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Componenta plans to shut down one of the productions lines in Pietarsaari foundry

Componenta will increase the capacity utilization rates of its foundries by shutting down some underutilized production lines and moving their production to other production lines in the Group. The actions are part of the efficiency program started in October 2012 to boost competitiveness and profitability.

Personnel negotiations, as stipulated in the Finnish Act on Cooperation in Undertaking, will be started at the Pietarsaari Foundry on 1 November 2012. The subject of the negotiations is a possible shut down of the bigger production line in the Pietarsaari foundry and moving the production to the Group's other foundries in Finland and Turkey as well as to another, smaller production line in the Pietarsaari foundry. The negotiations are to assess the impact of the changes mentioned above on foundry operations in Pietarsaari, on the volume of business and the number of personnel.

The capacity utilization rate and the profitability of the Componenta Pietarsaari foundry have been poor in the past few years. The unit's volumes and profitability in the future will also be impacted by the order book of the customer industries and the production transfers from Pietarsaari to Pori, Finland and Orhangazi, Turkey, in line with the Group's strategy. As a result of these changes the production of some unprofitable product groups is planned to be stopped at the Pietarsaari foundry. In the future the foundry will focus on producing small and middle sized volumes being a flexible and high-quality supplier to the Nordic customers.

If these changes are carried out they will have an impact on personnel, which is estimated to mean a reduction of some 100 employees in the Pietarsaari foundry by the end of September 2013. The foundry employs currently about 170 people. One-time costs would be about EUR 2 million in 2013 and the write-downs of operations about EUR 1 million. The planned product transfers would improve capacity utilization rates in the Pori and Orhangazi foundries and would have an improving impact on their employment. Net reduction of jobs in Finland is estimated to be about 80 people.

The negotiations as laid down in the Finnish Act on Cooperation in Undertakings do not affect the Pistons business unit that also operates in Pietarsaari nor engineering personnel of Componenta Corporation located in Pietarsaari.

Componenta is holding a press conference in Pietarsaari, Birgerintie 3, on 1 November 2012 at 11.00.

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COMPONENTA CORPORATION

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Componenta is a metal sector company with international operations and production plants located in Finland, Turkey, the Netherlands and Sweden. The net sales of Componenta were EUR 576 million in 2011 and its share is listed on the NASDAQ OMX Helsinki. The Group employs approx. 4,700 people. Componenta specializes in supplying cast and machined components and total solutions made of them to its global customers who are manufacturers of vehicles, machines and equipment.

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COMPONENTA CORPORATION

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