COMPONENTA
Casting Future Solutions

INTERIM REPORT

1 January – 30 June 2016

Net sales and operating profit declined from previous year, financing arrangements and structural changes continue

January – June 2016 in brief

- Net sales in the review period declined 8% from the previous year to MEUR 243 (MEUR 265).
- Adjusted EBITDA declined from the previous year to MEUR 7.6 (MEUR 20.9). EBITDA including items affecting comparability was MEUR -2.8 (MEUR 19.4).
- Profitability in the review period was weakened by lower production volumes than in the previous year, by wage inflation in Turkey and by stoppages in production caused by the tight liquidity situation. Exchange rate differences had an impact of MEUR -3.2 (MEUR 2.0) on EBITDA.
- Adjusted operating profit was down on the previous year, standing at MEUR -1.4 (MEUR 11.7). Operating profit for the period in accordance with IFRS, including items affecting comparability, was MEUR -11.9 (MEUR 10.1).
- The adjusted result after financial items was MEUR -12.6 (MEUR 0.2) and the IFRS result after financial items, including items affecting comparability, was MEUR 20.4 (MEUR -1.4).
- Items affecting comparability that had an impact on the result after financial items for the review period totalled MEUR 33.0 (MEUR -1.6).
- The net result for the review period was MEUR 19.8 (MEUR -1.6) and basic earnings per share were EUR 0.19 (EUR -0.02).
- Order book at the beginning of July was 19% down on the previous year, at MEUR 78 (MEUR 97). Changes in the prices of recycled steel, iron and aluminium reduced the order book by some EUR 2 million compared to the same time in the previous year, because of lower raw material surcharges. The transfer of the production of the Furan line in Heerlen to Ferromatrix and the sale of the operations of Suomivalimo accounted for some EUR 3 million in total of the decline in the order book.
- Financing arrangements of Componenta Corporation to strengthen significantly the balance sheet have been completed. Componenta Corporation has on 16 May 2016 issued a convertible capital loan of EUR 40 million and discharged secured bank loans and a secured bond. As a result of the arrangement, the amount of the company's secured debt has decreased by some EUR 72 million.
- The company is negotiating with Turkish banks concerning additional financing for the Turkish subsidiary and to extend the maturity of financing.
- The divestment of Suomivalimo's foundry business and a related real estate located in Iisalmi was completed on 30 June 2016 and the company recorded a sales loss of MEUR 6.0 on the transaction that has been presented as an item affecting comparability.
- The company aims to sell Componenta's pistons business and the transaction is expected to be closed during the third quarter of 2016. In addition the company is looking into the possibility of divesting other non-core business operations and property.

April – June 2016 in brief

- Net sales declined 5% from the previous year to MEUR 125 (MEUR 132).
- Adjusted EBITDA declined from the previous year to MEUR 3.3 (MEUR 11.0). EBITDA including items affecting comparability was MEUR -5.2 (MEUR 10.4).
- Profitability was weakened by lower production volumes than in the previous year, by wage inflation in Turkey and by stoppages in production caused by the tight liquidity situation. Exchange rate differences had an impact of MEUR -2.4 (MEUR 2.4) on EBITDA.
- Adjusted operating profit was MEUR -1.2 (MEUR 6.3) and the operating profit in accordance with IFRS, including items affecting comparability, was MEUR -9.7 (MEUR 5.7).
- Adjusted result after financial items was MEUR -6.9 (MEUR 0.1) and the IFRS result after financial items, including items affecting comparability, was MEUR 28.2 (MEUR -0.5).
- Items affecting comparability that had an impact on the result after financial items for the April – June period totalled MEUR 35.1 (MEUR -0.5).
- The net result for the April – June period was MEUR 27.6 (MEUR 0.1) and basic earnings per share were EUR 0.25 (EUR 0.00).

Componenta's guidance for 2016

Due to the financial situation of the company and the structural changes currently taking place, giving earnings guidance is exceptionally challenging. Because of this, Componenta is not for the time being making forecasts about its financial performance when commenting on its prospects.

President and CEO Harri Suutari comments on the review period:

"Sales of Componenta's iron products in the first half of the year declined some 9% from the previous year, mainly due to weak developments in sales of components for mining and construction machinery and to the machine building industry in our main market areas. Sales of aluminium products declined 5% from the previous year. The fall in sales was mainly due to decline in raw material prices.

EBITDA on sales of iron products fell from EUR 12.9 million to EUR 0.5 million as a result of lower volumes, wage inflation in Turkey and stoppages in production caused by the tight liquidity situation and other special arrangements. In addition, the exchange rate differences weakened EBITDA significantly. Capital expenditure in the iron business totalled EUR 3.7 million.

EBITDA on sales of aluminium products improved from EUR 6.8 million to EUR 7.2 million. Capital expenditure in the aluminium business totalled EUR 11.2 million. The installation of machinery and equipment at the new production plant in Manisa, Turkey has progressed as planned.

As part of its strategic review, Componenta initiated measures towards divesting its non-core businesses. The divestment of Suomivalimo, located in Iisalmi, Finland, was completed at the end of June and the previously announced divestment of the Pistons unit which produces pistons in Pietarsaari progress according to a plan. A planned centralization of the production to Weert in the Netherlands, if realized, would be a major step improving profitability and efficiency in the Netherlands business area and it would also help Componenta in achieving its target of increasing the capacity utilization rate of the company.

At the beginning of the year, the Group renewed its management system by dissolving the matrix organization and returned functions in the customer interface to the business units. Progress was made as planned in achieving the targeted increase in efficiency and significant decrease in fixed costs by the renewal of the management system. The measures implemented so far aim to cut annual fixed costs by EUR 5.5 million. Their impact will be partly visible already in 2016 and in full from the beginning of 2017.

Componenta strengthened its financial position by discharging the company's secured bank loans and issuing a convertible capital loan of EUR 40 million. As a result, the amount of the company's secured debt has decreased by some EUR 72 million. EUR 17 million of the convertible loan had been converted into shares in May-July. Overall, as a result of the arrangements described above, the company's shareholders' equity increased by some EUR 57 million. The company is negotiating with Turkish banks for additional financing and the extension of maturity dates for the Turkish subsidiary. Due to the weak profitability the company's liquidity has remained tight. Measures to improve profitability and cut fixed costs will be continuing."

Key figures

	Q1-Q2 2016	Q1-Q2 2015	Change	2015
Order book, MEUR	**78.2**	96.8	-19.3%	76.9
Net sales, MEUR	**243.1**	265.1	-8.3%	494.8
Adjusted EBITDA, MEUR	**7.6**	20.9	-63.7%	24.9
Adjusted operating profit, MEUR	**-1.4**	11.7	n/a	7.0
Adjusted operating profit, %	**-0.6**	4.4	n/a	1.4
Adjusted result after financial items, MEUR	**-12.6**	0.2	n/a	-18.4
Items affecting comparability that had an impact on the result after financial items, MEUR	**33.0**	-1.6	n/a	-30.5
Taxes, MEUR	**-0.6**	-0.2	140.2%	-33.8
Net result, MEUR	**19.8**	-1.6	n/a	-82.7
Earnings per share, EUR	**0.19**	-0.02	n/a	-0.86
Net gearing, %	**268**	207	29.7%	1,273
Adjusted return on investment, %	**-1.0**	7.0	n/a	2.3
Adjusted return on equity, %	**-88.3**	-2.7	3,115%	-20.4
Number of personnel at end of quarter, incl. leased personnel	**4,194**	4,320	-2.9%	4,269

Componenta's Interim Report 1 January – 30 June 2016

Net sales and operating profit declined from previous year, financing arrangements and structural changes continue

Developments in order book and sales

The performance of financial confidence indicators during the review period does not give signs of a rapid improvement in demand prospects for investment goods during the second half of the year in Europe. The result of the EU referendum in the United Kingdom may create further uncertainty in demand prospects in Europe, although record low interest rates in Europe and the decline in the exchange rate for the euro might encourage a speedier recovery in the economy and in investments. The US economy is expected to continue on its moderate growth track and in China the economic outlook is expected to weaken slightly in the second half of the year. Demand prospects in the Group's customer sectors remain uncertain, especially in the mining, agricultural machinery and machine building customer sectors. Demand prospects in the heavy truck and automotive customer sectors in Europe are on a stronger base.

Componenta's order book at the beginning of July was 19% smaller than in the previous year, standing at EUR 78.2 (96.8) million. The order book comprises confirmed orders for the next two months. Changes in the prices of recycled steel, iron and aluminium reduced the order book by some EUR 2 million compared to the same time in the previous year, because of lower raw material surcharges. The transfer of Furan line production in Heerlen to Ferromatrix and the sale of the operations of Suomivalimo accounted for some EUR 3 million on total of the decline in the order book.

The order book for the Componenta's heavy trucks customer sector was 4% smaller than at the same time in the previous year. Componenta's sales to this customer sector were 5% lower than in the previous year.

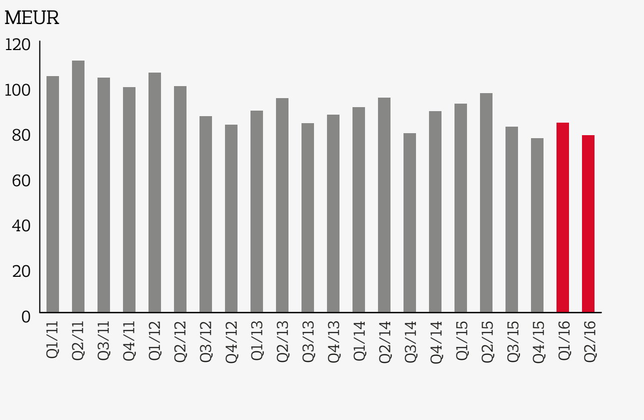
The order book for the construction and mining customer sector declined 32% from the same time in the previous year. Componenta's sales to this customer sector were 17% lower than in the previous year.

The order book for the machine building customer sector declined 26% from the previous year. Componenta's sales to this customer sector were 13% lower than in the previous year.

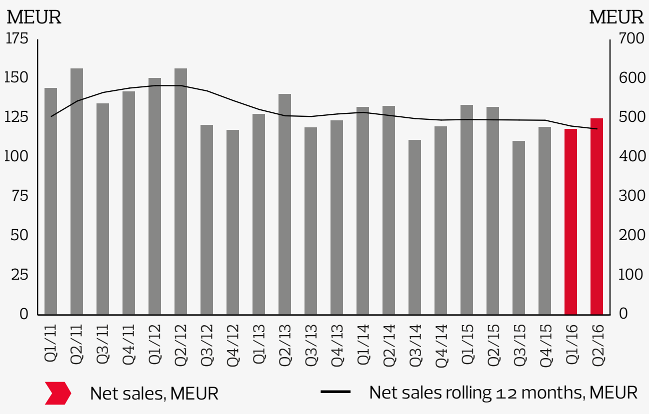
The order book for the agricultural machinery customer sector fell 42% from the previous year. Componenta's sales to this customer sector were 5% lower than in the previous year.

The order book for the automotive customer sector declined 16% from the previous year. Componenta's sales to this customer sector were 2% lower than in the previous year.

Quarterly development of order book



Quarterly developments in net sales



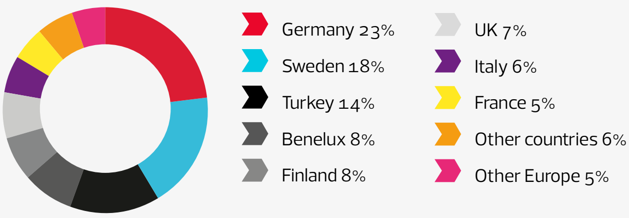
Net sales

Componenta's net sales in the January – June period fell 8% to EUR 243 (265) million. Sales of Componenta's iron products fell some 9% from the previous year due mainly to weak developments in sales of mining, construction and agricultural machinery in the Group's main market areas. Sales of aluminium products fell 5% from the previous year.

The Group's capacity utilization rate in the review period was 60% (62%).

Componenta's net sales in the review period by customer sector were as follows: heavy trucks 33% (32%), construction and mining 15% (17%), machine building 20% (21%), agricultural machinery 14% (13%) and automotive 18% (17%).

Net sales by market area in January — June



Result

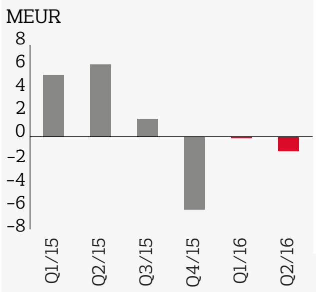
Componenta's adjusted EBITDA for the January – June period declined from the previous year to EUR 7.6 (20.9) million. Adjusted EBITDA in the review period was weakened by lower production volumes than in the previous year, by wage inflation in Turkey and by stoppages in production caused by the tight liquidity situation. Another factor was a slight increase in quality costs compared to the previous year. Operative exchange rate differences weakened EBITDA significantly, by EUR -3.2 (2.0) million. The operative exchange rate differences are mainly affected by exchange rate changes for British pound, Turkish lira and Swedish krona.

The consolidated adjusted operating profit in the review period declined from the previous year to EUR -1.4 (11.7) million. The operating profit in accordance with IFRS, including items affecting comparability, was EUR -11.9 (10.1) million.

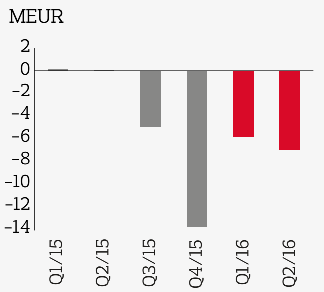
The Group's adjusted net financial costs in the review period totalled EUR -11.3 (11.5) million. Adjusted net financial costs were EUR 0.2 million lower than in the previous year due to foreign exchange gains, and the impact of these was reduced by an increase in interest costs. IFRS net financial costs, including items affecting comparability, were EUR 32.3 (-11.5) million.

The Group's adjusted result for the period after financial items was EUR -12.6 (0.2) million, and the IFRS result after financial items, including items affecting comparability, was EUR 20.4 (-1.4) million.

Adjusted operating profit



Adjusted result after financial items



Items affecting comparability included in the operating profit for the review period totalled EUR -10.5 (-1.6) million. Items affecting comparability in the operating profit are mainly related to costs for closing down the Furan line in Heerlen -2.3 million, loss on the sale of the Suomivalimo business EUR -6.0 million and costs for reorganizing Group administration, EUR -1.1 million. Other items affecting comparability totalled EUR -1.1 million. Items affecting comparability included in the net financial items totalled EUR 43.5 (-0.1) million and relate mainly to financing arrangements that aim to strengthen the balance sheet. On 16 May 2016 Componenta Corporation has issued a convertible capital loan of EUR 40 million and discharged secured bank loans and a secured bond. As a result of the arrangement, the amount of the company's secured debt has decreased by some EUR 72 million. The secured debt was discharged at an amount lower than the balance sheet value, and

Analysis of differences in adjusted EBITDA for the review period from the corresponding period in the previous year

MEUR	Q2/16	Q2/15	Change %	Q1–Q2/16	Q1–Q2/15	Change %
Net sales	124.8	132.0	-5%	243.1	265.1	-8%
Value of production	122.8	131.5	-7%	244.5	267.3	-9%
Materials	-54.7	-60.6	-10 %	-109.6	-122.7	-11%
Variable salaries and external services	-23.9	-24.4	-2%	-47.0	-47.9	-2%
Other variable and fixed costs	-40.9	-35.5	15%	-80.2	-75.9	6%
Total costs	-119.5	-120.5	-1%	-236.9	-246.4	-4%
Adjusted EBITDA	3.3	11.0	-70%	7.6	20.9	-64%

the company recorded the difference between the balance sheet value and the discharged value after arrangement fees, EUR 43.3 million net, in other financial income.

Income taxes for the review period were EUR –0.6 (–0.2) million.

The result for the review period was EUR 19.8 (–1.6) million. Basic earnings per share were EUR 0.19 (–0.02).

The adjusted return on investment was –1.0% (7.0%) and the return on investment including items affecting comparability was –9.4% (6.0%). The adjusted return on equity was –88.3 % (–2.7 %) and the return on equity including items affecting comparability was 130.8% (–2.9%).

Balance sheet, financing and cash flow

During 2015 Componenta failed to meet certain conditions for its syndicated loan agreement. For this reason at the end of December 2015 the company signed a standstill agreement with the Nordic partners in the syndicated loan agreement, whereby the lenders released Componenta from having to comply with certain terms of the loan for a fixed period until the end of April 2016.

At the beginning of December 2015 Componenta started negotiations towards a financing solution that would support the new strategic alignments and ensure the strengthening of the company's financial position and balance sheet. On 1 April 2016 the company announced that it had reached preliminary agreement on repaying the parent company's secured loans. On 16 May 2016 Componenta Corporation issued a EUR 40 million convertible capital loan and discharged the company's secured bank loans and a secured bond to a total of some EUR 72 million. The convertible capital loan was offered to a limited group of selected investors. EUR 25.4 million of the subscription price for the loan was paid in cash and EUR 14.6 million by setting off the subscription price against a loan receivable from the company.

The convertible capital loan is a bullet loan and has a maturity of four years. The company may not repay the loan before its maturity date. The issuing price for the loan is 100 per cent and the annual interest is 2 per cent. The loan can be converted into Componenta Corporation shares during the term of the loan. The share subscription price is EUR 0.50. The subscription price is considered to be fair to all shareholders, taking into account on the one hand the company's share price when issuing the loan and, on the other hand, the need to ensure the success of the loan issue. As the result of share subscriptions based on shares in the loan, the company will issue a maximum of 80 million new shares. By 30 June 2016 EUR 17,049,000 of the convertible loan had been converted into shares and the company had issued 34,098,000 new shares.

Overall, as the result of the above financing arrangements the company's secured debt declined by some EUR 72 million, the remaining convertible capital loan on 30 June 2016 has a nominal value of EUR 23 million, and the company's shareholders' equity increased by some EUR 57 million. The secured debt was discharged at an amount lower than the balance sheet value, and the company recorded the difference after arrangement fees, EUR 43.3 million net, in other financial income.

The negotiations with Turkish banks are continuing concerning additional finance for the Turkish subsidiary and extending the maturity dates for the financing.

In addition to financing solutions, it is planned to finance the arrangement for safeguarding the company's working capital by divesting non-core business operations and property. The divestment of Suomivalimo's foundry business located in Iisalmi to Antti Lehtonen, Olli Karhunen and the management on behalf of new company to be established was completed on 30 June 2016. The foundry real estate property was sold to Iisalmen Teollisuuskylä Oy. The debt free selling price for the Suomivalimo business, property, tangible and intangible assets and inventories, was EUR 4.3 million and the sale had an impact of EUR 3.3 million on the second quarter cash flow. The Group recorded a sales loss of EUR 6.0 million on the transaction.

The company aims to sell Componenta's pistons business and the transaction is expected to be closed at the beginning of third quarter of 2016.

In addition the company is looking into the possibility of divesting other non-core business operations and property.

The Group has a total of EUR 84.5 million in long- and short-term loans from banks and other financial institutions maturing in the next 12 months. The company's liquidity was tight in the review period, which had a negative impact on the company's production operations.

At the end of the review period Componenta's cash funds and bank receivables totalled EUR 7.1 (8.7) million. Cash funds and bank receivables at the end of June include funds of EUR 2.5 million that have restrictions on the amount that may be drawn relating to the sale of the old foundry property in Manisa. The funds subject to these restrictions were drawn at the beginning of the third quarter. The company had no committed credit facilities in the end of the review period. The Group's interest-bearing net debt totalled EUR 167 (223) million at the end of the review period. The Group's net gearing was 268% (207%).

The Group's equity ratio at the end of June was 15.5% (22.5%).

Net cash flow from operations in the period was EUR 7.4 (1.8) million. The improvement in the net cash flow from operations is due to changes in working capital, which were EUR 19.0 (–3.1) million in the review period. The funds tied up in working capital declined mainly due to the increase in trade payables. Overdue trade payables at the end of period were EUR 36.6 million. Because of the company's weak financial performance the situation for financing working capital has remained tight.

Componenta makes more efficient use of capital with a program to sell its trade receivables. Under this arrangement, some of the trade receivables are sold without any right of recourse. The volume of trade receivables sold at the end of June totalled EUR 91.4 (93.2) million.

At the end of June, the invested capital of the company was EUR 237 (339) million.

Investments

Investments in production facilities in the January – June period totalled EUR 14.9 (8.0) million, and financial lease investments accounted for EUR 5.5 (0.2) million of these. EUR 10.6 million of the investments in the period were in the aluminium business operations in Manisa, Turkey, mainly to increase capacity. The net cash flow from investments was EUR -4.1 (-6.4) million, which includes the cash flow from the Group's investments in tangible and intangible assets, and the cash flow from shares sold and purchased and from the sale of fixed assets and businesses. The net cash flow from investments includes EUR 3.3 million received from the sale of the Suomivalimo business in the second quarter and EUR 2.5 million prepayments received from the divestment of the old Manisa foundry building property.

Strategy and strategic projects

The primary objective of Componenta is a clear improvement in profitability. In connection with this, Componenta has begun a strategic review of the business structure, which will include the possible closure or sale of production plants, transfers of production and other measures aiming to significantly improve profitability.

As part of the current review of the strategy, Componenta's management system was reorganized at the beginning of March. In the new system the previous division structure has been removed and business operations have been divided into five business areas: Finland business area, Sweden business area, Netherland business area, Turkey Iron business area and Turkey Aluminium business area. The business areas consist of the business units i.e. local foundries, machine shops and forges. The business areas are also responsible for their sales.

The renewal aims at significant cost savings and fixed costs will be reduced by several measures. Group level sales, engineering, quality and customer service operations have become part of the business units. This change aims to develop the core competences of the business units and to significantly improve customer service and quality.

In Finland, personnel involvement in management has been promoted by appointing an employee representative to each business unit management team.

On 9 February 2016, Karkkilan Lääkärikeskus Oy, a subsidiary of Componenta Corporation, sold its medical centre and occupational health business, which did not belong to the Group's core business, to Mehiläinen Oy. Ownership of the medical centre transferred to Mehiläinen as from 1 March 2016.

The foundry operations of Iisalmi-based Suomivalimo were sold on 30 June 2016 to a company set up by Antti Lehtonen, Olli Karhunen and the operational management of Suomivalimo. The foundry real estate property in Iisalmi was sold to Iisalmen Teollisuuskylä Oy. The debt free selling price for the Suomivalimo business, property, tangible and intangible assets and inventories, was EUR 4.3 million. The sale had an impact on cash flow in the second quarter of EUR 3.3 million and will have an estimated total impact on cash flow in 2016 of EUR 4.1 million. The Group recorded a sales loss of EUR 6.0 million on the transaction.

In addition, as announced previously, Componenta is aiming to sell its pistons business, and this is expected to take place early in the third quarter. The assets of this pistons business have been classified as assets held for sale in accordance with IFRS. The impact of the classification on the result was not material.

The foundry property of Manisa taken out of use was sold on 1 July 2016 and the assets related to this have been classified as held for sale in accordance with IFRS. The classification did not have an impact on the result for the review period.

In addition the company is examining the possibility of selling other non-core business operations and property.

New business segments

Componenta clarified its management system as from 3 March 2016 as part of the current strategy review activities. In the new system the previous division structure has been removed and Componenta's organization has been divided into five business areas that are responsible for production and sales of iron and aluminium components. The new business areas are the Finland business area, Sweden business area, Netherland business area, Turkey Iron business area and Turkey Aluminium business area. The business areas consist of the business units i.e. local foundries, machine shops and forges.

Componenta's reporting in future will be carried out in accordance with the new reporting segments, namely Iron Business and Aluminium Business. The new way of reporting was introduced as from 1 January 2016 and figures for comparison based on this were published on 20 April 2016. The Iron Business comprises Componenta's iron foundries and machine shops in Finland, Sweden, the Netherlands and Turkey. It also includes Componenta Pistons in Finland, the Wirsbo forges in Sweden and associated company Componenta-Ferromatrix NV. The Aluminium Business comprises the aluminium foundry and the wheel production unit in Turkey.

Outside the core business is Other Business, which comprises service and real estate companies in Finland, the Group's administrative functions, the sales and logistics company Componenta UK Ltd in Great Britain, and the associated company Kumsan A.S. in Turkey.

Developments in the business segments

Iron Business

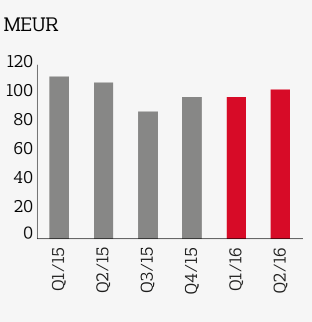
The business units in the Iron Business are the foundry and machine shop in Orhangazi, Turkey; the foundries in Heerlen and Weert in the Netherlands; the foundries in Iisalmi, Karkkila and Pori in Finland; the machine shop in Främmestad, Sweden; as well as pistons manufacturer Pistons in Finland, the forges in Wirsbo, Sweden and associated company Componenta-Ferromatrix NV.

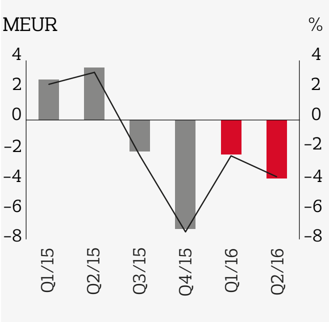
Iron Business had an order book at the beginning of July of EUR 63.9 (80.3) million, which is 20.4% less than at the same time in the previous year. The order book comprises orders confirmed to customers for the next two months. The order book for the Iron Business mainly comprises orders from manufacturers of heavy trucks, construction and mining machinery, and agricultural machinery, and from the machine building industry.

Iron Business had net sales in the April - June period of EUR 103.1 (107.6) million and the adjusted operating profit was EUR -3.9 (3.5) million.

Iron Business had net sales during the review period of EUR 200.7 (219.5) million, or 8.6% less than in the previous year.

The adjusted operating profit in the review period was EUR -6.2 (6.2) million. The adjusted operating profit was weakened by lower production volumes than in the previous year, by the production stoppages caused by the tight liquidity, by wage inflation in Turkey and operative exchange rate differences.





The average number of personnel working in the Iron Business during the review period, including leased employees, was at the same level as in the corresponding period in the previous year, standing at 3,210 (3,217).

Aluminium Business

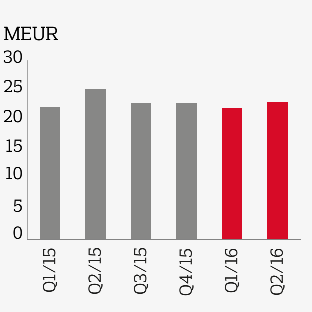
The production units in the Aluminium Business are the aluminium foundry and the production unit for aluminium wheels in Manisa, Turkey.

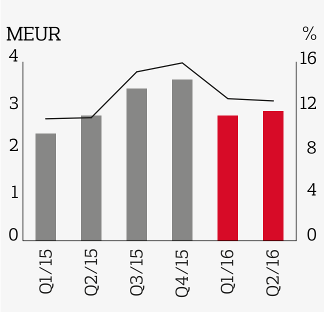
Aluminium Business had an order book at the beginning of July of EUR 15.3 (18.1) million, which is 15.3% less than at the same time in the previous year. The order book comprises orders confirmed to customers for the next two months. The order book for the Aluminium Business mainly comprises orders from the automotive industry. It also supplies some products to the heavy truck industry and for agricultural machinery.

Aluminium Business had net sales in the April – June period of EUR 23.0 (25.2) million and the adjusted operating profit was EUR 2.9 (2.8) million.

Aluminium Business had net sales during the review period of EUR 44.8 (47.4) million, which is 5.4% less than in previous year. Demand for aluminium products remained strong and the decline in net sales is mainly due to the fall in raw material prices.

The adjusted operating profit in the review period was EUR 5.6 (5.2) million. The adjusted operating profit improved slightly from the previous year mainly due to lower raw material prices, although higher wage inflation in Turkey slightly weakened their impact.





The number of personnel working in the Aluminium Business, including leased employees, was on average 1% higher than in the corresponding period in the previous year, standing at 890 (883).

Other Business

Other Business comprises service and real estate companies in Finland, the Group's administrative functions, the sales and logistics company Componenta UK Ltd in Great Britain, and the associated company Kumsan A.S. in Turkey.

Other Business had an adjusted operating profit in the review period of EUR –0.6 (0.2) million.

Personnel

The Group had on average 4,238 (4,268) employees during the review period, including 324 (308) leased employees. The number of Group personnel at the end of the period was 4,194 (4,320), which includes 362 (302) leased employees.

At the end of review period 63% (62%) of personnel were in Turkey, 15% (15%) in Finland, 12% (13%) in the Netherlands, and 10% (10%) in Sweden.

Personnel by country at end of period

	Q2 2016	Q2 2015	Change	31.12.2015
Turkey	2,635	2,665	–1%	2,642
Finland	634	655	–3%	659
Netherlands	487	547	–11%	547
Sweden	438	453	–3%	421

Personnel by business area at end of period

	Q2 2016	Q2 2015	Change	31.12.2015
Iron Business	3,183	3,241	–2%	3,188
Aluminium Business	892	910	–2%	911
Other Business (excl. Group Admin.)	14	23	–39%	22
Group Administration	105	146	–28%	148

Shares and shareholders

The shares of Componenta Corporation are quoted on Nasdaq Helsinki. The average price during the review period was EUR 0.52, the lowest price was EUR 0.44, and the highest EUR 0.71. The quoted price on 30 June 2016 stood at EUR 0.47 (EUR 1.10) and the share capital had a market capitalization of EUR 61.3 (107.0) million. The volume of shares traded during the period was equivalent to 4.4% (8.6%) of the share stock.

At the end of June Componenta's share capital stood at EUR 21.9 (21.9) million and the company had a total of 131,367,224 (97,269,224) shares. The increase in the number of shares results from the conversion of the principal of the convertible loan into shares. On 16 May 2016 Componenta Corporation issued a EUR 40 million convertible capital loan. By 30 June 2016 altogether EUR 17,049,000 of the convertible loan had been converted into shares and the company had issued 34,098,000 new shares.

The company had 2,814 (2,584) shareholders.

Flagging notices

In consequence of the conversion of the convertible loan into shares, Componenta received several flagging notices as required by the Finnish Securities Market Act in the period 26 – 30 May 2016. A separate stock exchange release has been published for each flagging notice. According to these flagging notices, the holding of Sampo plc in Componenta Corporation shares and voting rights has exceeded 10%, the holding of Sampo Group in Componenta Corporation shares and voting rights has exceeded 15%, the holding of Elo Mutual Pension Insurance Company in Componenta Corporation shares and voting rights has fallen below 5%, the combined holding of Heikki Lehtonen and of Oy Högfors-Trading Ab and Cabana Trade S.A., companies in which he exercises control, in Componenta Corporation shares and voting rights has fallen below 10%, and the holding of Sp-Fund Management Company in Componenta Corporation shares and voting rights has fallen below 5%.

Decisions of Annual General Meeting

The Annual General Meeting of Componenta Corporation, held on 1 April 2016, adopted the annual accounts and the consolidated annual accounts for the financial period from 1 January to 31 December 2015 and discharged the members of the Board of Directors and the CEO from liability. In accordance with the proposal of the Board of Directors, the AGM resolved that no dividend be paid for the financial year ended 31 December 2015.

The AGM decided that the Board of Directors should have six members and re-elected Olavi Huhtala, Olli Isotalo, Perttu Louhiluoto, Riitta Palomäki, Matti Ruotsala and Tommi Salunen to the Board.

The AGM decided that the chairman of the Board be paid an annual fee of EUR 60,000 and Board members EUR 30,000. It also decided that Board committee members be paid EUR 5,000. The travel expenses of Board members in the financial year 1 January – 31 December 2016 are paid in accordance with the company's travel regulations.

The AGM elected authorized public accountants Pricewaterhouse-Coopers Oy as auditor.

Decisions of Extraordinary General Meeting

Componenta's Extraordinary General Meeting on 15 April 2016 resolved to authorise the Board of Directors to decide on a share issue and an issue of special rights entitling to shares.

The aggregate amount of shares to be issued based on the authorization, including shares received based on special rights entitling to shares, shall not exceed 100,000,000 shares. By virtue of the authorization the Board of the Directors may resolve to issue, for example, special rights that entitle their holder to receive new shares or the company's own shares for consideration in such a manner that the subscription price of the shares is to be set off against a receivable of the subscriber ("Convertible Bond"). The Board of the Directors may resolve to issue new shares or to transfer treasury shares that may be held by the company. The authorization entitles the Board of Directors to resolve on all conditions for the issuance of shares and the issuance of special rights entitling to shares, including the right to derogate from the pre-emptive right of the shareholders. The authorization shall be used, for example, to strengthen the balance sheet and financial position of the company.

Componenta Corporate has made announcements on 24 March 2016 and 1 April 2016 about financial arrangements being prepared that will significantly strengthen the company's balance sheet. For this to take place, it is necessary for the Extraordinary General Meeting held on 15 April 2016 to resolve to authorize the Board of Directors to decide on a share issue and the issue of special rights entitling to shares. On 16 May 2016 Componenta Corporation issued a EUR 40 million convertible capital loan and discharged the company's secured bank loans and a secured bond to a total of EUR 72 million. The loan can be converted into Componenta Corporation shares during the term of the loan. The share subscription price is EUR 0.50. The subscription price is considered to be fair to all shareholders, taking into account on the one hand the company's share price when issuing the loan and, on the other hand, the need to ensure the success of the loan issue. As the result of share subscriptions based on shares in the loan, the company will issue a maximum of 80 million new shares.

Share-based incentive scheme

The Extraordinary General Meeting of Componenta Corporation held on 15 April 2016 resolved, in accordance with the proposals of the Board of Directors, on the issuance of stock options.

The stock options are intended to form part of the incentive and commitment program for key employees, so the Company has a weighty financial reason for issuing the options. The stock options will be issued gratuitously and will entitle their owners to subscribe for a maximum total of 10,000,000 new shares in the Company or existing shares held by the Company. The Board of Directors will resolve on the distribution of stock options and may additionally resolve on particular additional provisions concerning the receipt of stock options. Stock options will be distributed only if the Company resolves to carry out the planned financing arrangements. There have been negotiations with Turkish banks concerning additional financing for the Turkish subsidiary and to extend the maturity of financing. The negotiations are still continuing.

Board of Directors and Management

At its meeting held after the Annual General Meeting, the Board of Directors elected Matti Ruotsala as Chairman of the Board and Olavi Huhtala as Vice Chairman.

Componenta has an Audit Committee of the Board of Directors, and the Board elected Riitta Palomäki to be chairman of this committee and Olavi Huhtala and Tommi Salunen to be ordinary members.

Componenta also has a Nomination Committee comprising shareholders or shareholder representatives, to which the three largest shareholders in Componenta, according to the shareholder list updated by Euroclear Finland Oy on 31 August 2015, each appoint one representative. The task of the Nomination Committee is each year to prepare and present the proposals for members of the Board of Directors and their remuneration to be made to the following Annual General Meeting.

Componenta Group's Corporate Executive Team in the period 1 January – 3 March 2016 comprised President and CEO Harri Suutari, Olli Karhunen, Senior Vice President, Foundry Division, Juha Alhonoja, Senior Vice President, Machine Shop Division, Sabri Özdogan, Senior Vice President, Aluminium Division, CFO Markku Honkasalo, Pauliina Rannikko, Senior Vice President, HR and Legal, and Furio Scolario, Senior Vice President, Sales, Global Accounts.

In connection with the renewal of the management structure, the composition of Componenta's Corporate Executive Team also changed. As from 3 March 2016 the members of the Corporate Executive Team are: President and CEO Harri Suutari, Juha Alhonoja, Senior Vice President, Sweden business area, Seppo Erkkilä, Senior Vice President, Finland business area, Mika Hassinen, Senior Vice President, Netherlands business area, Pasi Mäkinen, Senior Vice President, Turkey, Iron business area and Sabri Özdogan, Senior Vice President, Turkey, Aluminium business area as well as CFO Markku Honkasalo, Pauliina Rannikko, Senior Vice President, Human Resources and Legal and Sami Sivuranta, Senior Vice President, Development.

On 8 June 2016 Eddy Kremers was appointed to the Group's Corporate Executive Team with responsibility for the Netherlands business area. Mika Hassinen, who was previously responsible for the Netherlands business area, decided to pursue other opportunities outside Componenta Group.

Sami Sivuranta, Senior Vice President, Development, left to take up other duties outside Componenta Group on 30 June 2016. No one has been appointed to replace him on the Corporate Executive Team.

Risks and business uncertainties

The most significant risks for Componenta's business operations are risks related to the business environment (competition and price risk, commodity and environmental risks), operational risks (customer and supplier risks, productivity, production and process risks, labour market disruptions, contract and product liability risks, personnel risks, and data security risks) as well as financial risks (financing and liquidity risk, currency, interest rate and credit risks).

In order to manage the Group's business operations it is essential to secure the availability of certain raw materials, such as recycled steel and pig iron, and of energy, at competitive prices. The cost risk relating to raw materials is mainly managed with price agreements, and under these agreements the prices of products are adjusted in line with the changes in raw material prices. Increases in prices for raw materials may tie up more funds in working capital than estimated.

The financial risks relating to Componenta'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 financial markets and to secure the Group's financial performance and financial position. More detailed information about the management of financial risks is given in the 2015 financial statements.

Refinancing and liquidity risks

During the first and second quarter of 2016, Componenta has prepared and carried out a programme of action to safeguard the continuity of its operations and to strengthen its financial position. The arrangement the company is aiming for forms a complete package that if carried out will create the opportunity to start to carry out the company's new strategy complying with the going concern principle.

Negotiations with Nordic syndicate banks and other investment institutions have continued during the first and second quarter of 2016. The company has published information about the progress being made in the financial arrangements on 11 March 2016, 1 April 2016, 29 April 2016, 11 May 2016 and 17 May 2016. As part of the arrangement it is aiming to achieve, Componenta Corporation issued a EUR 40 million convertible capital loan and discharged the company's secured bank loans and secured bond to a total of EUR 72 million on 16 May 2016. So the company achieved its main goals with the Nordic syndicate banks and other investment institutions during the second quarter.

Negotiations with Turkish financial institutions and other local investment institutions have continued during the first and second quarters of 2016. The goal of these negotiations is to safeguard the extra financing required by the Turkish subsidiary and to extend the maturity of financing.

If all of these financial arrangements are not successfully completed, the company cannot secure the continuity of its operations. The Group has EUR 84.5 million in long- and short-term loans that mature during the coming 12 months. The company's liquidity has been tight in the first quarter of 2016, which has had a negative impact on the company's production operations.

The Group aims to ensure the availability of financing by spreading the repayment schedules, sources of funding and financial instruments in the loan portfolio. The proportion of one source of funding may not exceed a limit set in the Group Treasury Policy. The most important sources of finance used in the Group at the end of review period are the club loan from Turkish banks, trade receivables financing without recourse, convertible capital loan, other bilateral loan agreements with Turkish banks, lease financing, bonds and pension loans.

Uncertainty factors relate to the financing arrangement actually taking place, and these are described in the accounting principles for the financial statements and in Note 32.

Currency risk

According to Componenta's hedging policy for the transaction position, Componenta's currency denominated income and expense items in Turkey may be hedged in the range 0 - 100 per cent, at the discretion of the President and CEO. In the opinion of the company, the Turkish lira will in the long term weaken against the euro and other main currencies due to the big difference in inflation rates. Due to the company's weak financial performance, at the moment the company cannot obtain necessary credit facilities for signing hedging derivatives.

More detailed information about the risks to which Componenta is exposed and risk management is given in the notes to the 2015 financial statements.

Events after the end of period

The foundry property in Manisa that had been taken out of use was sold on 1 July 2016 and the assets related to this have been classified as held for sale in accordance with IFRS. The classification did not have an impact on the result of the review period.

Componenta has on 18 July 2016 announced that the company is planning to merge the Heerlen and the Weert foundries in the Netherlands and begun on 18 July 2016 statutory negotiations in connection with the possible transfer of the greensand line at the Heerlan foundry to the Weert foundry and as a consequence the closure of the Heerlen foundry.

Developments in business environment

The company is not aware that the recent events in Turkey would have an impact in local production schedules.

The performance of financial confidence indicators during the review period does not give signs of a rapid improvement in demand prospects for investment goods during the second half of the year in Europe. The result of the EU referendum in the United Kingdom may create further uncertainty in demand prospects in Europe, although record low interest rates in Europe and the decline in the exchange rate for the euro might encourage a speedier recovery in the economy and in investments. Demand prospects in the Group's customer sectors remain uncertain, especially in the mining, agricultural machinery and machine building customer sectors. Demand prospects in the heavy truck and automotive customer sectors are on a stronger base.

The order book for Componenta's heavy trucks customer sector was 4% lower than at the same time in the previous year. Demand in the truck industry in Europe is expected to rise slightly in 2016.

The order book for Componenta's construction and mining customer sector was 32% lower than at the same time in the previous year. Total demand in construction and mining in 2016 is expected to fall below that in the previous year.

The order book for Componenta's machine building customer segment was 26% lower than in the previous year. Demand within the customer segment varies from customer to customer and in different geographical regions.

The order book for Componenta's agricultural machinery customer sector was 42% lower than at the same time in the previous year. Demand in the customer sector is expected to remain at a low level.

The order book for Componenta's automotive customer sector was 16% lower than in the previous year. Demand in Europe is expected to rise slightly in 2016, but demand in Turkey is expected to stay at the same level as in the previous year and in Russia to fall. Componenta's relative share of deliveries of aluminium wheels has fallen slightly during 2016, mainly due to capacity limitations, as relative growth in demand has switched to larger wheel sizes.

Componenta's earnings guidance for 2016

Due to the financial situation of the company and the structural changes currently taking place, giving earnings guidance is exceptionally challenging. Because of this, Componenta is not for the time being making forecasts about its financial performance when commenting on its prospects.

Helsinki, 19 July 2016

COMPONENTA CORPORATION
Board of Directors

Interim report tables

Accounting principles

This unaudited interim financial statements for 30 June 2016 have been prepared in accordance with IAS 34, 'Interim financial reporting' -standard. Componenta has applied the same accounting principles in this interim report as in the financial statements for 2015 which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Change in segment reporting

The renewal of Componenta's management structure in March 2016 changed also the business segments reported by the Group, and reporting in accordance with them started during the first quarter of 2016. According to the new structure, Componenta's business operations are divided in two reporting segments that are Iron Business and Aluminium Business. Iron business includes Componenta's iron foundries and machine shops in Finland, Sweden, the Netherlands and Turkey. In addition, the segment includes the piston manufacturer Pistons in Finland, the Wirsbo forges in Sweden and the joint venture company Componenta-Ferromatrix NV. Aluminium business includes the aluminium foundry and the wheels business unit located in Turkey. Outside these core business segments, there is Other Business, which includes the service and real estate companies in Finland, the Group's administration functions, the Componenta UK Ltd sales and logistics company and the associated company Kumsan A.S.

Insider transactions

There were no sale of goods to associated companies during the reporting period and purchases from the associated companies amounted to EUR 0.1 (EUR 0.0) million. Sale of services to associated companies during the reporting period amounted to EUR 0.1 million (EUR 0.0 million).

Componenta Corporation's President and CEO Harri Suutari and CFO Markku Honkasalo subscribed to the EUR 40 million convertible capital loan issued on 16 May 2016. Suutari subscribed loan shares to the value of EUR 474,000 and Honkasalo EUR 60,000.

Assumption of ability to continue as a going concern

This interim financial statements have been prepared on the going concern basis. When assessing the going concern principle, company management has taken into account the company's strategy that is being reviewed and related forecasts as well as the sources of finance available and the refinancing and liquidity risks. The company has continued negotiations during 2016 to find a financial solution to ensure the strengthening of its financial position and balance sheet. The objective of the new financing arrangements is to ensure the company has sufficient working capital for the next 12 months, and to ensure the sufficient financing to carry out the strategic actions and sufficient funds for the servicing fees for the agreed loans and for the repayment instalments.

On 16 May 2016 Componenta Corporation issued a EUR 40 million convertible capital loan and discharged the company's secured bank loans and a secured bond to a total of some EUR 72 million. The convertible capital loan was offered to a limited group of selected investors. EUR 25.4 million of the subscription price for the loan was paid in cash and EUR 14.6 million by setting off the subscription price against a loan receivable from the company. As the result of share subscriptions at the end of May the remaining convertible capital loan on 30 June 2016 has a nominal value of EUR 23 million. The negotiations with Turkish banks are continuing concerning additional finance for the Turkish subsidiary and extending the maturity dates of the financing. In addition to financing solutions, it is planned to finance the arrangement for safeguarding the company's working capital by divesting non-core business operations and property. The divestment of Suomivalimo's foundry business located in Iisalmi was completed on 30 June 2016. The company aims to sell Componenta's pistons business and the transaction is expected to be closed at the beginning of the third quarter of 2016. In addition the company is looking into the possibility of divesting other non-core business operations and property.

Negotiations with financial and other investment institutions are still continuing during the third quarter. Significant uncertainty factors relate to the company's liquidity situation and to the success of the financing arrangements and their influence to the company's financial performance, and company management has taken these factors into account when assessing the ability of the company to continue as a going concern. Should the refinancing arrangements that are being negotiated not take place, the company will not have sufficient working capital for the needs of the next 12 months. Should the arrangements described above not take place on a sufficient scale, the company may not be able to realise its assets and pay its debts as part of normal business. In the view of the company, it is however probable that the refinancing will be arranged. The impact of the measures in the reorganisation of business operations arising from the strategy being drawn up, and the inherent uncertainty factors relating to them, have been taken into account in the presentation of balance sheet items.

Assumptions of ability to continue are described on more detailed level in the 2015 Financial Statements.

Assets held for sale

Componenta has begun to take measures to sell a unit manufacturing pistons in Pietarsaari. The non-current tangible and intangible assets and inventory of the pistons manufacturing unit are classified as current assets held for sale in accordance with IFRS 5. The sale of pistons manufacturing unit is expected to take place during 2016.

The foundry property in Manisa that had been taken out of use was sold on 1 July 2016 and the assets related to this have been classified as held for sale in accordance with IFRS. The classification did not have an impact on the result of the review period.

Alternative performance measures in financial reporting

In addition to IFRS key figures Componenta discloses alternative performance measures to describe the underlying operational business performance and to enhance comparability between financial periods.

Alternative performance measures released by the company contain key figures measuring operational performance and profitability. These key figures exclude items that are not related to the normal business operations and therefore affect comparability. The most common items affecting comparability are capital gains and losses, inefficiencies in production related to plant closures, additional write-downs, or reversals of write-downs, expenses due to accidents and natural disasters, provisions for planned restructuring, environmental matters and penalties. The Group's management exercises its discretion when taking decisions regarding the classification of items affecting comparability.

Componenta has changed its reporting terminology in accordance with the guidelines issued by the European Securities and Markets Authority (ESMA) concerning Alternative Performance Measures. Componenta has replaced the term "Operating profit excluding one-time items" used previously with the term "Adjusted operating profit". Similarly, the term "EBITDA excluding one-time items" used previously has been replaced by "Adjusted EBITDA" and the term "Result after financial items excluding one-time items" by "Adjusted result after financial items".

The other alternative performance measures used by Componenta are EBITDA, equity ratio, return on investment, adjusted return on investment, return on equity, adjusted return on equity, net gearing, adjusted earnings per share and net interest bearing debt.

Exchange rate differences of operative balance sheet items

The Group has also previously reported the profitability of normal business operations and the operating profit excluding operative exchange rate differences. The Group is no longer reporting these figures, so the reported figures are either actual IFRS figures or the alternative performance measures as described above. Operative exchange rate differences arise, for example, from foreign currency trade payables and trade receivables and also from foreign currency denominated other operative receivables and payables. The impact on the result of derivatives that are hedging operative foreign currency position has also been also included by definition in the operative exchange rate differences.

Reconciliation of consolidated EBITDA

MEUR	1.1.–30.6.2016	1.1.–30.6.2015	1.4.–30.6.2016	1.4.–30.6.2015	1.1.–31.12.2015
EBITDA excluding items affecting comparability and operative exchange rate differences	10.7	18.9	5.7	8.6	23.8
Operative exchange rate differences	–3.2	2.0	–2.4	2.4	1.0
Adjusted EBITDA	7.6	20.9	3.3	11.0	24.9
Items affecting comparability	–10.4*)	–1.6	–8.5	–0.5	–11.7
EBITDA, IFRS	–2.8	19.4	–5.2	10.4	13.1

*) Items affecting comparability in 2016 in EBITDA relate to capital loss of divestment in Suomivalimo (EUR –6.0 million), the restructuring measures in Group admin in Finland (EUR –0.3 million), restructuring measures in the Netherlands (EUR –2.7 million), extra waste disposal costs at the Orhangazi foundry (EUR –0.4 million), write-downs on old machinery and equipment in Manisa aluminium foundry (EUR –0.3 million), the restructuring measures in Sweden (EUR –0.3 million) and the closure related costs of the Smedjebacken forge in Sweden (EUR –0.1 million). Other items affecting comparability as a net totalled EUR –0.3 million.

Reconciliation of consolidated operating profit

MEUR	1.1.–30.6.2016	1.1.–30.6.2015	1.4.–30.6.2016	1.4.–30.6.2015	1.1.–31.12.2015
Operating profit excluding items affecting comparability and operative exchange rate differences	1.8	9.7	1.2	3.9	6.0
Operative exchange rate differences	–3.2	2.0	–2.4	2.4	1.0
Adjusted operating profit	–1.4	11.7	–1.2	6.3	7.0
Items affecting comparability	–10.5*)	–1.6	–8.5	–0.5	–30.5
Operating profit, IFRS	–11.9	10.1	–9.7	5.7	–23.4

*) Items affecting comparability in 2016 in operating profit relate to capital loss of divestment in Suomivalimo (EUR –6.0 million), the restructuring measures in Group admin in Finland (EUR –0.3 million), restructuring measures in the Netherlands (EUR –2.7 million), extra waste disposal costs at the Orhangazi foundry (EUR –0.4 million), write-downs on old machinery and equipment in Manisa aluminium foundry (EUR –0.3 million), the restructuring measures in Sweden (EUR –0.3 million) and the closure related costs of the Smedjebacken forge in Sweden (EUR –0.2 million). Other items affecting comparability as a net totalled EUR –0.3 million.

Reconciliation of consolidated result after financial items

MEUR	1.1.–30.6.2016	1.1.–30.6.2015	1.4.–30.6.2016	1.4.–30.6.2015	1.1.–31.12.2015
Result after financial items excluding items affecting comparability and operative exchange rate differences	–9.5	–1.8	–4.5	–2.3	–19.4
Operative exchange rate differences	–3.2	2.0	–2.4	2.4	1.0
Adjusted result after financial items	–12.6	0.2	–6.9	0.1	–18.4
Items affecting comparability	33.0*)	–1.6	35.1	–0.5	–30.5
Result after financial items, IFRS	20.4	–1.4	28.2	–0.5	–48.9

*) Items affecting comparability in 2016 are the same than in operating profit. In addition it includes (EUR 43.3 million) gain, since the secured debt was discharged at an amount lower than the balance sheet value. Other items affecting comparability in financial items were (EUR 0.2 million).

Items affecting comparability

MEUR	1.1.–30.6.2016	1.1.–30.6.2015	1.4.–30.6.2016	1.4.–30.6.2015	1.1.–31.12.2015
Restructuring expenses	–4.0	–1.3	–2.2	–0.4	–7.3
Write-downs of tangible and intangible assets	–0.3	0.0	–0.3	0.0	–20.3
Capital gains and losses of divestments	–5.9	0.0	–6.0	0.0	0.0
Other items affecting comparability in operating profit	–0.4	–0.3	0.0	–0.1	–2.8
Total in operating profit	–10.5	–1.6	–8.5	–0.5	–30.5
Items affecting comparability in financial items	43.5	–0.1	43.5	0.0	–0.1
Total in result after financial items	33.0	–1.6	35.1	–0.5	–30.5
Tax items affecting comparability	0.1	1.5	0.1	1.4	–33.9
Total in net profit	33.2	–0.1	35.1	0.8	–64.5

Consolidated income statement excluding items affecting comparability

MEUR	1.1.–30.6.2016	1.1.–30.6.2015	1.4.–30.6.2016	1.4.–30.6.2015	1.1.–31.12.2015
Net sales	**243.1**	265.1	124.8	132.0	494.8
Other operating income	**–2.3**	2.8	–1.8	2.7	2.5
Operating expenses	**–233.2**	–247.0	–119.8	–123.8	–472.5
Depreciation, amortization and write-downs	**–9.0**	–9.3	–4.5	–4.7	–17.9
Share of the associated companies' result	**0.1**	0.0	0.0	0.0	0.1
Operating profit	**–1.4**	11.7	–1.2	6.3	7.0
% of net sales	***–0.6***	*4.4*	*–1.0*	*4.7*	*1.4*
Financial income and expenses	**–11.3**	–11.5	–5.7	–6.2	–25.4
Result after financial items	**–12.6**	0.2	–6.9	0.1	–18.4
% of net sales	***–5.2***	*0.1*	*–5.5*	*0.1*	*–3.7*
Income taxes	**–0.7**	–1.7	–0.6	–0.8	0.1
Net profit	**–13.4**	–1.5	–7.5	–0.7	–18.2
Allocation of net profit for the period					
To equity holders of the parent	**–13.2**	–2.0	–7.4	–1.1	–18.6
To non-controlling interest	**–0.1**	0.5	–0.1	0.3	0.4
	–13.4	–1.5	–7.5	–0.7	–18.2
Earnings per share calculated on the profit					
attributable to equity holders of the parent					
Earnings per share, EUR	**–0.13**	–0.02	–0.07	–0.01	–0.19

Consolidated income statement

MEUR	1.1.–30.6.2016	1.1.–30.6.2015	1.4.–30.6.2016	1.4.–30.6.2015	1.1.–31.12.2015
Net sales	**243.1**	265.1	124.8	132.0	494.8
Other operating income	**–2.1**	2.8	–1.8	2.8	2.6
Operating expenses	**–243.8**	–248.6	–128.2	–124.4	–484.3
Depreciation, amortization and write-downs	**–9.1**	–9.3	–4.5	–4.7	–36.6
Share of the associated companies' result	**0.1**	0.0	0.0	0.0	0.1
Operating profit	**–11.9**	10.1	–9.7	5.7	–23.4
% of net sales	***–4.9***	*3.8*	*–7.8*	*4.3*	*–4.7*
Financial income and expenses	**32.3**	–11.5	37.9	–6.2	–25.4
Result after financial items	**20.4**	–1.4	28.2	–0.5	–48.9
% of net sales	***8.4***	*–0.5*	*22.6*	*–0.3*	*–9.9*
Income taxes	**–0.6**	–0.2	–0.6	0.5	–33.8
Net profit	**19.8**	–1.6	27.6	0.1	–82.7
Allocation of net profit for the period					
To equity holders of the parent	**20.0**	–2.1	27.8	–0.2	–83.1
To non-controlling interest	**–0.1**	0.5	–0.1	0.3	0.4
	19.8	–1.6	27.6	0.1	–82.7
Earnings per share calculated on the profit					
attributable to equity holders of the parent					
Earnings per share, EUR	**0.19**	–0.02	0.25	0.00	–0.86
Earnings per share with dilution, EUR	**0.18**	–0.02	0.21	0.00	–0.86

Consolidated statement of comprehensive income

MEUR	1.1.–30.6.2016	1.1.–30.6.2015	1.4.–30.6.2016	1.4.–30.6.2015	1.1.–31.12.2015
Net profit	**19.8**	–1.6	27.6	0.1	–82.7
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Revaluation of buildings and land areas	**–**	–	–	–	–8.8
Items that may be reclassified subsequently to profit or loss					
Translation differences	**0.3**	–0.5	0.4	–0.6	–0.6
Actuarial gains and losses	**–0.7**	–0.9	0.1	0.0	–2.1
Cash flow hedges	**0.1**	–0.1	0.4	–0.1	0.0
Other items	**–0.1**	0.0	–0.1	0.0	0.0
Total items that may be reclassified to profit or loss subsequently	**–0.4**	–1.5	0.8	–0.6	–2.7
Income tax on other comprehensive income	**0.1**	0.2	–0.1	0.0	2.0
Other comprehensive income, net of tax	**–0.3**	–1.3	0.7	–0.6	–9.5
Total comprehensive income	**19.5**	–2.9	28.3	–0.5	–92.2
Allocation of total comprehensive income					
To equity holders of the parent	**19.6**	–3.4	28.5	–0.8	–92.1
To non-controlling interest	**–0.1**	0.5	–0.2	0.3	–0.1
	19.5	–2.9	28.3	–0.5	–92.2

Consolidated statement of financial position

MEUR	30.6.2016	30.6.2015	31.12.2015
Assets			
Non-current assets			
Intangible assets	**5.6**	6.8	7.1
Goodwill	**28.4**	29.2	29.2
Investment properties	**7.9**	8.3	8.1
Tangible assets	**224.6**	252.2	234.3
Investment in associates	**1.4**	1.2	1.2
Receivables	**7.4**	2.1	7.8
Other investments	**0.9**	0.9	0.9
Deferred tax assets	**5.5**	37.4	5.5
Total non-current assets	**281.7**	338.2	294.1
Current assets			
Inventories	**66.3**	80.6	68.9
Receivables	**43.3**	53.0	31.7
Tax receivables	**0.1**	0.4	1.4
Assets held for sale	**7.9**	-	-
Cash and cash equivalents *)	**7.1**	8.7	6.1
Total current assets	**124.7**	142.6	108.2
Total assets	**406.4**	480.9	402.2
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	**21.9**	21.9	21.9
Other equity	**33.1**	77.9	-10.8
Equity attributable to equity holders of the parent company	**55.0**	99.8	11.1
Non-controlling interest	**7.5**	8.1	7.6
Shareholders' equity	**62.4**	107.9	18.6
Liabilities			
Non-current			
Capital loans and convertible bonds	**14.4**	0.0	-
Interest bearing	**75.5**	153.8	87.3
Interest free	**0.4**	0.2	0.3
Provisions	**11.0**	10.0	10.4
Deferred tax liability	**11.4**	11.9	10.8
Current			
Capital loans	**-**	2.0	-
Interest bearing	**84.5**	75.7	155.7
Interest free	**142.4**	116.2	110.0
Tax liabilities	**0.3**	0.2	2.0
Provisions	**4.0**	2.9	7.0
Total liabilities	**343.9**	372.9	383.6
Total shareholders' equity and liabilities	**406.4**	480.9	402.2

*) Cash and cash equivalents on 30 June 2016 include funds of EUR 2.5 million that have restrictions on the amount that may be drawn mainly relating to the sale of the old aluminium foundry in Manisa.

Condensed consolidated cash flow statement

MEUR	1.1.–30.6.2016	1.1.–30.6.2015	1.1.–31.12.2015
Cash flow from operating activities			
Result after financial items	**20.4**	–1.4	–48.9
Depreciation, amortization and write-downs	**9.1**	9.3	36.6
Net financial income and expenses	**–32.3**	11.5	25.4
Other income and expenses, adjustments to cash flow	**1.5**	–3.5	–1.8
Change in net working capital	**19.0**	–3.1	21.6
Cash flow from operations before financing and income taxes	**17.7**	12.8	33.0
Interest received and paid and dividends received	**–10.2**	–10.2	–22.1
Taxes paid	**–0.1**	–0.9	–0.6
Net cash flow from operating activities	**7.4**	1.8	10.3
Cash flow from investing activities			
Capital expenditure in tangible and intangible assets	**–10.5**	–8.1	–28.6
Proceeds from tangible and intangible assets	**6.2**	0.3	0.4
Other investments and loans granted	**0.0**	0.0	0.0
Proceeds from other investments and repayments of loan receivables	**0.3**	1.4	1.4
Net cash flow from investing activities	**–4.1**	–6.4	–26.8
Cash flow from financing activities			
Dividends paid	**–**	–0.4	–0.4
Proceeds from the issue of convertible bond	**25.4**	–	–
Repayment of finance lease liabilities	**–3.4**	–1.8	–4.0
Draw-down (+)/ repayment (–) of current loans	**–3.9**	2.0	5.3
Draw-down of non-current loans	**6.9**	8.6	26.4
Repayment of non-current loans and other changes	**–27.3**	–7.3	–16.8
Net cash flow from financing activities	**–2.3**	1.2	10.5
Change in liquid assets	**1.0**	–3.4	–6.0
Cash and cash equivalents at the beginning of the period	**6.1**	12.1	12.1
Effects of exchange rate changes on cash	**0.0**	0.0	0.0
Cash and cash equivalents at the period end	**7.1**	8.7	6.1

Statement of changes in consolidated shareholders’ equity

MEUR	Share capital	Share premium account	Other reserves	Cash flow hedges	Trans-lation diffe-rences	Retained earnings	Total	Non-controlling interest	Share-holders' equity total
Shareholders' equity 1.1.2015	**21.9**	**15.0**	**179.5**	**–0.4**	**–36.3**	**–76.5**	**103.1**	**8.0**	**111.2**
Net profit						–2.1	–2.1	0.5	–1.6
Translation differences					–0.5		–0.5	0.0	–0.5
Actuarial gains and losses						–0.7	–0.7	0.0	–0.7
Cash flow hedges				–0.1			–0.1		–0.1
Other comprehensive income items			0.0				0.0		0.0
Total comprehensive income			0.0	–0.1	–0.5	–2.8	–3.4	0.5	–2.9
Dividend							0.0	–0.4	–0.4
Shareholders' equity 30.6.2015	**21.9**	**15.0**	**179.5**	**–0.5**	**–36.8**	**–79.3**	**99.8**	**8.1**	**107.9**
Net profit						–80.9	–80.9	–0.1	–81.1
Translation differences					–0.2		–0.2	0.0	–0.2
Actuarial gains and losses						–0.7	–0.7	–0.1	–0.8
Cash flow hedges				0.1			0.1		0.1
Revaluation of buildings, land areas and investment properties			–7.0		0.0	0.0	–7.0	–0.3	–7.4
Other comprehensive income items			0.0				0.0		0.0
Total comprehensive income			–7.0	0.1	–0.2	–81.6	–88.7	–0.6	–89.3
Dividend							0.0	0.0	0.0
Shareholders' equity 1.1.2016	**21.9**	**15.0**	**172.5**	**–0.4**	**–37.0**	**–160.9**	**11.1**	**7.6**	**18.6**
Net profit						19.9	19.9	–0.1	19.8
Translation differences					0.3		0.3	0.0	0.3
Actuarial gains and losses						–0.6	–0.6	0.0	–0.6
Cash flow hedges				0.1			0.1		0.1
Changes in revaluation reserves of buildings and land areas			0.3			–0.3	0.0		0.0
Other comprehensive income items			–0.1				–0.1		–0.1
Total comprehensive income			0.1	0.1	0.3	19.1	19.6	–0.1	19.5
Issue of convertible bond			8.0				8.0		8.0
Convertible bond, conversion to shares			16.4				16.4		16.4
Shareholders' equity 30.6.2016	**21.9**	**15.0**	**197.0**	**–0.3**	**–36.7**	**–141.8**	**55.0**	**7.5**	**62.4**

Key Ratios

	30.6.2016	30.6.2015	31.12.2015
Equity ratio, %	**15.5**	22.5	4.6
Equity per share, EUR	**0.42**	1.03	0.11
Invested capital at period end, MEUR	**236.8**	339.4	261.7
Adjusted return on investment, %	**-1.0**	7.0	2.3
Return on investment, %	**-9.4**	6.0	-7.2
Adjusted return on equity, %	**-88.3**	-2.7	-20.4
Return on equity, %	**130.8**	-2.9	-92.6
Net interest bearing debt, preferred capital note in debt, MEUR	**167.2**	222.8	237.0
Net gearing, preferred capital note in debt, %	**267.8**	206.5	1,273.0
Order book, MEUR	**78.2**	96.8	76.9
Investments in non-current assets excl. finance leases, MEUR	**9.4**	7.8	26.2
Investments in non-current assets incl. finance leases, MEUR	**14.9**	8.0	31.5
Investments in non-current assets (incl. finance leases), % of net sales	**6.1**	3.0	6.4
Average number of personnel during the period	**3,914**	3,960	3,982
Average number of personnel during the period, incl. leased personnel	**4,238**	4,268	4,281
Number of personnel at period end	**3,832**	4,018	3,979
Number of personnel at period end, incl. leased personnel	**4,194**	4,320	4,269
Share of export and foreign activities in net sales, %	**92.5**	91.2	91.3
Contingent liabilities, MEUR	**455.3**	735.6	586.0
Earnings per share (EPS), EUR	**0.19**	-0.02	-0.86
Earnings per share, with dilution (EPS), EUR	**0.18**	-0.02	-0.86
Cash flow per share, EUR	**0.07**	0.02	0.11

Changes in tangible assets and goodwill

MEUR	1–6/2016	1–6/2015	1–12/2015
Changes in tangible assets			
Acquisition cost at the beginning of the period	**586.1**	571.2	571.2
Translation differences	**–2.4**	1.8	1.7
Additions	**14.8**	8.0	30.0
Companies acquired	**0.0**	0.0	0.0
Revaluation of buildings and land areas	**0.0**	0.0	–11.9
Disposals and transfers between items	**–29.9**	4.8	–4.9
Acquisition cost at the end of the period	**568.6**	585.8	586.1
Accumulated depreciation at the beginning of the period	**–351.7**	–319.7	–319.7
Translation differences	**1.5**	–1.1	–1.3
Accumulated depreciation on disposals and transfers	**14.1**	–4.7	2.7
Accumulated depreciation on companies acquired	**0.0**	0.0	0.0
Depreciation, amortization and write-downs during the period	**–7.9**	–8.1	–33.5
Accumulated depreciation at the end of the period	**–344.0**	–333.6	–351.7
Book value at the end of the period	**224.6**	252.2	234.3
Goodwill			
Acquisition cost at the beginning of the period	**29.2**	29.1	29.1
Translation difference	**–0.1**	0.1	0.0
Disposals and transfers between items	**–0.7**	–	–
Book value at the end of the period	**28.4**	29.2	29.2

Group development

Net sales by market area

MEUR	1-12/2015	1-6/2015	1-6/2016
Germany	105.9	56.3	**55.9**
Sweden	86.0	49.1	**43.9**
Turkey	69.0	36.1	**33.4**
Finland	43.0	23.4	**18.2**
Benelux countries	40.5	22.0	**19.7**
UK	36.8	19.8	**16.0**
Italy	30.2	15.4	**15.5**
France	27.3	14.4	**13.3**
Other European countries	21.3	11.6	**12.8**
Other countries	34.8	17.1	**14.6**
Total	494.8	265.1	**243.1**

Quarterly net sales development by market area

MEUR	Q1/15	Q2/15	Q3/15	Q4/15	Q1/16	Q2/16
Germany	29.4	26.9	23.0	26.6	28.1	**27.8**
Sweden	23.7	25.4	17.5	19.4	21.5	**22.4**
Turkey	18.2	17.9	14.0	19.0	14.8	**18.6**
Finland	11.9	11.5	8.2	11.4	8.9	**9.3**
Benelux countries	10.4	11.6	9.1	9.4	10.1	**9.5**
UK	10.0	9.9	10.8	6.2	7.2	**8.8**
Italy	7.5	8.0	9.2	5.6	7.4	**8.0**
France	7.3	7.1	5.8	7.1	6.6	**6.7**
Other European countries	5.8	5.8	5.5	4.3	6.3	**6.5**
Other countries	9.1	8.0	7.5	10.2	7.2	**7.3**
Total	133.1	132.0	110.5	119.2	118.2	**124.8**

Group development excluding items affecting comparability

MEUR	1-12/2015	1-6/2015	1-6/2016
Net sales	494.8	265.1	**243.1**
Operating profit	7.0	11.7	**-1.4**
Net financial items *)	-25.4	-11.5	**-11.3**
Profit after financial items	-18.4	0.2	**-12.6**

*) Net financial items are not allocated to business segments

Group development by business segment excluding items affecting comparability

Operating profit, MEUR *)	1-12/2015	1-6/2015	1-6/2016
Iron Business	-3.2	6.2	**-6.2**
Aluminium Business	12.3	5.2	**5.6**
Other Business	-1.9	0.2	**-0.6**
Internal items	-0.1	0.1	**-0.2**
Componenta total	7.0	11.7	**-1.4**

*) Figures for the comparative period have been adjusted as described in Accounting principles.

Group development by quarter excluding items affecting comparability

MEUR	Q1/15	Q2/15	Q3/15	Q4/15	Q1/16	Q2/16
Net sales	133.1	132.0	110.5	119.2	118.2	**124.8**
Operating profit	5.4	6.3	1.6	-6.3	-0.1	**-1.2**
Net financial items *)	-5.3	-6.2	-6.5	-7.4	-5.6	**-5.7**
Profit after financial items	0.2	0.1	-4.9	-13.7	-5.8	**-6.9**

*) Net financial items are not allocated to business segments

Quarterly development by business segment excluding items affecting comparability

Operating profit, MEUR *)	Q1/15	Q2/15	Q3/15	Q4/15	Q1/16	Q2/16
Iron Business	2.7	3.5	-2.1	-7.3	-2.3	**-3.9**
Aluminium Business	2.4	2.8	3.4	3.6	2.8	**2.9**
Other Business	0.2	0.0	0.2	-2.3	-0.5	**-0.1**
Internal items	0.1	0.0	0.1	-0.3	-0.1	**-0.1**
Componenta total	5.4	6.3	1.6	-6.3	-0.1	**-1.2**

*) Figures for the comparative period have been adjusted as described in Accounting principles.

Group development

MEUR	1-12/2015	1-6/2015	1-6/2016
Net sales	494.8	265.1	**243.1**
Operating profit	-23.4	10.1	**-11.9**
Net financial items *)	-25.4	-11.5	**32.3**
Profit after financial items	-48.9	-1.4	**20.4**

*) Net financial items are not allocated to business segments

Group development by business segment

Net sales, MEUR *)	1–12/2015	1–6/2015	1–6/2016
Iron Business			
External sales	376.6	201.4	**186.0**
Internal sales	28.4	18.1	**14.7**
Total sales	404.9	219.5	**200.7**
Aluminium Business			
External sales	84.5	43.1	**42.0**
Internal sales	8.5	4.3	**2.8**
Total sales	93.0	47.4	**44.8**
Other Business			
External sales	33.8	20.6	**15.1**
Internal sales	25.5	13.0	**12.1**
Total sales	59.2	33.6	**27.2**
Internal items	–62.3	–35.3	**–29.7**
Componenta total	494.8	265.1	**243.1**

*) Figures for the comparative period have been adjusted as described in Accounting principles.

Operating profit, MEUR **)	1–12/2015	1–6/2015	1–6/2016
Iron Business	–3.2	6.2	**–6.2**
Aluminium Business	12.3	5.2	**5.6**
Other Business	–1.9	0.2	**–0.6**
Items affecting comparability	–30.5	–1.6	**–10.5*)**
Internal items	–0.1	0.1	**–0.2**
Componenta total	–23.4	10.1	**–11.9**

*) Items affecting comparability in 2016 relate to capital loss of divestment in Suomivalimo (EUR -6.0 million), the restructuring measures in Group admin in Finland (EUR -0.3 million), restructuring measures in the Netherlands (EUR -2.7 million), extra waste disposal costs at the Orhangazi foundry (EUR -0.4 million), write-downs on old machinery and equipment in Manisa aluminium foundry (EUR -0.3 million), the restructuring measures in Sweden (EUR -0.3 million) and the closure related costs of the Smedjebacken forge in Sweden (EUR -0.2 million). Other items affecting comparability as a net totalled EUR -0.3 million.

**) Figures for the comparative period have been adjusted as described in Accounting principles.

Group development by quarter

MEUR	Q1/15	Q2/15	Q3/15	Q4/15	Q1/16	Q2/16
Net sales	133.1	132.0	110.5	119.2	118.2	**124.8**
Operating profit	4.4	5.7	0.8	-34.3	-2.2	**-9.7**
Net financial items *)	-5.3	-6.2	-6.5	-7.4	-5.6	**37.9**
Profit after financial items	-0.9	-0.5	-5.8	-41.8	-7.8	**28.2**

*) Net financial items are not allocated to business segments

Quarterly development by business segment

Net sales, MEUR *)	Q1/15	Q2/15	Q3/15	Q4/15	Q1/16	Q2/16
Iron Business	111.9	107.6	87.8	97.7	97.6	**103.1**
Aluminium Business	22.2	25.2	22.8	22.8	21.9	**23.0**
Other Business	16.9	16.7	13.5	12.1	13.7	**13.5**
Internal items	-17.9	-17.4	-13.6	-13.4	-14.9	**-14.8**
Componenta total	133.1	132.0	110.5	119.2	118.2	**124.8**

*) Figures for the comparative period have been adjusted as described in Accounting principles.

Operating profit, MEUR **)	Q1/15	Q2/15	Q3/15	Q4/15	Q1/16	Q2/16
Iron Business	2.7	3.5	-2.1	-7.3	-2.3	**-3.9**
Aluminium Business	2.4	2.8	3.4	3.6	2.8	**2.9**
Other Business	0.2	0.0	0.2	-2.3	-0.5	**-0.1**
Items affecting comparability	-1.0	-0.5	-0.8	-28.1	-2.0*)	**-8.5*)**
Internal items	0.1	0.0	0.1	-0.3	-0.1	**-0.1**
Componenta total	4.4	5.7	0.8	-34.3	-2.2	**-9.7**

*) Items affecting comparability in 2016 relate to capital loss of divestment in Suomivalimo (EUR -6.0 million), the restructuring measures in Group admin in Finland (EUR -0.3 million), restructuring measures in the Netherlands (EUR -2.7 million), extra waste disposal costs at the Orhangazi foundry (EUR -0.4 million), write-downs on old machinery and equipment in Manisa aluminium foundry (EUR -0.3 million), the restructuring measures in Sweden (EUR -0.3 million) and the closure related costs of the Smedjebacken forge in Sweden (EUR -0.2 million). Other items affecting comparability as a net totalled EUR -0.3 million.
**) Figures for the comparative period have been adjusted as described in Accounting principles.

Order book at period end, MEUR **)	Q1/15*)	Q2/15***)	Q3/15	Q4/15	Q1/16	Q2/16***)
Iron Business	76.7	80.3	66.1	62.7	68.6	**63.9**
Aluminium Business	17.2	18.1	16.5	14.4	14.9	**15.3**
Other Business	6.8	7.3	5.1	5.4	5.4	**4.3**
Internal items	-8.4	-8.8	-5.6	-5.6	-6.2	**-5.4**
Componenta total	92.3	96.8	82.1	76.9	82.7	**78.2**

*) Order book on 6 April 2015
**) Figures for the comparative period have been adjusted as described in Accounting principles.
***) Q2 order books period has been extended from the upcoming 2 months window in order to better reflect the effective coming operational production and delivery days. Annual holiday season related production plant closures among Componenta and among its customers are mainly taking place during Q3 period.

Business segments

MEUR	30.6.2016	30.6.2015	31.12.2015
Iron Business			
Assets	296.5	352.0	306.6
Liabilities	131.5	114.8	110.6
Investments in non-current assets (incl. finance leases)	3.7	4.4	14.4
Depreciation, amortization and write-downs	6.8	6.6	27.3
Aluminium Business			
Assets	86.7	64.7	72.2
Liabilities	32.1	14.6	21.2
Investments in non-current assets (incl. finance leases)	11.2	3.6	16.8
Depreciation, amortization and write-downs	1.5	1.6	3.1
Other Business			
Assets	30.4	43.3	35.3
Liabilities	26.9	30.9	37.9
Investments in non-current assets (incl. finance leases)	0.0	0.1	0.3
Depreciation, amortization and write-downs	0.8	1.0	6.3

Fair values of derivative instruments

MEUR	30.6.2016 Fair value, positive	30.6.2016 Fair value, negative	30.6.2016 Fair value, net	30.6.2015 Fair value, net	31.12.2015 Fair value, net
Currency derivatives					
Foreign exchange forwards	–	–	–	0.1	–0.2
Currency swaps	–	–	–	0.0	–0.4
Interest rate derivatives					
Interest rate swaps	–	–	–	0.0	–
Commodity derivatives					
Electricity price forwards	0.0	–0.6	–0.5	–0.7	–0.8
Total	0.0	–0.6	–0.5	–0.6	–1.4

Nominal values of derivative instruments

MEUR	30.6.2016 Nominal value	30.6.2015 Nominal value	31.12.2015 Nominal value
Currency derivatives *)			
Foreign exchange forwards	–	16.0	7.5
Currency swaps	–	46.3	9.8
Foreign exchange options	–	–	–
Interest rate derivatives			
Interest rate swaps			
Maturity in less than a year	–	5.0	–
Maturity after one year and less than five years	–	–	–
Commodity derivatives			
Electricity price forwards			
Maturity in less than a year	0.7	1.1	1.3
Maturity after one year and less than five years	1.9	2.7	1.7
Total	2.6	71.2	20.3

*) Currency derivatives mature in less than a year.

Classification of fair value of financial assets and liabilities

Financial assets and liabilities that are valued at fair value, are classified on three levels depending on the estimated reliability of the valuation method:

LEVEL 1:
A reliable quoted market price exists for identical instruments quoted on an active market. Electricity price forwards are classified on this level, as their valuations are based on market prices for Nord Pool's similar standardized products.

LEVEL 2:
A market price quoted on the active market exists for similar but not identical instruments. The price may, however, be derived from observable market information. The fair values of interest rate and currency derivatives are calculated by deriving them from price information obtained on the active market and using valuation techniques that are commonly applied in the market.

LEVEL 3:
There is no active market for the instrument, a fair market price cannot be reliably derived, and defining the fair value requires significant assumptions.

Fair values by classification of valuation method Q2 / 2016

MEUR	LEVEL 1	LEVEL 2	LEVEL 3
Foreign exchange rate derivatives (OTC)	–	–	–
Interest rate derivatives (OTC)	–	–	–
Commodity derivatives	–0.5	–	–
Available-for-sale investments	–	–	0.8

Fair values by classification of valuation method Q2 / 2015

MEUR	LEVEL 1	LEVEL 2	LEVEL 3
Foreign exchange rate derivatives (OTC)	–	0.1	–
Interest rate derivatives (OTC)	–	0.0	–
Commodity derivatives	–0.7	–	–
Available-for-sale investments	–	–	0.9

Fair values by classification of valuation method Q4 / 2015

MEUR	LEVEL 1	LEVEL 2	LEVEL 3
Foreign exchange rate derivatives (OTC)	–	–0.6	–
Interest rate derivatives (OTC)	–	–	–
Commodity derivatives	–0.8	–	–
Available-for-sale investments	–	–	0.8

No financial assets or liabilities were transferred from one level to another during the financial year.

The fair value of forward rate agreements is the profit or loss that would occur from closing the agreement, calculated at the market price on the balance sheet date. The fair value of interest rate and currency options is measured using commonly known option pricing models. The fair value of interest rate swaps is calculated by discounting future cash flows at current interest rates at the balance sheet date. Foreign exchange forwards and swaps are valued at forward prices on the balance sheet date. The fair value of electricity price forwards is the estimated profit or loss that would derive from closing the contracts at market prices on the balance sheet date.

Contingent liabilities

MEUR	30.6.2016	30.6.2015	31.12.2015
Real-estate mortgages			
For own debts	**4.7**	11.2	8.1
Business mortgages			
For own debts	**64.2**	103.4	114.5
Pledges			
For own debts	**381.1**	615.7	458.2
Other leasing commitments	**4.2**	4.0	4.1
Other commitments	**1.2**	1.3	1.2
Total	**455.3**	735.6	586.0

On 30 June 2016 Componenta had contingent financial leasing liabilities, from not yet started contracts, amounting to EUR 0.9 million (EUR 5.7 million) and 31 December 2015 EUR 3.7 million. Financial leasing liability and the investment capitalization is recorded in the statement of financial position when the financial leasing contract begins and when the financial leasing underlying machinery etc. object is received.

Key exchange rates for the Euro

	Closing rate			Average rate		
One Euro is	30.6.2016	30.6.2015	31.12.2015	30.6.2016	30.6.2015	31.12.2015
SEK	**9.4242**	9.2150	9.1895	**9.3019**	9.3401	9.3528
USD	**1.1102**	1.1189	1.0887	**1.1159**	1.1158	1.1095
GBP	**0.8265**	0.7114	0.7340	**0.7788**	0.7323	0.7259
TRY (Turkish central bank)	**3.2044**	2.9822	3.1776	**3.2562**	2.8568	3.0167
RUB	**71.5200**	62.3550	80.6736	**78.2968**	64.6407	68.1066

Calculation of key financial ratios

Return on equity, % (ROE) *)	=	Profit after financial items – income taxes x 100 / Shareholders' equity without preferred capital notes + non-controlling interest (quarterly average)
Return on investment, % (ROI) *)	=	Profit after financial items + interest and other financial expenses x 100 / Shareholders' equity + interest bearing liabilities (quarterly average)
Equity ratio, %	=	Shareholders' equity, preferred capital notes excluded + non-controlling interest x 100 / Balance sheet total – advances received
Earnings per share, EUR (EPS)	=	Profit after financial items – income taxes +/– non-controlling interest – deferred and paid interest on hybrid loan / Average number of shares during the financial period
Earnings per share with dilution, EUR	=	As above, the number of shares has been increased with the possible warrants outstanding. When calculating the dilution effect of warrants, the number of shares has been adjusted with the number of own shares which the company could have acquired, if it would have used the funds generated from the warrants to buy back of own shares at market price (= average trading price). After tax interest expense of the possible convertible loan has been added to the profit of the period. Number of shares that can be subscribed by the loan has been added to the number of total shares.
Cash flow per share, EUR (CEPS)	=	Net cash flow from operating activities / Average number of shares during the financial period
Equity per share, EUR	=	Shareholders' equity, preferred capital notes excluded / Number of shares at period end
Net interest bearing debt, MEUR	=	Interest bearing liabilities + preferred capital notes – cash and bank accounts
Net gearing, %	=	Net interest bearing liabilities x 100 / Shareholders' equity, preferred capital notes excluded + non-controlling interest
EBITDA, EUR	=	Operating profit + Depreciation, amortization and write-downs +/– Share of the associated companies' result

*) The profit for the first half of the year in ROE and ROI has been calculated as an average annual return (annualised).

Componenta Corporation

Panuntie 4
FI–00610 Helsinki
Finland
Tel. +358 10 403 00
Fax +358 10 403 2721
www.componenta.com