COMPONENTA
Casting Future Solutions

INTERIM REPORT

1 January – 30 September 2016

Componenta's restructuring proceeds, net sales and operating profit declined from previous year

January – September 2016 in brief

- On 1 September 2016 Componenta filed for its parent company Componenta Corporation and its subsidiaries in Finland and Sweden for a corporate restructuring, and filed for bankruptcy for its Dutch subsidiary. The Turkish subsidiary is continuing its operations without official proceedings.
- The company believes that the corporate restructuring process in Finland and Sweden will enable the company's operations to be brought back to profitability and developed in the longer term. However, there is still a significant degree of uncertainty regarding the going concern of the Group's operations.
- The turnover of the continued operations dropped during the review period, 13% lower than the previous year, and was EUR 284.5 million (EUR 326.7 million). Because of the bankruptcy proceedings the company considers that it has lost control of the Dutch sub-group and for this reason its consolidation in the Group's financial statement has been discontinued in the third quarter of 2016 and its operations have been classified as Discontinued Operations. Recorded impairment losses and write-downs relating to the Group's Dutch operations have also been presented under Discontinued Operations. The figures for comparison have been adjusted accordingly.
- Adjusted EBITDA of continued operations declined from the previous year, standing at MEUR 13.0 (MEUR 32.0). EBITDA including items affecting comparability was MEUR 3.7 (MEUR 29.7).
- Profitability of continued operations in the review period was weakened by lower production volumes than in the previous year, by wage inflation in Turkey and especially by stoppages in production caused by filings for corporate restructuring and tight liquidity situation. Exchange rate differences had an impact of MEUR -1.6 (MEUR 3.1).
- Adjusted operating profit of continued operations was down on the previous year, standing at MEUR -0.1 (MEUR 19.7). Operating profit of continued operations for the period in accordance with IFRS, including items affecting comparability, was MEUR -21.2 (MEUR 17.5).
- The adjusted result of continued operations after financial items was -15.8 (MEUR 2.5) and the IFRS result of continued operations after financial items, including items affecting comparability, was MEUR 6.2 (MEUR 0.2).
- Items affecting comparability of continued operations that had an impact on the result after financial items for the review period totalled MEUR 22.0 (MEUR -2.3).
- The net result for the review period was MEUR -20.6 (MEUR -9.1) and basic earnings per share were EUR -0.18 (EUR -0.10).
- Order book of continued operations at the beginning of October was 9% down on the previous year, at MEUR 67 (MEUR 74).
- The sale of the operations of Suomivalimo located in Iisalmi and the related estate property was sold on 30 June 2016 and the Group recorded a sales loss of EUR 6.1 million on the transaction, which has been presented in items affecting comparability.
- Componenta's pistons business located in Pietarsaari was sold on 17 August and the Group recorded a sales profit of MEUR 1.0 from the transaction, which has been presented in items affecting comparability. In addition the company is examining the possibility of selling other non-core business operations and property.
- The company has announced on 7 October 2016 and 13 October 2016 its plans to sell its shareholding in the Turkish subsidiary and forge operations in Sweden.

July–September 2016 in brief, continued operations

- Net sales declined 21% from the previous year to MEUR 75.1 (MEUR 95.4).
- Adjusted EBITDA declined from the previous year to MEUR 3.2 (MEUR 8.5). EBITDA including items affecting comparability was MEUR 1.4 (MEUR 7.7)
- Profitability was weakened by lower production volumes than in the previous year, by wage inflation in Turkey and especially by stoppages in production caused by filings for corporate restructuring and tight liquidity situation. Exchange rate differences had an impact of MEUR 1.6 (MEUR 1.1).
- Adjusted operating profit was MEUR -1.5 (MEUR 4.6) and the operating profit of continued operations in accordance with IFRS, including items affecting comparability, was MEUR -15.0 (MEUR 3.8).
- Adjusted result after financial items was MEUR -6.7 (MEUR -1.7) and the IFRS result after financial items, including items affecting comparability, was MEUR -20.6 (MEUR -2.5).
- Items affecting comparability that had an impact on the result after financial items for the July-September period totaled MEUR -13.9 (MEUR -0.8).
- The net result for the July-September period, including discontinued operations, was MEUR -40.4 (MEUR -7.5) and basic earnings per share were EUR -0.30 (EUR -0.08).

President and CEO Harri Suutari comments on factors leading to the need for corporate restructuring and the review period:

"The Componenta Group's liquidity remained tight throughout the review period and the Group failed to source from the market the financing required to maintain operations. The company was not able to start its production units after the holiday season as planned in Holland, Finland and Sweden due to a lack of raw materials and other materials for reason of tight liquidity.

On 1 September 2016 Componenta filed its parent company Componenta Corporation and its subsidiaries in Finland and Sweden for corporate restructuring, and filed for bankruptcy for its Dutch subsidiary. The Turkish subsidiary is continuing its operations without official proceedings. The restructuring proceedings have begun in Finland and Sweden – in Sweden at the beginning of September and in Finland at the end of September. The Dutch subsidiary was declared bankrupt on 2 September 2016.

In Finland and Sweden the restructuring proceedings will enable the company's operations to return to profitability and be developed in the longer term, but significant uncertainty still relates to going concern of operations. Since the review period, the companies in Finland and in Sweden have agreed a prepayment arrangement with their main customers which will help these companies with short-term working capital financing. Actions to reduce fixed costs have continued and will actively continue further. Measures to increase productivity and streamlining operations at the company's production units will continue according to plan.

Significant business acquisitions made in 2004 and 2006 and the impact of the 2008 and 2009 financial crisis on the market contributed to the Componenta Group's current debt situation. Furthermore, demand in Componenta's key customer segments, such as mining, construction and agricultural machinery, has been significantly lower than before the financial crisis. The company's ability to manage its financial obligations has continued to weaken since the financial crisis, significantly increasing financial costs. During 2016 investors' trust in the company's ability to manage its obligations began to weaken, and the company failed to re-negotiate short-term loans as it had in the past.

To increase profitability the Group has tried to improve the productivity of its factories and to decrease fixed costs. It has put parts of the Group up for sale as part of its efforts to improve the company's financial position.

The proceeds from divestments carried out in 2016 were very small in comparison to the lack of funding. The sale of the Pistons unit in Pietarsaari was completed in mid-August and the Suomivalimo iron foundry in Iisalmi was sold at the end of June.

Componenta is planning to sell its foundry and machine shop operations in Turkey as well as its forging operations in Sweden. The remaining Högfors and Pori foundries in Finland and the Främmestad machine shop in Sweden together form a competitive business. Despite the company's financial difficulties these operations have been able to show growth in both profitability and productivity. I believe this is due to effective use of opportunities made possible by the new organisational model.

During the review period development in profitability and volumes have been unsatisfactory. Sales of Componenta's iron products in continued operations in the first half of the year declined some 23% from the previous year. The decline was caused by a number of factors. The mining and construction equipment and the agricultural machinery markets, both key markets for Componenta's iron business, weakened from the previous year. Production problems caused by the company's weakened liquidity and falling sales prices also contributed to a significant decrease in turnover. Unusually, around six million euros' worth of products had not been delivered at the end of the review period. There was no similar delay in the reference period. Customers are also very aware of Componenta's liquidity issues, and have therefore placed very few orders for new products to replace discontinued products.

Adjusted EBITDA on sales of iron products in continued operations fell from EUR 18.2 million to EUR 2.0 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 3.9 million.

Adjusted EBITDA on sales of aluminium products fell slightly from EUR 11.0 million to EUR 10.5 million. The installation of machinery and equipment and the start-up processes of production at the new production plant in Manisa, Turkey have progressed as planned. Capital expenditure in the aluminium business totalled EUR 13.4 million."

Componenta's guidance for 2016

Due to the financial situation, the ongoing restructuring proceedings 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.

Componenta Corporation Interim Report 1 January – 30 September 2016:

Componenta's restructuring proceeds, net sales and operating profit declined from previous year

Componenta's corporate restructuring

Componenta Group's liquidity situation became critical in August due to the weaker than estimated development in net sales and profitability. The company could not negotiate the additional financing necessary and due to this situation continuation of the business without restructuring proceedings was impossible because lack of production materials meant that the factories could not be kept in operation.

Consequently, on 1 September 2016 Componenta filed for restructuring of the parent company Componenta Corporation and the following subsidiaries: Componenta Finland Ltd in Finland and Componenta Främmestad AB, Componenta Wirsbo AB and Componenta Arvika AB in Sweden. As part of these arrangements it had been decided that Componenta's Dutch subsidiary Componenta B.V. would file for bankruptcy. Componenta Dökümcülük Ticaret ve Sanayi A.S. in Turkey continues its operations without any official proceedings.

The filings of the Swedish subsidiaries were accepted and restructuring proceedings were started on 1 September (Componenta Främmestad AB and Componenta Wirsbo AB) and on 2 September 2016 (Componenta Arvika AB).

The Dutch subsidiary was declared bankrupt on 2 September 2016.

On 30 September the district court of Helsinki in Finland took the decision to commence the restructuring process of Componenta Corporation and Componenta Finland Ltd.

In Finland a restructuring programme will typically be approved within a year and a schedule for restructured debt payments will be defined in a payment programme. In Sweden a restructuring period will last one year from the approval of the programme. Information on how well the programme is succeeding will become available during the latter months of 2016.

In the short term Componenta has agreed pre-payment based financing with key customers in Finland and in Sweden to cover working capital needs.

Key figures

	Q1–Q3 2016	Q1–Q3 2015	Change	2015
Order book, continued operations, MEUR	**67.3**	73.5	-8.5%	68.0
Net sales, continued operations, MEUR	**284.5**	326.7	-12.9%	429.0
Adjusted EBITDA, continued operations, MEUR	**13.0**	32.0	-59.5%	30.9
Adjusted operating profit, continued operations, MEUR	**-0.1**	19.7	n/a	14.7
Adjusted operating profit, continued operations, %	**0.0**	6.0	n/a	3.4
Adjusted result after financial items, continued operations, MEUR	**-15.8**	2.5	n/a	-9.3
Items affecting comparability that had an impact on the result after financial items, continued operations, MEUR	**22.0**	-2.3	n/a	-22.0
Taxes, continued operations, MEUR	**-2.8**	-2.0	40.4%	-26.4
Net result, MEUR	**-20.6**	-9.1	126.7%	-82.7
Earnings per share, EUR	**-0.18**	-0.10	72.9%	-0.86
Net gearing, %	**580**	226	156.0%	1,273
Adjusted return on investment, %	**-1.5**	5.3	n/a	2.3
Adjusted return on equity, %	**-83.6**	-10.2	721.4%	-20.4
Number of personnel at end of quarter, incl. leased personnel	**3,456**	4,286	-19.4%	4,269

Discontinued operations

The Dutch subsidiary Componenta B.V. filed for bankruptcy on 1 September 2016. As a result of this Componenta no longer has iron business operations in the Netherlands. The Dutch sub-group's operations have been classified as Discontinued Operations according to the IFRS 5 standard "Non-current Assets Held for Sale and Discontinued Operations" and the consolidation of Componenta B.V. into the corporate financial statement has been discontinued from the third quarter of 2016. The information in the income statement (including other comprehensive income), cash flow statement and some key financial ratios has been adjusted in the figures for the first and second quarters of 2016 and the 2015 figures for comparison. In the segment information Componenta B.V.'s figures have been presented as discontinued operations, and all Componenta B.V.'s impairment of net assets has also been presented as discontinued operations. Additionally, all impairment of net receivables from Componenta B.V. recorded by the remaining active companies within the corporation has been presented under discontinued operations.

Developments in order book and sales

Demand prospects in the company's mining and agricultural machinery customer sectors continue to be challenging. However, in the heavy trucks and automotive sectors European demand prospects are on a firmer footing. In the machine building sector demand prospects show greater variation from one customer to another.

Componenta's order book of continued operations at the beginning of October was 9% smaller than in the previous year, standing at EUR 67.3 (73.5) million. The order book comprises confirmed orders for the next two months. The combined effect of the sale of the Suomivalimo and Pistons businesses on the decline of the order book was around EUR 3 million.

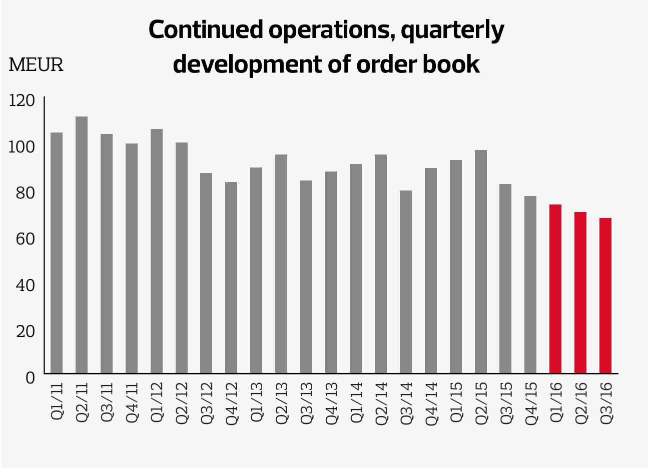
The order book for Componenta's heavy trucks customer sector of continued operations was 9% higher than at the same time in the previous year. In continued operations, Componenta's sales in this customer sector were 9% lower than in the previous year.

The order book for the construction and mining customer sector of continued operations declined 27% from the same time in the previous year. In continued operations, Componenta's sales in this customer sector were 26% lower than in the previous year.

The order book for the machine building customer sector of continued operations declined 45% from the previous year. In continued operations, Componenta's sales in this customer sector were 20% lower than in the previous year.

The order book for the agricultural machinery customer sector of continued operations fell 2% from the previous year. In continued operations, Componenta's sales in this customer sector were 11% lower than in the previous year.

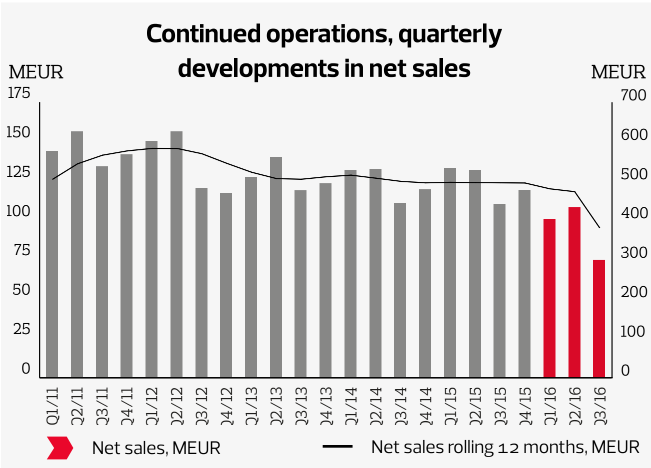
The order book for the automotive customer sector of continued operations improved 2% from the previous year. In continued operations, Componenta's sales in this customer sector were 4% lower than in the previous year.



Net sales

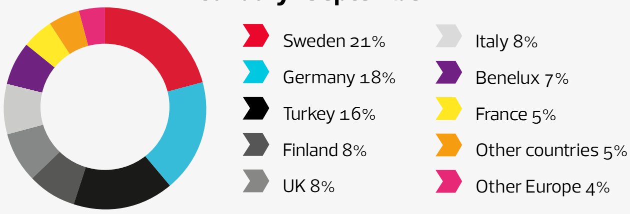
Componenta's net sales of continued operations in the January-September period fell 13% to EUR 284 (327) million. Sales of Componenta's iron products of continued operations fell some 14% from the previous year due mainly to weak developments in sales of mining, construction and agricultural machinery components in the Group's main market areas and especially stoppages in production caused by the tight liquidity situation. Sales of aluminium products fell 10% from the previous year.

The Group's capacity utilisation rate of continued operations in the review period was 58% (62%).



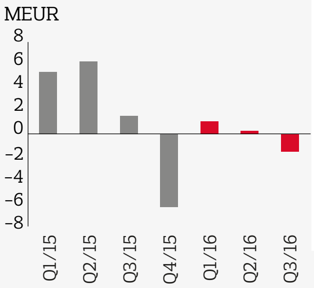
Componenta's net sales in the review period by customer sector were as follows: heavy trucks 36% (34%), construction and mining 15% (18%), machine building 13% (14%), agricultural machinery 14% (14%) and automotive 22% (20%).

Continued operations, net sales by market area in January–September

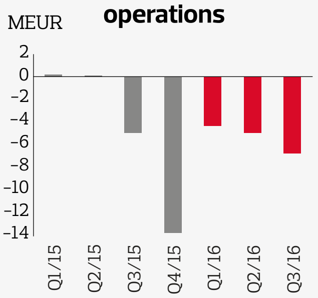


The Group's adjusted result of continued operations for the period after financial items was EUR -15.8 (2.5) million, and the IFRS result after financial items, including items affecting comparability, was EUR 6.2 (0.2) million.

Adjusted operating profit of continued operations



Adjusted result after financial items of continued operations



Result

Componenta's adjusted EBITDA of continued operations for the January–September period declined from the previous year to EUR 13.0 (32.0) million. The adjusted EBITDA in the review period was weakened by lower production volumes than in the previous year, by wage inflation in Turkey and especially by stoppages in production caused by the filings for corporate restructuring and the tight liquidity situation. Operative exchange rate differences weakened EBITDA significantly, by EUR -1.6 (3.1) million. The operative exchange rate differences are mainly affected by exchange rate changes for the British pound, Turkish lira and Swedish krona.

The consolidated adjusted operating profit of continued operations in the review period declined from the previous year to EUR -0.1 (19.7) million. The operating profit in accordance with IFRS, including items affecting comparability, was EUR -21.2 (17.5) million.

The Group's adjusted net financial costs in the review period totalled EUR -15.7 (-17.2) million. Adjusted net financial costs were EUR 1.5 million lower than in the previous year mainly due to foreign exchange gains. IFRS net financial costs, including items affecting comparability, were EUR 27.4 (-17.3) million.

Items affecting comparability included in the operating profit for the review period totalled EUR -21.1 (-2.2) million. Items affecting comparability in the operating profit are mainly related to costs for loss on the sale of the Suomivalimo business of EUR -6.1 million, the Pistons unit's sales profit of EUR 1.0 million, the impairment of long-term production machinery in the Swedish iron business of EUR -4.2 million, the impairment of goodwill relating to the Turkish iron business EUR -7.5 million and costs for reorganising Group administration, EUR -2.8 million. Other items affecting comparability totalled EUR -1.5 million. Items affecting comparability included in the net financial items totalled EUR 43.1 (-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 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.

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

MEUR	Q3/16	Q3/15	Change %	Q1–Q3/16	Q1–Q3/15	Change %
Net sales	75.1	95.4	-21%	284.4	326.7	-13%
Value of production	70.6	92.0	-23%	279.8	324.2	-14%
Materials	-30.1	-40.5	-26%	-121.5	-147.2	-17%
Variable salaries and external services	-14.9	-15.4	-3%	-52.8	-53.0	0%
Other variable and fixed costs	-22.5	-26.3	-15%	-90.2	-88.1	2%
Total costs	-67.4	-82.3	-18%	-264.5	-288.2	-8%
Adjusted EBITDA	3.2	8.5	-62%	13.0	32.0	-59%

Income taxes of continued operations for the review period were EUR –2.8 (–2.0) million. The taxes for the financial period include calculated amortisation of tax receivables relating to confirmed losses in Finland, EUR –1.7 million, and extra taxes the company was ordered to pay during a tax inspection in Turkey, EUR –1.7 million.

The profit of operations being discontinued during the review period, including impairments on the Dutch sub-group's net assets and depreciations related to receivables from the Dutch sub-group recorded by the Group's continuing businesses, totalled EUR –24.1 (EUR -7,3 million). Depreciations of the Dutch sub-group's net assets and depreciations related to receivables from the Dutch sub-group recorded by the Group's continuing businesses during third quarter totalled EUR –17.7 million. During first and second quarter costs affecting comparibility of EUR –2.9 million have been recorded relating to the closure of the Furan line production and other local restructuring costs.

The Group's profit for the review period was EUR –20.6 million (EUR -9.1 million). Basic earnings per share were EUR –0.18 (EUR –0.10) for the review period and the basic earnings per share for continued operations were EUR 0.03 (EUR –0.03).

The adjusted return on investment was 1.5% (5.3%) and the return on investment including items affecting comparability was –23.3% (4.4%). The adjusted return on equity was –83.6% (–10.2%) and the return on equity including items affecting comparability was –92.3% (–11.3%).

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 September 2016 EUR 24,934,000 of the convertible loan had been converted into shares and the company had issued 49,868,000 new shares. Componenta has on 5 October 2016 announced that from the issued convertible capital loan EUR 3,444,000 of the loan have been used for the subscription of 6,888,000 new shares in Componenta Corporation. The new shares have been entered into the Trade Register on 5 October 2016, but in the balance sheet the conversion has been recorded already during the third quarter 2016.The remaining convertible capital loan on 30 September 2016 has a nominal value of EUR 11.6 million.

Overall, as the result of the above financing arrangements the company's secured debt declined by some EUR 72 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 were continuing concerning additional finance for the Turkish subsidiary and extending the maturity dates for the financing. Componenta Dökümcülük A.S. has on 28 July 2016 signed a new 4-year credit facility agreement of EUR 15 million. The new loan is a separate tranche under EUR 120 million club loan agreement signed in 2014 and amended in 2015. The counter-parties of the financing agreement are Türkiye Vakıflar Bankası T.A.O. Orhangazi/Bursa Branch, Türkiye Halk Bankası A.Ş. Organised Industry Commercial/Bursa Branch, T.C. and Türkiye İş Bankası A.Ş. Bursa Corporate Branch.

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 a 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 4.1 million on the cash flow. The Group recorded a sales loss of EUR 6.1 million on the transaction.

The foundry property, which is to be taken out of use, in Manisa, Turkey were sold on 1 July 2016. The sale price was EUR 2.5 million. No significant sales profit or loss was recorded from the sale.

Componenta's pistons business unit in Pietarsaari was sold on 17 August 2016 to Koncentra Pistons Oy. The Group recorded a sales profit of EUR 1.0 million from the deal, which has been presented in items affecting comparability.

Despite the above-mentioned financial arrangements and divestments of businesses Componenta's liquidity situation became critical in August due to weak turnover and profitability developing more negatively than estimated. The company was unable to negotiate the finances required to rectify the situation. It therefore became impossible to continue operations without corporate restructuring, as the company could not keep its factories operational because of lack of materials. Obtaining further financing in Turkey has been challenging and the liquidity situation remains tight.

On 1 September 2016 Componenta filed its parent company Componenta Corporation and its subsidiaries in Finland and Sweden for corporate restructuring. The Turkish subsidiary continues its operations without any official proceedings. The restructuring proceedings in Finland and in Sweden have started, in Sweden on 1 September 2016 (Componenta Främmestad AB and Componenta Wirsbo AB) and 2 September 2016 (Componenta Arvika AB) and in Finland on 30 September 2016 (Componenta Corporation and Componenta Finland Ltd). The Dutch subsidiary has been declared bankrupt on 2 September 2016.

The company believes that in Finland and Sweden the restructuring proceedings will enable the company's operations to return to profitability and be developed in the longer term but there is still a significant degree of uncertainty regarding the going concern of the Group's operations. In the short term, the companies in Finland and in Sweden have agreed a prepayment arrangement with their main customers which will cover the working capital needs. Actions to reduce fixed costs have continued and will actively continue further in order to enable successful corporate restructuring proceedings. For example, services and costs of the parent company will be cut significantly.

According to Componenta's announcement on 7 October 2016, in addition to divesting non-core parts of its operations Componenta Corporation plans to sell its shareholding in Componenta Dökümcülük Ticaret ve Sanayi A.S. Componenta aims to achieve a solution through which the Componenta group companies outside Turkey would be released from their debts from Componenta Dökümcülük Ticaret ve Sanayi A.S. and its subsidiary and the Turkish subsidiary's operational situation would improve. Should the arrangement come true in accordance with the company's targets it is not expected to have an impact on Componenta Corporation's cash flow or on the operations of remaining subsidiaries.

On 13 October Componenta announced its plan to sell its forge operations located in Sweden i.e. Componenta Wirsbo AB and Componenta Arvika AB.

The Group has a total of EUR 156.6 million in long and short-term loans from banks and other financial institutions maturing in the next 12 months. Componenta Corporation filed for restructuring with the district court of Helsinki on 1 September 2016. This constituted an event of default as set out in the Club Loan Agreement of Componenta Corporation's Turkish subsidiary. Due to the event of default, creditors may request immediate repayment of the club loan. As a result of the foregoing, several installments, nominal amount in aggregate of eur 85.6 million, agreed to be repaid after the coming 12 months, have been classified as current debt in the balance sheet of the group.

At the end of the review period Componenta's cash funds and bank receivables totalled EUR 7.3 (3.8) million. The company had no committed credit facilities in the end of the review period. The Group's interest-bearing net debt totalled EUR 164 (226) million at the end of the review period. The Group's net gearing was 580% (226%).

The Group's equity ratio at the end of June was 8.4% (21.1%).

Net cash flow from continued operations in the period was EUR 7.3 (15.6) million. The weakened cash flow of continued operations is due to decreasing profitability of operations caused by changes in working capital, which were EUR 15.5 million (EUR 4.9 million) during the review period. The funds tied up in working capital declined mainly due to the increase in trade payables. Overdue trade payables of the Turkish operations at the end of the period were EUR 22 million. The debts of the Finnish and Swedish companies to be managed in the restructuring, including external payables included in the restructuring process, total around EUR 49 million according to early estimates. The total amount of external liabilities to be managed under the corporate restructuring process will become clear as the process unfolds as part of the payment programme to be agreed and creditor negotiations take place. The above-mentioned figure does not include securities to third parties used as collateral against liabilities to parties outside the Group.

Componenta is making more efficient use of capital with a programme 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 September totalled EUR 33.4 (76.5) million. In Sweden and Finland the limits of selling trade receivables were mostly lost at the start of the restructuring, which partly explains the decline in selling receivables. In addition, as previously stated the Dutch operations are no longer consolidated into the financial statement. The Dutch sub-group's sold receivables totalled EUR 9.6 million in September 2015.

At the end of June, the invested capital of the company was EUR 199.5 (330.3) million.

Investments

Investments in production facilities in the January – September period totalled EUR 17.3 (18.7) million, and financial lease investments accounted for EUR 5.2 (3.8) million of these. EUR 13.0 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 -0.4 (-17.3) 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 income from sales and divestments during the review period totalling EUR 12.2 million received from the sale of the Suomivalimo business, the divestment of the old Manisa foundry building property and the sale of Pistons, the piston manufacturing business.

Strategy and strategic projects

Due to the ongoing corporate restructuring proceedings, Componenta's primary objective is a clear improvement in profitability, returning the company's operations to profitability and developing them in the longer term.

During the beginning of the year, Componenta has implemented a strategic review of the business structure, which has included the closures or sales of production plants, transfers of production and other measures aiming to significantly improve profitability.

As part of the strategic review, Componenta's management system was reorganised 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 Dutch business was classified as Discontinued Operations during the third quarter as a result of local bankruptcy proceedings.

In August Componenta's Sweden business area has been divided into two separate businesses, the Främmestad machine shop business and the Wirsbo forge business.

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 were not part of the Group's core business, to Mehiläinen Oy. Ownership of the medical centre transferred to Mehiläinen as of 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 had an total impact on cash flow in 2016 of EUR 4.1 million. The Group recorded a sales loss of EUR 6.1 million on the transaction.

The foundry property, which is to be taken out of use, premises of the discontinued foundry in Manisa, Turkey were sold on 1 July 2016. The sale price was EUR 2.5 million and no material sales profit or loss was recorded.

Componenta's pistons business was sold on 17 August 2016 to Koncentra Pistons Oy. The Group recorded a sales profit of EUR 1.0 million from the transaction, which has been presented in items affecting comparibility.

On 13 October Componenta announced its plan to sell its forge operations located in Sweden i.e. Componenta Wirsbo AB and Componenta Arvika AB.

In addition to selling non-core parts of its business Componenta Corporation plans to sell its shareholding in Componenta Dökümcülük Ticaret ve Sanayi A.S. Componenta targets to achieve a solution by which the Componenta group companies outside Turkey would be released from their debts from Componenta Dökümcülük Ticaret ve Sanayi A.S. and its subsidiary, and the Turkish subsidiary's operational situation would improve. Should the arrangement come true in accordance with the company's targets the arrangement it is not expected to have an impact on Componenta Corporation's cash flow or on the operations of remaining subsidiaries.

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 organisation 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, Netherlands 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 Dutch business was classified as Discontinued Operations during the third quarter as a result of local bankruptcy proceedings.

Componenta's reporting will in future 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 Dutch iron foundries, machining operations and associate company Componenta Ferromatrix NV were classified as Discontinued Operations during the third quarter due to local bankruptcy proceedings. The Aluminium Business comprises the aluminium foundry and the wheel production unit in Turkey. Componenta Suomivalimo, located in Iisalmi Finland, was sold on 30 June 2016 and Componenta Pistons in Finland was sold on 17 August 2016

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. Certain administrative functions in the Netherlands previously included in Other Business and the Dutch sub-group's sales operations in Germany, Italy, France and the USA, have been classified as Discontinued Operations during the third quarter as a result of local bankruptcy proceedings. The company is currently restructuring its sales operations in Western Europe.

Developments in the business segments

Iron Business

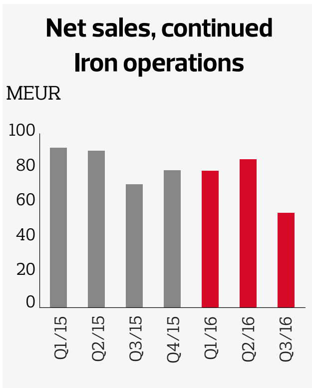
The business units of continued operations in the Iron Business are the foundry and machine shop in Orhangazi, Turkey; the foundries in Karkkila and Pori in Finland; the machine shop in Främmestad, Sweden and the forges in Wirsbo, Sweden. The Dutch foundries in Heerlen and Weert and the associated company Componenta-Ferromatrix NV have been classified as Discontinued Operations during the third quarter as a result of local bankruptcy proceedings. Two business units previously included in the Iron Business segment – Suomivalimo in Iisalmi, Finland and piston manufacturer Pistons in Pietarsaari, Finland – were sold on 30 June 2016 and 17 August 2016.

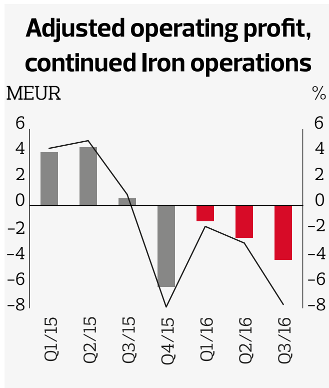
Iron Business had an order book at the beginning of October of EUR 53.0 (56.6) million, which is 6.4% less than at the same time in the previous year. The order book comprises orders confirmed to customers for the next two months. The order book for the Iron Business mainly comprises orders from manufacturers of heavy trucks, construction and mining machinery, and agricultural machinery, and from the machine building industry. The effect of the sales of Suomivalimo and Componenta Pistons on the decrease in the order book was around EUR 3 million.

Iron Business had net sales of continued operations in the July-September period of EUR 54.5 (70.9) million and the adjusted operating profit was EUR -4.2 (0.6) million. The effect of the sales of Suomivalimo and Componenta Pistons on the decrease in comparible turnover was around EUR 4 million.

Iron Business had net sales of continued operations during the review period of EUR 218.4 (252.8) million, or 13.6% less than in the previous year.

The adjusted operating profit of continued iron operations in the review period was EUR -7.9 (9.4) million. The adjusted operating profit of continued operations was weakened by lower production volumes than in the previous year, wage inflation in Turkey, operative exchange rate differences and especially stoppages in production due to the tight liquidity and the corporate restructuring filings.





The average number of personnel working in continued operations of the Iron Business during the review period, including leased employees, was on average 2% lower than in the corresponding period in the previous year, standing at 2,687 (2,731). The number of personnel, whole Componenta, working in the Iron Business at the end of the review period had decreased 19% compared to last year's corresponding period, standing at 3,456 (4,286), owing mainly to the Dutch operations' bankruptcy and the sales of Suomivalimo and Pistons.

Aluminium Business

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

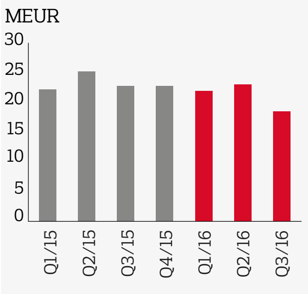
Aluminium Business had an order book at the beginning of October of EUR 15.2 (16.5) million, which is 7.6% less than at the same time in the previous year. The order book comprises orders confirmed to customers for the next two months. The order book for the Aluminium Business mainly comprises orders 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 July–September period of EUR 18.5 (22.8) million and the adjusted operating profit was EUR 2.6 (3.4) million.

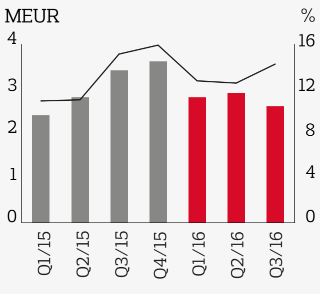
Aluminium Business had net sales during the review period of EUR 63.4 (70.2) million, which is 9.8% less than in the previous year. Demand for aluminium products remained relatively strong and the decline in net sales is mainly due to the fall in raw material prices and partly due to the stoppages in production caused by the tight liquidity situation.

The adjusted operating profit in the review period decreased slightly and was EUR 8.3 (8.6) million. The adjusted operating profit weakened due to higher wage inflation in Turkey and stoppages in production caused by the tight liquidity situation and this was partially offset by the lower raw material prices.

Net sales, Aluminium Business



Adjusted operating profit, Aluminium Business



The number of personnel working in the Aluminium Business, including leased employees, was on average at the same level as in the corresponding period in the previous year, standing at 897 (893).

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. Certain administrative functions in the Netherlands previously included in Other Business and the Dutch sub-group's sales operations in Germany, Italy, France and the USA, have been classified as Discontinued Operations during the third quarter as a result of local bankruptcy proceedings.

Other Business had an adjusted operating profit in the review period of EUR -0.7 (1.4) million.

Personnel

The Group had on average 4,066 (4,278) employees during the review period, including 305 (303) leased employees. The number of Group personnel at the end of the period was 3,456 (4,286), which includes 208 (284) leased employees. The Group's continued operations had on average 3,664 (3,739) employees during the review period, which includes 219 (220) leased employees. The total number of employees in the Group at the end of the review period was 3,456 (3,744) including leased employees 208 (195).

At the end of review period 74% (62%) of personnel were in Turkey, 14% (15%) in Finland, 0% (13%) in the Netherlands and the UK, and 12% (10%) in Sweden.

Personnel by country at end of period

	Q3 2016	Q3 2015	Change	31.12.2015
Turkey	2,546	2,665	-4%	2,642
Finland	490	647	24%	659
Netherlands and UK	8	550	-99%	547
Sweden	412	424	-3%	421

Personnel by business area at end of period

	Q3 2016	Q3 2015	Change	31.12.2015
Iron Business	2,480	3,208	-23%	3,188
Aluminium Business	911	914	0%	911
Other Business (excl. Group Admin.)	14	23	-39%	22
Group Administration	51	141	-64%	148

Shares and shareholders

The shares of Componenta Corporation are quoted on Nasdaq Helsinki. The average share price during the review period was EUR 0.24, the lowest price was EUR 0.14, and the highest EUR 0.71. The quoted price on 30 September 2016 stood at EUR 0.23 (EUR 0.80) and the share capital had a market capitalisation of EUR 34.3 (77.8) million. The volume of shares traded during the period was equivalent to 47.7% (9.8%) of the share stock.

At the end of September Componenta's share capital stood at EUR 21.9 (21.9) million and the company had a total of 147,137,224 (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 September 2016 altogether EUR 24,934,000 of the convertible loan had been converted into shares and the company had issued 49,868,000 new shares. Componenta has on 5 October 2016 announced that from the issued convertible capital loan EUR 3,444,000 of the loan have been used for the subscription of 6,888,000 new shares in Componenta Corporation. The new shares have been entered into the Trade Register on 5 October 2016, but in the balance sheet the conversion has been recorded already during the third quarter 2016.

The company had 4,348 (2,591) shareholders at the end of the review period.

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 May – 30 September 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 Corporations shares and voting rights has first exceeded 10% (26.5.2016), and fallen below 10% (6.9.2016) and then fallen below 5% (16.9.2016). The holding of Sampo Group in Componenta Corporation shares and voting rights has first exceeded 15% (26.5.2016), fallen below 15% (7.9.2016) and then fallen below 10% (16.9.2016). As the result of conversion of certain shares of convertible capital loan 2016 into shares, the holding of Finnish Industry Investment Ltd in Componenta Corporation shares and voting rights has exceeded 10% (20.9.2016). The holding of Elo Mutual Pension Insurance Company in Componenta Corporation shares and voting rights has fallen below 5% (26.5.2016), 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% (30.5.2016), and the holding of Sp-Fund Management Company in Componenta Corporation shares and voting rights has fallen below 5% (30.5.2016).

Decisions of the 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 authorised public accountants PricewaterhouseCoopers Oy as auditor.

Decisions of the Extraordinary General Meeting held on 15 April 2016

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 authorisation, including shares received based on special rights entitling to shares, shall not exceed 100,000,000 shares. By virtue of the authorisation 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 authorisation 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 authorisation 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 authorise 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.

Decisions of the Extraordinary General Meeting held on 23 September 2016

The Extraordinary General Meeting of Componenta Corporation resolved on 23 September, in accordance with the proposal of the Board of Directors, that the handling of the Componenta's restructuring application will be continued and restructuring proceedings commenced.

Componenta Corporation has, in accordance with the Finnish Restructuring Act, filed on 1 September 2016 a restructuring application to the District Court of Helsinki, petitioning the commencement of restructuring proceedings.

Extraordinary general meeting to be held regarding Componenta Corporation's loss of equity

On 7 September Componenta has announced that due to asset value write downs made in the interim accounts the equity of Componenta Corporation (as a separate company) has become negative by approximately EUR 9 million. These write downs relate to receivables from subsidiaries, value of the subsidiary investments and certain other assets. When assessing the valuation of the above mentioned assets the company considered the restructuring and bankruptcy proceedings of the subsidiaries described above as well as the prudence principle set out in the Finnish Accounting Act. No write offs have been made to the debts of the company. Componenta Corporation's Board of Directors will be calling an extraordinary general meeting for the above-mentioned reasons.

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 with Turkish banks in addition to the already completed issuing of a convertible capital loan. There have been negotiations with Turkish banks concerning additional financing for the Turkish subsidiary and to extend the maturity of financing.

Due to the ongoing restructuring processes and the bankruptcy of the Dutch subsidiary the Board of Directors has decided not to issue stock options.

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. The members of the nomination committee are Erkki Etola, shareholder Etra Capital Oy and Tiiviste Group Oy, Mikko Mursula, shareholder Ilmarinen Mutual Pension Insurance Company and Timo Sallinen, shareholder Varma Mutual Pension Insurance Company. In addition, the Chairman of the Board of Directors, Matti Ruotsala acts as an expert member of the Nomination Board. The Nomination Board elected Timo Sallinen as its chairman.

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.

On 22 August Componenta's Sweden business area has been divided into two separate businesses, the Främmestad machine shop business and the Wirsbo forge business. As part of the change, the following appointments have been made: Fredric Lindahl has been appointed Managing Director of Componenta Främmestad AB and a member of the Corporate Executive Team. Mikael Schill has been appointed Managing Director of Componenta Wirsbo AB and Componenta Arvika AB and a member of the Corporate Executive Team. Juha Alhonoja, the previous SVP, Sweden business area has on 30 September 2016 moved to another position outside Componenta Group.

Due to the bankruptcy of the Dutch subsidiary Eddy Kremers has not been a member of the Corporate Executive Team as of 1 September 2016.

On 30 September 2016 Marko Karppinen has been appointed Senior Vice President, Development of Componenta Corporation and a member of the Corporate Executive Team.

Componenta Group's Corporate Executive Team as of 30 September 2016 comprised President and CEO Harri Suutari, CFO Markku Honkasalo, Pauliina Rannikko, Senior Vice President, HR and Legal, Sabri Özdogan, Senior Vice President, Turkey, Aluminium Business Area, Seppo Erkkilä, Senior Vice President, Finland Business Area, Pasi Mäkinen, Senior Vice President, Turkey, Iron Business Area, Fredric Lindahl, Senior Vice President, Främmestad machine shop, Mikael Schill, Senior Vice President, Forging and Marko Karppinen, Senior Vice President, Development.

Business risks and 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.

Componenta's liquidity problems may weaken future new sales volumes and decrease the size of customer orders for new products to replace discontinued products.

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, second and third 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.

Negotiations with Turkish financial institutions and other local investment institutions have continued during the first, second and third 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. Componenta Döküm-cülük A.S. signed a new four year credit facility agreement worth EUR 15 million on 28 July 2016. The new loan is a separate part of the EUR 120 million club loan agreement, which was signed in 2014 and amended in 2015.

Despite the above-mentioned financial arrangements and divestments of non-core businesses Componenta's liquidity situation became critical in August due to weak turnover and profitability developing more negatively than estimated. The company was unable to negotiate the financing required to rectify the situation. It therefore became impossible to continue operations without corporate restructuring, as the company could not keep its factories operational because of lack of materials. The company's external financing situation was made more challenging by the heightening of political unrest in Turkey, which made it particularly difficult for the company to obtain further financing in Turkey.

On 1 September 2016 Componenta filed its parent company Componenta Corporation and its subsidiaries in Finland and Sweden for corporate restructuring. The Turkish subsidiary continues its operations without any official proceedings. The restructuring proceedings in Finland and in Sweden have started, in Sweden on 1 September 2016 (Componenta Främmestad AB and Componenta Wirsbo AB) and 2 September 2016 (Componenta Arvika AB) and in Finland on 30.9.2016 (Componenta Corporation and Componenta Finland Ltd). The Dutch subsidiary was declared bankrupt on 2 September 2016.

The company believes that in Finland and Sweden the restructuring proceedings will enable the company's operations to return to profitability and be developed in the longer term; however there is still significant uncertainty regarding the continuation of operations. In the short term, the companies in Finland and in Sweden have agreed a prepayment arrangement with their main customers which will cover the working capital needs. In order to ensure successful restructuring proceedings, fixed costs reductions will be continued further. For example, services and costs of the parent company will be cut significantly.

If all of these financial arrangements and corporate restructuring processes are not successfully completed, the company cannot secure the continuity of its operations. The Group has EUR 156.6 million in long- and short-term loans that mature during the coming 12 months. Componenta Corporation filed for restructuring with the district court of Helsinki on 1 September 2016. This constituted an event of default as set out in the Club Loan Agreement of Componenta Corporation's Turkish subsidiary. Due to the event of default, creditors may request immediate repayment of the club loan. As a result of the foregoing, several installments, nominal amount in aggregate of EUR 85.6 million, agreed to be repaid after the coming 12 months, have been classified as current debt in the balance sheet of the group.

The company's liquidity has been tight in the review period of 2016, which has had a negative impact on the company's production operations.

The Group aims to ensure the availability of financing under normal conditions 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

Componenta has on 5 October 2016 announced that from the issued convertible capital loan 3,444 shares of the loan have been used for the subscription of 6,888,000 new shares in Componenta Corporation. The new shares have been entered into the Trade Register on 5 October 2016. Following the registration of the new shares, the total number of the Company´s shares is 154,025,224.

The new shares started trading in the Nasdaq Helsinki Ltd main list as from 6 October 2016. The new shares provide the right to dividends and other shareholder rights as from the registration date.

Componenta has on 7 October 2016 announced its plan to sell its shareholding in Componenta Dökümcülük Ticaret ve Sanayi A.S. (Turkish subsidiary). Componenta targets to achieve a solution by which the Componenta group companies outside Turkey would be released from their debts from Componenta Dökümcülük Ticaret ve Sanayi A.S. and its subsidiary and the Turkish subsidiary's operational situation would improve. Should the arrangement come true in accordance with the company's targets is not expected to have an impact on Componenta Corporation's cash flow or on the operations of remaining subsidiaries.

Componenta has on 13 October announced its plan to sell its forge operations located in Sweden i.e. Componenta Wirsbo AB and Componenta Arvika AB.

Componenta has on 20 October 2016 announced that Marko Karppinen has been appointed CFO of Componenta as from 20 October 2016.

Componenta has on 26 October 2016 announced that an extraordinary general meeting regarding the loss of own equity will be held on 7 December 2016.

Developments in business environment

Growth prospects in different regions of the world are not uniform, and there are currently no signs of a rapid change for the better. In Europe moderate economic growth continues, but Britain's upcoming exit from the EU and Russia's challenging economic situation mean that uncertainty remains. Developments in European economic indicators during the review period give no indication that demand prospects for investment goods will rapidly improve.

The outlook in Germany and Sweden remains fairly positive regarding the key markets of Componenta's point of view. In Turkey, however, the outlook has weakened during late summer and early autumn. In Finland the growth prospects are still modest. The economy in the United States is expected to continue on its path of moderate growth, and in China the economic outlook has further weakened slightly during the spring and summer of 2016. The economies of South America are overshowed by the deep recession in Brazil.

Demand prospects in the company's customer sectors remain uncertain, particularly in the mining and agricultural machinery customer sectors and the machine building customer sector. However, in the heavy trucks and automotive sectors European demand prospects are on a firmer footing. In the machine building sector demand prospects show greater variation from one customer to another.

The order book for Componenta's heavy trucks customer sector was 9% higher 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 27% 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 45% lower than in the previous year. Demand within the customer segment varies from customer to customer and in different geographical regions. The demand prospects are especially challenging among the Nordic machine building segment customers.

The order book for Componenta's agricultural machinery customer sector was 2% lower than at the same time in the previous year. Total demand in agricultural machinery in 2016 is expected to fall below that in the previous year.

The order book for Componenta's automotive customer sector was 2% higher than in the previous year. Demand in Europe is expected to rise in 2016, but demand in Turkey and in Russia is expected to fall from previous year –level. 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, the ongoing restructuring proceedings 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, 26 October 2016

COMPONENTA CORPORATION
Board of Directors

INTERIM REPORT TABLES

Accounting principles

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

Assumption of ability to continue as a going concern and corporate restructuring proceedings

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.

Componenta Group's liquidity situation became critical in August due to the weaker than estimated development in net sales and profitability. The company could not negotiate additional financing necessary due to this situation and continuation of the business without restructuring proceedings was impossible because lack of production materials meant the factories could not be kept in operation. Consequently, on 1 September 2016 Componenta filed for restructuring of the parent company Componenta Corporation and the following subsidiaries: Componenta Finland Ltd in Finland and Componenta Främmestad AB, Componenta Wirsbo AB and Componenta Arvika AB in Sweden. As part of these arrangements it had been decided that Componenta's Dutch subsidiary Componenta B.V. would file for bankruptcy. The intention is that Componenta Dökümcülük Ticaret ve Sanayi A.S. in Turkey continues its operations without any official proceedings

The Group's ability to continue as a going concern is dependent on the successful completion of the contemplated financing transactions as well as the development and authorisation of executable feasible restructuring programmes for group companies under restructuring programmes. The divestment of the Componenta Dökümcülük Ticaret ve Sanayi A.S. in Turkey is also part of the overall strategy. Furthermore, company's future profitability is dependent on the prevailing market conditions and the Group's ability to successfully implement its business plan. At the time of the Company's Q3 2016 interim report, it is not possible to foresee whether the company will be able to execute its financing, restructuring and operational plans or whether the execution of these will improve the Group's financial condition sufficiently to allow it to continue as a going concern. If corporate restructuring proceedings and other targeted arrangements are not successfully completed, the company can not secure the continuity of its operations.

The Group's liquidity and its effect on the Group's financial performance are affected by significant uncertainty factors, which the Group management has taken into account when assessing the Group's ability to continue as a going concern. If the ongoing restructuring procedures are not successful the Group will not have sufficient working capital required for the next 12 months. It is possible that the restructurings is unsuccessful and the Group companies will file for bankruptcy.

The intention is to finance the working capital required in Finland and Sweden over the next 12 months primarily through advance payment arrangements with key customers. The customers will assist the companies concerned to finance the working capital required to continue operations and ensure customer orders are fulfilled. As for suppliers, the company will endeavour to return to normal payment terms as and when circumstances allow.

The filings of the Swedish subsidiaries were accepted and restructuring proceedings were started on 1 September (Componenta Främmestad AB and Componenta Wirsbo AB) and on 2 September 2016 (Componenta Arvika AB). The Dutch subsidiary was declared bankrupt on 2 September 2016. On 30 September the district court of Helsinki in Finland took the decision to commence the restructuring process of Componenta Corporation and Componenta Finland Ltd. In Finland a restructuring programme will typically be approved within a year and a payment programme for restructuring debt may last for several years. In Sweden a restructuring period will last one year from the approval of the programme. Information on how well the programme is succeeding will become available during the latter months of 2016.

During 2016 the company has simultaneously undergone numerous financial negotiations. On 16 May 2016 Componenta Oyj issued a convertible capital loan and discharged the company's secured bank loans and a secured bond totalling around 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. Negotiations with Turkish banks are continuing concerning additional finance for the Turkish subsidiary and extending the maturity dates for the financing. On 28 July 2016 Componenta Dökümcülük A.S. signed a new four year credit facility agreement worth EUR 15 million. The new loan is a separate part of the EUR 120 million club loan agreement, which was amended in 2015 and in 2016. In addition to these financing solutions the company planned to safeguard the company's working capital by divesting non-core business operations and property. The Suomivalimo foundry business in Iisalmi, Finland was sold on 30 June 2016 and the Pistons piston business on 17 August 2016.

Despite the beforementioned financing arrangements and sales of businesses the company was not able to safeguard the required amount of working capital without company reorganization. In the short term Componenta has agreed financing with key customers in Finland and in Sweden to cover working capital needs.

Of the Group's debts, EUR 49 million is borrowings incurred before the application for corporate restructuring was made, which can be arranged as part of the restructuring programmes. All such debts are subject to change and can only be finalised once the restructuring programmes are confirmed. On 30 September 2016 the corporate restructuring programmes had not been confirmed. As a result of the restructuring process the companies will either be able to continue operations or, if the restructuring is unsuccessful, apply for bankruptcy

The corporate restructuring plans to be authorised by the District Courts in Finland and in Sweden could materially change the carrying amounts reported in the Group's interim financial statements. The assets and liabilities in the Company's Q3 2016 interim financial statements do not reflect any adjustments potentially proposed or authorised as part of such reorganisation plans. Furthermore, the Q3 2016 interim financial statements do not aim to reflect or provide for the consequences of the corporate restructuring proceedings, such as: (i) the realisable value of the Group's assets on a liquidation basis or their availability to satisfy liabilities, (ii) the amounts of loans and debts subject to reorganisation and priority thereof, (iii) or the effect on the Group's consolidated income statement of any changes potentially made to its business as a result of the final corporate restructuring plans. However, in view of the inherent uncertainty brought about by the corporate restructuring proceedings, partly continuing operational challenges, the Group has made certain impairment charges related to its tangible assets, consolidated goodwill and deferred tax assets.

The company restructuring filings of Componenta Oyj on 1 September lead into a failure to comply with certain terms of Club loan agreement of the Turkish subsidiary. In accordance with this compliance failure the creditors could require an immediate pay back of the loan. Thus several installments, nominal amount of eur 85.6 million, originally agreed to be settled after the coming 12 months, have been classified as current in the company's balance sheet.

Corporate restructuring proceedings and control

Under the debt restructuring proceedings, the management has a perception that the Company remains in control of the normal operations of Componenta Finland Oy, Componenta Främemstad AB, Componenta Wirsbo AB and Componenta Arvika AB. However, in certain special situations, as detailed in the Reorganisation Acts of the countries in question, the Administrator's consent for an action by a company under reorganisation has to be obtained. The Administrator also has access to all operational and financial information of a company to the extent he so deems necessary, and the corporate reorganisation programme will ultimately be authorised by a relevant court, in the Company's and Componenta Finland's case the District Court of Espoo, Componenta Främmestad AB's case Skaraborg District Court and in Componenta Wirsbo AB's in Västmanland District Court and Componenta Arvika AB's case Värmland District Court.

Componenta Oyj has given a security of up to EUR 80 million as collateral for the Turkish subsidiary's club loan. The club loan agreement was signed in 2014 and it was amended in 2015 and most recently on 28 July 2016. Componenta Oyj's application for corporate restructuring on 1 September 2016 has given the Turkish club loan banks the right to use the voting rights of the Componenta Dökümcülük shares which the company owns and gave the banks in August 2016 as collateral, as well as the right to begin the process of realising the shares. As the club banks have not used these rights, the company regards itself as having control in the Turkish subsidiary, therefore the result of the subsidiary in question has been consolidated as part of the Componenta Group.

The impact of the Turkey sub-Group to the consolidated statement of financial position as of 30 September 2016:
Non-Current Assets: MEUR 177.8
Current Assets: MEUR 53.9
Non-Current Liabilities: MEUR 27.9
Current Liabilities: MEUR 219.3

On 30 September 2016 the Turkey sub-Group had group internal net receivables from Finland and from Sweden amounting to approximately eur 135 million of which majority is under the corporate restructuring proceedings.

Discontinued Operations

The Dutch subsidiary Componenta B.V. filed for bankruptcy on 1 September 2016 and the corporation lost control over this sub-group. As a result of this loss of control Componenta no longer has Iron business operations in Holland. The Dutch sub-group's operations have been classified as Discontinued Operations according to the IFRS 5 standard "Non-current Assets Held for Sale and Discontinued Operations" and the consolidation of Componenta B.V. into the corporate financial statement has been discontinued from the third quarter of 2016. The information in the income statement (including other comprehensive income), cash flow statement and some key financial ratios has been adjusted in the figures for the first and second quarters of 2016 and the 2015 figures for comparison. In the segment reporting Componenta B.V.'s figures have been presented as discontinued operations, and all Componenta B.V.'s impairment of net assets has also been presented as discontinued operations. Additionally, all impairment of net receivables from Componenta B.V. registered by the remaining active companies within the corporation has been presented under discontinued operations. Componenta Oyj has provided gurantees for external vendors, on behalf of Componenta B.V., amounting to eur 6.6 million. Some of the external vendors in questions have presented clams for Componenta Oyj. Due to the restructuring process the present values of liabilities cannot be estimated and the company has therefore not recorded provisions for the liabilities in question; instead they are presented in the contingent liabilities notes.

The consolidation of Componenta B.V.'s local income statement has already discontinues on 1 July 2016 onwards because the Group has not received financial reports from Componenta B.V. regarding the Q3 figures. This does not materially affect the Group's consolidated resultfor the period.

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. During the third quarter of 2016 Componenta's Dutch iron foundries, machining operations and associated business Componenta Ferromatrix NV. have been removed from the Iron Business segment and moved to Discontinued Operations. Certain corporate administrative functions based in Holland have correspondingly been moved from Other Business to Discontinued Operations. Componenta Suomivalimo iron foundry, located in Iisalmi, was sold on 30 June 2016 and piston manufacturer Pistons was sold on 17 August 2016.

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.

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 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, extraordinary 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.–30.9.2016	1.1.–30.9.2015	1.7.–30.9.2016	1.7.–30.9.2015	1.1.–31.12.2015
EBITDA excluding items affecting comparability and operative exchange rate differences of continued operations	**14.5**	28.9	1.6	7.4	29.9
Operative exchange rate differences	**–1.6**	3.1	1.6	1.1	1.0
Adjusted EBITDA of continued operations	**13.0**	32.0	3.2	8.5	30.9
Items affecting comparability, continued operations *)	**–9.3**	–2.2	–1.8	–0.8	–7.5
EBITDA of continued operations, IFRS	**3.7**	29.7	1.4	7.7	23.4
EBITDA of discontinued operations, IFRS	**1.5**	–5.3	6.5	–2.6	–10.3
EBITDA, IFRS	**5.2**	24.4	7.9	5.0	13.1

*) Items affecting comparability in 2016 in EBITDA of continued operations relate to capital loss of divestment in Suomivalimo (EUR –6.1 million), the sales profit of Pistons business unit (EUR +1.0 million) and the restructuring measures related expenses (EUR –2.8 million). Other items affecting comparability as a net totalled EUR –1.5 million.

Reconciliation of consolidated operating profit

MEUR	1.1.–30.9.2016	1.1.–30.9.2015	1.7.–30.9.2016	1.7.–30.9.2015	1.1.–31.12.2015
Operating profit excluding items affecting comparability and operative exchange rate differences of continued operations	**1.5**	16.6	–3.1	3.5	13.7
Operative exchange rate differences	**–1.6**	3.1	1.6	1.1	1.0
Adjusted operating profit of continued operations	**–0.1**	19.7	–1.5	4.6	14.7
Items affecting comparability, continued operations *)	**–21.1**	–2.2	–13.5	–0.8	–22.0
Operating profit of continued operations, IFRS	**–21.2**	17.5	–15.0	3.8	–7.3
Operating profit of discontinued operations, IFRS	**–20.7**	–6.6	–15.0	–3.0	–16.2
Operating profit, IFRS	**–41.8**	10.9	–30.0	0.8	–23.4

*) Items affecting comparability in 2016 in operating profit of continued operations relate to capital loss of divestment in Suomivalimo (EUR –6.1 million), the sales profit of Pistons business unit (EUR +1.0 million), the writedowns of production machinery in Sweden Iron business (EUR –4.2 million), the writedown of goodwill in Turkey Iron business (EUR –7.5 million) and the restructuring measures related expenses (EUR –2.8 million). Other items affecting comparability as a net totalled EUR –1.5 million.

Reconciliation of consolidated result after financial items

MEUR	1.1.–30.9.2016	1.1.–30.9.2015	1.7.–30.9.2016	1.7.–30.9.2015	1.1.–31.12.2015
Result after financial items excluding items affecting comparability and operative exchange rate differences of continued operations	**–14.2**	–0.7	–8.3	–2.8	–10.3
Operative exchange rate differences	**–1.6**	3.1	1.6	1.1	1.0
Adjusted result after financial items of continued operations	**–15.8**	2.5	–6.7	–1.7	–9.3
Items affecting comparability, continued operations *)	**22.0**	–2.3	–13.9	–0.8	–22.0
Result after financial items of continued operations, IFRS	**6.2**	0.2	–20.6	–2.5	–31.3
Result after financial items of discontinued operations, IFRS	**–24.5**	–7.3	–18.1	–3.2	–17.6
Result after financial items, IFRS	**–18.3**	–7.1	–38.7	–5.8	–48.9

*) Items affecting comparability in 2016 are the same than in operating profit of continued operations. 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.–30.9.2016	1.1.–30.9.2015	1.7.–30.9.2016	1.7.–30.9.2015	1.1.–31.12.2015
Continued operations:					
Restructuring expenses	**–2.7**	–2.2	–1.6	–0.9	–4.1
Write-downs of tangible and intangible assets	**–11.7**	0.0	–11.7	0.0	–15.3
Capital gains and losses of divestments	**–5.2**	0.0	0.9	0.0	0.0
Other items affecting comparability in operating profit	**–1.6**	–0.1	–1.2	0.0	–2.7
Total in operating profit, continued operations	**–21.1**	–2.2	–13.5	–0.8	–22.0
Items affecting comparability in financial items	**43.1**	–0.1	–0.4	0.0	–0.1
Total in result after financial items, continued operations	**22.0**	–2.3	–13.9	–0.8	–22.0
Tax items affecting comparability	**–3.4**	1.5	–3.5	0.0	–26.5
Total in net profit, continued operations	**18.6**	–0.8	–17.4	–0.8	–48.6
Total in net profit, discontinued operations *)	**–20.6**	–0.2	–17.7	0.0	–15.9
Total in net profit	**–2.0**	–0.9	–35.1	–0.8	–64.5

*) Items affecting comparability in net profit of discontinued operations were the impairment of net assets of Dutch sub-group's operations and all impairment of net receivables from Componenta B.V. registered by the remaining active companies within the corporation, totalling EUR –17.7 million. There was recorded EUR –2.9 million restructuring expenses mainly related to the closure of Furan line during the first half of the year.

Reconciliation of net sales

MEUR	1.1.–30.9.2016	1.1.–30.9.2015	1.7.–30.9.2016	1.7.–30.9.2015	1.1.–31.12.2015
Continued operations total	**284.5**	326.7	75.1	95.4	429.0
Discontinued operations total	**43.8**	61.7	0.0	19.1	83.3
Internal items/eliminations	**–10.0**	–12.8	0.0	–4.0	–17.4
Componenta total	**318.2**	375.6	75.1	110.5	494.8

Consolidated income statement excluding items affecting comparability

MEUR	1.1.–30.9.2016	1.1.–30.9.2015 Changed*)	1.7.–30.9.2016	1.7.–30.9.2015 Changed*)	1.1.–31.12.2015 Changed*)
Continued operations:					
Net sales	**284.5**	326.7	75.1	95.4	429.0
Other operating income	**–0.5**	4.3	1.7	1.4	2.8
Operating expenses	**–271.0**	–299.1	–73.6	–88.3	–400.8
Depreciation, amortization and write-downs	**–13.1**	–12.3	–4.7	–3.9	–16.3
Share of the associated companies' result	**0.1**	0.1	0.0	0.0	0.1
Operating profit	**–0.1**	19.7	–1.5	4.6	14.7
% of net sales	***0.0***	*6.0*	*–2.0*	*4.8*	*3.4*
Financial income and expenses	**–15.7**	–17.2	–5.2	–6.3	–24.0
Result after financial items	**–15.8**	2.5	–6.7	–1.7	–9.3
% of net sales	***–5.6***	*0.8*	*–8.9*	*–1.8*	*–2.2*
Income taxes	**0.6**	–3.5	1.4	–1.8	0.1
Net profit of continued operations	**–15.2**	–1.0	–5.3	–3.5	–9.2
Discontinued operations:					
Net profit of discontinued operations	**–3.5**	–7.1	0.0	–3.2	–9.0
Net profit	**–18.7**	–8.2	–5.3	–6.7	–18.2
Allocation of net profit for the period					
To equity holders of the parent	**–17.8**	–8.7	–4.5	–6.7	–18.6
To non-controlling interest	**–0.9**	0.6	–0.8	0.1	0.4
	–18.7	–8.2	–5.3	–6.7	–18.2
Earnings per share calculated on the profit					
attributable to equity holders of the parent					
Earnings per share, Group, EUR	**–0.16**	–0.09	–0,04	–0.07	–0.19
Earnings per share, continued operations, EUR	**–0.13**	–0.02	–0,04	–0.04	–0.10
Earnings per share, discontinued operations, EUR	**–0.03**	–0.07	0.00	–0.03	–0.09

Consolidated income statement

MEUR	1.1.–30.9.2016	1.1.–30.9.2015 Changed *)	1.7.–30.9.2016	1.7.–30.9.2015 Changed *)	1.1.–31.12.2015 Changed *)
Continued operations:					
Net sales	**284.5**	326.7	75.1	95.4	429.0
Other operating income	**1.8**	4.4	3.8	1.4	2.9
Operating expenses	**-282.5**	-301.4	-77.4	-89.2	-408.4
Depreciation, amortization and write-downs	**-24.9**	-12.3	-16.4	-3.9	-30.8
Share of the associated companies' result	**0.1**	0.1	0.0	0.0	0.1
Operating profit	**-21.2**	17.5	-15.0	3.8	-7.3
% of net sales	***-7.4***	*5.3*	*-19.9*	*3.9*	*-1.7*
Financial income and expenses	**27.4**	-17.3	-5.6	-6.3	-24.0
Result after financial items	**6.2**	0.2	-20.6	-2.5	-31.3
% of net sales	***2.2***	*0.0*	*-27.4*	*-2.7*	*-7.3*
Income taxes	**-2.8**	-2.0	-2.2	-1.7	-26.4
Net profit of continued operations	**3.4**	-1.8	-22.8	-4.3	-57.7
Discontinued operations:					
Net profit of discontinued operations	**-24.1**	-7.3	-17.7	-3.2	-24.9
Net profit	**-20.6**	-9.1	-40.4	-7.5	-82.7
Allocation of net profit for the period					
To equity holders of the parent	**-19.7**	-9.7	-39.7	-7.6	-83.1
To non-controlling interest	**-0.9**	0.6	-0.8	0.1	0.4
	-20.6	-9.1	-40.4	-7.5	-82.7
Earnings per share calculated on the profit					
attributable to equity holders of the parent					
Earnings per share, Group, EUR	**-0.18**	-0.10	-0.30	-0.08	-0.86
Earnings per share, continued operations, EUR	**0.03**	-0.03	-0.17	-0.05	-0.60
Earnings per share, discontinued operations, EUR	**-0.21**	-0.07	-0.13	-0.03	-0.26
Earnings per share with dilution, Group, EUR	**-0.18**	-0.10	-0.30	-0.08	-0.86

Consolidated statement of comprehensive income

MEUR	1.1.–30.9.2016	1.1.–30.9.2015 Changed *)	1.7.–30.9.2016	1.7.–30.9.2015 Changed *)	1.1.–31.12.2015 Changed *)
Net profit	**–20.6**	–9.1	–40.4	–7.5	–82.7
Continued operations:					
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Revaluation of buildings and land areas	**–2.2**	–	–2.2	–	–8.6
Items that may be reclassified subsequently to profit or loss					
Translation differences	**0.2**	–0.1	–0.1	0.4	–0.6
Actuarial gains and losses	**–1.5**	–1.7	–0.8	–0.8	–2.1
Cash flow hedges	**0.3**	–0.3	0.2	–0.2	0.0
Other items	**0.0**	0.0	0.1	0.0	0.0
Total items that may be reclassified to profit or loss subsequently	**–1.0**	–2.1	–0.5	–0.6	–2.7
Income tax on other comprehensive income	**0.2**	0.4	0.1	0.2	2.0
Other comprehensive income of continued operations, net of tax	**–2.9**	–1.7	–2.6	–0.4	–9.3
Other comprehensive income of discontinued operations, net of tax	**1.3**	–	1.3	–	–0.2
Total comprehensive income	**–22.3**	–10.8	–41.8	–7.9	–92.2
Allocation of total comprehensive income					
To equity holders of the parent	**–21.3**	–11.3	–40.9	–7.9	–92.1
To non-controlling interest	**–1.0**	0.5	–0.9	0.0	–0.1
	–22.3	–10.8	–41.8	–7.9	–92.2

*) The comparative figures from 2015 on income statement and cash flow statement have been adjusted because the Dutch sub-group's operations have been classified as Discontinued Operations according to the IFRS 5 standard.

Consolidated statement of financial position

MEUR	30.9.2016	30.9.2015	31.12.2015
Assets			
Non-current assets			
Intangible assets	**4.6**	6.3	7.1
Goodwill	**20.9**	29.2	29.2
Investment properties	**10.9**	8.3	8.1
Tangible assets	**192.7**	255.3	234.3
Investment in associates	**1.3**	1.2	1.2
Receivables	**7.2**	6.7	7.8
Other investments	**0.7**	0.9	0.9
Deferred tax assets	**4.0**	37.1	5.5
Total non-current assets	**242.4**	344.9	294.1
Current assets			
Inventories	**47.1**	77.2	68.9
Receivables	**47.5**	46.7	31.7
Tax receivables	**0.0**	1.4	1.4
Cash and cash equivalents	**7.3**	3.8	6.1
Total current assets	**102.0**	129.1	108.2
Total assets	**344.4**	474.0	402.2
Shareholders' equity and liabilities			
Shareholders' equity			
Share capital	**21.9**	21.9	21.9
Other equity	**-0.1**	70.0	-10.8
Equity attributable to equity holders of the parent company	**21.8**	91.9	11.1
Non-controlling interest	**6.5**	8.1	7.6
Shareholders' equity	**28.3**	100.0	18.6
Liabilities			
Non-current			
Capital loans and convertible bonds	**7.6**	0.0	-
Interest bearing	**7.0**	151.3	87.3
Interest free	**0.2**	0.6	0.3
Provisions	**10.4**	9.6	10.4
Deferred tax liability	**10.0**	13.1	10.8
Current			
Capital loans	**-**	0.0	-
Interest bearing	**156.6**	79.0	155.7
Interest free	**118.2**	117.4	110.0
Tax liabilities	**1.5**	0.9	2.0
Provisions	**4.6**	2.2	7.0
Total liabilities	**316.1**	374.0	383.6
Total shareholders' equity and liabilities	**344.4**	474.0	402.2

Condensed consolidated cash flow statement

MEUR	1.1.–30.9.2016	1.1.–30.9.2015 Changed *)	1.1.–31.12.2015 Changed *)
Cash flow from operating activities			
Result after financial items of continued operations	**6.2**	0.2	-31.4
Depreciation, amortization and write-downs, continued operations	**24.9**	12.3	30.8
Net financial income and expenses, continued operations	**-27.4**	17.3	24.0
Other income and expenses, adjustments to cash flow, continued operations	**0.5**	-4.2	-2.6
Change in net working capital, continued operations	**15.5**	4.9	16.3
Cash flow from operations before financing and income taxes, continued operations	**19.8**	30.5	37.1
Interest received and paid and dividends received, continued operations	**-12.4**	-14.3	-21.8
Taxes paid, continued operations	**-0.1**	-0.6	-0.6
Net cash flow from operating activities, continued operations	**7.3**	15.6	14.7
Net cash flow from operating activities, discontinued operations	**-4.8**	-4.6	-4.4
Net cash flow from operating activities	**2.5**	11.0	10.3
Cash flow from investing activities			
Capital expenditure in tangible and intangible assets, continued operations	**-12.8**	-18.4	-27.5
Proceeds from tangible and intangible assets, continued operations	**12.2**	0.4	0.4
Other investments and loans granted, continued operations	**0.0**	0.0	0.0
Proceeds from other investments and repayments of loan receivables, continued operations	**0.3**	1.4	1.4
Net cash flow from investing activities, continued operations	**-0.4**	-16.6	-25.8
Net cash flow from investing activities, discontinued operations	**0.0**	-0.7	-1.0
Net cash flow from investing activities	**-0.4**	-17.3	-26.8
Cash flow from financing activities			
Dividends paid, continued operations	**0.0**	-0.4	-0.4
Proceeds from the issue of convertible bond, continued operations	**25.4**	-	-
Repayment of finance lease liabilities, continued operations	**-7.1**	-3.7	-4.0
Draw-down (+)/ repayment (-) of current loans, continued operations	**-9.9**	-6.2	5.1
Draw-down of non-current loans, continued operations	**23.4**	18.9	26.4
Repayment of non-current loans and other changes, continued operations	**-32.7**	-10.5	-16.8
Net cash flow from financing activities, continued operations	**-0.9**	-1.9	10.3
Net cash flow from financing activities, discontinued operations	**0.0**	-0.1	0.2
Net cash flow from financing activities	**-0.9**	-2.0	10.5
Change in liquid assets	**1.2**	-8.3	-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	**7.3**	3.8	6.1

*) The comparative figures from 2015 on income statement and cash flow statement have been adjusted because the Dutch sub-group's operations have been classified as Discontinued Operations according to the IFRS 5 standard

Statement of changes in consolidated shareholders' equity

MEUR	Share capital	Share premium account	Other reserves	Cash flow hedges	Translation differences	Retained earnings	Total	Non-controlling interest	Shareholders' 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						–9.7	–9.7	0.6	–9.1
Translation differences					–0.1		–0.1	0.0	–0.1
Actuarial gains and losses						–1.3	–1.3	–0.1	–1.3
Cash flow hedges				–0.2			–0.2		–0.2
Other comprehensive income items			0.0				0.0		0.0
Total comprehensive income			0.0	–0.2	–0.1	–10.9	–11.3	0.5	–10.8
Dividend							0.0	–0.4	–0.4
Shareholders' equity 30.9.2015	**21.9**	**15.0**	**179.5**	**–0.6**	**–36.4**	**–87.4**	**91.9**	**8.1**	**100.0**
Net profit						–73.4	–73.4	–0.2	–73.6
Translation differences					–0.5		–0.5	0.0	–0.5
Actuarial gains and losses						–0.2	–0.2	0.0	–0.2
Cash flow hedges				0.2			0.2		0.2
Revaluation of buildings, land areas and investment properties			–6.8		0.0	0.0	–6.8	–0.3	–7.1
Other comprehensive income items			0.0				0.0		0.0
Comprehensive income items, discontinued operations			–0.2				–0.2		–0.2
Total comprehensive income			–7.0	0.2	–0.5	–73.5	–80.8	–0.6	–81.4
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						–19.7	–19.7	–0.9	–20.6
Translation differences					0.3		0.3	0.0	0.2
Actuarial gains and losses						–1.1	–1.1	–0.1	–1.2
Cash flow hedges				0.3			0.3		0.3
Changes in revaluation reserves of buildings and land areas			–2.5			0.3	–2.2		–2.2
Other comprehensive income items			0.0				0.0		0.0
Comprehensive income items, discontinued operations			1.3			0.0	1.3		1.3
Total comprehensive income			–1.2	0.3	0.3	–20.6	–21.3	–1.0	–22.3
Issue of convertible bond			4.2				4.2		4.2
Convertible bond, conversion to shares			**27.7**				**27.7**		**27.7**
Shareholders' equity 30.9.2016	**21.9**	**15.0**	**203.1**	**–0.2**	**–36.7**	**–181.5**	**21.7**	**6.5**	**28.3**

Key Ratios

	30.9.2016	30.9.2015	31.12.2015
Equity ratio, %	**8.4**	21.1	4.6
Equity per share, EUR	**0.15**	0.94	0.11
Invested capital at period end, MEUR	**199.5**	330.3	261.7
Adjusted return on investment, %	**-1.5**	5.3	2.3
Return on investment, %	**-23.3**	4.4	-7.2
Adjusted return on equity, %	**-83.6**	-10.2	-20.4
Return on equity, %	**-92.3**	-11.3	-92.6
Net interest bearing debt, preferred capital note in debt, MEUR	**163.9**	226.5	237.0
Net gearing, preferred capital note in debt, %	**579.7**	226.5	1,273.0
Order book of continued operations, MEUR	**67.3**	73.5	68.0
Investments in non-current assets incl. finance leases, continued operations, MEUR	**17.2**	18.3	31.0
Investments in non-current assets incl. finance leases, discontinued operations, MEUR	**0.0**	0.5	0.5
Investments in non-current assets excl. finance leases, Group, MEUR	**12.1**	14.9	26.2
Investments in non-current assets incl. finance leases, Group, MEUR	**17.3**	18.7	31.5
Investments in non-current assets (incl. finance leases), % of net sales, Group	**5.4**	5.0	6.4
Average number of personnel during the period, continued operations	**3,445**	3,519	3,527
Average number of personnel during the period, incl. leased personnel, continued operations	**3,664**	3,739	3,742
Average number of personnel during the period, Group	**3,761**	3,975	3,982
Average number of personnel during the period, incl. leased personnel, Group	**4,066**	4,278	4,281
Number of personnel at period end, continued operations	**3,248**	3,549	3,531
Number of personnel at period end, incl. leased personnel, continued operations	**3,456**	3,744	3,729
Number of personnel at period end, Group	**3,248**	4,002	3,979
Number of personnel at period end, incl. leased personnel, Group	**3,456**	4,286	4,269
Share of export and foreign activities in net sales, %, Group	**92.7**	91.6	91.3
Contingent liabilities, MEUR	**400.8**	709.0	586.0
Earnings per share (EPS), EUR	**-0.18**	-0.10	-0.86
Earnings per share, with dilution (EPS), EUR	**-0.18**	-0.10	-0.86
Cash flow per share, EUR	**0.02**	0.07	0.11

Changes in tangible assets and goodwill

MEUR	1–9/2016	1–9/2015	1–12/2015
Changes in tangible assets			
Acquisition cost at the beginning of the period	**586.1**	571.2	571.2
Translation differences	**–4.2**	–0.1	1.7
Additions	**17.2**	18.6	30.0
Companies acquired	**0.0**	0.0	0.0
Revaluation of buildings and land areas	**–4.2**	0.0	–11.9
Disposals and transfers between items	**–48.5**	–3.8	–4.9
Acquisition cost at the end of the period	**546.2**	585.9	586.1
Accumulated depreciation at the beginning of the period	**–351.7**	–319.7	–319.7
Translation differences	**2.7**	0.1	–1.3
Accumulated depreciation on disposals and transfers	**20.5**	0.8	2.7
Accumulated depreciation on companies acquired	**0.0**	0.0	0.0
Depreciation, amortization and write-downs during the period	**–25.0**	–11.7	–33.5
Accumulated depreciation at the end of the period	**–353.5**	–330.6	–351.7
Book value at the end of the period	**192.7**	255.3	234.3
Goodwill			
Acquisition cost at the beginning of the period	**29.2**	29.1	29.1
Translation difference	**–0.1**	0.0	0.0
Disposals and transfers between items	**–8.2**	–	–
Book value at the end of the period	**20.9**	29.2	29.2

Group development

Net sales by market area, continued operations

MEUR	1-12/2015	1-9/2015	1-9/2016
Germany	76.3	56.2	**52.7**
Sweden	82.4	63.8	**58.5**
Turkey	69.0	50.1	**45.5**
Finland	42.8	31.4	**23.1**
Benelux countries	31.8	24.6	**19.2**
UK	36.7	30.6	**24.1**
Italy	30.0	24.5	**21.4**
France	24.4	17.8	**15.3**
Other European countries	13.2	11.1	**11.1**
Other countries	22.3	16.6	**13.4**
Continued operations	429.0	326.7	**284.5**
Discontinued operations	65.9	48.9	**33.7**
Total	494.8	375.6	**318.2**

Quarterly net sales development by market area, continued operations

MEUR	Q1/15	Q2/15	Q3/15	Q4/15	Q1/16	Q2/16	Q3/16
Germany	20.7	19.8	15.0	19.3	18.6	18.3	**15.8**
Sweden	22.6	24.4	16.7	18.5	20.5	21.3	**16.8**
Turkey	18.2	17.9	14.0	19.0	14.8	18.6	**12.2**
Finland	11.8	11.4	8.2	11.4	8.9	9.3	**5.0**
Benelux countries	7.7	9.3	7.5	6.9	7.4	7.5	**4.4**
UK	10.0	9.9	10.7	6.2	7.2	8.8	**8.2**
Italy	7.4	7.9	9.2	5.5	7.4	8.0	**6.1**
France	6.2	6.4	5.2	6.5	5.9	6.0	**3.4**
Other European countries	4.0	4.0	2.9	1.8	4.1	4.0	**3.0**
Other countries	6.7	5.2	6.0	7.1	6.4	6.7	**0.4**
Continued operations	115.2	116.1	95.4	102.2	101.0	108.3	**75.1**
Discontinued operations	17.9	15.9	15.1	17.0	17.2	16.5	**0.0**
Total	133.1	132.0	110.5	119.2	118.2	124.8	**75.1**

Group continued operations development excluding items affecting comparability

MEUR	1-12/2015	1-9/2015	1-9/2016
Net sales	429.0	326.7	**284.5**
Operating profit	14.7	19.7	**-0.1**
Net financial items *)	-24.0	-17.2	**-15.7**
Profit after financial items	-9.3	2.5	**-15.8**

*) Net financial items are not allocated to business segments

Group continued operations development by business segment excluding items affecting comparability

Operating profit, MEUR *)	1-12/2015	1-9/2015	1-9/2016
Iron Business	3.2	9.4	-7.9
Aluminium Business	12.3	8.6	8.3
Other Business	-0.7	1.4	-0.7
Internal items	-0.1	0.2	0.2
Componenta total	14.7	19.7	-0.1

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

Group continued operations development by quarter excluding items affecting comparability

MEUR	Q1/15	Q2/15	Q3/15	Q4/15	Q1/16	Q2/16	Q3/16
Net sales	115.2	116.1	95.4	102.2	101.0	108.3	75.1
Operating profit	7.3	7.8	4.6	-5.0	1.1	0.3	-1.5
Net financial items *)	-5.0	-5.9	-6.3	-6.7	-5.4	-5.2	-5.2
Profit after financial items	2.3	1.9	-1.7	-11.7	-4.3	-4.9	-6.7

*) Net financial items are not allocated to business segments

Quarterly development by continued operations business segment excluding items affecting comparability

Operating profit, MEUR *)	Q1/15	Q2/15	Q3/15	Q4/15	Q1/16	Q2/16	Q3/16
Iron Business	4.2	4.6	0.6	-6.3	-1.2	-2.5	-4.2
Aluminium Business	2.4	2.8	3.4	3.6	2.8	2.9	2.6
Other Business	0.6	0.4	0.4	-2.1	-0.4	0.1	-0.2
Internal items	0.1	0.0	0.1	-0.3	-0.1	-0.1	0.3
Componenta total	7.3	7.8	4.6	-5.0	1.1	0.3	-1.5

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

Group continued operations development

MEUR	1-12/2015	1-9/2015	1-9/2016
Net sales	429.0	326.7	284.5
Operating profit	-7.3	17.5	-21.2
Net financial items *)	-24.0	-17.3	27.4
Profit after financial items	-31.3	0.2	6.2

*) Net financial items are not allocated to business segments

Group development by business segment

Net sales, MEUR *)	1-12/2015	1-9/2015	1-9/2016
Iron Business, continued operations			
External sales	302.5	229.4	**197.5**
Internal sales	29.3	23.5	**20.9**
Total sales	331.8	252.8	**218.4**
Aluminium Business, continued operations			
External sales	84.5	63.6	**58.9**
Internal sales	8.5	6.7	**4.5**
Total sales	93.0	70.2	**63.4**
Other Business, continued operations			
External sales	33.8	28.0	**22.5**
Internal sales	22.6	17.0	**13.4**
Total sales	56.4	45.0	**35.8**
Internal items/eliminations	-52.3	-41.3	**-33.1**
Continued operations	429.0	326.7	**284.5**
Discontinued operations	83.3	61.7	**43.8**
Internal items/eliminations	-17.4	-12.8	**-10.0**
Componenta total	494.8	375.6	**318.2**

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

Reconciliation of operating profit, MEUR	1-12/2015	1-9/2015	1-9/2016
Iron Business, continued operations	3.2	9.4	**-7.9**
Aluminium Business, continued operations	12.3	8.6	**8.3**
Other Business, continued operations	-0.7	1.4	**-0.7**
Items affecting comparability, continued operations *)	-22.0	-2.2	**-21.1**
Internal items/eliminations	-0.1	0.2	**0.2**
Continued operations total	-7.3	17.5	**-21.2**
Discontinued operations excluding items affecting comparability	-7.6	-6.4	**-2.8**
Items affecting comparability, discontinued operations **)	-8.5	-0.2	**-17.9**
Discontinued operations total	-16.1	-6.6	**-20.7**
Internal items/eliminations	-0.1	0.0	**0.0**
Componenta total	-23.4	10.9	**-41.8**

*) Items affecting comparability in 2016 in operating profit of continued operations relate to capital loss of divestment in Suomivalimo (EUR -6.1 million), the sales profit of Pistons business unit (EUR +1.0 million), the writedowns of production machinery in Sweden Iron business (EUR -4.2 million), the writedown of goodwill in Turkey Iron business (EUR -7.5 million) and the restructuring measures related expenses (EUR -2.8 million). Other items affecting comparability as a net totalled EUR -1.5 million.

**) Items affecting comparability in operating profit of discontinued operations were the impairment of net assets of Dutch sub-group's operations and all impairment of net receivables from Componenta B.V. registered by the remaining active companies within the corporation, totalling EUR -15.0 million during the third quarter of the year 2016. There was recorded EUR -2.9 million restructuring expenses mainly related to the closure of Furan line during the first half of the year.

Group continued operations development by quarter

MEUR	Q1/15	Q2/15	Q3/15	Q4/15	Q1/16	Q2/16	Q3/16
Net sales	115.2	116.1	95.4	102.2	101.0	**108.3**	**75.1**
Operating profit	6.4	7.3	3.8	–24.7	0.6	**–6.8**	**–15.0**
Net financial items *)	–5.1	–5.9	–6.3	–6.7	–5.4	**38.3**	**–5.6**
Profit after financial items	1.3	1.4	–2.5	–31.5	–4.8	**31.6**	**–20.6**

*) Net financial items are not allocated to business segments

Quarterly development by business segment

Reconciliation of net sales, MEUR	Q1/15	Q2/15	Q3/15	Q4/15	Q1/16	Q2/16	Q3/16
Iron Business, continued operations	91.9	90.0	70.9	79.0	78.6	85.3	**54.5**
Aluminium Business, continued operations	22.2	25.2	22.8	22.8	21.9	23.0	**18.5**
Other Business, continued operations	16.2	16.0	12.8	11.4	12.8	12.6	**10.5**
Internal items/eliminations	–15.2	–14.9	–11.2	–11.0	–12.2	–12.6	**–8.3**
Continued operations total	115.2	116.1	95.4	102.2	101.0	108.3	**75.1**
Discontinued operations	22.5	20.0	19.1	21.6	22.7	21.1	**0.0**
Internal items/eliminations	–4.7	–4.1	–4.0	–4.6	–5.5	–4.5	**0.0**
Componenta total	133.1	132.0	110.5	119.2	118.2	124.8	**75.1**

Reconciliation of operating profit, MEUR	Q1/15	Q2/15	Q3/15	Q4/15	Q1/16	Q2/16	Q3/16
Iron Business, continued operations	4.2	4.6	0.6	–6.3	–1.2	–2.5	**–4.2**
Aluminium Business, continued operations	2.4	2.8	3.4	3.6	2.8	2.9	**2.6**
Other Business, continued operations	0.6	0.4	0.4	–2.1	–0.4	0.1	**–0.2**
Items affecting comparability, continued operations *)	–0.9	–0.4	–0.8	–19.7	–0.5	–7.1	**–13.5**
Internal items/eliminations	0.1	0.0	0.1	–0.3	–0.1	–0.1	**0.3**
Continued operations total	6.4	7.3	3.8	–24.7	0.6	–6.8	**–15.0**
Discontinued operations excluding items affecting comparability	–1.9	–1.5	–3.0	–1.2	–1.2	–1.6	**0.0**
Items affecting comparability, discontinued operations **)	–0.1	–0.1	0.0	–8.3	–1.5	–1.4	**–15.0**
Discontinued operations total	–1.9	–1.6	–3.0	–9.5	–2.7	–2.9	**–15.0**
Internal items/eliminations	0.0	0.0	0.0	–0.1	0.0	0.0	**0.0**
Componenta total	4.4	5.7	0.8	–34.3	–2.2	–9.7	**–30.0**

*) Items affecting comparability in 2016 in operating profit of continued operations relate to capital loss of divestment in Suomivalimo (EUR –6.1 million), the sales profit of Pistons business unit (EUR +1.0 million), the writedowns of production machinery in Sweden Iron business (EUR –4.2 million), the writedown of goodwill in Turkey Iron business (EUR –7.5 million) and the restructuring measures related expenses (EUR –2.8 million). Other items affecting comparability as a net totalled EUR –1.5 million.

**) Items affecting comparability in operating profit of discontinued operations were the impairment of net assets of Dutch sub-group's operations and all impairment of net receivables from Componenta B.V. registered by the remaining active companies within the corporation, totalling EUR –15.0 million during the third quarter of the year 2016. There was recorded EUR –2.9 million restructuring expenses mainly related to the closure of Furan line during the first half of the year.

Order book at period end, MEUR	Q1/15*)	Q2/15	Q3/15	Q4/15	Q1/16	Q2/16	Q3/16
Iron Business, continued operations	66.8	69.8	56.6	52.7	57.7	54.1	**53.0**
Aluminium Business, continued operations	17.2	18.1	16.5	14.4	14.9	15.3	**15.2**
Other Business, continued operations	6.8	7.3	5.1	5.4	5.4	4.3	**3.6**
Internal items	-7.5	-7.5	-4.7	-4.5	-4.9	-3.8	**-4.6**
Continued operations total	83.3	87.6	73.5	68.0	73.1	69.9	**67.3**
Discontinued operations	9.9	10.5	9.5	9.9	10.9	9.8	**0.0**
Internal items	-0.9	-1.3	-0.9	-1.1	-1.3	-1.5	**0.0**
Componenta total	92.3	96.8	82.1	76.9	82.7	78.2	**67.3**

*) Order book on 6 April 2015

Business segments

MEUR	30.9.2016	30.9.2015	31.12.2015
Continued operations			
Iron Business			
Assets	**242.7**	305.7	275.4
Liabilities	**110.2**	89.5	86.1
Investments in non-current assets (incl. finance leases)	**3.9**	9.9	14.0
Depreciation, amortization and write-downs	**21.7**	8.8	21.8
Aluminium Business			
Assets	**84.4**	69.4	72.2
Liabilities	**33.7**	20.4	21.2
Investments in non-current assets (incl. finance leases)	**13.4**	8.2	16.8
Depreciation, amortization and write-downs	**2.3**	2.4	3.1
Other Business			
Assets	**27.7**	45.9	39.7
Liabilities	**26.3**	30.2	34.5
Investments in non-current assets (incl. finance leases)	**0.0**	0.2	0.2
Depreciation, amortization and write-downs	**1.0**	1.2	5.8
Discontinued operations			
Assets	**0.0**	48.0	40.8
Liabilities	**0.0**	39.2	41.7
Investments in non-current assets (incl. finance leases)	**0.0**	0.5	0.5
Depreciation, amortization and write-downs	**22.2**	1.2	5.9

Fair values of derivative instruments

MEUR	30.9.2016 Fair value, positive	30.9.2016 Fair value, negative	30.9.2016 Fair value, net	30.9.2015 Fair value, net	31.12.2015 Fair value, net
Currency derivatives					
Foreign exchange forwards	–	–	–	–	–0.2
Currency swaps	–	–	–	–0.5	–0.4
Interest rate derivatives					
Interest rate swaps	–	–	–	0.0	–
Commodity derivatives					
Electricity price forwards	**0.0**	**–0.2**	**–0.2**	–0.9	–0.8
Total	**0.0**	**–0.2**	**–0.2**	–1.4	–1.4

Nominal values of derivative instruments

MEUR	30.9.2016 Nominal value	30.9.2015 Nominal value	31.12.2015 Nominal value
Currency derivatives *)			
Foreign exchange forwards	–	–	7.5
Currency swaps	–	38.2	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	**0.3**	0.6	1.3
Maturity after one year and less than five years	**1.9**	2.9	1.7
Total	**2.3**	46.7	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 Q3 / 2016

MEUR	LEVEL 1	LEVEL 2	LEVEL 3
Foreign exchange rate derivatives (OTC)	–	–	–
Interest rate derivatives (OTC)	–	–	–
Commodity derivatives	–0.2	–	–
Available-for-sale investments	–	–	0.8

Fair values by classification of valuation method Q3 / 2015

MEUR	LEVEL 1	LEVEL 2	LEVEL 3
Foreign exchange rate derivatives (OTC)	–	–0.5	–
Interest rate derivatives (OTC)	–	0.0	–
Commodity derivatives	–0.9	–	–
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	30.9.2016	30.9.2015	31.12.2015
Real-estate mortgages			
For own debts	7.8	11.2	8.1
Business mortgages			
For own debts	53.3	103.3	114.5
Pledges			
For own debts	335.1	589.2	458.2
Other leasing commitments	3.5	3.9	4.1
Other commitments	0.6	1.3	1.2
Total	400.4	709.0	586.0

On 30 September 2016 Componenta had contingent financial leasing liabilities, from not yet started contracts, amounting to EUR 2.4 million (EUR 6.7 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	30.9.2016	30.9.2015	31.12.2015	30.9.2016	30.9.2015	31.12.2015
SEK	9.6210	9.4083	9.1895	9.3732	9.3709	9.3528
USD	1.1161	1.1203	1.0887	1.1162	1.1144	1.1095
GBP	0.8610	0.7385	0.7340	0.8030	0.7271	0.7259
TRY (Turkish central bank)	3.3608	3.4212	3.1776	3.2711	2.9583	3.0167
RUB	70.5140	73.2416	80.6736	76.1830	66.5974	68.1066

Calculation of key financial ratios

Return on equity, % (ROE) *)	=	Profit (Group) after financial items – income taxes x 100 / Shareholders' equity without preferred capital notes + non-controlling interest (quarterly average)
Return on investment, % (ROI) *)	=	Profit (Group) 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 three quarters of the year in ROE and ROI has been calculated as an average annual return (annualised).

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