

COMPONENTA

Casting Future Solutions

Sustainability Report 2006



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Reporting principles

This is Componenta's first Sustainability Report and it includes the areas of economic responsibility, social responsibility and environmental responsibility. Componenta has previously published three Environmental Reports in the years 2003 - 2005.

The guidelines set by the Global Reporting Initiative (GRI) have been followed when collecting the information for the report.

The Sustainability Report 2006 brings together information about the Group's units in Finland, the Netherlands, Sweden and Turkey. The environmental data is reported from the Componenta production units which have the most significant environmental impact. In the environmental figures the Turkish foundries are presented separately, because the acquisition of the Döktas foundries took place in October 2006 and the transaction was completed in De-

cember 2006. The financial data of Componenta has been prepared in accordance with International Financial Reporting Standards (IFRS). The pro forma figures are given to show what the result and financial position of the combined Componenta Group and Döktas would have been, if the merger had taken place as from 1 January 2005. The social responsibility figures include the total personnel of the Group. The figures given are un-audited.

The Sustainability Report is published in Finnish and English, and it can be read on Componenta's web site. There is also a printable PDF version of the report.

Componenta monitors and reports its operations regularly and publishes the figures once a year in the sustainability report. The next report will be published in 2008.

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Sustainability is present in everyday operations

2006 was very significant year for Componenta Group. In October Componenta signed an agreement to acquire 55% of the listed Turkish foundry company Döktas Dökümcülük Sanayi ve Ticaret A.S. and the acquisition was completed in December 2006. The acquisition changed the structure of Componenta significantly, doubling the production capacity and the number of employees of the Group. Today Componenta is the second largest independent European supplier of casting components and advanced solutions with the net sales of EUR 602 million and 5,100 employees.

The purchase of Döktas was a logical step towards Componenta's goal of being the leading company in advanced cast components in Europe by 2010. Componenta was established in 1918, and since the 1980's it has grown through acquisitions. The Group has developed from a Finnish company firstly into a Nordic company, then into European, and finally to a global and multinational company.

Most of the Group's customers are globally operating companies. At the end of 2006, the share of export and foreign activities in Componenta's net sales exceeded 82%. The Group's business units are located in Finland, Swe-

den, the Netherlands and Turkey, and the personnel are from dozens of different nationalities.

Sustainability issues play a major role in the Group's operations. Different aspects related to economic, environmental and social responsibility are taken into consideration in everyday operations and management. Our production units have all major quality certificates and almost all of them have been audited in accordance with the ISO 14001 environmental management system. Componenta's products are cast, machined, surface treated and pre-assembled components, and solutions made from these. The raw materials used in our iron foundries are mainly recycled metal. The sand used in the production process is recycled and when the components reach the end of their life cycle they are recycled.

Componenta Group has significant production both in western Europe and in a lower-cost country. This gives the Group good flexibility during different economic situations and makes it stronger in product groups where competition is most intense.

The high level of knowledge and know-how and the capabilities of Componenta's personnel are of great importance regarding the competitiveness of

the Group. We achieve one of our main targets, to provide high added value to our customers, through product development and advanced engineering in our customer product centers. The components are produced in a specialized network of efficiently performing business units and business chains, by capable people with clear targets and responsibilities.

Componenta's shares are listed on the OMX Nordic Exchange in Helsinki. The shares of Componenta Döktas are listed on the Istanbul Stock Exchange. The shareholders and investors in both companies, Componenta and its Turkish subsidiary, are looking for a good financial performance.

In order to become the market leader in cast components and solutions in Europe, Componenta has to achieve a high quality performance to satisfy all our stakeholders, customers, investors, personnel and other partners. Successful performance also means responsibility and sustainable development of our business operations.

Heikki Lehtonen
President and CEO

The Group in 2006

Componenta is a metal sector group of companies with international operations. The Group manufactures cast, machined, surface-treated, ready-to-install components and total solutions made up from these for globally operating customers in the heavy truck and automotive, machine building, off-road, and power and transmission industries. The components supplied by Componenta are often strategic parts in the products of the customers.

Componenta creates added value for the customers through close R&D part-

nership. Specialized production units and efficient supply chains, management of the production process and logistics expertise enable the Group to supply products just in time, direct to the customer's assembly line.

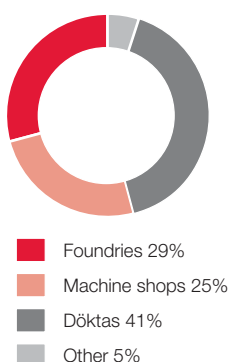
29% of the Group's sales are in the Nordic countries, 67% in other European countries and 4% in other countries. Componenta's production plants – foundries, machine shops and forges – are located in Finland, the Netherlands, Sweden, and Turkey. The Group's head office is in Helsinki.

In 2006 the Group had pro forma net sales of EUR 602 million and 5,250^{*)} employees. 22% of personnel worked in Finland, 50% in Turkey, 16% in the Netherlands and 12% in Sweden.

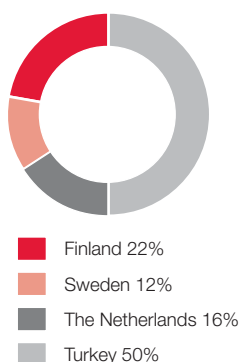
Componenta's shares are quoted on the OMX Nordic Exchange in Helsinki and the shares of its subsidiary, Componenta Döktas, are quoted on the Istanbul Stock Exchange. At the end of 2006 Componenta had 1,513 shareholders and Componenta Döktas had 2,910 shareholders.



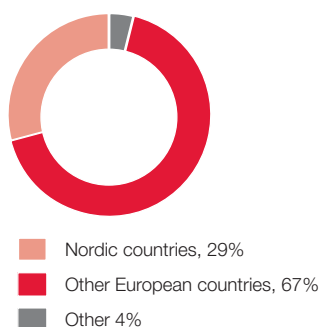
Net sales
by division 2006



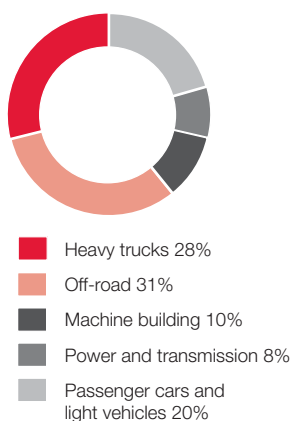
Personnel
by country 2006¹⁾



Sales by
market area 2006



Sales by
customer industry 2006



Componenta Döktas has been awarded many quality prizes during the past few years. The latest award was presented to the Manisa foundry by Ford Motor Company in December 2006 for meeting Q1 2002 requirements.

¹⁾ The number of Componenta personnel at the end of 2006 was 5,250 (incl. leased employees). The number of personnel decreased to 5,100 the March 2007, when Componenta Albin machine shop was sold outside the Group.

Mission

Casting Future Solutions

Business definition

Componenta supplies competitive value-adding cast component solutions to European and North American customers in the heavy truck, automotive, off-road, machine building and power & transmission industries. Our operations are based on specialized production units and efficient supply chains.

The Group's strategic intention by 2010 is to be the market leader in advanced cast components in Europe.

As the market leader in Europe we are supplying our customers globally and providing them added-value through product development and advanced engineering, by creating new applications and multi-functional solutions, and by supplying ready-to-install cast components.

By 2010 we have utilized effectively growth opportunities and have increased turnover, profitability and value-added. We are organized as a specialized network of efficiently performing business units and business chains. We are acting as "One Componenta" with unified proc-

esses and procedures and capable people.

Achieving of the strategic goal also means that by 2010 we have improved our profitability and decreased the risks relating to business cycles by balancing our production capacity with double tooling – which enables us to cast components in two of our production units – and by effective sourcing.

The purchase of the Turkish foundry company Döktas in 2006 was a major step towards implementing the strategy. Through the acquisition Componenta became the second largest independent sup-

plier of cast components and advanced solutions in Europe. The Group is able to provide customers with a wide product and solution range based on technologically advanced production. Combining the operations of Componenta and Döktas is expected to lead to significant synergies. Benefits will be gained by developing the product portfolio, utilizing the best purchasing networks, and optimizing production capacity and efficiency.

Values



Economic responsibility Environmental responsibility Social responsibility

Economic responsibility

Economic responsibility means accountability for the company's financial performance and competitiveness, enabling us to meet the expectations of our shareholders and other interest groups.

Environmental responsibility

At Componenta environmental issues are an inherent part of many business decisions, and our management systems have been designed to help guide our environmental efforts. Choosing optimal materials and minimizing the number of rejects help make production more environmentally sustainable. No more materials or energy are consumed than is necessary. Environmental considerations are not just an aspect of internal activities - management systems, product design and production; they also concern suppliers and subcontractors. We continuously monitor and forecast changes in environmental legisla-

tion, and analyse their effect on our business. Our stakeholders continue to expect and demand more and more in terms of environmental and sustainable development.

Environmental responsibility refers to promoting environmentally sustainable production methods and processes, and to minimizing the environmental impacts of our products throughout their life cycle – with an eye on the markets' expectations and international competitiveness. The environmental impacts of Componenta's foundry and forge businesses have been specified in official environmental permits. We regularly take measurements of our production process to ensure that the environmental loading remains within the accepted limits. In addition, we follow our own policies on environmental issues and quality, and aim at continuous improvement.

Social responsibility

To be able to meet its strategic goals Componenta must possess and develop expertise, knowledge and know-how needed in the business operations. We have goal-orientated and skilled personnel and our production facilities are organized as a specialized network of efficiently performing business units and business chains. Continuous development in improving human capabilities is a focus of HR management. Capable people with clear targets and responsibilities are also a basis for "one unified Componenta", with unified processes and procedures.

Social responsibility means looking after the well-being and professional development of our personnel, and acting responsibly when dealing with other stakeholders.



Key stakeholders

Componenta's key stakeholders are customers, personnel, owners/investors, financial institutions, business partners, suppliers, sub-contractors, society, and the authorities. Each stakeholder group has different expectations to which Componenta Group wishes to respond.

Key stakeholder groups		Stakeholders' expectations
Customers	Globally operating manufactures of heavy trucks, cars and light vehicles, machines and equipment. Approx. 29% of the Group's sales in 2006 came from the Nordic countries, 67% from other European countries and 4% from other countries.	Competitive offering, technology know-how and engineering co-operation, total solution, approach, continuity and long term existence.
Personnel	Today approx. 5,100 people in the business units and Group operations in Finland, Sweden, the Netherlands, England and Turkey.	Possibility to influence decisions, own work and the work environment, competitive remuneration, opportunities to learn by doing and through participation, safe and trustworthy employer.
Owners/investors	At the end of the 2006 Componenta had 1,513 shareholders.	Share value growth and/or good dividends, reliability & trust, balanced business risk management, transparency and good communication (corporate governance).
Financial institutions	The Group has financial cooperation with several partners.	Transparency and good communication, reasonable results and cash flow, solvency & liquidity, sufficient equity ratio, risk management.
Business partners, suppliers, sub-contractors	The Group has a comprehensive global network.	Opportunity to succeed with us, reliable, stable partner & long term partnership.
Society, public authorities, neighbours of the production units, etc.	Componenta operates in 15 locations, and locally the Group's business units are major employers. The production units report annually the results of surveys and monitoring to the environmental authorities.	Legal, ethical, environment friendly operations, active player in society, good tax payer, providing many working opportunities, responsibility & growth.



Customer industries and products



Heavy trucks

For the heavy truck industry Componenta manufactures ready-to-install components used in the chassis, engine, axles, transmissions and brakes. The company offers customers all parts of the supply chain, from product design and manufacturing to surface treatment/painting and pre-assembly.

In 2006 the heavy trucks business accounted for approx. 28% of Componenta's pro forma net sales. Customers included DAF, DaimlerChrysler, Ford Trucks, Iveco, MAN, Scania, Volvo/RT, Wabco, ZF.



Off-road

Customers in the off-road industry include manufacturers of tractors, forklifts, forest machines, combine harvesters, excavators and dumpers, to whom Componenta supplies various components for engines, power transmission, drives and chassis. The business area accounted for approx. 31% of Componenta's pro forma net sales in 2006.

Customers include Agco Fendt, Bomag, BT products, Carraro, Case, New Holland, Caterpillar, Dana, Dyna-

pac, JCB, John Deere, Ponsse, Sisu Axels, Sisu Diesel, T.T.F., Valtra, Volvo CE and Üzel.



Machine building

For the machine building industry the Group manufactures various machine and equipment parts such as rope and travel wheels, housings and casings, gear-wheels and frames. The components supplied are often of strategic importance to customers, such as parts used in elevators and robots, various crane and hoist components, and demanding cast products for pumps, stone crushers and hydraulic motors. The business area accounted for approx. 10% of Componenta's pro forma net sales in 2006.

Customers include ABB, Asko Cylinda, Atlas Copco, Gardner Denver, Ingersoll-Rand, KCI, Kone, Sampo Hydraulics and Voith.



Power and transmission

Customers in the power and transmission business area include manufacturers of large electric motors and diesel engines and of industrial gears and

wind power gears. Componenta supplies them with motor frames and pistons and parts for transmissions and gear boxes. The business area accounted for approx. 8% of Componenta's pro forma net sales in 2006.

Customers include ABB, Caterpillar, Kawasaki, Mahle, Moventas, Sulzer Pumps, Wärtsilä and Yavuz.



Passenger cars and light vehicles

The Group supplies manufacturers of passenger cars and light vehicles with a wide range of different iron and aluminium cast components and aluminium wheels. The Manisa aluminium foundry of Componenta Döktas manufactures wheels under the trademarks DJ Wheels and MAXX Wheels. The business area accounted for approx. 20% of Componenta's pro forma net sales in 2006.

The biggest customers are ATU, Haldex, Ford, NCB, Paksan, Palsis, Proline Wheels, Renault, Tofas, Valeo and Woco.

Group structure

Seven of Componenta Group's foundries in Finland and the Netherlands form the Foundry Division. Six machine shops in Finland, Sweden and the Netherlands form the Machine Shops division (as from March 2007 only five because Componenta Albin has been sold out). The newest of the Componenta Group foundries are located in Turkey, where they operate under the name Componenta Döktas in Orhangazi and Manisa. Both units also include machine shop operations. The Turkish foundries form the Group's third division.

The division structure streamlines the management of operations and gives greater potential for optimizing production to meet customer needs. The divisions share centralized sales and R&D functions, which are a key element in Componenta's competitive edge. The core of sales and R&D is formed by Customer Product Centers, whose services

form a unique strength in developing cooperation with customers. Sales and R&D are organized according to the main customer sectors, and responsibilities are then further divided into geographical areas in the Nordic countries and Central Europe. The integration of Döktas's sales with the Group's sales and R&D operations continues in 2007.

The Group's business operations are based on specialized production units and efficient supply chains.

The foundries are the starting point of the value-adding production chain. The foundries manufacture cast components on different production lines, in series ranging from a batch of a few pieces to production runs of hundreds of thousands. In addition to casting, the foundries also perform heat treatment and priming to customer specifications.

The Group's foundries in Finland and the Netherlands are iron foundries. The

Döktas foundries produce both iron and aluminium castings. Iron castings account for about 61 per cent of Döktas' production. The remaining 39 per cent of Döktas' production is aluminium castings and aluminium wheels. The production processes in the Döktas iron foundry are similar to those in other Componenta foundries.

The Group's machine shops are the last link in the supply chain, often delivering components directly to customers' assembly lines. The machine shops procure castings mainly from the Group's own foundries and machine, surface-treat and pre-assemble them into components to the customer's specifications.

Componenta Group's other business includes a piston manufacturer in Finland, three forges in Sweden, and a sales company in the UK.

Componenta's head office is located in Helsinki, Finland.



Business units

Customer Product Centers ●

Helsinki, Finland
Främmestad, Sweden
Weert, the Netherlands

Foundries division ▲

Componenta Karkkila, Finland
Componenta Pietarsaari, Finland
Componenta Pori, Finland
Componenta Suomivalimo, Finland
Componenta Heerlen Furan, the Netherlands
Componenta Heerlen HWS, the Netherlands
Componenta Weert, the Netherlands

Döktas division ▲

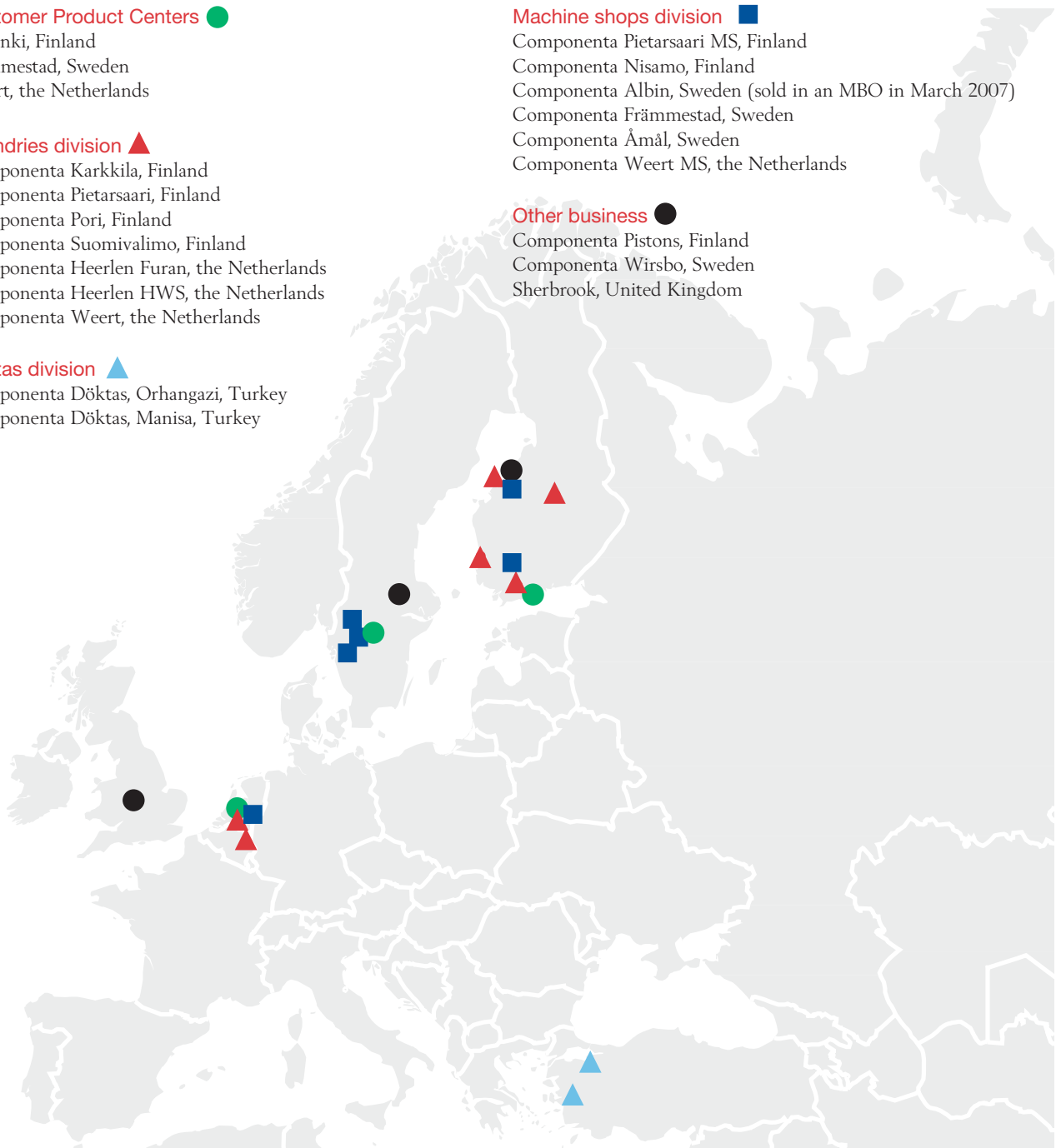
Componenta Döktas, Orhangazi, Turkey
Componenta Döktas, Manisa, Turkey

Machine shops division ■

Componenta Pietarsaari MS, Finland
Componenta Nisamo, Finland
Componenta Albin, Sweden (sold in an MBO in March 2007)
Componenta Främmestad, Sweden
Componenta Åmål, Sweden
Componenta Weert MS, the Netherlands

Other business ●

Componenta Pistons, Finland
Componenta Wirsbo, Sweden
Sherbrook, United Kingdom



The administration of Componenta Corporation is based on the Finnish Companies Act and the company's Articles of Association. The company applies the Corporate Governance recommendations for public listed companies issued by Helsinki Stock Exchange, the Central Chamber of Commerce of Finland and the Confederation of Finnish Industry EK, which came into force on 1 July 2004.

Componenta Corporation shares

All Componenta Corporation shares have equal voting rights at the General Meeting. Componenta Corporation's Articles of Association do not contain any voting restrictions other than those in the Companies Act.

All shares carry equal dividend rights.

Annual General Meeting

The highest governing body of Componenta Corporation is the General Meeting. The functions of the General Meeting and matters to be resolved therein are defined in the Companies Act and the Articles of Association.

The Annual General Meeting of Componenta Corporation shall be held within six months of the end of the financial period. In 2007, the Annual General Meeting of Componenta Corporation was held on 26 February 2007.

Board of Directors

The Annual General Meeting elects each year Componenta Corporation's Board of Directors, which according to the Articles of Association consists of 3 - 7 members. The term of office of the Board of Directors expires at the close of the following Annual General Meeting. The Board of Directors elects from its members a chairman and a vice-chairman.

The 2007 Annual General Meeting elected five members to the Board: Heikki Bergholm, Heikki Lehtonen, Juhani Mäkinen, Marjo Raitavuo and Matti

Tikkakoski. The Board chose Heikki Bergholm as its chairman and Juhani Mäkinen as vice chairman.

Heikki Bergholm, Juhani Mäkinen, Marjo Raitavuo and Matti Tikkakoski are independent of the company and of the shareholders. Heikki Lehtonen is president and CEO of Componenta Corporation. He is also the company's largest shareholder through companies which he controls.

Taking into account the membership of the Board and the nature and size of Componenta's operations, the Board has not considered it necessary to set up committees to prepare matters for which the Board is responsible.

The Annual General Meeting decides on the remuneration of the members of the Board of Directors. The 2007 Annual General Meeting decided that the remuneration for the chairman would be EUR 50,000 and for the other members of the Board EUR 25,000 a year. Travel expenses are paid in accordance with the company's travel regulations.

The tasks and duties of the Board of Directors are laid down primarily in the Articles of Association and the Finnish Companies Act. The Board has drawn up written Rules of Procedure which define the tasks and operating principles for the Board. According to these Rules of Procedure, the Board's tasks include matters that have a far-reaching impact on the operations of Componenta Group. These include confirming the strategic guidelines, the annual budget and operational plans, and deciding on major corporate restructuring and capital expenditure. The Board assessed its activities in December 2006 under the leadership of the chairman.

During 2006 the Board met 18 times. All Board members were present at all Board meetings.

President and CEO

The Board of Directors appoints the Presi-

dent and CEO and decides upon the president's remuneration and other benefits. The functions and duties of the president are defined in the Companies Act. In addition to these, the duties of Componenta Corporation's president include

- managing and developing Componenta's business in accordance with the instructions given by the Board of Directors,
- presenting matters for consideration at meetings of the Board of Directors and
- implementing the decisions of the Board of Directors

Heikki Lehtonen is President of Componenta.

The president receives a salary of EUR 15,708 a month and benefits in kind of altogether EUR 40 a month. The president's income from the option scheme of the company were EUR 39,936 in 2006. In addition, the president is entitled to a bonus that is determined by the return on investment and that may be at most the equivalent of the president's salary for 12 months, and to the remuneration paid to Board members. The president is eligible to take retirement as laid down in legislation. The president's contract of employment may be terminated by the company by giving 12 months notice and by the president with six months notice. The president is not entitled to any separate compensation due to notice but the salary and benefits agreed in the terms of notice.

Salaries and other remuneration paid to the members of the Board and the president totalled EUR 308,496 in 2006. The income of the members of the Board of Directors and the president from the option scheme of the company were EUR 64,304 in 2006. Other benefits received by the members of the Board and the President in 2006 totalled EUR 480. The company has no specific pension commitments for Board members or managing directors.

Corporate Executive Team

The Corporate Executive Team assists the President in managing and developing Componenta Group. The appointment of members to the corporate executive team and their terms of employment are decided on by the Board of Directors from a proposal by the President and CEO. In accordance with the "one over one" principle in use at the Group, the Chairman of the Board of Directors approves these decisions.

The corporate executive team consists of eleven persons and convenes once a month. The President acts as chairman and the Communications Manager as secretary at the meetings. Information about the areas of responsibility and shareholdings of the members of the corporate executive team can be found on Componenta's website www.componenta.com.

Monitoring systems

Audit

The Annual General Meeting appoints the auditor and decides on the remuneration to be paid to the auditor. The company has at least one and a maximum of two auditors, and one deputy auditor. In addition to the duties prescribed in current accounting regulations, the auditor reports as necessary to the Board of Directors of Componenta Corporation.

Componenta Corporation's auditor during the accounting period 1 January - 31 December 2007 is Oy Audicon Ab, Authorized Public Accountants.

The Annual General Meeting on 26 February 2007 decided that the remuneration for the auditor would be based on invoicing. Remuneration in 2006 based on invoicing for Componenta Group's auditors totalled EUR 295,900, comprising EUR 202,900 in audit fees and EUR 93,000 for other services purchased from PricewaterhouseCoopers Oy.

Insider regulations

Componenta Corporation complies with the insider regulations of the Helsinki Exchanges and also with its own insider regulations. Componenta's statutory insiders are the Board of Directors of the parent company, the president and CEO, and the auditors. Company specific insiders are the Group's corporate executive team and named individuals. The holdings of Componenta's statutory insiders are given on the Group's website.

The holdings in Componenta Corporation of statutory and company specific insiders are monitored regularly through the SIRE system of the Finnish Central Securities Depository.

Risk management

Internal monitoring at Componenta Group takes place in accordance with the operating principles approved by the Board of Directors, and these are based on the Group's internal reporting and the annual audit plan approved by the Board.

Financial reporting that covers the entire Group is used to monitor how well financial targets are being met. The reports include actual figures, plans and up-to-date forecasts for the current year.

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

Appropriate insurance has been taken against risks associated with assets and interruption of operations and to minimize indemnity.

The financial administration of Componenta Group conducts an internal audit of Group companies with the auditor as part of the annual plan.

Right to sign Company name

Componenta Corporation's name is signed by the chairman of the Board of Directors and the President, each alone, and by other members of the Board of Directors, two together. Furthermore, the Board of Directors may also authorize members of the Company's management to sign for the Company per procuram.

Incentive schemes

Componenta rewards personnel in key positions and secures their commitment with short and long-term bonus schemes. Componenta's Board of Directors confirms the incentive schemes including the business targets, positions included in the schemes and the maximum amount of the incentive for individual positions each year.

Short-term bonuses are linked to achieving measurable personal and business targets annually. The amount of the bonus depends on the job and varies between 0% and 32% of annual income.

The long-term share based bonus scheme is linked to the company's expected return on equity and to the consolidated result after financial items. The scheme is made up of three earnings periods and lasts a total of five years.

The production units have bonus schemes linked to productivity or to return on investment (ROI).

Risk management

Price fluctuations for Componenta Group's main raw material, recycled metal, affect the sales margins on the Group's products. When the price of recycled metal rises, the increase in the price of the raw materials can be passed on to the products supplied to customers after a certain delay, so price increases in recycled metal reduce the sales margin temporarily. When the prices of recycled metal go down the Group's margins improve for a while.

The electricity consumption of the Group's foundries and machine shops creates a spot price risk for the purchased electricity, so the Group purchases electricity price forwards to hedge against the impact of electricity prices on the financial performance. The target hedging level for the forecast electricity consumption by the Group's production plants is 90% for

the next 12 months, 60% for the following year and 40% for the third year. Trading in electricity price forwards has been outsourced. The Group aims to pass on the increase in the price of electricity to customers with a separate electricity surcharge.

Appropriate insurance has been taken against risks associated with assets and interruption of operations and to minimize indemnity.

Due to the acquisition of Döktas, Componenta now has a significant currency position in Turkish lira. Componenta hedges both the translation and the transaction risk in accordance to the Company's treasury policy. Despite the hedging, however, any changes in the value of the Turkish lira in relation to other currencies, especially to EUR, USD and GBP, may have an impact on Componenta's financial performance in

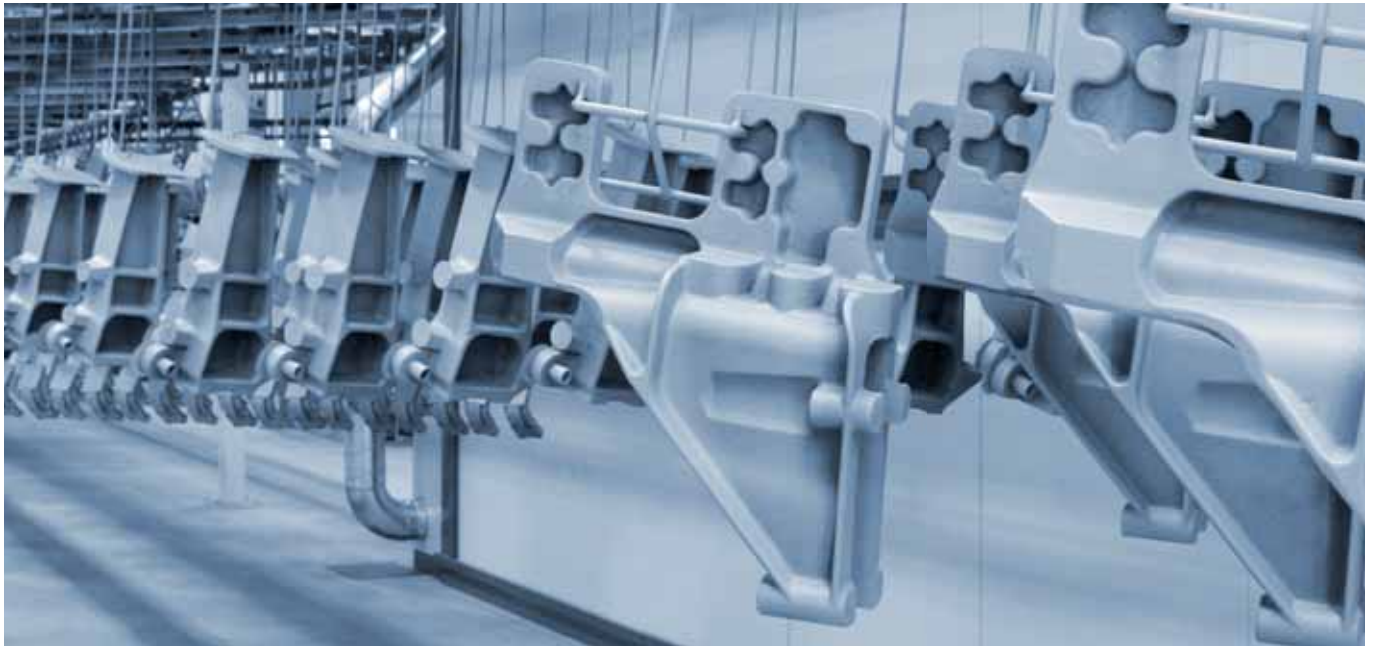
the short term.

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 objective is to protect the Group against unfavourable changes in the finance markets and to secure the Group's financial performance and financial position. Management of financial risks takes place in the corporate treasury function.

The Group has no significant concentration of risk for receivables. The Group recognized no major credit losses in 2006.

The company is not party to any significant contracts that will come into force, that can be amended or that can cease to be valid if control of the company changes in consequence of a public purchase offer.





Financial year 2006

Net sales

The Group's pro forma net sales in 2006 were EUR 602.3 (567.5) million. Componenta Group's net sales were EUR 362.1 (343.2) million. Döktas' net sales including Sherbrook International Ltd were EUR 240.2 (224.3) million in 2006.

Operating profit and result

The Group's pro forma operating profit excluding one-time items was EUR 40.4 (12.6) million and the pro forma result after financial items excluding one-time items was EUR 21.7 (-4.0) million. Componenta's operating profit excluding one-time items was EUR 14.9 (6.6) million and result after financial items excluding one-time items was EUR 5.0 (-2.4) million. Döktas' operating profit excluding one-time items was EUR 24.2 (5.3) million and result after financial items EUR 23.6 (3.6) million.

Financial costs

The Group's pro forma net financial costs in 2006 amounted to EUR -18.8 (-16.6) million and Componenta's net financial costs were EUR -9.9 (-8.9) million.

Taxes

Componenta's taxes totalled EUR -1.1 (+1.2) million.

Earnings per share

Componenta's basic earnings per share were EUR 0.36 (0.26). The Group's pro forma result for the fiscal year excluding one-time items was EUR 16.6 (-1.6) million and the corresponding earnings per share was EUR 1.56 (-0.26).

Equity & Return on investment

Equity invested in the company at the end of 2006 was EUR 354 (198.4) million and the return on investment was 6.6% (5.0%). The 2006 pro forma return on investment excluding one-time items was 11.4%.

Investments

Componenta's investments in production facilities in 2006 totalled EUR 12.1 (22.4) million, and finance lease investments accounted for EUR 5.3 million of these. The net cash flow from production investments was EUR -6.9 (-11.6) million. The net cash flow from investments taking into account the acquisition of Döktas AS was EUR -104.2 million.

Salaries

At the end of December 2006 the Group had 4,316 (4,057) employees. The number of Group personnel including leased personnel was 5,249 (4,833). In 2006 Componenta had on average 2,196 (2,214) employees. According to the income statement the salaries and fees paid in 2006 were EUR 80.3 (78.6) million, pension costs EUR 11.2 (10.6) million and other personnel costs EUR 10.1 (8.8) million.

Research and development

Componenta's R&D expenses in 2006 totalled EUR 1.4 (1.4) million. This was 0.4% (0.4%) of the company's total net sales.

On 13 April 2007 Componenta published the comparison data for 2006 and the pro forma comparison figures for 2006 based on the Group's current organizational structure. The increase in pro forma net financial items compared to the figures published in the financial statements release is based on Componenta's current 92.6% ownership in Döktas after the mandatory tender offer. The decrease in pro forma net sales compared to the financial statements figures is related only to the aluminium business of Componenta Döktas and based on change in accounting principles concerning liquid aluminium. This change has no impact on the result.

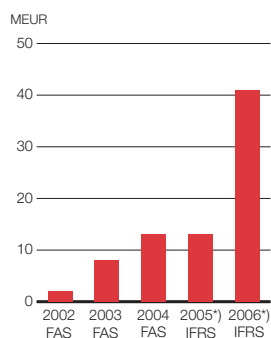
Key figures

	Pro forma 31.12.2006	31.12.2006	31.12.2005
Net sales, MEUR	602.3	362.1	343.2
Operating profit, MEUR	40.4*)	14.5	9.9
Operating profit, %	6.7*)	4.0	2.9
Net result, MEUR	15.2*)	3.5	2.5
Earnings per share (EPS), EUR	1.56*)	0.36	0.26
Return on equity, %	19.0*)	6.0	4.2
Return on investment, %	11.4*)	6.6	5.0
Equity ratio, %	-	18.7	18.1
Order book, MEUR	95.4	101.0	60.4
Investments in non-current assets, MEUR	131.2	123.6	25.1
Personnel including leased personnel	5,249	2,628	2,429

*) excl. one-time items

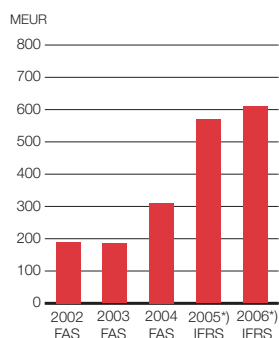
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Componenta operating profit
excluding one-time items
2002 - 2006



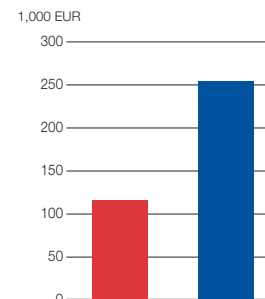
*) Pro forma

Componenta net sales
2002 - 2006



*) Pro forma

Contributions
2006*)



■ The **contribution given** (116.4 tEUR) was for university research, cancer research, sports, and non-profit organizations.

■ Most of the **received contribution** (253.7 tEUR) was for the training of employees in Finland and the Netherlands and for R&D projects.

*) Excluding Componenta Döktas

Shares and shareholders

The shares of Componenta Corporation are quoted on the OMX Nordic Exchange in Helsinki. At the end of 2006 the company's share capital stood at EUR 20.0 (19.3) million. The shares have a nominal value of 2 euros. On 31 December 2006 the quoted price of Componenta Corporation shares stood at EUR 8.59 (5.95). The average price during the year was EUR 6.56, the lowest quoted price was EUR 5.29 and the highest EUR 8.80.

At the end of 2006 the share capital had a market capitalization of EUR 86.1 (57.3) million and the volume of shares traded was equivalent to 57% (51%) of the share stock. The company has one class of shares.

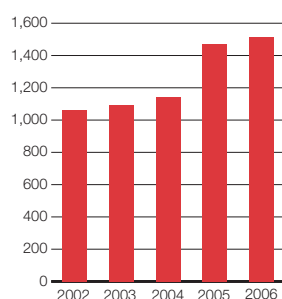
In 2006 the share capital was raised by EUR 787,178, as 393,589 new shares were subscribed using the option rights. The corresponding increases in share capital were registered in the Trade Register on 27 April 2006, 15 June 2006, 28 July 2006, 5 October 2006, 26 October 2006, 24 November 2006 and 29 November 2006. The share subscription period using the option rights ended on 31 October 2006. On 31 December 2006 the company had 10,022,298 (9,629,709) shares and 1,513 shareholders.

More information concerning the Componenta share and shareholders can be read on the Internet, at www.componenta.com.

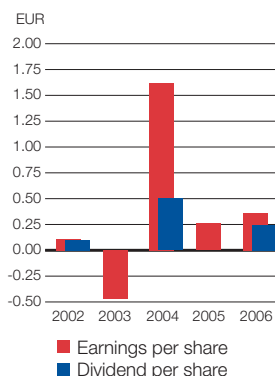
Market information

Componenta provides the markets with continuous updated information mainly through the Group's website. Componenta publishes the Annual Report and three interim reports. The press conferences held in connection with the publishing of reports are webcast simultaneously on Componenta's Internet site at www.componenta.com.

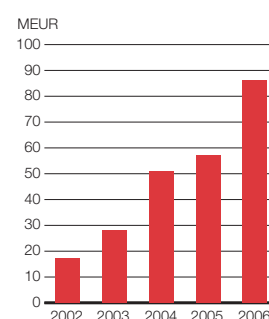
Componenta shareholders
2002 - 2006



Earnings/share and
dividend/share 2002 - 2006



Market capitalization on 31 Dec.
2002 - 2006





Less waste in production means better performance

Environmental and quality policies

We supply products that meet customer requirements just in time, without damaging the environment. Each Componenta employee is responsible for carrying out their daily activities to a high quality and with respect for the environment. Each production unit defines its own quality and environmental policies that are in accordance with this corporate policy and with the requirements of the relevant standards.

Each unit must have a quality management system certified by a third party. Depending on the customer's requirements, the quality management system must comply with either the ISO 9001 or the ISO/TS 16949 standard. The units must also have an approved environmental management system that complies with the ISO 14001 standard. We promote awareness of both customer and legal requirements throughout the organization. We monitor customer satisfaction and work to continuously improve this. We maintain a management system that encourages compliance with the instructions in the quality and environmental systems, the acceptance of responsibility, and commitment to quality, environmental factors and continuous improvement. We target continuous development activities to reduce variation in the manufacturing process and to adjust the process in line with individual product properties.

When setting and reviewing their goals, each production unit must take into account the following environmental factors:

- reducing consumption of energy and raw materials
- reducing particle and VOC emissions
- reducing ambient noise levels
- enhancing the sorting of waste and reducing the amount of non-recyclable waste

We ensure that the production units have sufficient resources to maintain their competitiveness and to develop their manufacturing processes. In capital expenditure we utilise the best and most practicable technology, taking into account financial and environmental considerations. One requirement for approving major investments is an environmental impact assessment.

Production process

Production process in the Componenta iron foundry - machine shop chain

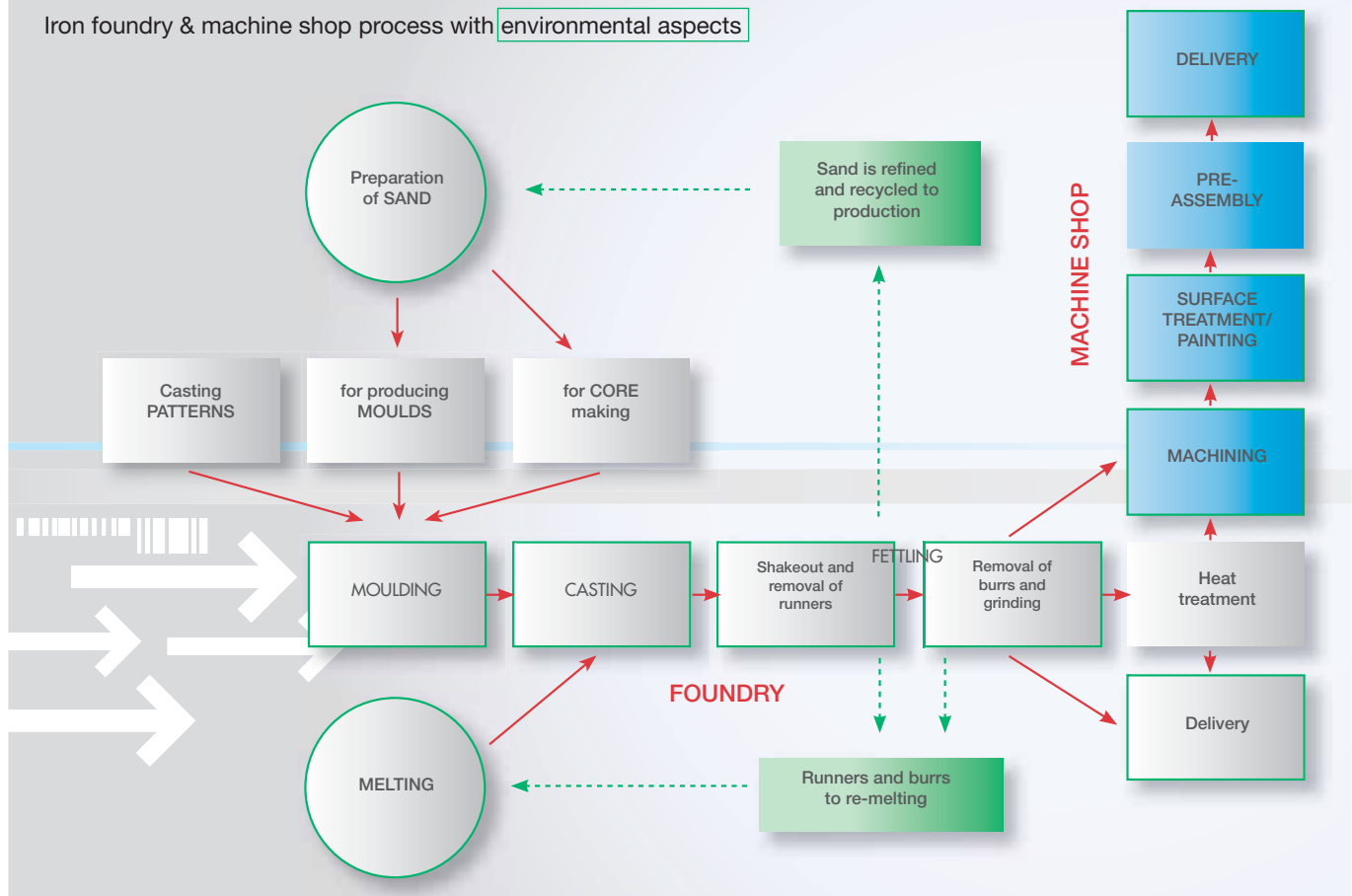
Production of cast components takes place in specialized foundries.

- The main raw material used in Componenta's products is recycled metal.
- Energy is used in melting the metal and it is obtained from electricity and coke.
- Moulding takes place on automatic moulding lines, and only the very largest moulds are made by hand.
- The moulds that give the product its exterior shape are mainly made of sand using patterns. (Steel moulds are also used.)
- The cores inside the mould are made of sand.
- The sand is recycled in the process. When this is no longer possible, some of the spent sand is utilized and some ends up as waste.

- The molten metal, which has been melted in an electric or cupola furnace, is poured into the mould.
- After cooling and fettling the product is ready for further processing. The runners and burrs are remelted.

From the foundry the components can be delivered directly or after heat-treatment to the customer. Or they can be sent to Componenta's machine shop where machining of the cast components takes place at modern machining centres, on CNC machines or with conventional machines. After machining, the items can be surface treated/painted and pre-assembled as required by the customer.

Iron foundry & machine shop process with environmental aspects



Environmental costs

The environmental load the production imposes

In the foundries the environmental load arises from:

- the use of energy in the foundries to melt the recycled and new metals
- the spent sand from the sand circulation system for casting moulds made with the one-time mould process
- dust waste extracted by the filtering equipment in the work phases that generate dust
- VOC (volatile organic compounds) emissions from the chemicals used in painting and in the manufacture of cores
- noise, for example in the handling of recycled metal

The operations of Componenta's machine shops are such that they do not impose a significant load on the environment. The cutting fluids used in machining are recycled and the machining waste is sent for recasting.

At the machine shops environmental load arises from:

- oils and chemicals; the cutting fluids used in machining, and the resulting cutting fluid waste (other chemicals are also used incl. liquid gas)

Forged components are manufactured on largely automated production lines. At the forges environmental load arises from:

- use of energy
- noise

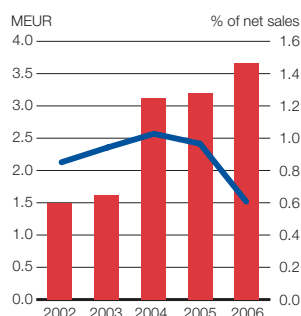
When the ready components supplied to customers have reached the end of their life cycle, they will be recycled and melted down again.

Componenta Group's environmental costs in 2006 totalled EUR 3.7 million (EUR 3.2 million in 2005). Environmental costs as a percentage of net sales declined 35% compared with 2005, because Döktas joined Componenta. Waste management was the biggest item, accounting for 64% (68%) of environmental costs. Other environmental protection activities, such as the company's own environmental management costs and waste taxes, were the second largest item, 14% (13%). Protection of the atmosphere, such as the running costs for filter equipment, accounted for 12% (10%) of environmental costs and waste water management for 9% (8%).

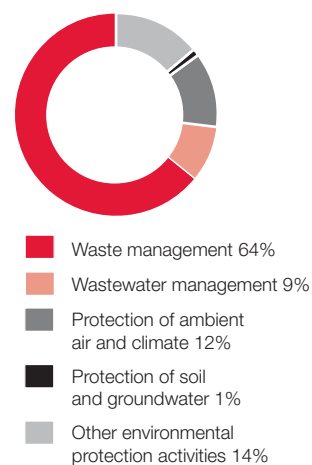
Protection of the soil and groundwater, which includes ground water samples and absorbing materials, accounted for 1% (1%) of the Group's environmental costs, and protection of biological diversity and the landscape for 1% (0%).

Environmental investments in 2006 totalled EUR 1.2 (1.2) million. Investments were made mainly at the Heerlen foundries, Weert foundry, Suomivalimo and at the Karkkila foundry. The investments aimed at saving energy and reducing smell inconvenience, environmental noise and particle emissions. Whenever the Group makes investments, it takes into account their environmental implications.

Environmental costs
2002 - 2006



Distribution of
environmental costs 2006



Raw materials

Componenta's foundries make efficient use of recycled raw materials. Most of the raw material used in melting is recycled metal such as the sorted metal from the engineering sector. New material is added to obtain the correct metallurgical properties. Various metal additives are also added (such as graphite, ferrosilicon and copper) to adjust the chemical composition to the required level. The foundries melt almost all the runners and feeders produced in their own processes. The runners and feeders guide the molten metal into the actual product in the mould. The runners and feeders are re-

moved from the products in the finishing process and returned for melting.

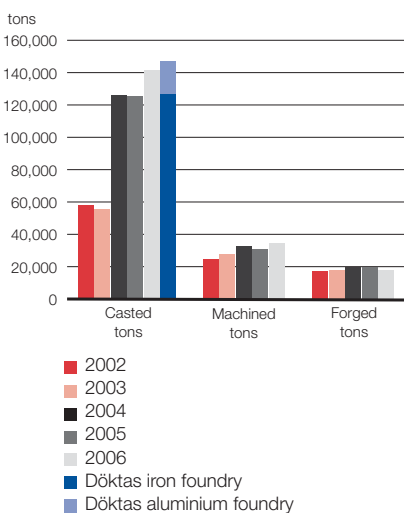
In 2006 some 69% of the molten metal used in the Finnish and Dutch foundries was recycled metal. In the Turkish foundry the corresponding figure was 64%. The use of recycled metal declined from the previous year due to higher prices and poorer availability.

The raw material used in the aluminium foundry is mainly pig aluminium.

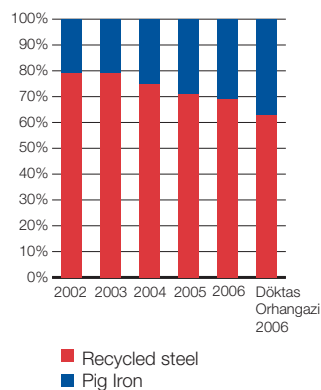
The raw materials used in the machine shops are mainly components cast at the Group's foundries.

The raw material used in the forges is steel blanks, which are manufactured at steel works and supplied to the forges as bars. The number of steel blanks used in forging per tonne produced increased by 3% from 2005. This was due to a change in the type of product made, which meant that a greater number of forged components were produced. A project has started at the Kolsva forge to reduce waste material. The project is being carried out in cooperation with the local university and the results are expected to have a positive impact on waste volumes and on energy consumption.

Production tons
2002 - 2006



Recycled steel and pig iron
used in melting 2002 - 2006



Componenta is purchasing materials and services from all over the world. In order to secure our material requirements, we are using an extensive monitoring- and evaluation programme where an ISO certification is a minimum requirement for the suppliers. The suppliers are also required the same standards as our own company, and those who fulfil our standards, are considered as a preferred supplier.

Energy consumption

Total energy consumption in 2006 was 809 GWh, of which Componenta Döktas used 383 GWh (393 GWh) and Componenta's other production units used 426 GWh (409 GWh).

The foundries consume over 90% of all the energy used by the Group. The melting of the raw material in particular consumes much energy, since the temperature of the molten iron is raised to more than 1,500 °C and the temperature of molten aluminium is more than 700 °C. A considerable amount of energy is also spent on heating the incoming air in the dust extraction systems. The foundries use sand for making some of the casting moulds into which the molten metal is poured. The sand contains much fine-grained dust that has to be removed at different stages in the process via dust extraction plants.

Other places where energy is used at the foundries are the machines and equipment, heat treatment, heating, air conditioning, lighting and internal transportation.

Most of the energy used by Componenta is obtained from electricity. Coke is used in melting in the cupola furnace at the Heerlen foundries. Melting at the other foundries takes place in electrical furnaces. Liquid gas or natural gas is mainly used for keeping casting equipment hot and for preheating. District heating is used to heat most of the Group's properties, while natural gas is used for heating at the foundries in the Netherlands and Turkey.

At the foundries

Total energy consumption in proportion to output at Componenta foundries in 2006 fell 6% compared to 2005.

The improvement was due to higher efficiency and improved capacity utilization. Energy consumption per tonne of output declined at all foundries except Suomivalimo. At Suomivalimo the increase in energy consumption per output tonne was due to major changes in the moulding process (from half-automatic moulding to floor moulding) as the result of customer demand. Energy efficiency at Karkkila improved due to the investment made in a new melting furnace in 2005, since the benefits from the furnace were obtained for the whole year in 2006.

The Dutch foundries are more energy efficient, due to differences in the casting systems. Their casting systems have a smaller proportion of runners and feeders, so a larger proportion of the molten metal goes straight into the end product, resulting in a lower relative energy consumption. The difference in climate means that heating the foundries in the Netherlands and the incoming air for their dust extraction plants consumes less energy than similar operations in Finland. The Weert foundry in the Netherlands is the most energy efficient.

Energy reviews and analyses of existing energy flows based on these have now been carried out at all the foundry units and at some of the machine shops. The analyses have identified areas with savings potential and their results will be utilised when planning future investments.

At Döktas

Componenta Döktas has an iron and an aluminium foundry and machining operations connected to these. In 2006 energy consumption at the Döktas production units declined by almost 5% from 2005, even though a greater pro-

portion of output was machined and the number of machining centres rose from 15 to 19. Many projects were carried out at Döktas to improve energy efficiency during the year. At Orhangazi the pumps for the cooling water system were replaced with more energy efficient pumps, the lighting system was made more energy efficient, and the pressure in the compressed air equipment was adjusted in line with consumption at Orhangazi and at Manisa. Energy consumption at the Manisa aluminium foundry is higher due to the different production process.

At the machine shops

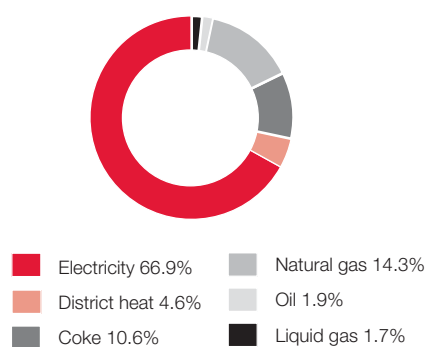
The machine shops accounted for 3% of Componenta's energy consumption in 2006. Most of this energy was consumed by machines and in heating and air-conditioning for buildings. As the result of improved capacity utilization, energy consumption per tonne of output at the machine shops declined 3% from 2005.

At the forges

The forges account for 5% of Componenta's energy consumption. Most of their energy is consumed in heating the blanks to forging temperature. Energy consumption per tonne of output rose 7% at the forges compared to 2005. The number of forged components was higher in 2006 than in the previous year, so there was proportionately more forging in relation to the weight.

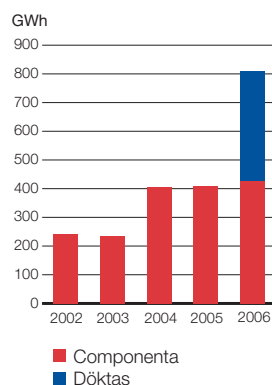
A heat recovery project was started at Smedjebacken in 2006 to utilize the hot water obtained from the cooling of forged items.

Distribution of energy consumption in 2006

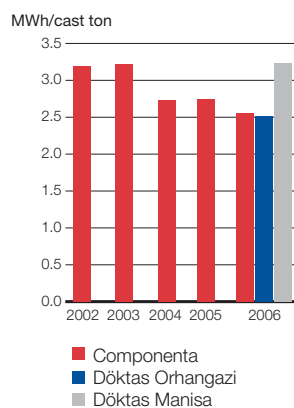


Most of our production units have succeeded in reducing their energy consumption. Energy consumption in proportion to output at the Finnish and Dutch foundries fell more than 6%, at Döktas almost 5% and in the machine shops 3% compared to 2005.

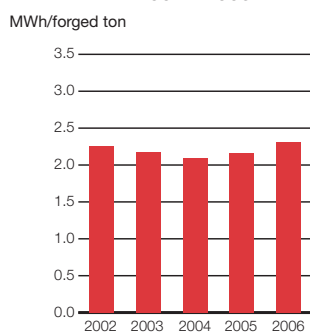
Total energy consumption
2002 - 2006



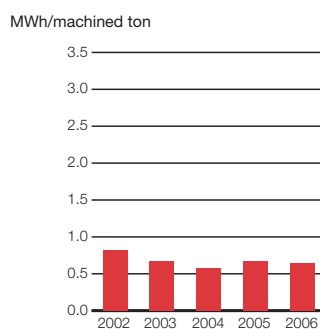
Energy consumption in foundries
2002 - 2006



Energy consumption in forges
2002 - 2006



Energy consumption in machine shops
2002 - 2006



Dust & VOC emissions and noise

The biggest emission from the casting process is dust. Moulds and cores made from sand are used in casting. The sand is recycled continuously in the process and its grain size gets smaller and smaller as the result of mechanical wear. The sand then gives off dust, which has to be extracted at several points in the process.

The dust is fed to the dust extraction plant where it is separated from the air flow and the air is conducted outside. Even the most modern dust extraction plants are not able to remove the very finest dust and some of the dust escapes into the outside air. There are also differences in the separating capabilities of the dust extraction plants and methods in use.

VOC emissions

The VOC (volatile organic compounds) emission for example from the foundry process arise from the solvents used in painting products, from the alcohol-based thinners used in coating moulds and cores, and from the amines used in hardening the cores. Some production units have switched to water-based paints, but some products still have to be coated with solvent-based paints due to the requirements of the customer's manufacturing process.

Forging and machining do not cause significant dust or VOC emissions.

The amount of dust emissions per tonne produced declined at the foundries by 32% from 2005. The reasons for this were the replacement of the old dust filtering equipment at Suomivalimo with new equipment and the new filters fitted at the Karkkila foundry in the previous year.

Particle emissions at the Döktas foundries are higher than at the other Componenta foundries. Emission levels comply with legal requirements but projects are underway at Döktas to reduce particle emissions, especially from the moulding lines and the fettling machines.

VOC emissions from the use of amines and solvents at the foundries declined in 2006 by 16% per tonne produced from the previous year. The Karkkila and Suomivalimo foundries have cut their VOC emissions from solvents by switching increasingly to water-based paints. VOC emissions at the Döktas foundries are higher than at the other Componenta foundries. A new painting system was purchased for the Döktas Manisa plant which makes it possible to use 30% less paint.

Actions to reduce emissions

The moulds used on the furan production line at the Heerlen Furan foundry and the moulds made from furan sand at the Iisalmi foundry (Suomivalimo) are coated before casting to obtain a sufficiently good surface quality and to prevent the metal from penetrating the sand. An alcohol solvent has to be used for coating since there is little time on the automated production line for it to dry. The alcohol evaporating from coating at the Heerlen foundry and in hand moulding at Iisalmi is burnt, and only some 30% of it is emitted as gas to the outside air. The amine gas used in the production of cores at the foundries in the Netherlands is fed to an acid treatment, which binds the amines to the acid, and less than 5% is emitted as gas to the air. The acid amine solu-

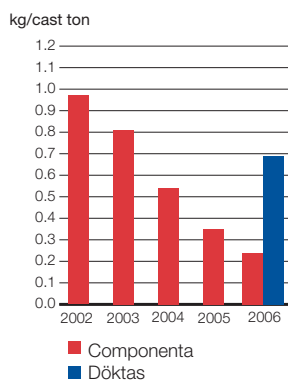
tion used in the treatment is sent to a treatment plant in Germany where the acid and amine are separated for reuse. The Orhangazi foundry in Turkey also has amine scrubbers and it is planned to obtain an amine scrubber for the Manisa foundry. Componenta Heerlen and Componenta Weert continuously measure pH levels to reduce the odour inconvenience in the immediate neighbourhood.

To reduce the odour inconvenience in the neighbourhood, a new and higher chimney has been installed in the Heerlen foundry to which the air from the cooling drum on the HWS moulding line is fed. An extra exhaust unit and chimney have also been installed at the casting point on the Heerlen Furan line to reduce odour emissions.

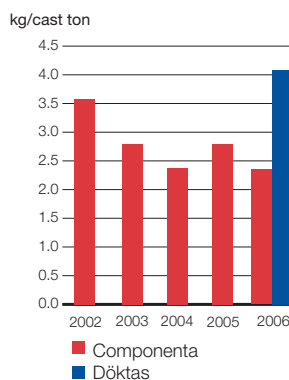
Componenta is carrying out several projects aiming to replace the raw materials currently used with more environmentally friendly materials. The projects at the Heerlen and Weert foundries aim in particular at replacing the chemicals used in the manufacture of cores and the paints used. The Pietarsaari foundry is examining the possibility of using a water-based coating for cores. Coating increases the heat-resistance of sand cores (the inner part of a cast product). Suomivalimo and Karkkila are studying the possibility of increasing the use of water-based paint and the use of paints with a higher solids content.

Componenta has invested in extensive videoconference network covering all major locations. Frequent use of videoconference facilities enables the Group not only to reduce travel costs and save time, but also to lower carbon dioxide emissions.

Particle emissions
in foundries



Amines and solvents (VOCs)
in foundries



Noise

Several Componenta production units are situated close to residential areas, so noise can be a problem for the local environment. These units pay particular attention to noise abatement. We monitor and measure the level of noise caused by our production units in the areas close to the plants, using both an external agent and for ourselves.

The number of noise spot checks was increased in 2006. Noise spot checks are made regularly at the Pori foundry, three times a year, and twice a year at the Orhangazi foundry. Spot checks for noise are utilized when making models for the spread of noise. Those have been made for almost all the production units that create noise in their environment. Noise models for the Turkish units will be made in 2007.

The main causes of noise are the handling of raw materials at the foundries, the forging process at the forges, and air-control. And, of course, transporting

products and raw materials also causes noise. We comply with the stipulations for noise levels in the terms of the operating permits.

To reduce noise at the Karkkila foundry, one filter unit was put in a casing and a silencer was installed. This reduced the noise in the neighbourhood by 4 decibels. Similar actions to reduce noise of the other filter units at Karkkila will be continued in 2007. At the beginning of 2007 doors were installed in the melting plant at the Karkkila foundry to prevent noise carrying into the neighbourhood.

At Suomivalimo sound insulation was installed in an extract fan that was opposite housing, removing disturbing noise.

Sound insulation was installed on a particle extraction outlet from sand production at Weert. Sound insulation was also installed on the extract pipe from the cooling system on the Heerlen Furan line.

Response to stakeholder expectations

Componenta's stakeholder groups have different expectations concerning environmental issues. The stakeholders continue to expect and demand more and more in terms of environmental and sustainable development.

Many customers require us to have an environmental management system. The automotive industry maintains lists of 'black' and 'grey' chemicals. End products supplied to them must not contain any chemicals on the black list and it is necessary to look continuously for more environmentally friendly alternatives to using them in the production process. Use of substances on the grey list should also be avoided. We continually check that we meet the requirements of the black and grey lists. We have, for example, succeeded in meeting the strict requirements of the automotive industry concerning lead. We primarily choose raw material suppliers that have environmental management systems in use.

In Heerlen neighbours made 222 complains about odour, noise, dust and vibration. In Weert 16 complaints were made by neighbours from odour. One Suomivalimo neighbour made a complaint about noise and dust.

An information meeting was held in Heerlen concerning the actions that are planned to reduce the inconvenience in the neighbourhood. The Karkkila foundry has informed the local residents' association about environmental matters.

The Group's production units report the results of surveys and monitoring as defined in the environmental permits each year to the environmental authorities.

Waste and recycling

Spent sand and dust are the biggest waste items at the foundries. Spent sand is the sand that needs to be removed from the sand process because fresh sand is added, to maintain the quality of the sand. Some 2% of new sand and binding agents are added to the sand that returns from the casting process, so 98% of the sand is continuously recycled. Even so, the process produces a large amount of spent sand.

The other major waste fraction is dust, which is separated at dust extraction plants from the air conducted from different points in the sand process. It is important to realize that an increase in the amount of dust waste means a decrease in the amount of dust emissions in the air.

Another waste item at the foundries is slag. Slag is impurities (sand etc.) that rise to the surface of the molten metal and are removed before casting.

The other waste at the foundries is normal industrial waste, and most of this is sorted for reuse. Hazardous waste is produced mainly from the lubrication oils, the painting processes, the dust separated from melting, the water treatment process at the Orhangazi foundry and from processing amine gases.

The machine shops produce normal industrial waste and machine chips. Hazardous waste is produced by the lubrication oils for machinery, by the cutting fluid used in machining and by the painting process.

The biggest waste item at the forges is burrs. Hazardous waste includes the oil used in forging and cooling emulsions.

At the foundries

The total amount of waste per tonne produced at the foundries declined approximately 7% in 2006 compared to 2005. This was achieved by improving internal recycling. The Weert foundry operates a reprocessing plant for the moulding sand. After processing the moulding sand can be used in the production of cores, which correspondingly reduces the need for new sand and the amount of spent sand. Most of the spent sand and dust from the foundries is utilized in the construction of waste landfill sites. A separate landfill site for foundry sand and dust is in use in Karkkila and this will be closed in 2007. Studies concerning reusing waste will be continued, and they are likely to increase the amount of reuse.

New landfill acceptance criteria have come into force in Europe. The substances contained in waste that is disposed of at landfill sites, apart from community waste, and their solubility must be identified using laboratory tests. A certificate of acceptance for landfill sites is also needed. The authorities decide on the basis of these where the waste is deposited. Waste disposal sites are divided into three categories: sites for permanent waste, normal waste and hazardous waste. Solubility levels for each substance have been defined for each category.

Waste is also analyzed at Componenta. Fluorides, for which previously there have not been specific requirements, have been a problem in some waste items because of the new regulations. The composition of waste has been improved by

altering the raw material used in production. However some dust cannot be disposed of at normal landfill sites because of the fluorides and heavy metals that they contain.

Almost all the waste from the Dutch foundries is sent for reuse. The dust sludge is used in road building. Spent sand is used in concrete structures and civil engineering. Metal is separated from slag and the slag is then used in covering material mixtures. Only unsorted waste is sent to the landfill site.

At Döktas

The Döktas foundries generate less waste than the other foundries. Döktas has a foundry sand reclamation system, as does the Weert foundry. Only dust filtered from the sand reclamation system is sent to the waste disposal site. Other filtered dust, coming from the fettling and moulding lines, is stored in the plant's stock area. 10% of the filtered moulding dust is reused on two lines in the moulding process.

Döktas is carrying out a project to find its own storage area for the dust and slag from the sand reclamation system.

At Döktas the zinc dust from the melting process in the induction furnaces is separated and sold to a company in Istanbul to produce zinc oxide.

Döktas has carried out extensive testing of its waste, like the other Componenta foundries. These have resulted in changes to processes, for example it has switched to fluoride-free feeders.

A patented briquetting process using metal chips is in use at Orhangazi. This is used to make briquettes from the company's own machining chips and from metal chips purchased from the automotive industry. The briquettes are remelted at the Döktas foundry.

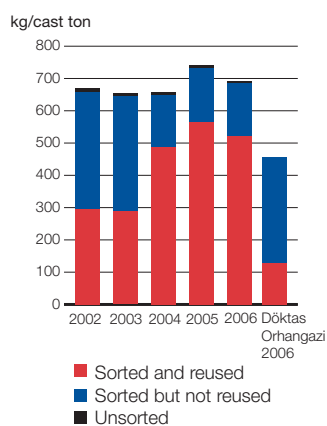
At the machine shops

The total amount of waste per tonne produced at the machine shops rose about 13% in 2006 from 2005. The biggest waste item at the machine shops is machining chips. In 2006 some of these were sent to the melting plants of steel manufacturers and some were melted in the Group's foundries. The machining chips from the Pietarsaari machine shop are compressed to form briquettes which are remelted at the Pietarsaari foundry. The briquetting process also separates the cutting fluid from the chips and after cleaning this can also be reused in the Group's machining operations. Briquetting started at Pietarsaari in 2005.

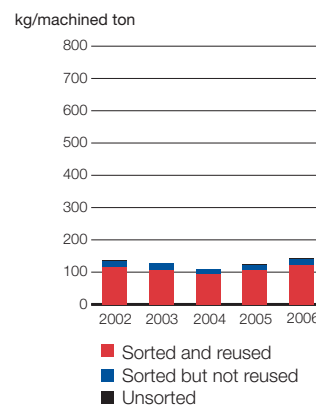
At the forges

The total amount of waste per tonne produced at the forges in 2006 increased 20% from 2005. This was because the forged items made in 2006 were smaller, so the forged area was higher in proportion to the weight, resulting in more material waste, the forging burrs. These form the biggest waste item and are sent for reuse to the melting plants at steel works. Almost all the waste at the forges is sorted.

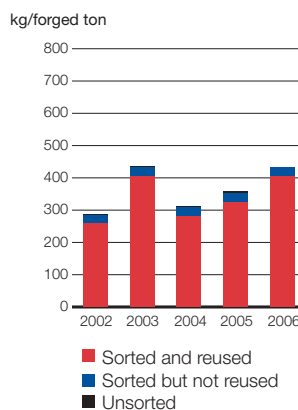
Waste in foundries



Waste in machine shops



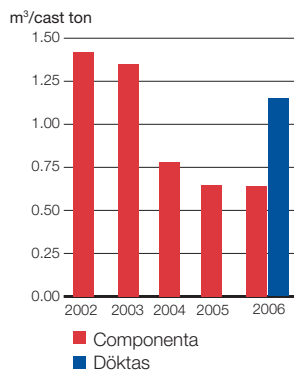
Waste in forges



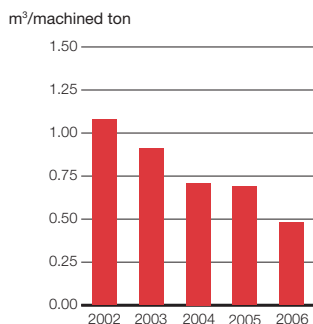
The machining chips compressed to form briquettes are remelted at the Pietarsaari and Orhangazi foundries.

Waste water, packaging and transport

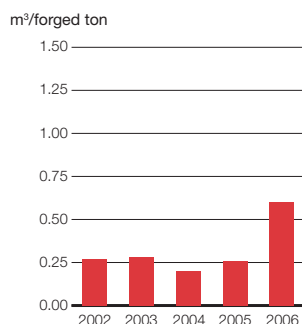
Water to the wastewater plant from foundries 2002 - 2006



Water to the wastewater plant from machine shops 2002 - 2006



Water to the wastewater plant from forges 2002 - 2006



Waste water

Water is used for cooling at the foundries and forges, as an additive to sand at the foundries, and in the cutting fluids and painting processes at the machine shops. The amount of waste water at the Componenta foundries group was nearly the same in 2006 as in 2005. The amount of waste water at the machine shops declined about 30% in 2006 from 2005. The surface treatment plant at Främmestad has a closed water system, which reduces the amount of waste water, and the new system was in use for the whole year in 2006. The Weert foundry, the Karkkila foundry, the Pori foundry and the Kolsva and Virsbo forges take the cooling water used in their processes from rivers. The water circulates in a closed system and is then returned at a slightly higher temperature to the river, so no waste water is produced. Much water is also used to dampen the sand at the foundries. This evaporates during the casting process and does not end up in the municipal sewage system. The reasons for the increase in waste water in the Virsbo forge are the temporary usage of communal water for cooling and a leakage of 2,000 m³.

The Döktas Orhangazi foundry has its own waste water treatment plant, so all waste water is reused. At the Manisa foundry water is used in the cooling system and the painting shop. It is planned to reduce the amount of waste water at Manisa by building their own recycling system for waste water.

Packaging

The packaging material for products is recyclable pallets and pallet collars owned by the customer or metal racks. The Group's packaging material is mainly recyclable EUR pallets and EUR pallet collars. These are also used in traffic between the Group's production units. In Turkey various disposable wooden packaging is used. We purchase most of our raw materials as bulk goods, without packaging. For raw materials that are packaged, we aim to use the largest possible size. Metal additives, for example, come in 1,000 kg large sacks, and paints in 200 litre barrels or larger containers. We insist that raw material suppliers use EUR pallets.

Componenta is a member of PYR Ltd, the environmental register of the packaging sector in Finland. The foundries in the Netherlands are members of the packaging organization BVNL. The Virsbo forges are members of REPA, the Swedish packaging organisation. Döktas also reports on their packaging material.



Quality and environmental systems

Transport

Ready products are supplied to customers mainly by transport companies chosen by the customer in accordance with their own contracts. Componenta arranges transport for some products. When we choose transport companies, we ensure they have certified quality and environmental management systems. The required cost efficiency also means the shortest routes possible.

Some 50% of raw material deliveries are of recycled metal. Deliveries of recycled metal to the foundries are always with a full load, eliminating excess traffic. Transport is arranged on a regional basis, eliminating the need for long distance deliveries.

The other major raw material transported is pig iron. A considerable amount of pig iron to the Group's foundries is imported from Russia and ship transportation is preferred. Pig iron is transported for example to Finland in shiploads of 1,000 - 4,000 tonnes. Other raw materials are brought in containers or by truck. We always aim at full loads of raw materials. We do not normally use air transport, and rail is only used in special circumstances.

Environmental management systems

In accordance with the Group's environmental policy, each production unit should have an environmental management system conforming to ISO 14001 standards. Building of the systems continued during 2006 and the Netherlands units obtained ISO 14001 and ISO/TS 16949 certification at the end of 2006.

Projects to build environmental management systems have started at Componenta Pistons and Componenta Nisamo. Quality and environmental management systems are being built simultaneously at both units. The goal is for the systems to be ready by the end of 2007. The initial audit of the environmental management

system at Nisamo was made in May 2007.

The environmental management systems guide development at the units and help them identify the environmental impact of their production and correct the most important environmental aspects. The systems also highlight the responsibility of everyone in environmental matters and increase environmental awareness and commitment to environmental issues.

Componenta's quality and environmental systems

Production unit	ISO 9001	ISO/TS 16949	ISO14001	Actions 2006
Albin	✓	✓	✓	QS 9000 updated to ISO/TS16949
Döktas Orhangazi	✓	✓	✓	
Döktas Manisa	✓	✓	✓	
Heerlen HWS	✓	✓	✓	ISO/TS 16949 ISO 14001 finalized 2006
Heerlen Furan	✓		✓	ISO 14001 finalized 2006
Främmestad	✓	✓	✓	
Karkkila	✓	✓	✓	
Nisamo				ISO 9001 and ISO 14001 will be ready 2007
Pietarsaari	✓	✓	✓	
Pietarsaari MS	✓	✓	✓	
Pistons				ISO 9001 and ISO 14001 will be ready 2007
Pori	✓	✓	✓	
Suomivalimo	✓		✓	
Åmål	✓	✓	✓	
Weert	✓	✓	✓	ISO/TS 16949 and ISO 14001 finalized 2006
Weert MS	✓	✓	✓	ISO/TS 16949 and ISO 14001 finalized 2006

Environmental permits

The operations of foundries and forges are such that they require an environmental permit. Many permits were renewed during 2004 – 2006 due to changing environmental legislation and increased production.

The Karkkila foundry and heating plant obtained new environmental permits in March 2006. The application for an environmental permit for the Pori foundry conforming to the new Environmental Protection Act was submitted by the deadline of 31 December 2003. It is still being considered because the officials are so busy. The foundry can continue to operate under the current permit until the new permit is obtained. The permit pro-

ceedings for the Kohlsva forge are waiting for new legislation to be completed.

Environmental permits in Turkey are split into several parts, including a waste water permit, an emissions permit and a hazardous waste permit. Emissions permits may even have to be renewed at two year intervals. In 2006 Orhangazi applied for a new emissions permit and in 2007 Manisa will apply for a new emissions permit.

The Finnish and Dutch foundries have environmental permits that are valid indefinitely. The permits must be renewed if significant changes take place. The permits for the Finnish foundries have a date when the permit needs to be checked and, if needed, a new application must be submitted.

The environmental permits for the foundries are such that they govern development relating to the environment. The new permits contain numerous requirements that develop environmental issues at the production units far into the future. These requirements focus for example on particle and VOC emissions.

The European Union has defined the best available techniques (BAT) for foundries. The BAT reference document for example defines the emissions limits that can be achieved with the best available techniques. Authorities take BAT requirements into account when granting new environmental permits or change the old one for foundries.

High-risk situations

A few high-risk situations occurred in our production units in 2006 that could have had an impact on the environment. All were well controlled and they had no significant environmental impact.

Small fires occurred in January and May in the cellar pouring/shake out on the Heerlen furan line. On both occasions the fire service was called out. No damage was sustained. To prevent the same thing from reoccurring, a protective screen was built to prevent splashing and dust from dropping to lower floors, and cleaning has been improved.

The Heerlen HWS line had problems with the cooling system in the cupola furnace in January and July. Both times the

furnace was emptied, but smoke and flashing could be noticed outside the foundry.

In June a small amount of oil leaked into the Heldström river at the Kolsva forge. To prevent a re-occurrence, instructions were made for cleaning the gravimetric oil separator. In August a hose pipe leaked at the Virsbo forge. Water leaked into the basement and mixed with oil. Some 65 m³ of wastewater was pumped into a tanker lorry for removal.

In September a fire took place at the Pietarsaari foundry. The fire was extinguished by foundry personnel, and the fire service was called to check the situation. The fire started when a recycling iron chill was emptied too early. No-one was

injured in the fire. Some electric cable was destroyed.

In September an accident occurred at the Karkkila foundry. About 15 tonnes of molten iron spilled from the holding furnace, which keeps the molten iron hot, into the cooling tank beneath the furnace. No one was injured or hurt in the accident. Personnel acted in accordance with the given guidelines and the fire service only needed to check the situation.

Molten iron is continuously processed at the foundries. Liquid gas can be considered the highest-risk chemical at the foundries. Emergency plans are in place at all the foundries.

Environmental balance sheet

	2002	2003	2004	2005	2006 ¹
PRODUCTION TONS					
Foundries	58,000	55,422	126,142	125,514	141,563
Machine shops	24,621	27,603	32,708	30,759	34,339
Forges	17,172	17,422	19,789	19,592	17,926
Döktas	-	-	-	-	146,740
MAIN RAW MATERIALS					
Recycled metal, t (foundries)	46,380	45,812	96,305	93,182	181,202
Pig iron, t (foundries)	12,196	11,746	32,470	37,209	90,877
Aluminium, t (Döktas)	-	-	-	-	26,761
Steel blanks, t (forges)	20,306	22,789	25,299	25,953	24,432
Sand, t (foundries)	20,324	20,616	42,287	47,732	88,637
Cutting fluids, t (machineshops and forges)	83	75	95	93	242
ENERGY CONSUMPTION					
Electricity, MWh	188,800	182,339	263,529	252,527	541,372
District heat, MWh	38,895	38,136	41,737	40,250	37,250
Cokes, MWh	-	-	59,664	75,773	85,748
Natural gas, MWh	-	-	23,991	22,489	115,730
Oil, MWh	3,715	3,218	3,660	4,675	15,544
Liquid gas, MWh	12,174	11,195	12,622	13,273	13,512
WATER CONSUMPTION, m ³					
	154,936	151,679	226,821	224,927	433,634
EMISSION INTO AIR					
Particle emissions, t	56	45	68	44	135
VOC emissions, t	208	155	299	350	932
WASTE					
Wastewater, m ³	113,455	104,702	125,884	108,352	286,750
Waste dust, sludge etc., t	6,156	5,149	3,916	17,223	21,016
Sand, slag etc., t	27,486	27,618	71,573	63,657	110,075
Unsorted waste, t	687	589	1,385	1,519	1,204
Hazardous waste, t	928	938	1,066	2,788	2,629
Metal scrap, t	11,032	12,193	11,570	16,287	34,422
Waste wood, t	170	175	666	758	947
Waste paper, cardboard etc., t	262	522	306	146	459
Other sorted waste, t	345	239	640	1,474	1,079

¹ 2006 including Döktas' figures



In 2006 Componenta employed 5,250 persons representing dozens of nationalities

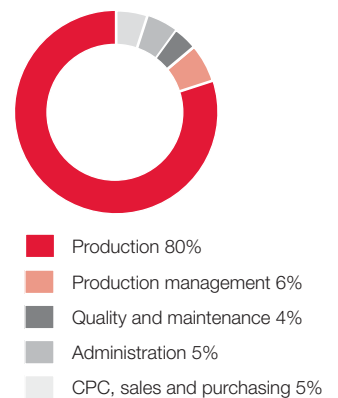
Importance of human resource management increases as Componenta grows

During the past few years Componenta has grown not only through steady organic growth but also through major acquisitions. After Döktas joined Componenta at the end of 2006, Componenta Group is now present with its own business units in the Nordic countries (Finland, Sweden), in central Europe (the Netherlands), in England and in Turkey, serving customers through specialized business and production units.

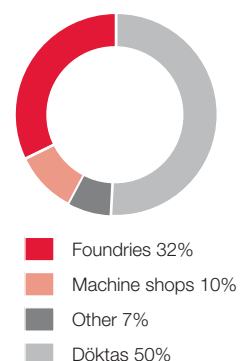
Managing an international, multicultural and diverse organization depends largely on Componenta's values. The values of openness, honesty and human orientation are regarded both as our best management practices and principles of equality and ethics, and as guidelines for daily activities.

Management of human resources is one of the strategic issues for Componenta today and in the future. Understanding the people-related aspects of the business strategy, operations and business environment and turning these into strategic actions have been closely integrated into the Componenta strategy process during 2006. At the same time the human resource function has concentrated on developing the effective and efficient provision of human resource services to business needs. This has been achieved through a clear operational model and clear responsibilities of human resource function at Group and location levels and by developing value adding HR processes, practices and tools.

Personnel by function
2006



Personnel by division
2006



Through human resource management we strive to ensure
the competitiveness of business operations and the well-being of the organization

Management of human resources (HR)

HR management aims to ensure the competitiveness of the business and the well-being of the organization by

- understanding people-related aspects of the organization and its environment, and linking these with the direction of the business,
- designing and managing policies, practices and processes that turn strategy into employee behaviour,
- promoting good leadership and management practices that encourages initiative, participation, confidence and involvement among employees.

The availability of the required resources at the right time in the right place has been one of the main areas of HR management for Componenta managers during 2006. Structured, piloting discussions about future resource needs have taken place in the divisions. Recruitment action to strengthen the overall competency of the organization has taken place especially at specialist and management positions.

To support resource management in Componenta, we have enhanced our attraction, search and selection processes of new resources in all countries, aiming to have a consistent process in place at the beginning of 2007. To provide reliable and consistent data for decision making, strategic HR figures are collected as part of quarterly reporting. Proactive work together with schools and universities has been enhanced in order to ensure the availability of the required resources in the future, as well.

Componenta will start a new trainee programme during 2007. In this programme students who are interested in a career in an international, expanding foundry company, will be offered trainee work at different Componenta units and the opportunity to do their master's thesis.

Common way to operate in the whole Group

Componenta's management and operational business model based on the division structure ensures that our internal functions are efficient, and the specialized divisions with their knowledge are able to create added value for our customers. Componenta-wide functions and processes ensure that we have in use consistent ways to work and tools supporting them, and the possibility to learn and develop.

At Componenta we have a clear, consistent and lean management model and operational structure. In this our people have clear targets and responsibilities and

at the same time are able to influence and develop their own work and the business. We also call for unified processes and procedures across Componenta, to ensure we use our capabilities and share the best practices very effectively. A high level of professionalism and competence should be in place in all positions and in everything we do.

One high priority in 2006 was a dialogue about common goals at all levels in the organization. This was emphasized at the management meetings, dialogue sessions with shop stewards and division

management meetings – and as a part of the regular weekly meetings at our production units.

In the division-oriented business model introduced in the autumn 2006, a primary management tool is a performance-based process that combines goal-setting, performance evaluation and remuneration – at company, individual and team level – into a tightly interwoven system. This ensures that personal goals clearly support the achievement of the primary goals of the Group or division.

Labour practices and key figures

Labour practices and safety

All Componenta employees in Finland, Sweden, and the Netherlands are covered by a collective bargaining agreement. In Turkey such agreements cover 88.9% of the employees. Componenta carefully monitors national legislation, cooperation acts and other laws and regulations.

In 2006 Componenta had one transfer of a business when Componenta Pori machine shop and Componenta Nisamo machine shop were consolidated. The negotiations in this business transfer were carried out in accordance with the Act on Co-operation within undertakings and all employees at Componenta Pori machine shop were given the opportunity of continuing at Componenta Nisamo retaining their existing employee status.

Every Componenta employee is covered by a company health service. The content of the health services offered by the company varies from country to country depending on local legislation. At

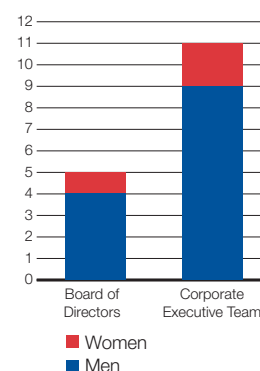
business unit level, the health and safety committees include representatives of personnel and the management of the business unit. These committees formulate and execute the operational aspects of the health and safety policy and prepare the occupational safety plan for their own location. The health and safety plan can include i.e. training, advising and giving information to employees, and periodical medical investigations for employees who work in an environment that can harm their health.

During 2007 the emphasis in developing our health service will be on preventive health care. As part of preventive health care and safety we pay attention to the orientation of new employees, to safety training, learning each phase of the work and how to operate machinery, and are currently further developing our orientation procedures.

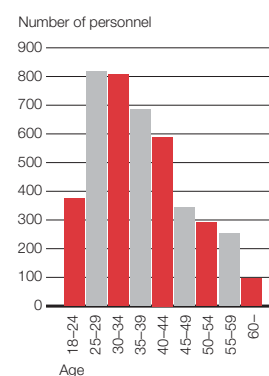
Absenteeism due to sickness and accidents at work 2006

	%
Finland	4.73
Sweden	6.13
The Netherlands	6.40
Group without Turkey	5.54

Men and women on management boards



Age structure



Personnel key figures 2006¹⁾

	Group	Finland	The Netherlands	Sweden	Turkey
Number of personnel incl. leased personnel	5,249	1,167	828	633	2,621
Division of personnel, %		22	16	12	50
Increase during 2006, %	9	10	8	5	9
New recruitments	628	178	123	40	287
Type of employment					
permanent	4,143	1,060	520	563	2,000
temporary	173	38	110	25	0
leased	933	69	198	45	621
Gender, %					
male	93	85	97	86	99
female	7	15	3	14	1
Turnover, %	10	12	4	16	10

¹⁾ Pro forma

Compensation and rewarding

The growth of the group coupled with a developing business environment has set new requirements and responsibilities for Componenta's personnel. In this changing situation consistent, motivating and fair compensation plays a critical role both in leading operations and in attracting, retaining and motivating employees.

As part of the compensation and salary planning process, Componenta actively monitors the labour markets and developments in market salaries in all our countries aiming at fair and competitive compensation at all levels in the organization. The compensation for an individual position is determined by the requirements of the position, the level of competence and skills of the person regardless of the gender - and also reflects the external and internal market salary structure.

As a strong industrial employer in all its main countries, contractual salary agreements are followed and applied through-out the Componenta Group. During 2006 we have renewed the salary schemes especially in production operations and further developed systems that support the achievement of targets and performance based pay.

Through competitive and fair compensation practices we also aim to attract and retain talent, as well as combine the interest of owners and key personnel.

Performance based short- and long-term incentives

To ensure that the compensation in key positions advances the short- and long-term interests of the individual, company and shareholders, Componenta has built up a comprehensive performance management process in which performance and pay are linked together.

Componenta rewards personnel in key positions and secures their commitment with performance based short- and long-term incentives. Componenta Board of Directors confirms the positions included in the different schemes and company level targets.

Short-term bonuses are linked to achieving measurable personal and business targets annually. The amount of the maximum bonus payout varies between 0% and 32% of annual income.

The long-term share-based bonus scheme is linked to the company's expected return on equity and to the consolidated result after financial items. The scheme is made up of three earnings periods and lasts a total of five years.

Other compensation practices

In the different countries Componenta follows the compensation practices and contractual agreements as guiding principles to define the compensation for our employees. Our personnel working in production also have bonus schemes

which are linked to productivity and the overall performance of the business unit. To give an example, at our units in the Netherlands we have a profit sharing scheme which is based on return on investment (ROI). The targets of the program are agreed annually.

Componenta also utilizes other compensation instruments, such as insurance for specifically defined positions.

In 2006 the incentive and commitment schemes in production were further developed in cooperation with personnel in the Finnish and Swedish units. In the Netherlands we have continued the constructive dialogue and cooperation with the local works council about the compensation element for personnel. In Turkey the personnel committed to common, achieved goals, received bonuses at the end of 2006.

In 2007 Componenta will further develop the instruments and practices for bonuses and remuneration and strengthen its performance based management process.

Skills and capabilities

Componenta trains its personnel continuously in order to maintain and develop the knowledge and know-how needed in different positions. At Componenta we strongly believe in learning by doing and action learning at work place. Development of existing and new competences and skills at individual level is appreciated highly, and positions evaluation and compensation schemes reward multitask personnel for example.

Management and leadership capabilities

The organization's growth and the expansion of its operations will underscore the importance of supervisory work and management practices in the future. In 2006 country-specific training programmes were held for day-to-day personnel management. Training for foremen in developing supervisory skills has also begun in Finland and the Netherlands, covering the three roles of the supervisor: leadership skills, impacting the financial result, and legal obligations of the employer.

Group-level Componenta management meetings concentrated on strategic issues and management of change issues. A development programme for Componenta Group-level management for enhancing Componenta's business management and personal skills will be launched in 2007. In addition, special training programmes for individual target groups, enhancing for exam-

ple product and sales expertise, will be launched.

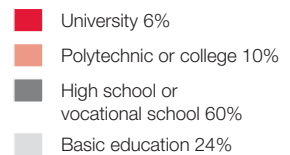
Professional training

Professional training for employees has been arranged at unit level. In Finland Componenta has been working closely with the Finnish Foundry Institute and most machinists have trade qualifications. Quality training for Six Sigma is currently underway and the first Componenta personnel have earned their Black and Green Belts. Componenta has supported apprentice training and currently several employees are studying for a foundry qualification. In Sweden, the machine shops have had systematic, goal oriented training for many years.

Safety training

At all business units much effort is put into the safety training in different jobs. For example in Componenta Döktas, in Turkey, safety training, environment training (related to ISO 14001) and labour law training are arranged when an employee starts work. For subcontractors Componenta Döktas gives work safety training, and subcontractor agreements include the obligation to use personal protective equipments. Componenta Döktas also controls the usage of safety equipment frequently. Similar principles and obligations are followed in other Group companies, too.

Educational background



Research and development

Componenta's product development operations and business units have been cooperating with different research centres and universities. In Finland, Turkey and Sweden cooperation with universities has long traditions, and in the Netherlands cooperation with schools is being reactivated.

In Sweden Componenta is cooperating with the Chalmers University of Technology, Swecast, KTH, and the School of Engineering at Jönköping University on the design and manufacturing of lightweight cast constructions, especially in Austempered Ductile Iron (ADI) applications. The project covers the entire manufacturing chain.

Componenta Främmestad is also participating in a research project which studies how a virtual environment could be utilized in production development. The other

participants in this CAPE project (Centre for Advanced Production Engineering), are the Chalmers University of Technology, and universities in Trollhättan/Uddevalla, Skövde and Jönköping.

In Finland Componenta is conducting a joint research project, launched in 2005 and supported by Tekes (the Finnish Funding Agency for Technology and Innovation), with Helsinki University of Technology aimed at standardizing and regulating the foundry process as well as at creating a possible analysis tool for the foundry process.

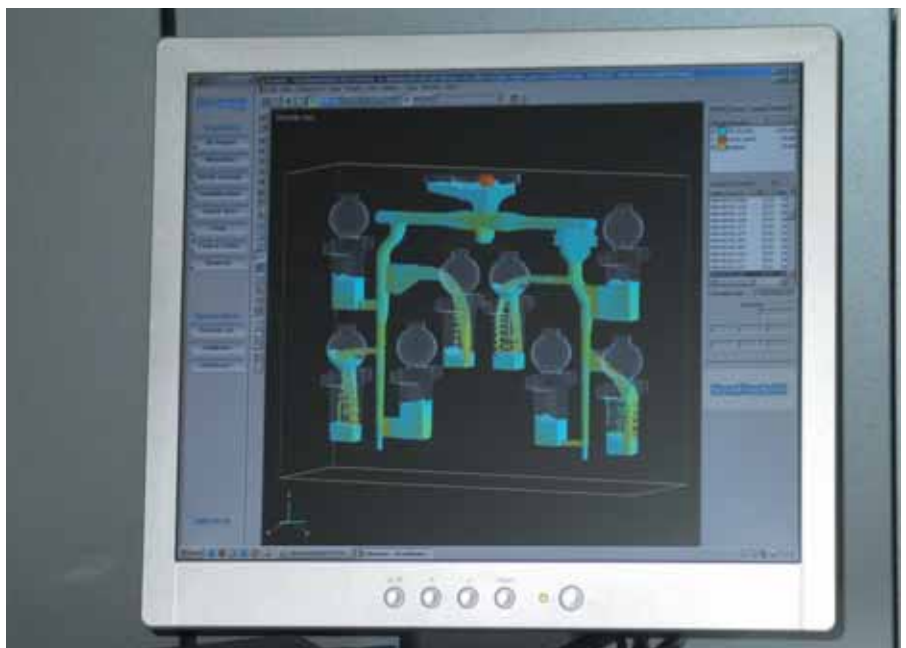
Componenta is also participating as a case study in an FC-ICT research project funded by the Academy of Finland, which is studying ICT support for a modernized business and service concept for the cast products sector. The research project is being conducted by Helsinki University of

Technology's Laboratories of Machine Design, Foundry Engineering, and Software Business and Engineering (SoberIT).

Componenta Döktas has carried out many R&D projects during the past 12 years. In 2006 research into welding techniques for grey and ductile iron production was completed. Currently Componenta Döktas is participating in many research and development projects concerning materials, moulding sand, solidification simulations, recycling foundry waste, non-destructive testing, and some different techniques to be used in aluminium and iron foundries. The goal is to complete the projects during 2007.

In 2006 Componenta Döktas made five applications for utility models and four patent applications.

Componenta is participating in the research projects which are examining the features, manufacturing and use of different cast materials and product design. Componenta supports also the training of new cast designers by teaching and tutoring the trainee jobs.



Equality and equal opportunities

The basic principle for equality at Componenta is to prevent beforehand any kind of discrimination at the workplace. In all the countries where it has operations Componenta complies with its own management principles and all national legislation regulating labour relations. We monitor these principles and laws and did not have any reported cases of discrimination during 2006. Every-day management is based on Componenta values as our best management practices, and interaction between individuals is guided by ethical and equal principles.

One of the Group values - Human orientation - is shown by

- taking into consideration individual needs and wishes when selecting participants for training, allocating responsibilities and improving working conditions

- encouraging our people to develop their capabilities to the highest possible level by giving them challenges and empowerment
- being fair in remuneration and sharing our success, not discriminating against anybody because of age, sex, race, religion or political conviction

The most advanced legislation for equal opportunities at work is in Sweden. Legislation and the Group plans promote equal rights for women and men in matters relating to work, terms and conditions of employment and other working conditions, and opportunities for personal development at work.

A practical, specific equal opportunities plan is an effective tool in communicating and securing the equality practices.

The Karkkila foundry in Finland and Främmostad machine shop in Sweden have equal opportunities plans in use. Creating these plans is part of Componenta's human resources activities and management.

The equal opportunities plans in Sweden and Finland have been put together in teams consisting of representatives of all groups: employer, white collar and blue collar employees. These groups will further evaluate the implementation of the plans and update the plans annually.

The Karkkila equal opportunities plan will be used as the basis when making similar plans at the Group's other production units, where the equal opportunities until now have been discussed annually based on the Group's common values, and have been part of normal annual planning and reporting.

Componenta - an attractive employer

As a strong company locally, Componenta was an attractive employer for over 600 new recruits in 2006. A challenge for all companies in Finland, Sweden and the Netherlands the metal sector is the low level of interest shown by young people to work in the sector. Attracting young people to work in the heavy metal industry's production tasks has called for action on Componenta's part – such as continuous collaboration with educational institutions in the sector, and offering

training jobs and specialization opportunities to students.

In Turkey, on the contrary, educated young people, especially blue-collar, find an international, exporting metal sector company to be a very interesting and desirable employer.

One of Componenta's aims is to maintain and develop its know-how continuously. To get Componenta known as an interesting employer, we have i.e. participated in several recruitment fairs.

"In my opinion the advantages of Componenta as an employer are the opportunities it gives for personal development in a growing organization."

- Kristiina Koivisto, Treasury Manager,
Componenta Group -

"Componenta has given me a good opportunity to develop in my career. The work provides everyday challenges in the areas of management, human relations and interaction, and conventional engineering."

- Sami Sivuranta, Production Manager,
Componenta Karkkila -

Community involvement

Componenta business units are mainly major employers in the communities where they operate. Locally some of them have become involved in supporting the local community for example by funding schools, sports etc.

Sponsoring

In Sweden Componenta Främmestad has been actively involved in keeping the industrial high school in the community, for example by offering trainee jobs for the students. In September 2006 the industrial high school celebrated its 10th anniversary. The cooperation has worked both ways, as the high school has arranged special engineering training for Componenta Främmestad employees.

In Finland Componenta has been sponsoring the basket ball team, Team Componenta, playing in the national championship league and a Finnish national team swimmer, Matti Rajakylä. With the Mäkelänrinne High School Componenta has co-operated in sporting activities and

by offering the personnel opportunities for physical exercise. In Turkey summer Sport School is opened every summer season. In Orhangazi Componenta Döktas established a Döktasspor football club, aiming to reach the professional league, now under the name of Orhangazispor.

Participation

Componenta is represented in many different organizations, as in the national Foundry Men's Association, Chamber of Commerce, the Federation of Finnish Tehnology Industries and other business organizations in Finland..

In the Netherlands Componenta's representatives have been participating in EVO, European Logistic Organisations, and in the Dutch Foundry Association, in the working group "Working and safety conditions, Environment and Energy" and have been preparing the new European and ISO standards for materials and surface inspection. In Turkey Döktas' representatives participate actively in the

Turkish Foundrymen's Association and currently also hold the presidency of this association.

Publications

Componenta's experts have published several articles in professional magazines during 2006. In the Netherlands, in the Dutch Foundry journal, there have been several articles in 2006 dealing with virtual design tools, requirements for the design and fabrication of pressure vessels, and material properties.

In Turkey Componenta Döktas has been actively participating in foundry development, and the Döktas foundry experts published articles in local magazines. The articles have for example dealt with effects of zinc on molten metal, compacted graphite iron management, hydrogen and shrinkage porosity balance system in aluminium casting, new ductile material in aluminium casting, and metal cleanliness control system.



In Turkey Componenta is sponsoring a football team.



In Finland Componenta is sponsoring a Finnish national team swimmer, Matti Rajakylä.

ADI - Austempered Ductile Iron

The excellent properties of ADI are achieved by heat treating the high quality SG iron according to the specialized heat treatment programme.

Austenitizing

Heat treating in which the structure of ferrous metal is changed completely or partly to austenite.

Automatic moulding

A moulding system controlled by machine. An automatic moulding line operates without the intervention of the machinist apart from when problems occur.

CAD

Computer Aided Design.

CAM

Computer Aided Manufacturing.

Carburizing

The process by which the surface carbon concentration of ferrous alloy is increased by diffusion from the surrounding environment. Adding surface hardness.

Cast iron

Ferrous metal that contains 2.0 – 4.2 % carbon. The carbon is usually in the form of graphite. Ferrous metals are divided into grey cast iron (GJL), nodular cast iron (GJS) and white cast irons. Special cast iron such as wear-resistant ADI.

Charge

Charging furnace or holding furnace with metal.

Chip

Metal chips, machining waste material.

Coating

Coating of the sand cores and moulds made from furan sand to obtain sufficiently high surface quality and to prevent the metal from penetrating the sand.

Core

Sand part which forms interior shapes of the casting (cold-box and shell-core).

Core box

Box for sand cores production, in which the internal elements give the form of the core.

Dimensional accuracy

Quality parameter which describes the accuracy of the dimensions of a part compared to the drawing or CAD file.

Finishing, trimming

After casting the remaining runners and feeders are removed by fettling.

Grey cast iron

Grey iron, GJL, a cast iron in which the graphite exists in the form of flakes. The fractured surface appears grey.

Hardening

Heat treatment method to increase the hardness of the metal.

Heat treatment

Heat treatment aims at converting material properties. It consists of heating and usually controlled cooling. Methods are for example austenitizing, annealing and hardening.

Holding furnace

Electric furnace for holding molten metal. Typical size 30 tonnes.

Lathe

Chipping machine tool (for rotating symmetrical materials).

Machining

General name for various machine tool methods, such as drilling, milling, lathing and grinding.

Machining allowance, Tooling allowance, Allowance

Additional material in castings for machining purposes. In castings machining allowance is usually 2-3 mm.

Machining centre

Machine with several machine tool options, for example drilling, milling, lathing and grinding. Cutting fluid is used in machining to prevent the tool from getting hot from the friction. The cutting fluid is normally water-based.

Melting furnace

The furnace in which melting takes place. Source of energy is electricity (= electric furnace) or coke (= cupola furnace). In the electric furnace melting takes place in a single charge, meaning that the furnace is emptied completely or partially once a batch is ready. For example, it takes about one hour 20 minutes to melt 8 tonnes at a power of 4.3 MWh. The cupola furnace process is continuous, so molten metal is taken out and raw material added in a continuous process.

Metallurgy

Branch of science and technology concerning metals.

Mould

Mould formed from moulding sand for casting a product. The mould contains a hollow area that is the shape of the product, the runners needed to direct the molten metal and feeders to compensate for the shrinking of the molten metal.

Moulding

Stage, where by means of a casting pattern, a mould is formed into the moulding sand. A half of the cast pattern is placed in the moulding box and around it will be stacked the moulding sand, by hands (hand moulding) or by machine (automatic moulding). The cores for making hollow interiors inside the castings are also placed in the moulds in the moulding stage.

Nodular cast iron

GJS, cast iron which contains 3.0 - 3.9 % carbon and in which the free graphite exists in nodular form. Sometimes called ductile iron.

Particle emissions

Emissions may cause for example dirtying and discomfort.

Pattern

Form of wood, metal or plastic, around which moulding material is placed to form a mould.

Pressure die casting

Molten metal is led into a metallic die (mould) at high pressure and speed.

Primer and powder (coat finishing) coating

Finishing/priming. Protects material from damage, such as corrosion.

Produced ton

Produced, accepted tonnes which have been delivered to the customer.

Recycled metal

Left-over raw material from the manufacturing process, such as plate cutting waste, and end-of-life iron, aluminium, and steel products.

Remelting

Melting material that has already once been molten material, for example burrs, scrapped pieces or machining waste materials.

Runners and feeders

The runners and feeders full of molten metal that are removed when cleaning the cast item. These can account for anything from 30% to 70% of the total iron, depending on the product, grade of iron and casting system.

Roughing

Machining phase where material is chipped as effectively as possible without aiming at high accuracy or surface quality.

Salt bath

Molten salt used in heat treatment for heating or quenching.

Sand blasting

Blasting method in which sand is used as abrasive material.

Sand core

A core made of sand and core binder used for making hollow interior parts and complex shapes for castings. The sand cores are removed by breaking.

Shot peening, Shot blasting

Small metallic balls are shot at high speed onto the surface of the part in order to raise the fatigue strength.

Squeeze casting

Casting method for high quality castings produced by a high pressure technique. Castings are heat-treated.

Surface treatment

Method which aims to improve the surface quality of materials for example TiN-coating (wear-resistant).

Tumble degating, Vibratory finishing

Finishing method for small castings in which burrs are removed by rotating or trembling drum (barrel processing).

Ultrasonic testing

A non-destructive method of testing in which the casting is checked by ultrasound.

VOC

Volatile organic compounds. VOC emissions form ozone in the lower atmosphere when they react in the presence of sunlight with nitrogen oxide. Ozone in the lower atmosphere is harmful to plants and to the health of human beings. Nitrogen oxide is formed for example by traffic emissions.

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