

Casting Future **SOLUTIONS**



COMPONENTA

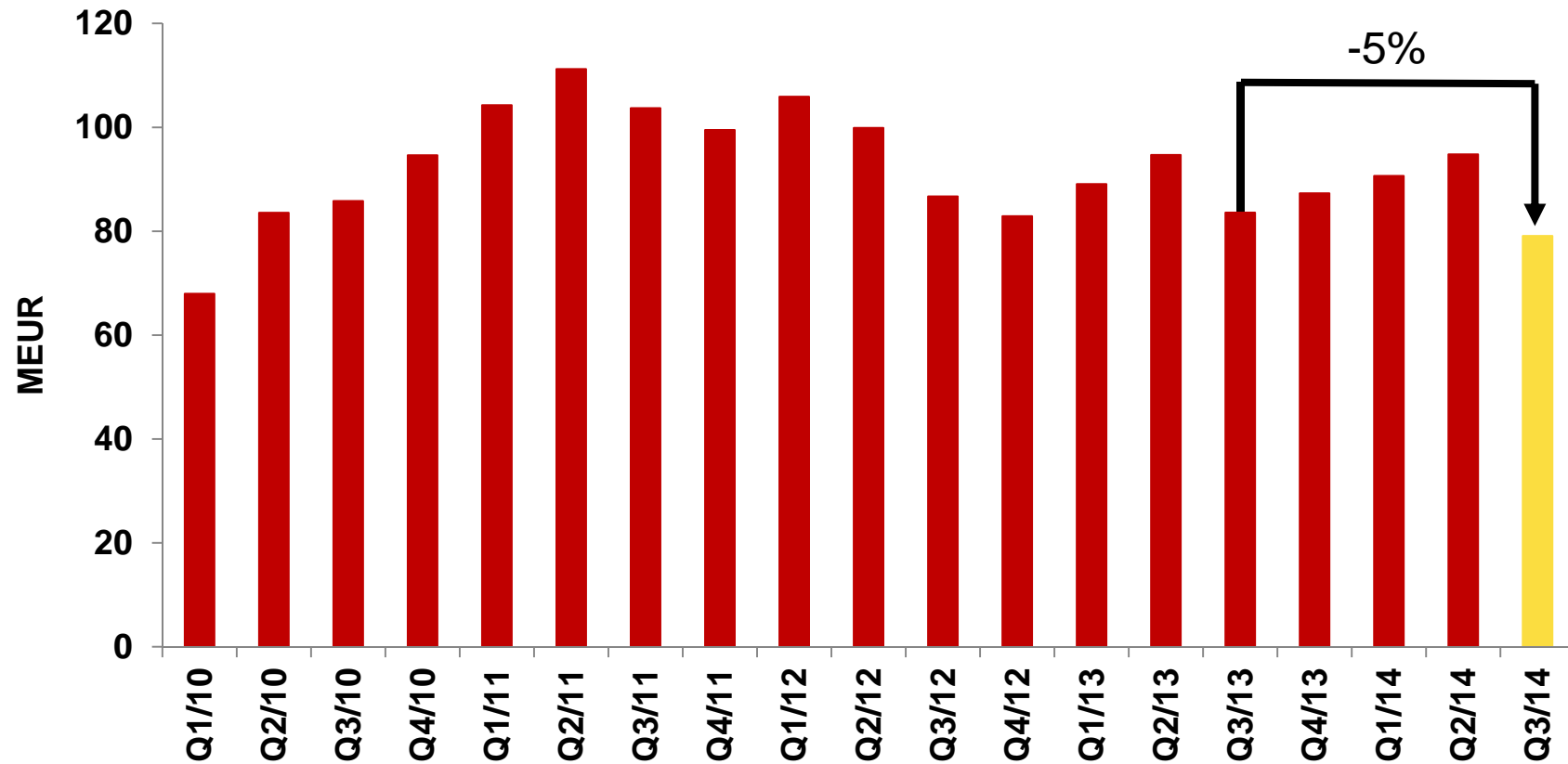
21 October 2014

A man with short brown hair and a slight smile, wearing a blue work vest over a black t-shirt, stands in a factory setting. The background is filled with stacks of large, rectangular objects, possibly metal or plastic, under a strong red light that casts a warm glow over the scene. The man is positioned on the right side of the frame, looking towards the camera.

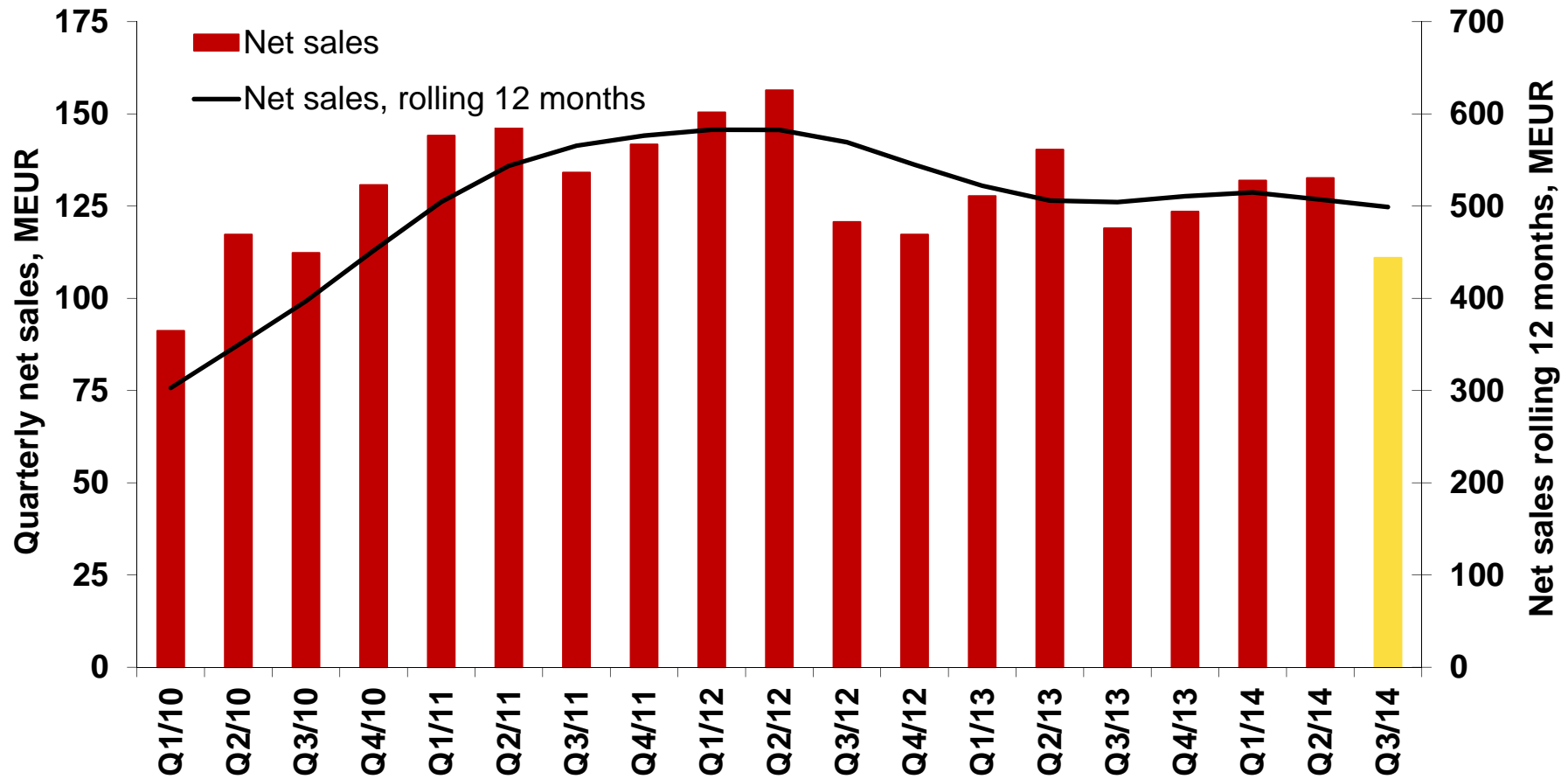
COMPONENTA INTERIM REPORT 1.1. - 30.9.2014

Heikki Lehtonen
President and CEO

Quarterly development of order book (including orders for the next two months)



Quarterly development of net sales 2010 - Q3 2014



Income Statement

MEUR	Q3 2014	Q3 2013	Change	Q1-Q3 2014	Q1-Q3 2013	Change
Order book	79	84	-5%	79	84	-5%
Net sales	111	119	-7%	376	387	-3%
EBITDA *)	5.6	4.5	+24%	30.3	24.4	+24%
Operating profit *)	1.3	0.1	+1,048%	16.6	11.0	+51%
Net financial expenses	-6.8	-6.7	+2%	-21.3	-18.3	+16%
Result after financial items *)	-5.5	-6.5	-16%	-4.7	-7.3	-36%
One-time items and exchange rate differences of operative B/S items	-5.3	1.4	n/m	-8.7	1.8	n/m
Taxes	1.7	-0.8	n/m	2.0	0.0	n/m
Net profit	-9.2	-6.0	+54%	-11.3	-5.6	+103%
Earnings/share, EUR	-0.21	-0.27	-22%	-0.42	-0.32	+30%

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



EBITDA

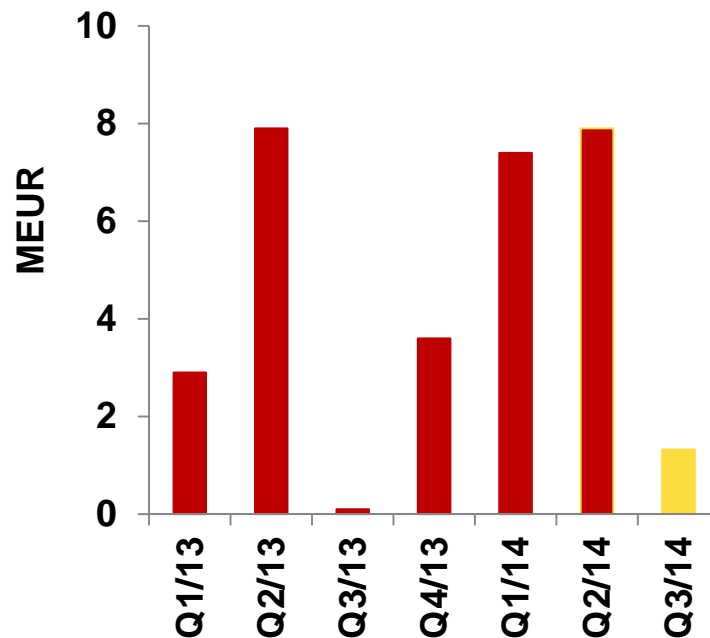
excluding one-time items and
exchange rate differences of operative balance sheet items

MEUR	Q3 2014	Q3 2013	Change	Q1-Q3 2014	Q1-Q3 2013	Change
Net sales	111.0	119.0	-7%	375.6	387.0	-3%
Value of production	113.8	117.9	-4%	387.3	393.4	-2%
Materials	-50.8	-54.2	-6%	-169.5	-174.5	-3%
Direct wages and external services	-20.4	-22.7	-10%	-68.7	-75.3	-9%
Other variable and fixed costs	-36.9	-36.5	+1%	-118.9	-119.2	-0%
Total costs	-108.1	-113.4	-5%	-357.0	-369.0	-3%
EBITDA*)	5.6	4.5	+24%	30.3	24.4	+24%

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

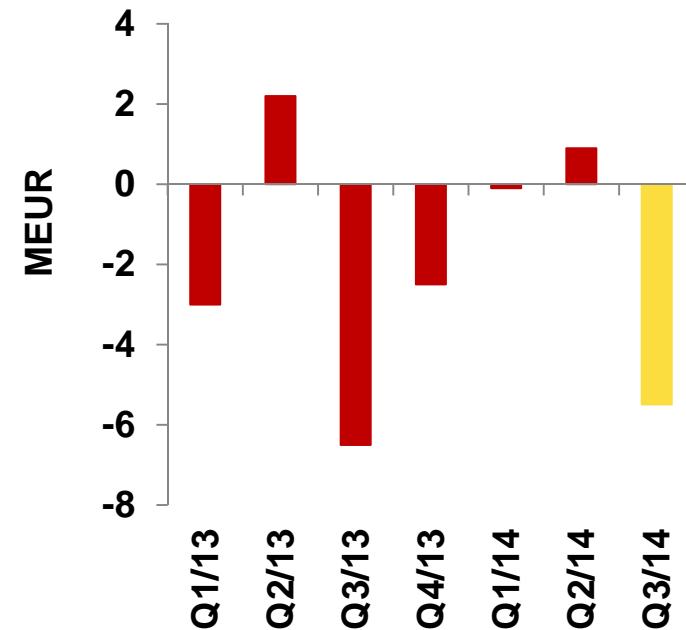
Operating profit and Result after financial items excluding one-time items and exchange rate differences of operative balance sheet items

Operating profit*)



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

Result after financial items*)

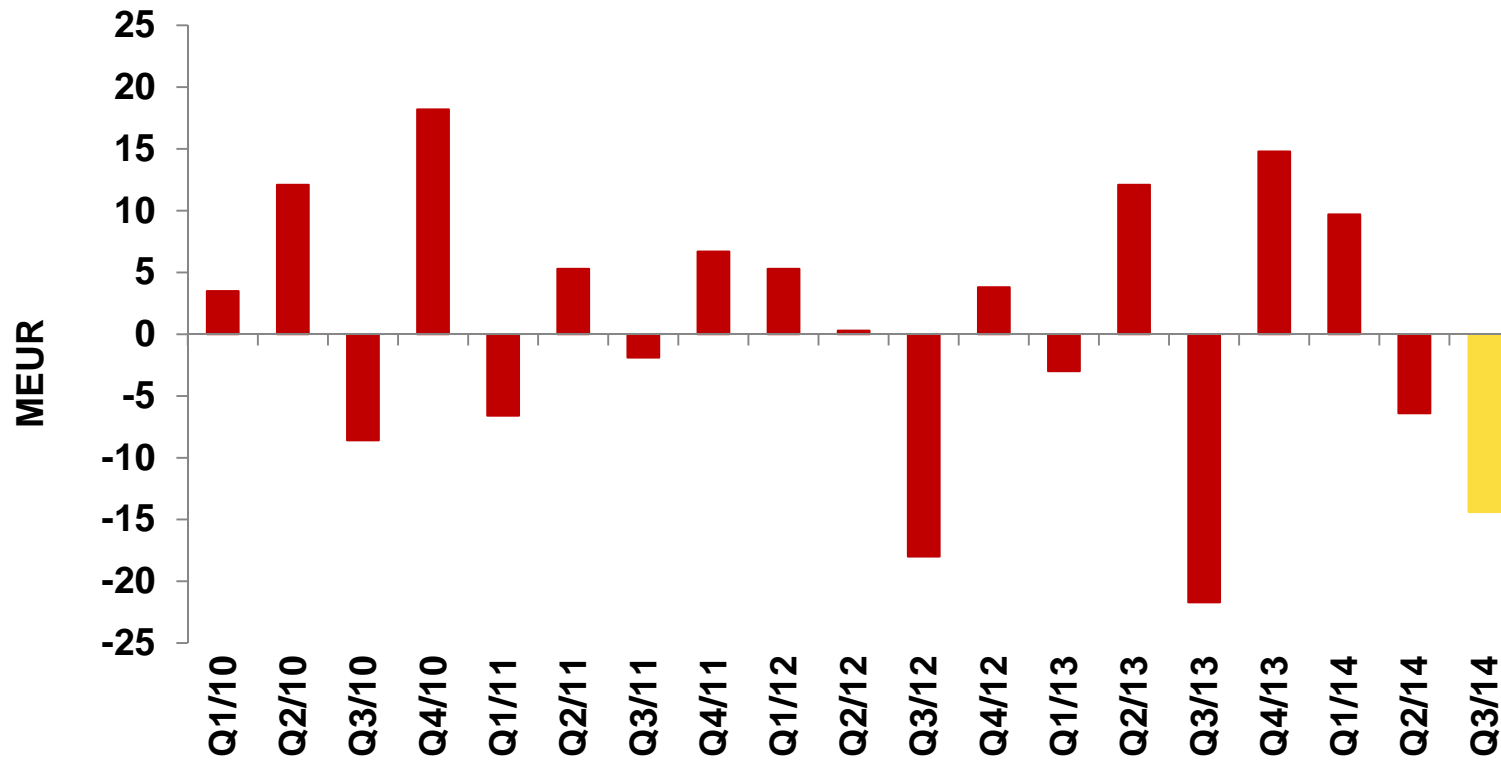


*) Excluding one-time items and exchange rate differences of operative balance sheet items.

Key ratios

MEUR	30.9.2014	30.9.2013	31.12.2013
Equity ratio, %	26.7	21.0	18.9
Return on equity, excluding one-time items, %	-8.8	-3.9	-12.8
Return on equity, %	-15.9	-8.9	-18.6
Return on investment, excluding one-time items, %	6.3	6.2	5.9
Return on investment, %	4.8	5.5	4.9
Net interest bearing debt, MEUR	199	238	230
Net gearing, %	154	241	270
Investments in production facilities, MEUR	14.6	12.4	18.9
Personnel at the end of period, including leased personnel	4,440	4,561	4,431

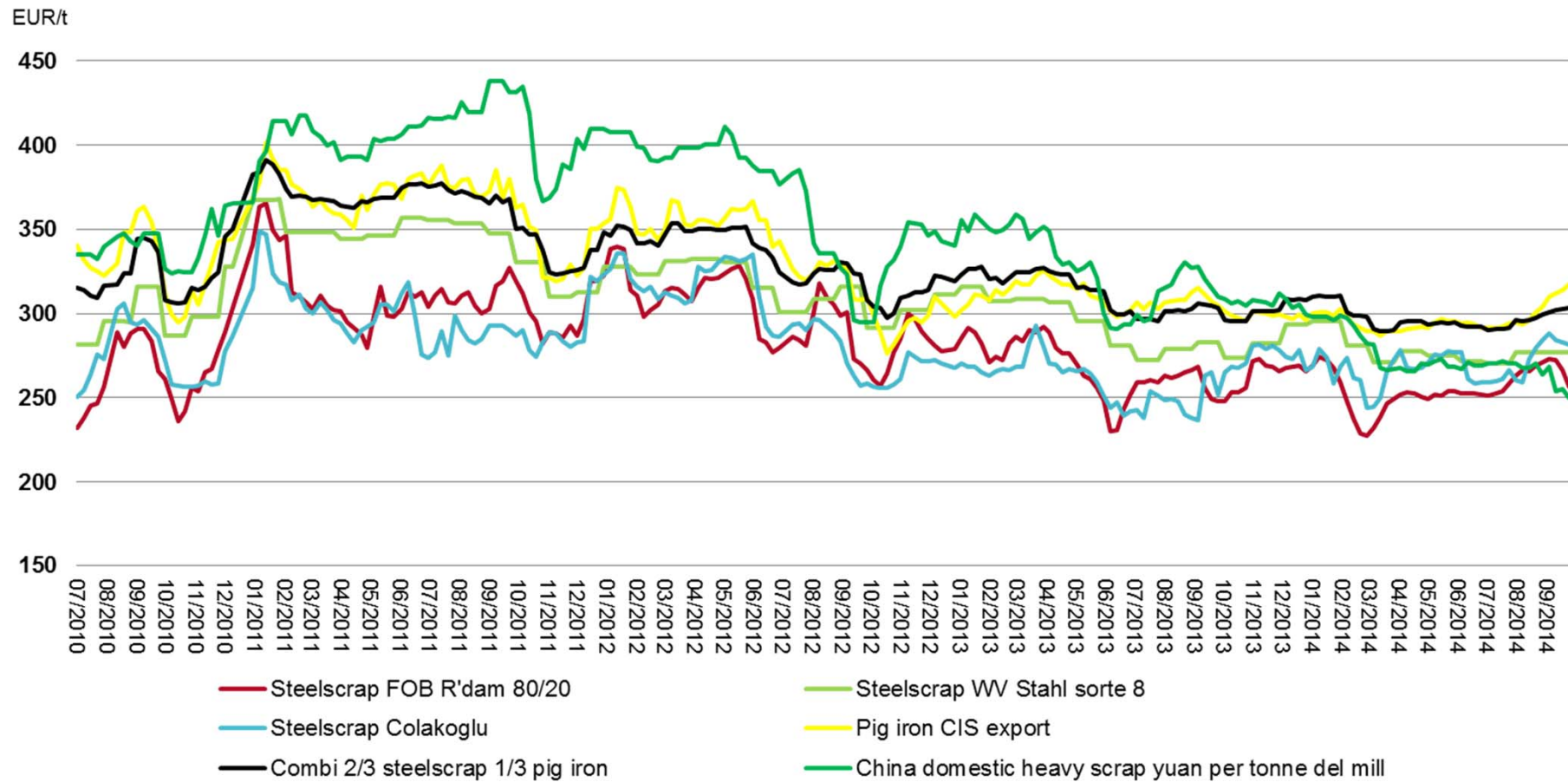
Development of cash flow from operations



Cash flow statement

MEUR	1-9/2014	1-9/2013	1-12/2013
Cash flow from operations before change in net working capital, financing and taxes	21.1	23.1	28.6
Change in net working capital	-12.1	-13.5	2.6
Cash flow from operations before financing and taxes	9.0	9.6	31.2
Cash flow from operations	-11.1	-12.6	2.2
Cash flow from investments	-8.3	-11.6	-15.7
Cash flow from financing activities	23.2	10.7	3.0
Change in liquid assets	3.8	-13.4	-10.5

Pig iron and steel scrap indexes



Sources: Reuters Metal Bulletin, WV Stahl

Development of exchange rates Turkish lira

Daily EURTRY=

1.10.2013 - 30.9.2014 (GMT)



Source: Reuters

A man and a woman in business attire are looking at a laptop together in a red-walled office. The man is on the left, wearing a dark suit, light blue shirt, and patterned tie. The woman is on the right, wearing a dark blazer over a white shirt. They are both looking at a silver laptop held by the woman. The background is a solid red wall with a framed picture on the left and a window with blinds on the right.

REFINANCING ARRANGEMENTS

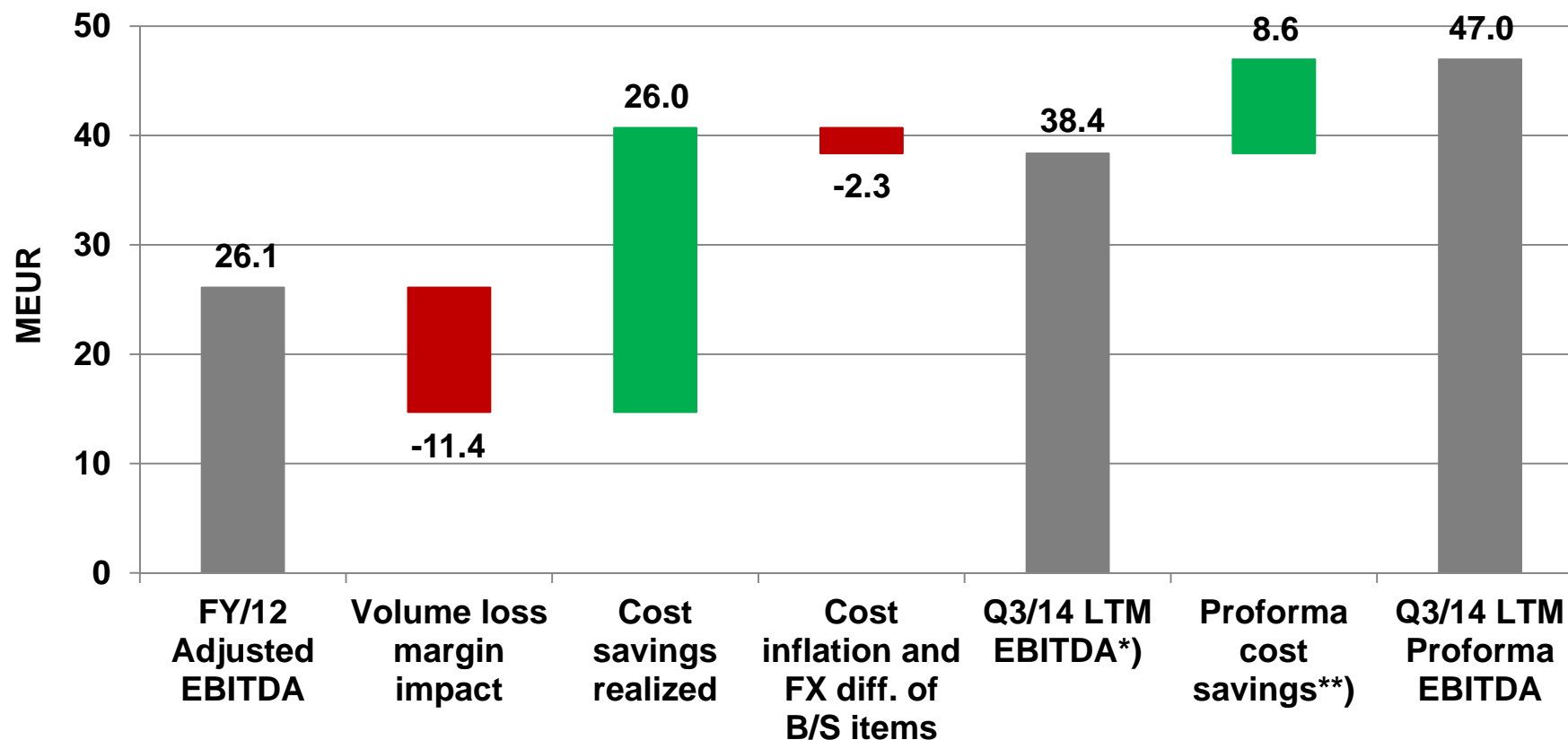
Refinancing arrangements

- Componenta refinanced short-term interest bearing debts totalled 159 MEUR in the middle of August 2014.
- In addition, the company arranged two share issues in August and September. These increased shareholders' equity by EUR 98.6 million including the conversion of hybrid bonds. According to IFRS the converted hybrid bonds were included in the shareholders' equity also previously.
- As a result of these refinancing arrangements, the company's key ratios changed from previous year as follows:
 - Equity ratio improved: 21.0% => 26.7%
 - Net gearing declined: 241% => 154%
 - Interest bearing net debt decreased: EUR 238 million => EUR 199 million
 - Net financing costs are expected to decrease EUR 8 million per annum
 - Liquidity situation improved significantly from earlier



EFFICIENCY IMPROVEMENT PROGRAM

Proforma EBITDA 47.0 MEUR Q3 2014



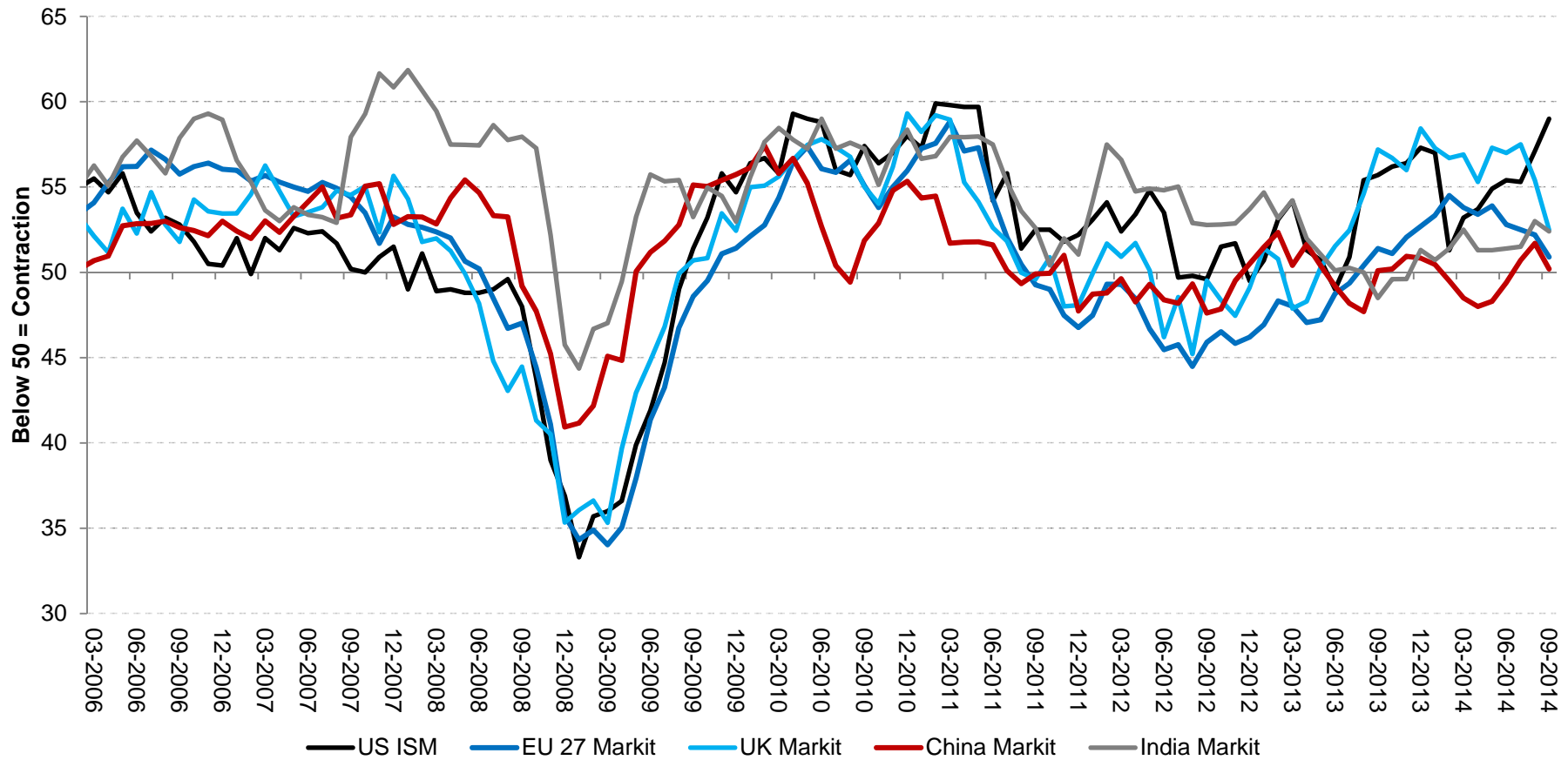
*) Excluding one-time items and exchange rate differences of operative balance sheet items.

***) Proforma cost savings: Annual impact of implemented and/or decided cost savings and improvement actions.

A woman with short brown hair, wearing a dark blue blazer over a light blue button-down shirt, stands in a red-tinted office. She is smiling and holding a silver laptop in her right hand, with her left hand on her hip. The background features a red wall with a framed picture and a window with blinds. The text 'INDICATORS OF ECONOMY' is overlaid in white on the left side of the image.

INDICATORS OF ECONOMY

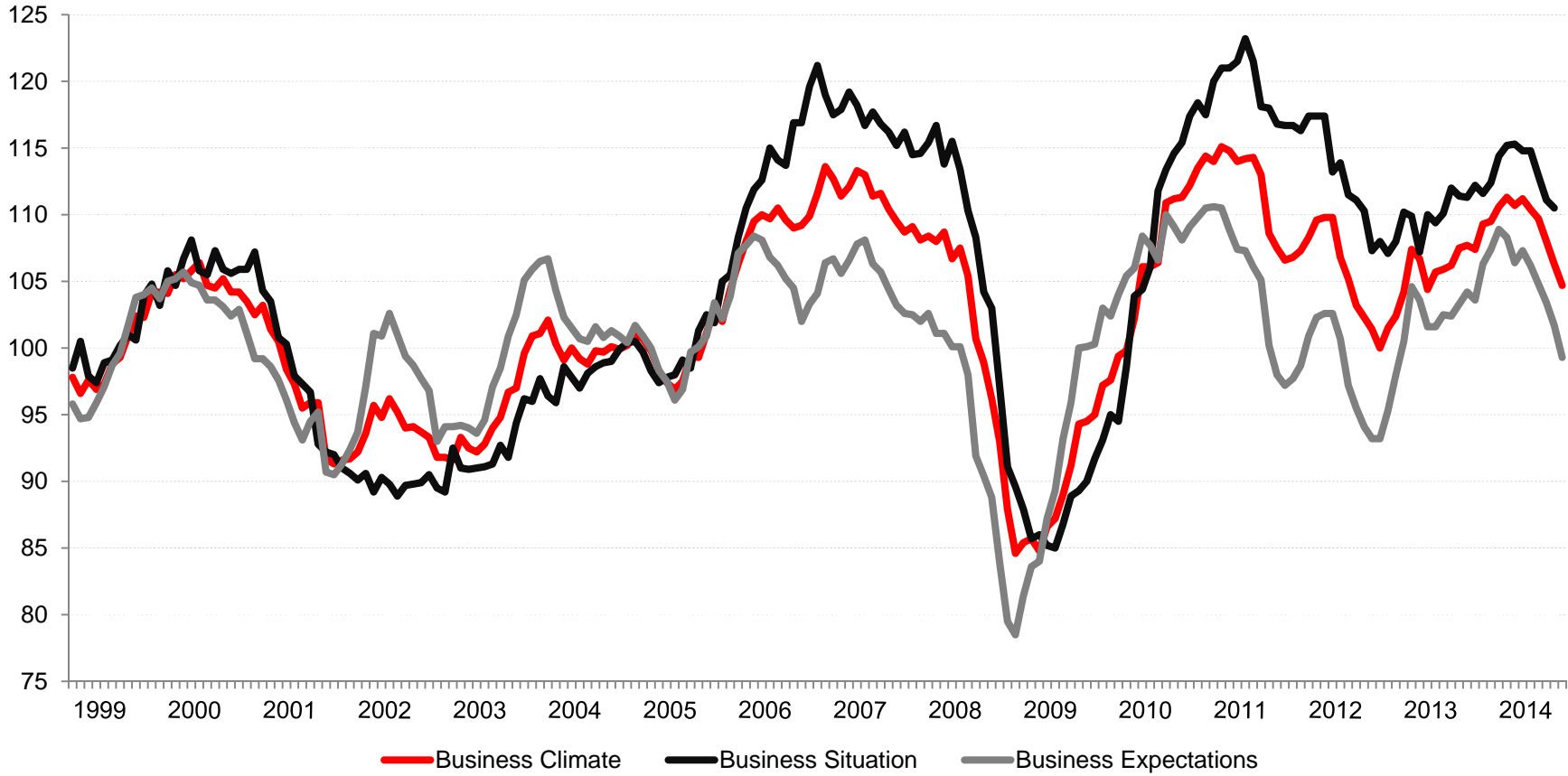
Manufacturing Purchasing Manager Indices



Source: Reuters



IFO expectations



Source: IFO

— Business Climate — Business Situation — Business Expectations

CDS Index

Weekly ITEXO5Y=

29.12.2006 - 17.10.2014 (LON)



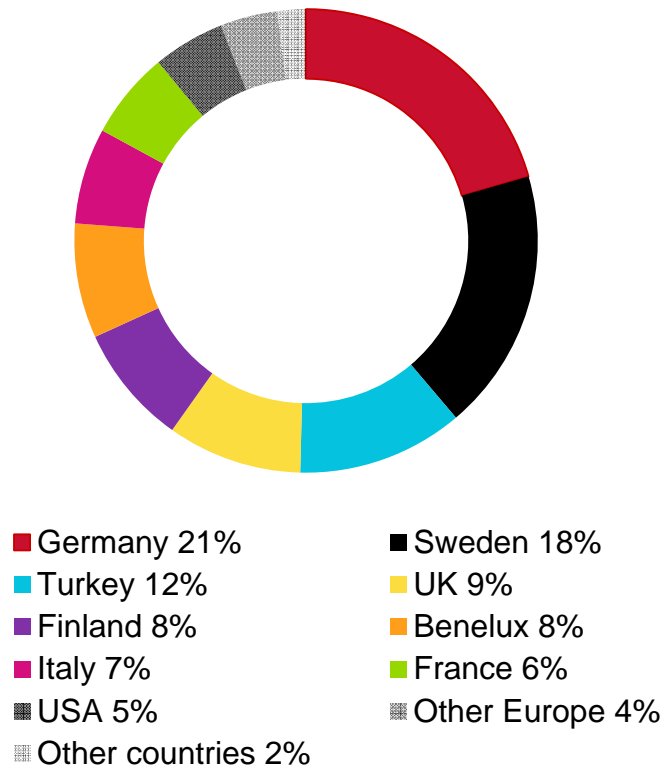
Source: Reuters

A man and a woman in business attire are looking at a laptop in a red-walled office. The man is on the left, wearing a dark suit, light blue shirt, and patterned tie. The woman is on the right, wearing a dark blazer over a white shirt. They are both looking at the laptop screen. The background is a solid red wall with a framed picture on the left and a window with blinds on the right.

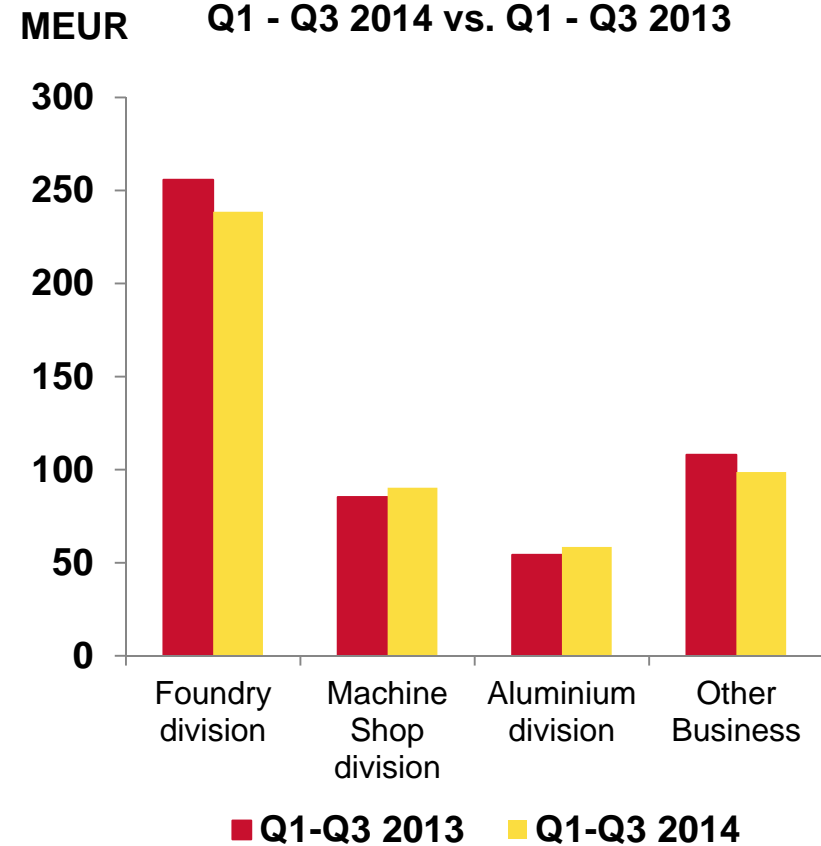
DEVELOPMENT OF SALES AND ORDER BOOK

Sales distribution Q1 - Q3 2014

Sales by market area Q1 - Q3 2014



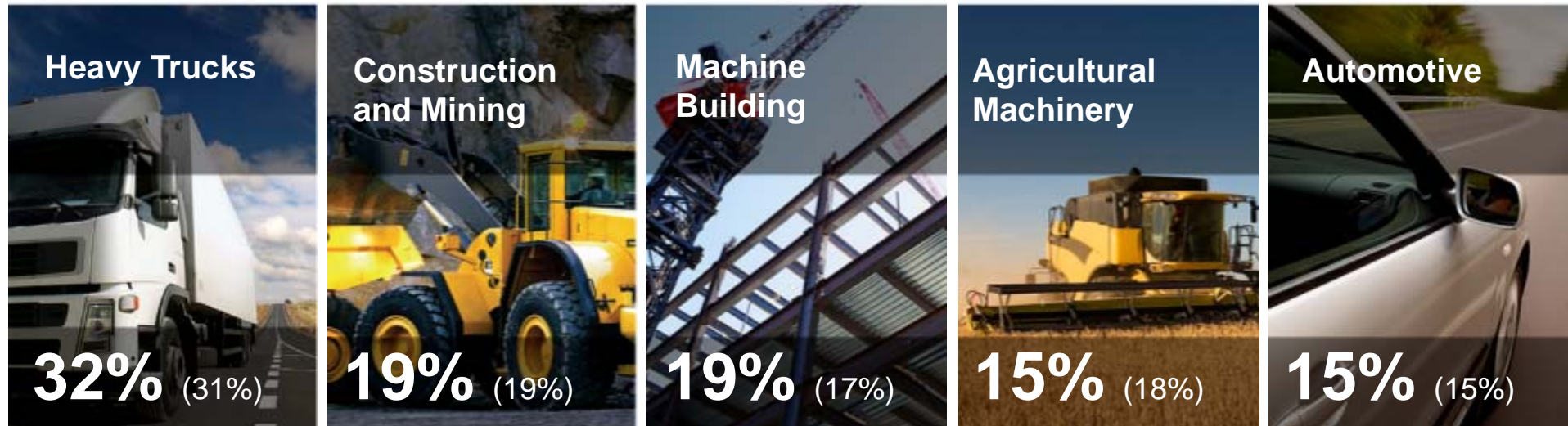
Sales by business segment *)
Q1 - Q3 2014 vs. Q1 - Q3 2013



*) Figures excluding internal eliminations

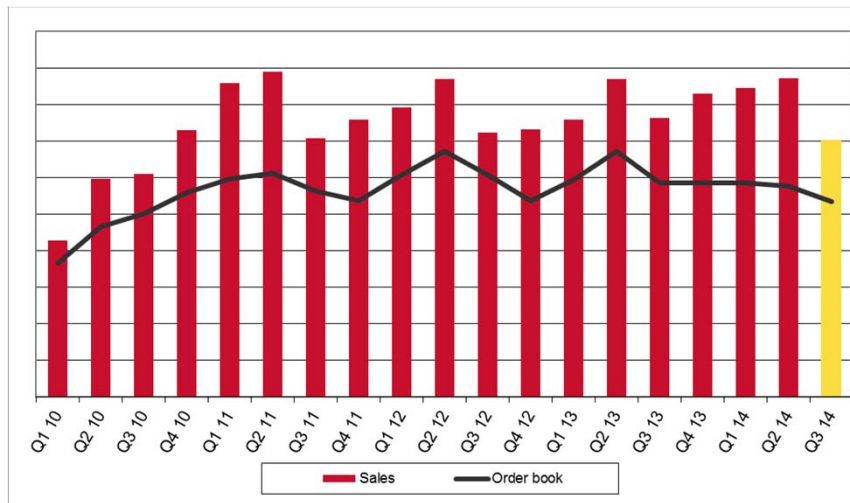
Sales by customer industry

Q1 - Q3 2014



Development of sales and order book in Heavy Trucks industry

Order book
Q3 2014 vs. Q3 2013
-9%



Sales to

Heavy Trucks industry

Q1-Q3 2014 vs. Q1-Q3 2013

+1%

Development of supply chain in Heavy Trucks industry compared to previous year

Componenta's deliveries to heavy trucks industry in Q1-Q3/14 vs. Q1-Q3/13

+1%



Volvo Group's deliveries to distributors in Europe 1-8/14 vs. 1-8/13

-3%

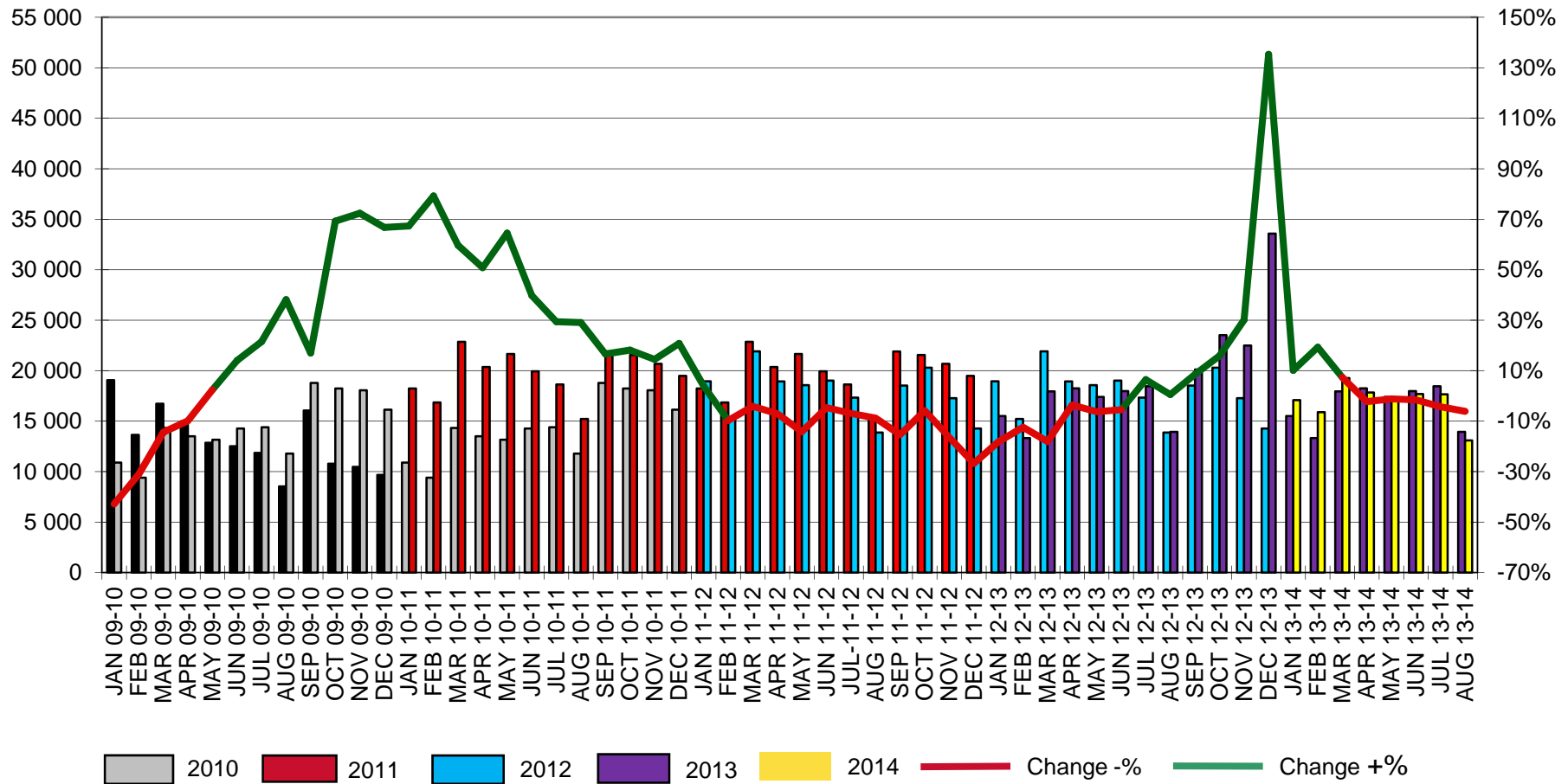


Registrations of new heavy trucks in Europe 1-8/14 vs. 1-8/13

+3%

Sources: Volvo website, ACEA

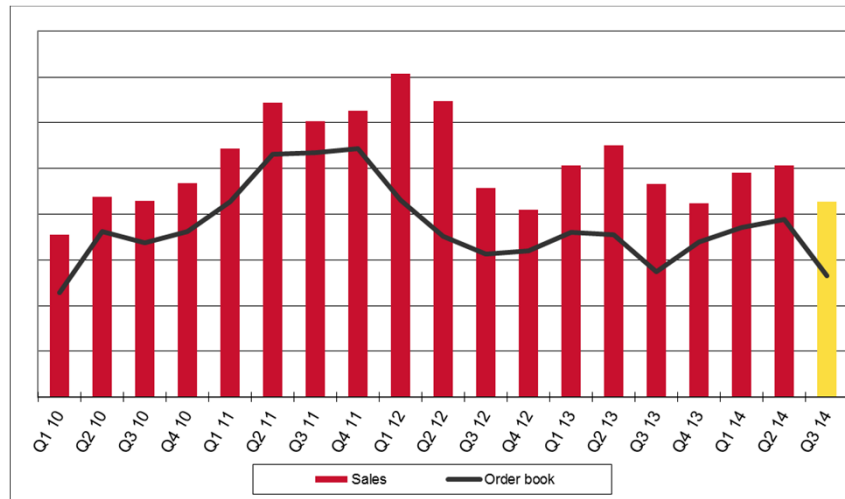
Registrations of new heavy trucks in Europe (EU27)



Source: ACEA

Development of sales and order book in Construction and Mining industry

**Order book
Q3 2014 vs. Q3 2013
-3%**



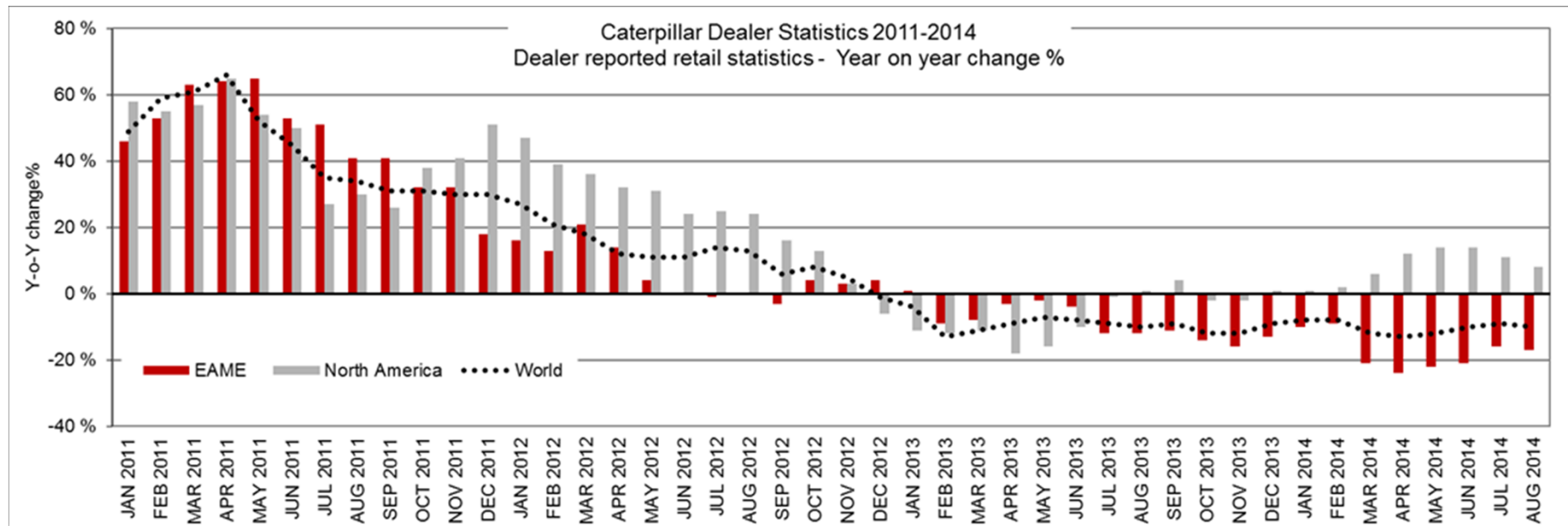
Sales to

Construction and Mining industry

Q1-Q3 2014 vs. Q1-Q3 2013

-6%

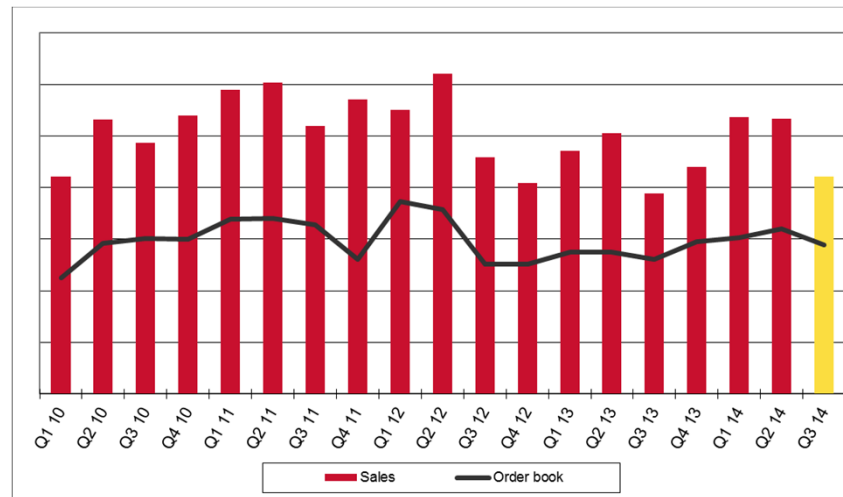
Development of Caterpillar dealers' deliveries



Source: Caterpillar

Development of sales and order book in Machine Building industry

Order book
Q3 2014 vs. Q3 2013
+10%



Sales to

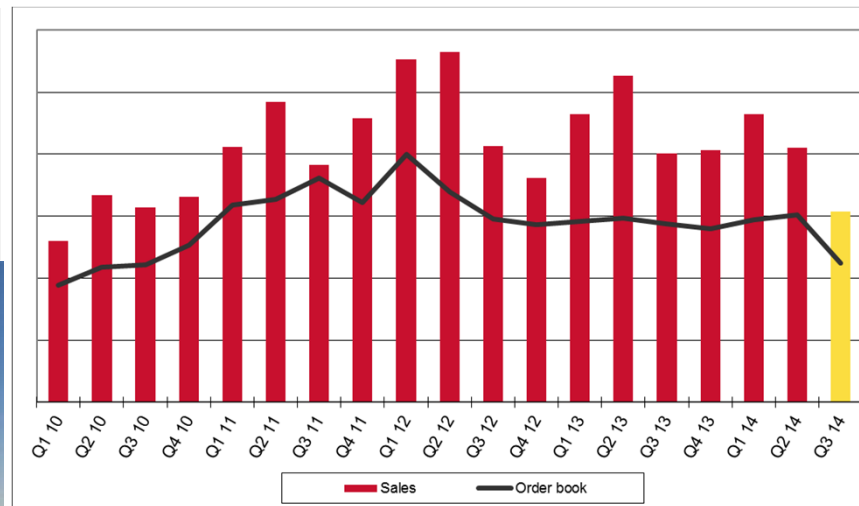
Machine Building industry

Q1-Q3 2014 vs. Q1-Q3 2013

+9%

Development of sales and order book in Agricultural Machinery industry

**Order book
Q3 2014 vs. Q3 2013
-22%**



Sales to

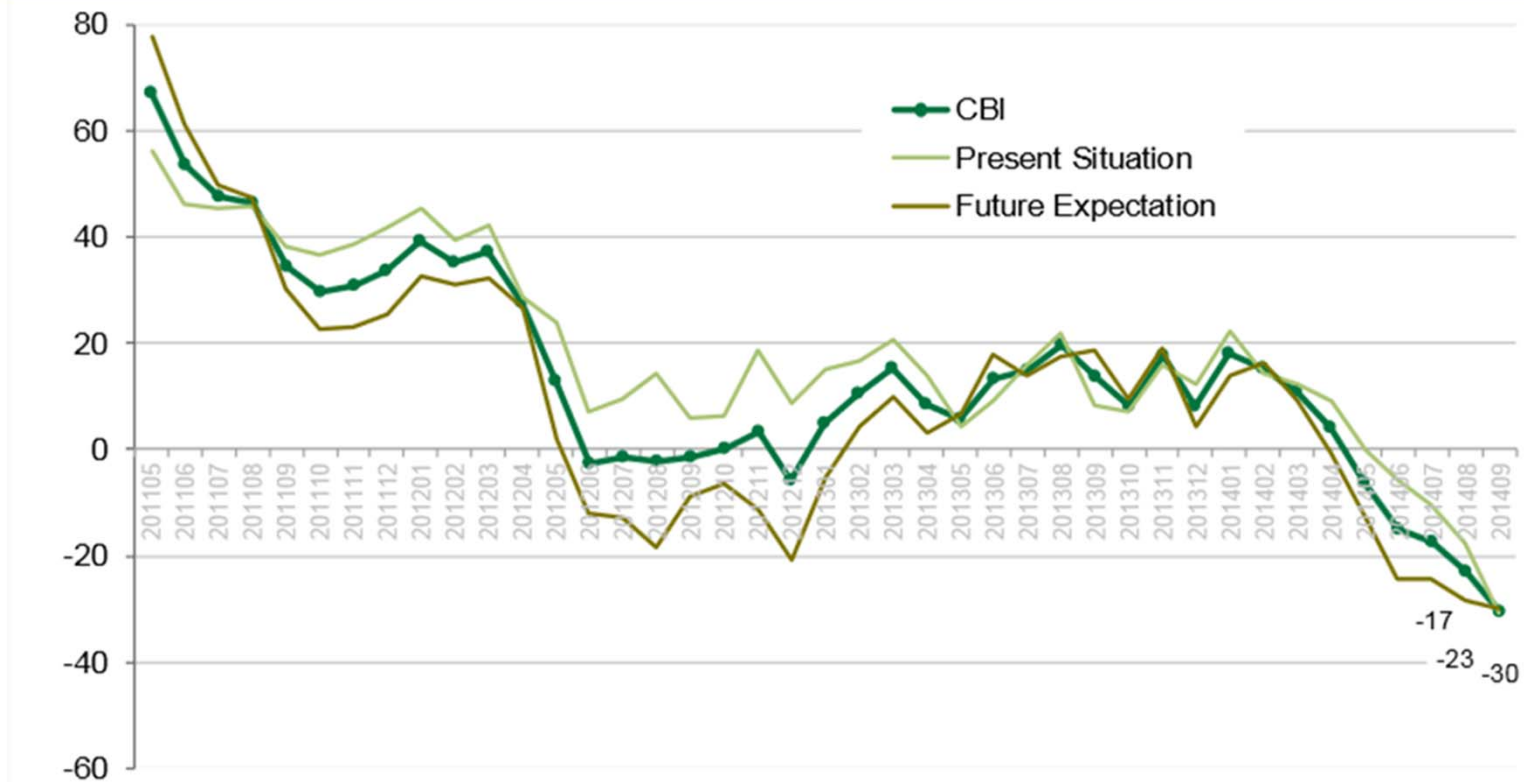
Agricultural Machinery industry

Q1-Q3 2014 vs. Q1-Q3 2013

-15%

Business expectations in agriculture industry

CEMA Business Climate Index (CBI)



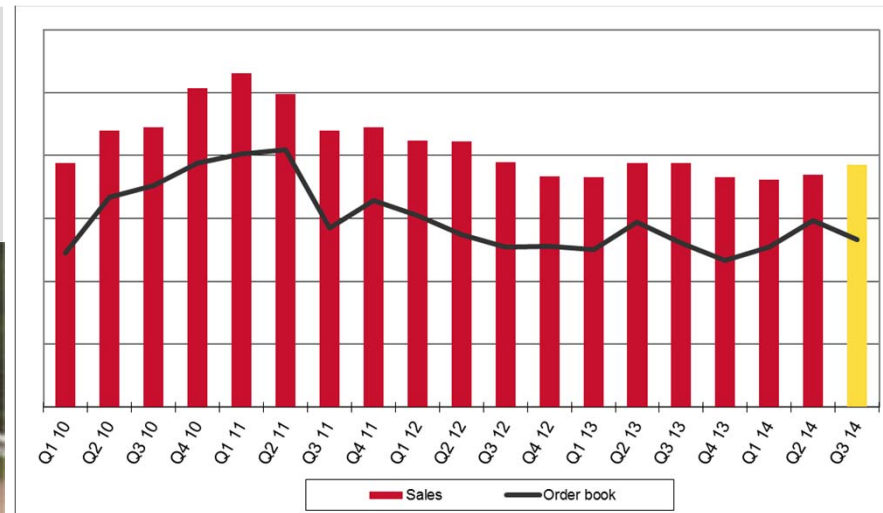
Source: CEMA Business Barometer

Index = sum of 1) evaluation of the current business situation and 2) turnover expectation, scale from -100 to +100

Source: CEMA

Development of sales and order book in Automotive industry

Order book
Q3 2014 vs. Q3 2013
+2%



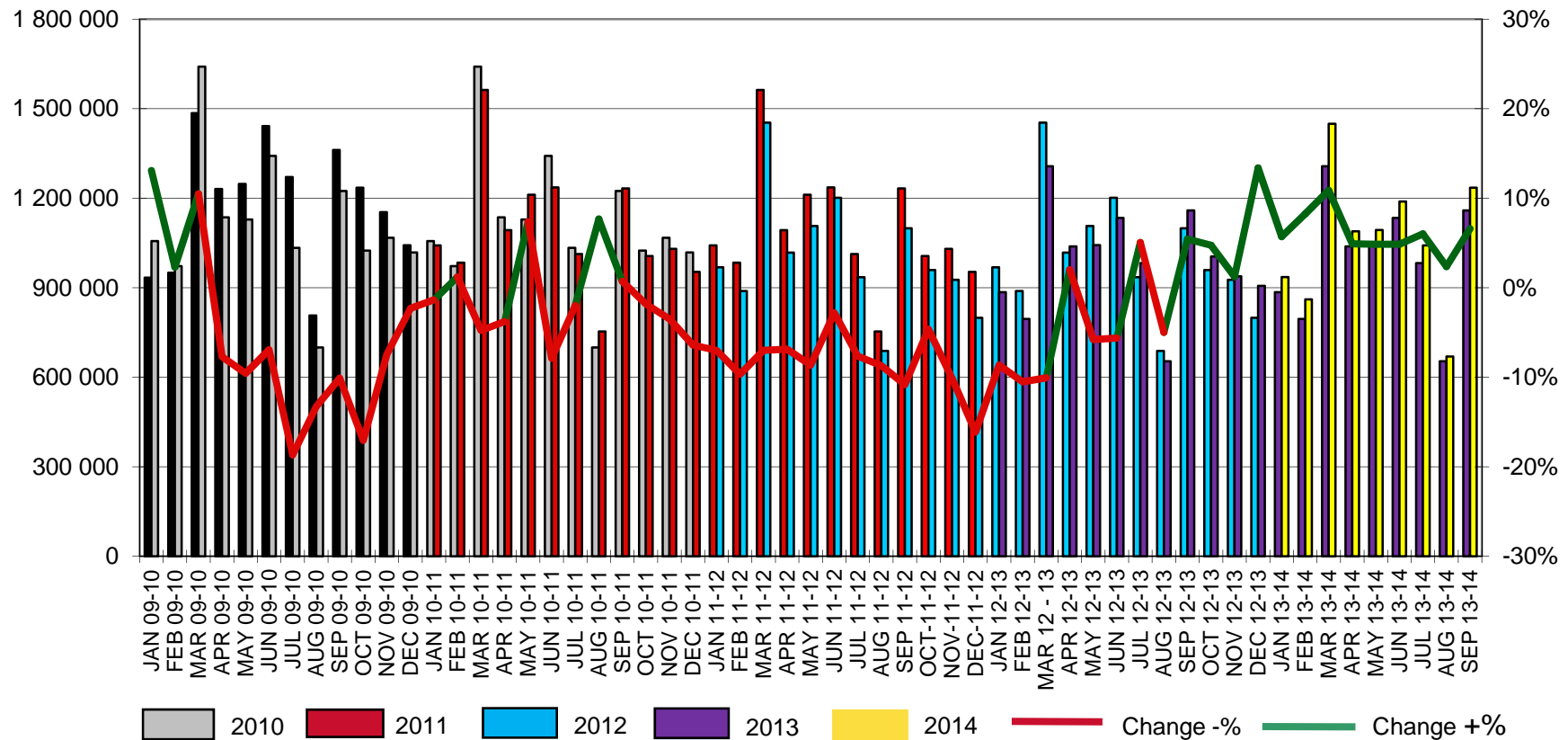
Sales to

Automotive industry

Q1-Q3 2014 vs. Q1-Q3 2013

-2%

Registrations of new passenger cars in Europe (EU27)

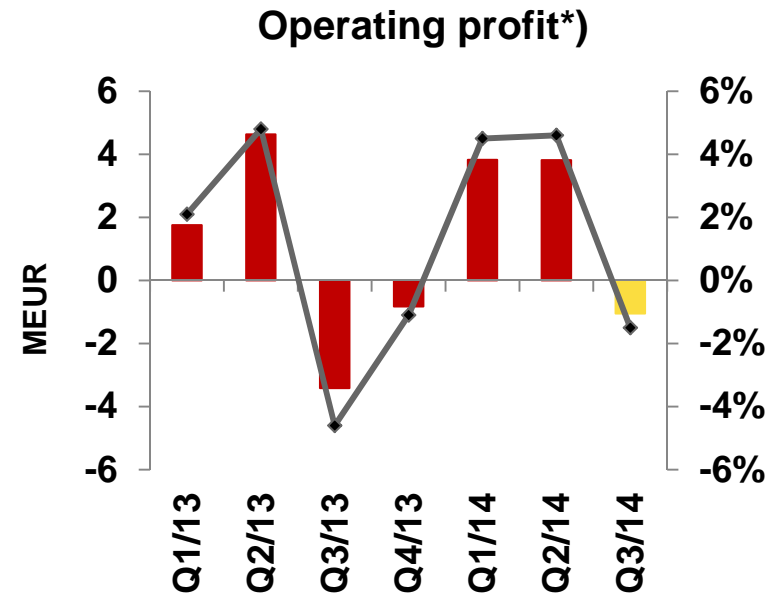
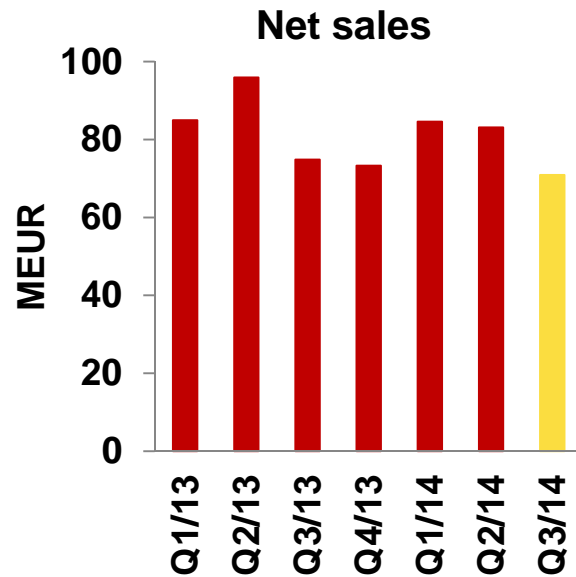


Source: ACEA

A photograph of three men in a factory setting, overlaid with a red tint. The man on the left is wearing a blue and black work vest and is pointing at a red 3D printed part held by the man in the center. The man in the center is wearing a white button-down shirt and jeans, smiling. The man on the right is wearing a dark blue work jacket and is looking at the part. The background shows industrial machinery and a large door.

DEVELOPMENT OF BUSINESS SEGMENTS

Development of Foundry Division

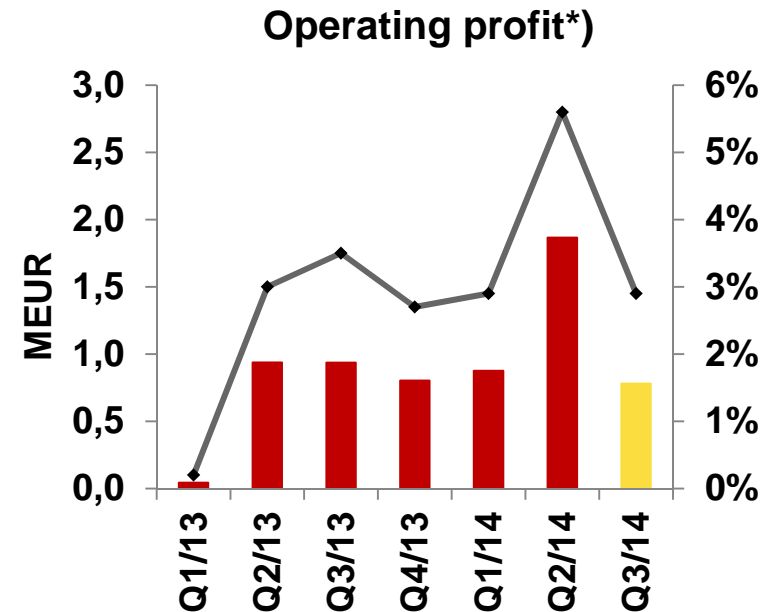
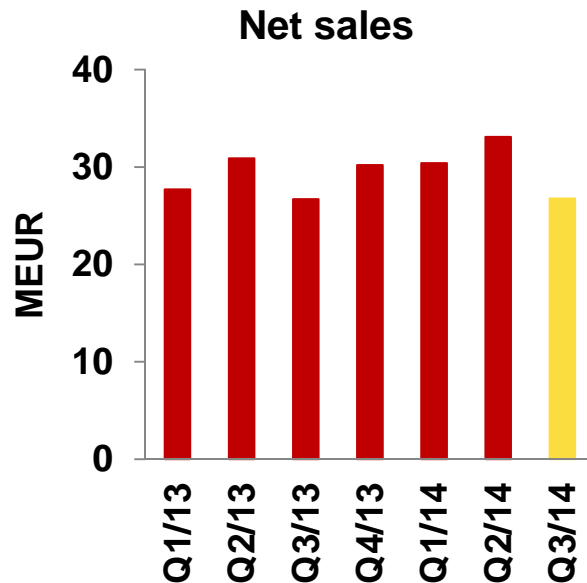


MEUR	Q1-Q3/14	Q1-Q3/13	Change
Order book	42.3	46.7	-9%
Net sales	239	256	-7%
Operating profit*)	6.5	2.9	+128%
Personnel avg.	2,799	2,891	-3%

- The operating profit in the review period excluding one-time items and exchange rate differences of balance sheet items improved 128% even though the volumes declined 7%.
- The operating profit improved as a result of cost savings achieved in the efficiency improvement program.

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

Development of Machine Shop Division

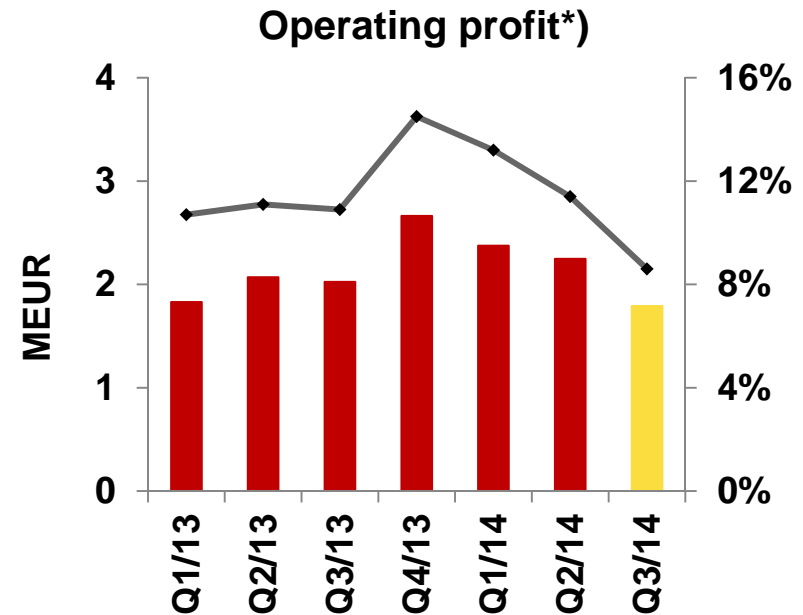
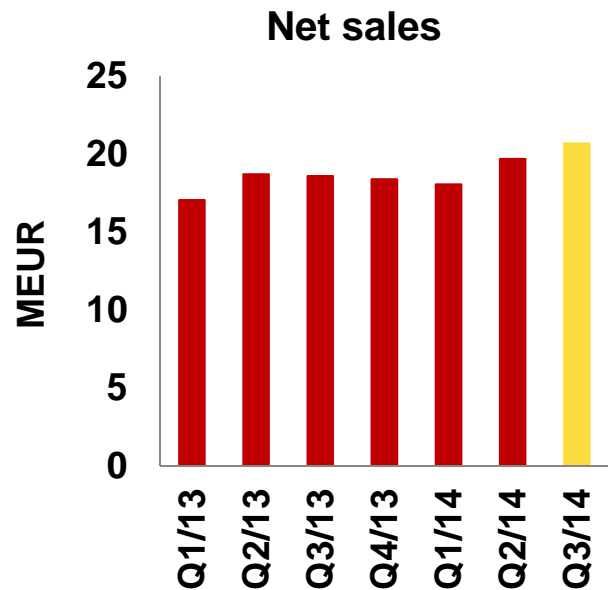


MEUR	Q1-Q3/14	Q1-Q3/13	Change
Order book	19.0	19.2	-1%
Net sales	90.3	85.3	+6%
Operating profit*)	3.5	1.9	+84%
Personnel avg.	391	385	+2%

- The operating profit in the review period excluding one-time items and exchange rate differences of balance sheet items improved 84% as a result of higher volumes and the cost savings achieved in the efficiency improvement program.

*) Excluding one-time items and exchange rates differences of operative balance sheet items.

Development of Aluminium Division



MEUR	Q1-Q3/14	Q1-Q3/13	Change
Order book	14.4	13.0	+11%
Net sales	58.5	54.3	+8%
Operating profit*)	6.4	5.9	+8%
Personnel avg.	825	726	+14%

- The operating profit in the review period excluding one-time items and exchange rate differences of balance sheet items improved 8% due to higher volumes.

A man in a light blue, long-sleeved button-down shirt is standing in a hallway with a red tint. He is holding a tablet in his left hand and pointing at it with his right hand. The hallway has a door and a potted plant in the background.

PROSPECTS 2014

Business environment 2014



The order book for Componenta's heavy trucks customer sector was **9% lower** at the end of the period than at the same time in the previous year.

Demand in the heavy truck industry in Europe is expected to decline clearly in 2014.

Componenta's sales to heavy trucks industry customers are expected to decrease less than the market due to growth in introduction of new products.

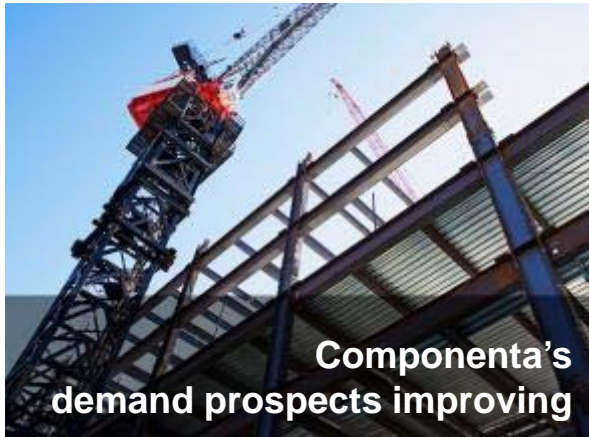


The order book for Componenta's construction and mining customer sector was **3% lower** at the end of the review period than at the same time in the previous year.

Demand in North America is clearly improving but in Europe the demand is still soft. As a whole, the demand is expected to be lower than in previous year.

Also Componenta's sales to construction and mining customer sector customers are expected be lower than in previous year.

Business environment 2014



Componenta's demand prospects improving

At the end of the review period, the order book for Componenta's machine building customer segment was **10% higher** than at the same time in the previous year.

Componenta's sales to the machine building industry are expected to rise during 2014.



Componenta's demand prospects weaker

The order book for Componenta's agricultural machinery customer sector was **22% lower** than at the same time in the previous year.

Due to reciprocal economic sanctions by EU and Russia, the prices of the agricultural products have decreased clearly. Due to decreased prices, the demand for agricultural machinery has declined in 2014.

Componenta's sales to manufacturers of agricultural machinery are expected to decline less than overall demand because of an increase in market share.



Componenta's demand prospects stable

The order book for Componenta's automotive customer sector was **2% higher** at the end of September than at the same time in the previous year.

Demand in 2014 is estimated to improve from the previous year.

Componenta's sales are expected to remain at the same level as in the previous year.



Prospects for Componenta in 2014

- The prospects for Componenta in 2014 are based on general external economic indicators, delivery forecasts given by customers, and on Componenta's order intake and order book.
- Componenta's order book at the end of September was 5% lower compared to same time in last year standing at EUR 79 (84) million.
- Componenta expects the operating profit for 2014 excluding one-time items and exchange rates differences of operative balance sheet items to improve from the previous year due to efficiency improvement program being carried out.

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SOLUTIONS

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