One Componenta. The local newsletter is distributed to all units, and its format is suitable for browsing while having lunch or taking a coffee break.



Informative newsletters help to build uniform Componenta

Case

The SAP ERP system into use at Främmestad

The SAP ERP system was implemented at our Främmestad machine shop in Sweden at the end of 2014. The system increases the consistency, transparency and fluency of processes throughout the organization. SAP enables integrating different functions of the supply chain, such as distribution, production and inventory and resource management, and the system makes it easier to monitor processes between these different phases. Storing information from different functions in a standardised format in the same database increases efficiency and speed, as different functions can share information in real time. It accelerates the processing of information and data and minimises overlaps.

SAP strengthens the One Componenta operational models in all countries and the deployment projects increase the Group's internal understanding of questions related to the management of functions, not to mention cooperation and the exchange of information between employees.





Our production personnel is the largest new target group to be reached with the local newsletter.



SAP enables integrating different functions of the supply chain, such as distribution, production, and inventory and resource management.

Developing the employer brand

Collaboration with stakeholders is part of proactive resource management.

Over the years, Componenta has established a strong collaboration network with certain universities and colleges that provide education to students in our field. The collaboration with these institutes was continued in 2014 by, among other things, organising foundry visits for students and taking part in student exhibitions and open house events at schools, where students had the opportunity to meet some of our experts, receive information and ask questions. We also provided thesis opportunities.

In addition to cooperation with educational institutes, we cooperate with other institutions and organizations and take part in key local events. For example, in Turkey we actively participate in the annual Children's Day. Componenta also has a cooperation network with professors, who teach subjects relevant to our industry, at several universities.

Professor cooperation

Componenta has a cooperation network with professors who teach subjects relevant to our industry at several

universities. In 2014, the cooperation included, among other things, arranging visits to our units. In addition, our own specialists, especially those engaged in Engineering and Product Development, gave lectures at universities.

International training

Componenta's fourth International Trainee Program was launched in 2014. The program aims to ensure competent and strategically important future resources and increase students' awareness of Componenta and the entire industry. The program also shares knowledge and competence by offering trainees the opportunity to get to know Componenta's different units and functions, and strengthens cooperation between Componenta and educational institutes.

Case

International Trainee program

Componenta's International Trainee Program involved recruiting young talents in the teams of our operating countries in finance, engineering, sales and production, among other positions. During the first year of the two-year program, the trainees worked in several functions in their home countries for the summer, after which many continued to work part-time alongside studying. In the summer 2015, they will continue the training by travelling to another Componenta unit abroad for an international period, where they will learn about the local ways of working with the support of mentors and work on an assigned project task.

**The two-year program employs young talents**

One of our trainees tells: *"The biggest asset of the International Trainee Program is that one gets to learn about the company in-depth from day one, and there are also lectures on the different functions. The trainee program allows you to grow to the company in a completely different way than simply starting as a new employee."*

"During the program, I worked on several projects in sales. Among other things, I carried out price, differentiation, competitor and growth potential analyses and customer segmentation. While working on these projects, I also met people from various levels of the company."



Developing our employer brand is also important for increasing commitment among our existing employees.



In order to attract the best professionals in the future as well, continuous student and educational institute cooperation is particularly important to us.

Added value for stakeholders

Profitable and competitive business operations and long-term improvements 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 those who neighbour our production units.

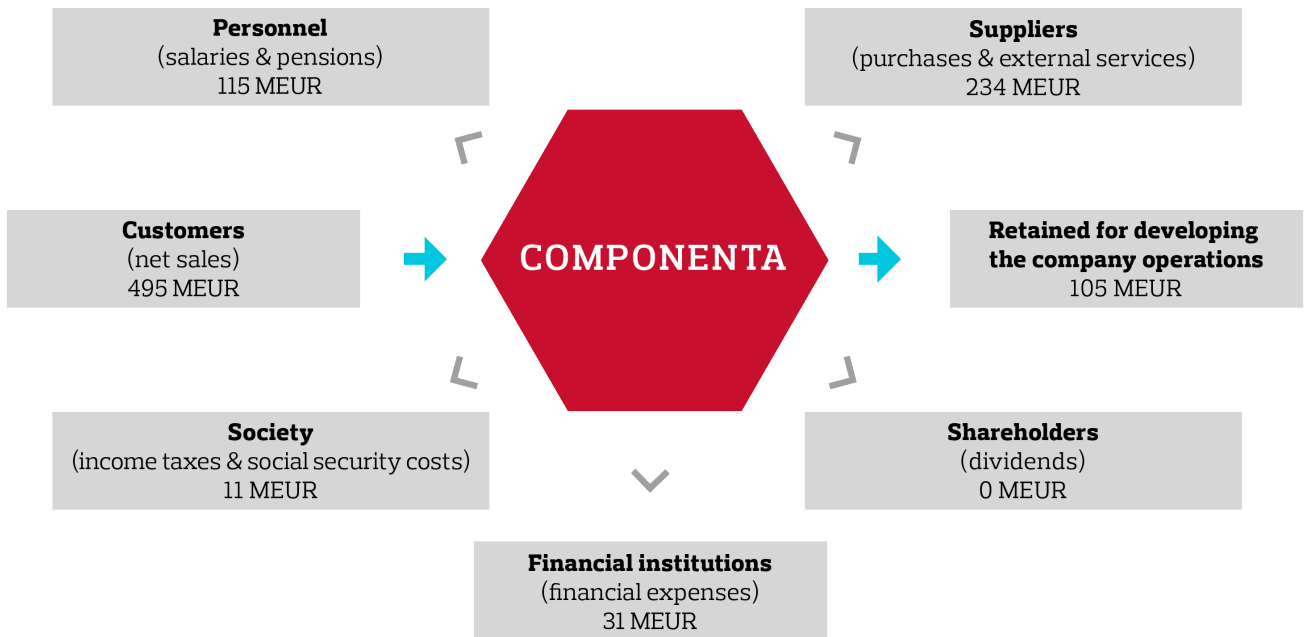
We act openly with our stakeholders, working together and meeting their expectations. We engage in ongoing dialogue with our stakeholders and take their feedback into account in our operations and development activities.

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.

One aspect of sustainability is safeguarding the profitability and competitiveness of operations in order to ensure business continuity. In comparison with 2013, Componenta's net sales fell by 3%, but EBITDA excluding one-time items and exchange rate differences of balance sheet items improved by 10%. The improvement in profitability was achieved through measures related to the Group-wide efficiency improvement program that renewed the units' operational structures and ways of working in order to increase utilisation rates, developed production processes and reduced fixed costs.

Componenta's net gearing was reduced and liquidity improved through financing arrangements carried out in 2014 that replaced short-term financing with long-term loan agreements and strengthened equity through share issues.

Added value for stakeholders



Our key stakeholders

- Customers
- Personnel
- Owners and investors

Stakeholder relations

Cooperation and dialogue with stakeholders.

Cooperation with customer companies' purchasing, engineering and quality operations and management continued intensely throughout the year in the form of meetings, factory visits and factory audits. We also met some existing and potential customers and showcased our offering at the international fairs Euroguss and IZB in Germany.

According to the feedback given by our customers in 2014, they appreciate Componenta's ability to listen to the customer, understand the customer's needs, and produce innovative solutions. In 2015, our development measures will focus on the further improvement of customer service and customer satisfaction.

Committed and motivated personnel play a key role in developing the Group's strategy and business operations and achieving targets. In addition to the efficiency improvement measures continued in different countries, in 2014, we also initiated several cooperation and competence development programmes that will continue in 2015. We also implemented new tools in order to improve the flow of information. According to the working atmosphere survey conducted in 2014, most of our employees are committed to implementing Componenta's strategy and believe that their contribution to the company's success is valuable.

Cooperation with shareholders, investors and lenders was intense and successful during Componenta's

financing rearrangements. The share issues executed in the autumn of 2014 demonstrated the strong commitment of the company's shareholders and investors as well as their support to developing the company's business operations in order to achieve strategic targets. In December, we arranged a Capital Markets Day where we gave a presentation on the development and outlook of the Group's business operations and operational environment.

We work closely with raw material and material suppliers in several countries. In 2014, we engaged in a regular dialogue with them and continued to carry out supplier audits, as we require our suppliers to operate in accordance with the certifications and standards followed by Componenta.

Componenta is a member in national foundry associations, chambers of commerce and many other organizations in the countries in which we operate, not to mention different cooperation bodies and projects related to the field. We are also constantly participating in different development projects with other companies, universities and research institutes.

In 2014, dialogue and cooperation with the neighbours of our units were maintained by, among other things, organising press conferences and open days.

Current and potential customers were met at Euroguss Fair 2014 in Germany.



Profitability improvement

The profitability of Componenta's operations improved in 2014 as a result of measures related to the efficiency improvement program.

The target of the efficiency programme, which began in 2012 and was expanded in 2013, is to improve the company's profitability by EUR 35 million in comparison with the 2012 level by the end of 2015. The efficiency improvement program progressed in line with expectations during the financial period. The cost savings target was achieved, even though the targets for the last quarter were not fully met.

Year 2014 EBITDA excluding one-time items and exchange rate differences of balance sheet items was EUR 35.8 million. Of this an estimated EUR 27.5 million comprises savings achieved in the efficiency improvement program. Annual impact of the cost saving actions already carried out but which were yet not visible in the year 2014 figures is EUR 7.5 million, of which EUR 4.5 million were related to efficiency improvement measures and EUR 3.0 million to the reduction of fixed costs. They are expected to have a visible impact in the 2015 EBITDA.

The efficiency improvement program was expanded at the beginning of December 2014 with the aim of improving profitability by a further EUR 10 million in addition to above mentioned EUR 35 million by the end of 2016. Some of the new development measures will improve the result already in 2015.

Production and common functions are being streamlined with the aim of increasing foundry utilisation rates and cutting fixed costs. Together, these are estimated to generate cost savings of at least EUR 6 million by 2016. Foundry production will be further concentrated by closing down two to three casting lines in 2015–2016. By increasing the efficiency of the Group's internal processes and ways of working, Componenta aims to achieve cost savings of EUR 4 million by the end of 2016, and most of them will already be achieved in 2015.

Saving projects and measures implemented in 2014

Measures		Fixed cost savings effect	Impact of efficiency improvement measures
Improving quality and productivity at the Orhangazi foundry	Process changes in production		X
	Renewal of the sand recycling system		X
	Layout changes in core production		X
	Start of construction on a new, efficient Disa production process and production line		X
	Changes in operational practices and organizational restructuring		X
Restructuring foundries in Finland	Product transfers from the Pietarsaari foundry to the Orhangazi foundry		X
	Transferring the Pietarsaari production line to Pori and implementing the necessary changes and investments at the Pori foundry		X
	Closure of the Pietarsaari foundry	X	
Restructuring foundries in the Netherlands	Personnel reductions and centralising customer service and engineering functions at the foundries	X	
	Investments at the Heerlen foundry to improve efficiency and reduce environmental impacts		X
	Organizational changes and changes in operational practices in Weert		X
	Changes to the management teams at the Heerlen and Weert foundries		X
Profitability improvement in the Machine Shop Division	Product transfers to the Orhangazi machine shop		X
	Restructuring at the Främmestad machine shop and the closure of one of the two production halls	X	
Improving the productivity of Wirsbo Group	Closure of the Smedjebacken forge and transferring production to other Wirsbo Group forges		X
	Personnel reductions	X	
	Management change		X
Changes to Group functions	Termination of the employment of those in Group and country level management and expert positions and discontinuing their positions	X	
	Personnel adaptation measures related to low utilisation rate	X	

Personnel by function



Production (blue collar) 79% (80%)

Production management 5% (4%)

Administration and management 7% (7%)

Quality and maintenance 4% (4%)

Sales, product development and purchasing 5% (4%)

Strengthening financial position

Componenta executed financing arrangements of EUR 250 million in 2014.

The loan portfolio of Componenta's Turkish subsidiary was refinanced through a seven-year club loan agreement of EUR 90 million signed by Componenta's subsidiary, Componenta Dökümcülük A.S. with four Turkish banks. The short-term financial agreement of Componenta Corporation with Nordic banks was extended by 3+1 years through a new long-term syndicated loan agreement of EUR 61.8 million and a revolving credit facility of EUR 7 million.

As a consequence of the new financing arrangements, the average maturity of Componenta's interest-bearing debts was lengthened from about one year to four and a half years. In addition, the company's annual borrowing costs will decrease by approximately EUR 8 million.

In order to strengthen the company's shareholders' equity, Componenta carried out two share issues in

August and September. In the private placement executed on 15 August 2014, a total of 15,000,000 new shares were offered to and subscribed for by a limited number of selected investors. In the directed share issue executed on 8–12 September 2014, a total of 53,000,000 new shares were offered to and subscribed for by individuals and corporations in Finland. The total number of new shares subscribed for in these share issues was 68,000,000, increasing the number of Componenta's shares to 97,269,224 shares. Through the share issues, Componenta acquired equity financing worth EUR 98.6 million and improved its liquidity position and equity ratio.

Refinancing arrangements of EUR 250 million

Two share issues total EUR 98.6 million

- 15,000,000 shares to a limited group of investors
- 53,000,000 shares to individuals and corporations in Finland



Term loan and revolving credit facility with Nordic banks

- EUR 61.8 million + EUR 7 million
- Maturity 3 + 1 years



Term loan and revolving credit facility with Turkish banks

- EUR 90 million
- Maturity 7 years



Equity ratio increased

Average IB debt maturity from 1 year to 4.5 years

Gearing decreased

Liquidity situation improved

Annual borrowing costs will decrease by EUR 8 million



Due to the new financing arrangements, the average maturity of Componenta's interest-bearing debts was lengthened from about one year to four and a half years. In addition, the company's annual loan expenses will decrease by approximately EUR 8 million.

Responsible management

At Componenta, responsibility is based on the Group's values, and the company's practices and management are guided by consistent ways and principles of working.

Componenta Group is a cast component and casting solution provider with operations in ten countries. 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.

Componenta's values of Openness, Honesty and Respect are a strong foundation for the Group's daily operations and cooperation with stakeholders. [Read more about our values.](#)

Our Group-wide One Componenta operating principles and policies, the Componenta Way to Operate, the Group's management principles and the Code of Conduct, guarantee consistent internal processes and practices regardless of the location and country of the unit or function.

We respect our employees' rights and local labour laws everywhere and under all circumstances. International

agreements on human rights and equality are integrated into Componenta's operating culture.

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.



One Componenta operating principles and policies guarantee consistent internal processes and practices regardless of the location and country of the unit or function.

GRI content index table

GRI Standard Disclosure Items	Reporting	Location in the Annual Report 2014	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	
2. ORGANIZATIONAL PROFILE			
2.1-2.10 Organizational Profile	Disclosed	Componenta in brief Business 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 Netherlands	
4.13 Memberships in associations	Disclosed	Stakeholder relations	
Stakeholder Engagement			
4.14-4.17 Stakeholder engagement	Disclosed	Stakeholder relations	
		www.componenta.com	
MANAGEMENT APPROACH AND PERFORMANCE INDICATORS			

1. ECONOMIC RESPONSIBILITY		
Management Approach, Economic responsibility	Disclosed	Responsible management
Economic performance		
EC1 Economic value generated and distributed	Disclosed	Added value to stakeholders
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	Responsible management
		Environmental impact
Materials		
EN1 Materials used by weight or volume	Disclosed	Sourcing and raw materials
EN2 Recycled input materials	Disclosed	Sourcing and raw materials
Energy		
EN3 Direct energy consumption by primary energy source	Disclosed	Energy efficiency in production
EN4 Indirect energy consumption by primary source	Disclosed	Energy efficiency in production
Water		
EN8 Total water withdrawal by source	Disclosed	www.componenta.com
Emissions, Effluents and Waste		
EN20 Significant emissions to air	Disclosed	Emissions
EN21 Total water discharge	Disclosed	www.componenta.com
EN22 Total weight of waste by type and disposal method	Disclosed	Waste and recycling
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	Engineering and product development
Compliance		
EN28 Non-compliances with environmental laws and regulations	Disclosed	www.componenta.com

Overall			
EN30 Total environmental protection expenditures and investments by type	Disclosed	Environmental impact	
3. SOCIAL RESPONSIBILITY			
Labor Practices & Decent Work			
Management Approach, Labour practices & Decent work	Disclosed	Responsible management Responsible employer New tools	
<i>Employment</i>			
LA1 Total workforce by employment type, employment contract, and gender	Disclosed	Responsible employer	
LA2 Employee turnover	Disclosed	Responsible employer	
<i>Occupational Health and Safety</i>			
LA7 Injuries and absences	Partially disclosed	Responsible employer Wellbeing and occupational safety	Absenteeism due to sickness and accidents
Training and Education			
LA11 Programs for skills management and lifelong learning	Disclosed	Developing management competences	
LA12 Performance and career development reviews	Disclosed	Developing management competences	
Diversity and Equal Opportunity			
LA13 Composition of governance bodies and breakdown of employee	Disclosed	Responsible employer	
Human Rights			
Management Approach, Human rights	Disclosed	Responsible management	
Investment and Procurement Practices			
HR2 Human rights screening of significant suppliers and contractors	Partially disclosed	Sourcing and raw materials	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	Responsible management	
<i>Corruption</i>			

SO3 Anti-corruption training	Partially disclosed	Sustainability	Code of Conduct
SO4 Actions taken in response to incidents of corruption	Disclosed	Sustainability	
Product responsibility			
<i>Product and service labelling</i>			
PR5 Practices related to customer satisfaction	Disclosed	Engineering and product development	Customer service development

Reporting principles

Componenta reports on sustainability as part of the Annual Report and adhering to the GRI G3.1 guidelines.

Componenta's Annual Report 2014, published as an online report, covers the period 1 January – 31 December 2014. 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 1 January – 31 December 2014, 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, Componenta's sustainability reporting has covered all three areas of responsibility, namely the economic, social and environmental dimensions, and separate sustainability reports were published on them from 2006 to 2010. As responsibility at Componenta is linked directly to the company's strategy and goals, and is part of business operations, we have reported on sustainability as part of the Annual Report since 2011.

The G3 guidelines set by the Global Reporting Initiative (GRI) were adhered to in collecting the 2014 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 2014 meets the requirements for GRI's Application Level B.

Our GRI Application Level

B

A third-party GRI Application Level check conducted by a corporate responsibility specialist Mitopro Oy confirmed Componenta's self-declaration that the Annual Report 2014 meets the requirements for GRI's Application Level B.

Corporate governance

Administration and management of Componenta.

The parent company of Componenta Group is Componenta Corporation (Componenta or the Company), a public company registered in Finland whose shares are listed on the Helsinki Stock Exchange. The parent company and its subsidiaries form Componenta Group. Componenta's head office is located in Helsinki.

Administration and management of Componenta are based on Finnish legislation, the Company's Articles of Association, and the guidelines and rules of the Helsinki Stock Exchange and the Finnish Financial Supervisory Authority. Componenta administration and management are guided by the Group's values, operating principles, policies and Code of Conduct. Componenta complies with the Corporate Governance Code for Finnish listed companies, which is available on the internet at www.cgfinland.fi. In accordance with the comply or explain principle, the Company does not comply with the recommendations of the Corporate Governance Code concerning the establishment of the Nomination Committee and the independence of Board members.

The Componenta Corporate Governance Statement 2014

as referred to in recommendation 54 of the Finnish Corporate Governance Code for Finnish listed companies, is given as a separate report on Componenta's website at www.componenta.com and in this Annual Report. The content of this Corporate Governance section in the annual report fully corresponds to the separate statement. The Corporate Governance Statement has been reviewed at the meeting of the Audit Committee of Componenta Corporation's Board of Directors on 6 February 2015.

Non-compliance with recommendations 28 and 29 of the Corporate Governance Code, Establishment and Members of the Nomination Committee, and grounds for non-compliance

Componenta does not comply with recommendations 28 and 29 of the Corporate Governance Code, Establishment of Nomination Committee and Members of Nomination Committee, which state that the Nomination Committee comprises members of the Board of Directors and that the President and CEO or other persons in company management may not be a member of the nomination committee. When it set up the Nomination Committee, Componenta's Board of Directors considered that the interests of shareholders are best served by a model in which representatives of the biggest shareholders are appointed to the Nomination Committee. Heikki Lehtonen, a member of Componenta's Nomination Committee who is the biggest shareholder in the Company through the companies he owns, is also President and CEO of Componenta Group, so he is not independent of the Company. The other members of the Nomination Committee are independent of the Company.

Governing bodies of Componenta

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

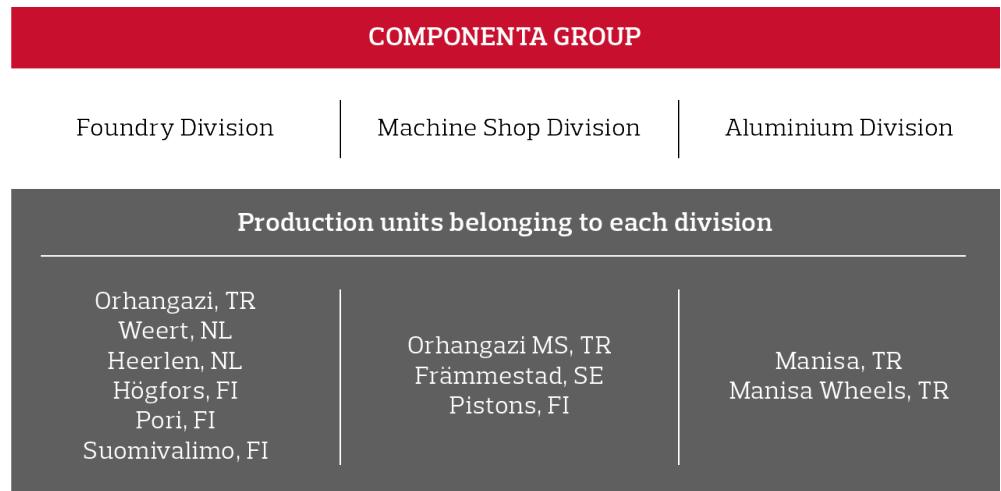
The company is managed by the Board of Directors and by the President and CEO. The Group's Corporate Executive Team assists and supports the President and CEO in carrying out his duties.



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

At Group level, the President and CEO is responsible for operations, assisted by the Corporate Executive Team. At division level, the senior vice presidents in charge of the divisions are responsible for operations, assisted by their management teams.

Componenta reports on its financial performance and business development in accordance with the divisional structure shown below.



Divisions = reporting segments

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 Companies Act and the company's Articles of Association. These include approval of the financial statements, deciding on use of the profit shown in the balance sheet, and election of Board members and auditor.

Every Componenta shareholder is entitled to attend the General Meeting. One share carries one vote at a General Meeting.

A shareholder is entitled to have a matter included in the agenda of the meeting, if the matter falls within the

competence of the General Meeting according to the Limited Liability Companies Act, if he/she requests the Board in writing in sufficient time for the matter to be included in the notice convening a General Meeting.

In 2014, the Annual General Meeting was held on 13 March 2014 in Helsinki. At the Annual General Meeting, some 70% of the company's shares and votes were represented. At an Extraordinary General Meeting held on 27 June 2014, some 44% of the company's shares and votes were represented. At another Extraordinary General Meeting held on 5 September 2014, some 76% 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 3 - 7 members. The term of office of the Board continues until the close of the following Annual General Meeting. The Board elects from its members a Chairman and 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 Annual General Meeting decides on the remuneration paid to the Board of Directors.

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, mergers and acquisitions, 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 these 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 2014, the Annual General Meeting elected the following six members to Componenta's Board of Directors:

- Olavi Huhtala, Executive Vice President and Head of SSAB Europe and President and CEO at Rautaruukki Corporation
- Heikki Lehtonen, President and CEO at Componenta Corporation
- Riitta Palomäki, Chief Financial Officer (CFO) at Uponor Corporation
- Matti Ruotsala, Chief Operating Officer (COO) at Fortum Corporation
- Tommi Salunen, Chairman and Managing Partner at Aava Advisors Ltd
- Harri Suutari, Board professional

The Board of Directors elected Harri Suutari as its Chairman and Matti Ruotsala as Vice Chairman. Olavi Huhtala, 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 [Board of Directors](#).

The Board of Directors met 26 times during 2014. The average attendance rate at Board meetings was 98%. Componenta's General Counsel, Pauliina Rannikko, served as secretary to the Board meetings.

The Board of Directors evaluated its own performance in February 2015 under the leadership of the Chairman.

The Componenta Corporate Governance document was updated at the Board meeting held on 10 February 2015.

Board Committees

Componenta has two Board committees: the Audit Committee and the Nomination Committee.

Audit Committee

After the Annual General Meeting the Board of Directors elects from its members a Chairman and members for the committee, for one year at a time. All members of the Audit Committee are independent of the company and its major shareholders. In the election Audit Committee members, the relevant qualification requirements are taken into account.

The Board of Directors has confirmed a written agenda for the Audit Committee.

The Audit Committee has no independent decision-making power, but the Board of Directors makes decisions based on the work of the Audit Committee. The Chairman of the Audit Committee reports on the work of the committee at the next Board meeting after an Audit Committee meeting. Notice of Audit Committee meetings and the material for the meetings are sent to all Board members, who have the right to attend Audit Committee meetings.

The main tasks and duties of the Audit Committee are to:

- monitor and supervise the reporting process for financial statements and ensure that the reporting process generates correct information, and approve important accounting principles,
- review and oversee the quality and integrity of the annual report, the annual financial statements and the interim reports,
- monitor the financial position of the Company and the sufficiency of financing, and prepare matters and proposals for the Board on a need-to-know basis,
- monitor the effectiveness of the Group's internal control processes, internal audit and risk

management systems and their plans and processes,

- 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, and approve the budget of the external audit and new assignments that exceed the limits set by the Audit Committee,
- meet with the external auditor quarterly and review all essential reports from the external auditor,
- evaluate the independence of the statutory auditor or audit firm, particularly the provision of related services to the companies to be audited,
- prepare the proposal for the election of the auditor, and
- meet with the management of the Company, the CEO, CFO and those responsible for risk management.

The Committee regularly evaluates its performance and working practices and assesses these itself once a year.

In 2014, the Board of Directors elected Riitta Palomäki to be Chairman of the Audit Committee and Olavi Huhtala and Tommi Salunen as the other members of the committee. The Audit Committee convened five times during the year and the attendance rate was 100%. Componenta's CFO Mika Hassinen served as secretary to the Audit Committee. Componenta's President and CEO, the General Counsel responsible for risk management and the auditors also regularly attended committee meetings.

The Audit Committee evaluated its own performance and working methods of 2014 in February 2015.

Nomination Committee

Componenta has a Nomination Committee for preparing matters pertaining to the nomination and remuneration

of directors. The members of the Nomination Committee represent the major shareholders in the Company.

In the election of the Nomination Committee members, the relevant qualification requirements are taken into account. A majority of the members of the Nomination Committee shall be independent of the Company.

The Nomination Committee prepares and gives the Board a recommendation for the proposal to be made to the Annual General Meeting (AGM) on the members of the Board of Directors.

The main tasks and duties of the Nomination Committee are to:

- prepare the proposal to be made to the AGM concerning the members of the Board of Directors,
- prepare the proposal to be made to the AGM concerning the remuneration of the members of boards of directors,

- look for succession candidates for the members of the Board,
- present the proposal to be made to the AGM concerning the members of the Board of Directors.

In 2014 the Board of Directors elected representatives of the major shareholders in the company to be members of the nomination committee after it was established, which was considered to be in the best interest of shareholders. Those elected to the nomination committee were Harri Suutari, Heikki Lehtonen, Juuso Puolanne from Suomen Teollisuussijoitus Oy (Finnish Industry Investment Ltd), and Reima Rytsölä from Keskinäinen työeläkeyhtiö Varma (Varma Mutual Pension Insurance Company). Heikki Lehtonen is the largest shareholder in the Company and is also the Group's President and CEO, so he is not independent of the Company. The other members of the committee are independent of the Company. The committee elected Harri Suutari as its Chairman.

Attendance at Board and Board committee meetings in 2014

Board member	Member since	Board Committee membership 2014	Board meetings	Attendance	
				Audit Committee meetings	Nomination Committee meetings
Harri Suutari (Chair.)	2012	Nomination Committee (Chair.)	26/26	-	1/1
Matti Ruotsala (V.Chair.)	2012	-	24/26	-	
Heikki Lehtonen	1987	Nomination Committee	26/26	-	1/1
Olavi Huhtala *)	2014	Audit Committee	22/22	4/4	
Riitta Palomäki	2012	Audit Committee (Chair.)	26/26	5/5	
Tommi Salunen	2013	Audit Committee	26/26	5/5	
Marjo Miettinen **)	2004-2014	Audit Committee	3/4	1/1	

*) Board member as from 13 March 2014, **) Board member until 13 March 2014

President and CEO

The Board of Directors appoints the President and CEO and decides on the President and CEO's remuneration and other benefits.

The President and CEO is responsible for managing and developing Componenta's business in accordance with the Finnish Limited 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.

In 2014 Heikki Lehtonen, b. 1959, M.Sc. (Eng.), was President and CEO of Componenta. He has been 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. The Corporate Executive Team is also responsible for preparing and implementing the Group's strategy in accordance with the decisions of the Board of Directors.

In 2014 Componenta's Corporate Executive Team comprised: President and CEO Heikki Lehtonen; Juha Alhonoja, Senior Vice President, Machine Shop Division; CFO Mika Hassinen; Olli Karhunen, Senior Vice President,

Foundry Division; Anu Mankki, Senior Vice President, HR and Internal Communications; Pauliina Rannikko, Senior Vice President, Legal and Risk Management; Furio Sclarario, Senior Vice President, Sales and Product Development and Sabri Özdoğan, Senior Vice President, Aluminium Division.

In 2014 the Corporate Executive Team focused on implementing the measures in the Group-wide efficiency improvement program, in order to raise productivity and improve profitability.

Information about the members of the Corporate Executive Team and their shareholdings is given in the section [Corporate Executive Team](#).

Extended Corporate Executive Team

The task of the Extended Corporate Executive Team is to ensure that the strategic projects and the processes and practices that reinforce the One Componenta way of operating are implemented.

In 2014 the Extended Corporate Executive Team comprised the Group's Corporate Executive Team and those in charge of business operations and Group-level functions.

Remuneration

The Annual General Meeting decides on the remuneration of the Board of Directors and of Board committees. Board members do not participate in Componenta's share-based incentive scheme or pension schemes.

In 2014, 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 policy.

The total amount of annual fees paid to Board members in 2014 was EUR 245,000.

Remuneration of the Board of Directors and the Board Committees

Board of Directors in 2014		Salaries, fees and fringe benefits, EUR 1,000
Suutari Harri	Chairman, Chairman of Nomination Committee	65
Ruotsala Matti	Vice Chairman	30
Huhtala Olavi	member, member of Audit Committee	35
Lehtonen Heikki	member, member of Nomination Committee	35
Palomäki Riitta	member, Chairman of Audit Committee	35
Salunen Tommi	member, member of Audit Committee	35
Puolanne Juuso	member of Nomination Committee, representing major shareholder, Suomen Teollisuussijoitus Oy	5
Rytsölä Reima	member of Nomination Committee, representing major shareholder, Keskinäinen työeläkeyhtiö Varma	5
Total		245

Remuneration of President and CEO and other management

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

Remuneration and other 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 incentive schemes 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

A supplementary pension worth 6 per cent of their basic annual salary is paid for the Finnish members of the Corporate Executive Team who work in Finland, including the President and CEO.

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

2014	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	320	-	63	-	-	383
Deputy to the CEO Mika Hassinen	257	33	38	-	-	328
Other members of the Corporate Executive Team	962	-	41	-	-	1,003
Total	1,539	33	143	-	-	1,714

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. EUR 18,000 was paid to this benefit in 2014.</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 2014 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.

Remuneration schemes

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

Short-term incentive scheme

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.

For 2014 a share-based incentive scheme was approved for the Group's key personnel. 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 target group for the incentive scheme are key Group personnel decided on by the Board of Directors.

The scheme contains one earning period, the 2014 calendar year, and the earning criteria for the period is the Componenta Group result after financial items. The size of the bonus earned in the earning period is determined at the end of the earning period by the extent to which the targets set for the earning criteria have been achieved.

Any bonuses for the 2014 earning period will be paid partly in company shares and partly in cash. The portion

paid in cash is meant to cover the taxes and tax-related costs arising from the bonus incurred by the key person. The shares may not be transferred during a 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 given as a bonus to the company without compensation.

The target group for the scheme contained 18 people at the end of 2014. The Board of Directors decided not to allocate shares for the 2014 earning period, so the scheme's impact on the Group's result before tax at the end of 2014 was EUR 0.0 million. The maximum bonuses to be paid on the basis of the incentive scheme corresponded to the value of 400,000 Componenta Corporation shares, including the part to be paid in cash.

Risk management and control

Risk management, internal control and internal audit.

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 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.

Risk management

The Board of Directors confirms the principles for risk management and those responsible for this. The Audit Committee of the Board of Directors monitors the effectiveness of risk management systems. The President and CEO supervises the implementation of the risk management programme to ensure 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 financing 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 to operations regularly. The Senior Vice Presidents of Operations organise ERM processes at operations level annually and report the main results of this ERM process to the Corporate Executive Team. The main risks are identified and evaluated in the ERM process and corrective action is decided on.

In 2014 the Corporate Executive Team conducted the annual Enterprise Risk Management (ERM) process, identifying and evaluating the risks and deciding on corrective action.

The main risks for Componenta relating to the business environment and business operations and the finance risks are presented on the Company's website.

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 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 of Directors.

Internal control

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 that 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, income, 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 Board.

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.

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 auditor for a maximum of seven years in succession.

In 2014 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 13 March 2014, 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 1,277,000, comprising audit fees of EUR 416,000 and fees for other services EUR 861,000.

Communication

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 full Componenta Corporate Governance document, the separate Corporate Governance Statement and the Remuneration Statement are available online at www.componenta.com.

Board of Directors

In 2014, 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 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 the Federation of Finnish Technology
Industries

Componenta shares:
213,150



Matti Ruotsala

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

Main occupation:
COO at Fortum Corporation 2014 -

Primary work experience:
Executive Vice President at Fortum Power
Division 2009 -
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 Kemijoki Oy, PKC
Group Oyj and Teollisuuden Voima Oyj
Member of the Board at Halton Group Ltd

Componenta shares:
40,000



Olavi Huhtala

b. 1962, B.Sc. (Eng)
Board Member since 2014,
Member of Audit Committee

Main occupation:

Executive Vice President and Head of
SSAB Europe and President and CEO at
Rautaruukki Corporation 2014 -

Primary work experience:

Executive Vice President, Ruukki Metals
2009 - 2014
President at Ruukki Metals 2005 - 2009
President at Ruukki Fabrication 2003 -
2004

Rautaruukki Metform, marketing and executive
duties 2000 - 2003

Positions of trust:

Member of the Board of Directors of Helens Rör
AB, the Federation of Finnish Technology
Industries and
Association of Finnish Steel and Metal
Producers

Componenta shares:

30,000



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:

11,528,492



Riitta Palomäki

b. 1957, M.Sc. (Econ.)
Board Member since 2012,
Chairman of Audit Committee

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 Oyj 1997 - 2001
Financial Director at ABB Service Oy 1991 - 1997
Various managerial positions within ICT at ABB
Industry Oy 1983 - 1991

Componenta shares:

20,000



Tommi Salunen

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

Main occupation:

Chairman and Managing Partner at Aava
Advisors Oy 2012 -

Primary work experience:

Head of investment banking Helsinki at
Carnegie Investment Bank Ab 2010 - 2012
and Director and Senior Adviser 2008 -
2010

CEO at Kaupthing Bank Oyj 2006 - 2007
Expert positions at Nordea 1998 - 2006
CEO at Kaupthing Bank Oyj 2006 - 2007
Expert positions at Nordea 1998 - 2006

Positions of trust:

Member of the Board of Directors of Staffpoint
Holding Oy

Componenta shares:

30,000

Corporate Executive Team

In 2014, Componenta's Corporate Executive Team comprised of eight persons.



Heikki Lehtonen

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

Componenta shares:

11,528,492

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 -

Several managerial and development positions
at Componenta Group and business units in
Finland, Sweden and the Netherlands 2001 -
2008

Primary work experience:

Vice President, Machining Technology at
Componenta 2009 - 2012
Director, Manufacturing at Gardner Denver
2008

Componenta shares:

1,400



Mika Hassinen

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

Componenta shares:

128,249

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 -

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

Componenta shares:

30,115



Anu Mankki

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

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

Componenta shares:

3,300



Pauliina Rannikko

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

Primary work experience:

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

Componenta shares:

600



Furio Scolaro

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

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

Componenta shares:

400



Sabri Özdoğan

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

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

Componenta shares:

513

Financial Statements

Information about Componenta's result, financial position and financing.

We have published the Financial Statements 2014 which contains information about Componenta's result and financial position. The Financial Statements for 2014 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 link on the side to download The Financial Statements 2014 as PDF.

In this online annual report key economic figures for 2014 are presented in the section [Key economic figures](#).

Key financial figures

2014 income statement, statement of financial position and cash flow statement in short, and Group development figures 2010 – 2014.

Consolidated income statement 1.1.–31.12.

MEUR	2014	2013
Net Sales	495.2	510.5
Other operating income	-0.1	5.9
Operating expenses	-470.1	-483.2
Depreciation, amortization and write-down of non-current assets	-22.9	-18.4
Share of the associated companies' result	0.1	0.1
Operating profit	2.2	14.9
Financial income and expenses in total	-30.9	-24.5
Profit/loss after financial items	-28.7	-9.6
Income taxes	0.2	-6.0
Profit/loss for the financial period	-28.6	-15.5

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

MEUR	2014	2013
Net Sales	495.2	510.5
Other operating income	-0.6	5.7
Operating expenses	-461.5	-480.1
Depreciation, amortization and write-down of non-current assets	-18.1	-18.0
Share of the associated companies' result	0.1	0.1
Operating profit	15.1	18.2
Financial income and expenses in total	-27.3	-24.4
Profit/loss after financial items	-12.2	-6.2
Income taxes	-2.3	-4.5
Profit/loss for the financial period	-14.5	-10.7

Consolidated statement of financial position 31.12.

MEUR	2014	2013
Assets		
Non-current assets	338.0	344.1
Current assets		
Inventories	75.0	63.1
Other current assets	55.8	44.7
	130.8	107.8
Total assets	468.9	452.0
Liabilities and shareholders' equity		
Shareholder's equity	111.2	85.2
Liabilities		
Non-current liabilities		
Interest bearing	159.1	136.4
Non-interest bearing	22.7	21.7
Current liabilities		
Interest bearing	69.1	103.3
Non-interest bearing	106.8	105.4
	357.7	366.8
Total liabilities and shareholders' equity	468.9	452.0

Cash flow statement 1.1.-31.12.

MEUR	2014	2013
Cash flow from operations before change in net working capital, financing and taxes	24.2	28.6
Change in net working capital	-16.8	2.6
Cash flow from operations before financing and taxes	7.5	31.2
Cash flow from operations	-20.6	2.2
Cash flow from investments	-13.4	-15.7
Cash flow from financing activities	36.0	3.0
Change in liquid assets	2.0	-10.5

Group development 2010 – 2014

MEUR	2010	2011	2012	2013	2014
Net sales	451.6	576.4	544.8	510.5	495.2
Operating profit	13.5	22.5	4.0	14.9	2.2
Financial income and expenses	-23.5	-25.9	-29.4	-24.5	-30.9
Profit/loss after financial items	-10.0	-3.4	-25.4	-9.6	-28.7
Profit for the financial period	-7.5	-3.1	-24.0	-15.5	-28.6
Order book at period end	94.6 ^{*****})	99.5 ^{****})	82.9 ^{***})	87.3 ^{**})	88.9[*])
Change in net sales, %	50.7	27.6	-5.5	-6.3	-3.0
Share of export and foreign activities in net sales, %	88.1	90.0	92.0	91.6	91.7

^{*}) Order book on 8 January 2015, ^{**}) Order book on 6 January 2014, ^{***}) Order book on 13 January 2013,

^{****}) Order book on 12 January 2012, ^{*****}) Order book on 10 January 2011

Group development 2010 – 2014 excluding one-time items *)

MEUR	2010	2011	2012	2013	2014
Net sales	451.6	576.4	544.8	510.5	495.2
Operating profit	13.6	29.8	10.0	18.2	15.1
Financial income and expenses	-23.5	-25.9	-27.7	-24.4	-27.3
Profit/loss after financial items	-9.9	3.9	-17.6	-6.2	-12.2
	31.12.2010	31.12.2011	31.12.2012	31.12.2013	31.12.2014
Statement of financial position total, MEUR	420	437	460	452	469
Net interest bearing debt, MEUR	230	243	236	230	216
Invested capital, MEUR	311	326	340	325	339
Return on investment, %	5.0	7.8	2.0	4.9	0.8
Return on equity, %	-10.3	-5.8	-32.9	-18.6	-29.1
Equity ratio, %	16.8	9.4	18.1	18.9	23.7
Net gearing, %	325.0	591.4	283.5	269.6	194.4
Investments in non-current assets, MEUR	8.5	21.8	19.2	18.9	22.6
Number of personnel at period end	4,016	4,240	4,104	4,154	3,981
Average number of personnel	3,853	4,234	4,249	4,153	4,111

*) Tables presented under Group development 2010 – 2014 section are unaudited.

Information for investors

Information relating to Componenta's Annual General Meeting and Interim Reports in 2015.

Annual General Meeting

The Annual General Meeting of Componenta Corporation will be held **at 10.00 a.m. on Wednesday, 11 March 2015** at the company's headquarters in Käpylä, in the auditorium of the Sato building at Panuntie 4, FI-00610 Helsinki, Finland.

Right to participate

A shareholder who on the record date of the General Meeting, 27 February 2015, 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 wishes to participate in the General Meeting is required to register his/her participation no later than 6 March 2015 at 10.00 a.m. by letter to the address Componenta Corporation, Panuntie 4, FI-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 2014 financial period.

The Board of Directors takes the financial performance, financing structure and growth expectations into

account in its dividend proposal. The objective is to pay dividends amounting to 25 – 40 per cent of net profit.

Financial information in 2015

Interim report January–March 2015 on **Monday 27 April 2015**

Interim report January–June 2015 on **Wednesday 15 July 2015**

Interim report January–September 2015 on **Monday 26 October 2015**

Componenta's publications and releases are available immediately after their release date at www.componenta.com. 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 2014 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 Componenta's financial publications are available 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.

30 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 IR and External Communications Manager. Contact our IR team by email at ir.componenta@componenta.com.