



**INTERIM REPORT**  
**1 January -**  
**30 June 2014**  
**Q2**

COMPONENTA

# Operating profit improved although net sales fell in the review period

## January – June 2014 summary

- The order book at the end of June was at the same level than at the same time in the previous year, at MEUR 95 (MEUR 95).
- Net sales fell 1% from the previous year to MEUR 265 (MEUR 268).
- EBITDA excluding one-time items and exchange rate differences of balance sheet items was MEUR 24.7 (MEUR 19.9).
- Operating profit excluding one-time items and exchange rate differences of balance sheet items was MEUR 15.3 (MEUR 10.8) and including the above mentioned items MEUR 12.0 (MEUR 11.3). This improvement was due to the cost savings achieved in the efficiency improvement program.
- Result after financial items excluding one-time items and exchange rate differences of operative balance sheet items was MEUR 0.8 (MEUR -0.8).
- One-time items and exchange rate differences of operative balance sheet items which affected the result of the review period totalled MEUR -3.3 (MEUR 0.4).
- Earnings per share were EUR -0.16 (EUR -0.04).

## April – June 2014 summary

- Net sales declined 6% from the previous year to MEUR 133 (MEUR 140).
- EBITDA excluding one-time items and exchange rate differences of balance sheet items was MEUR 12.6 (MEUR 12.5).
- Operating profit excluding one-time items and exchange rate differences of balance sheet items was MEUR 7.9 (MEUR 7.9) and including the above mentioned items MEUR 5.5 (MEUR 8.0).
- Result after financial items excluding one-time items and exchange rate differences of operative balance sheet items was MEUR 0.9 (MEUR 2.2).
- One-time items and exchange rate differences of operative balance sheet items which affected the result of the April - June period totalled MEUR -2.4 (MEUR 0.1).
- Earnings per share were EUR -0.07 (EUR 0.07).

## Efficiency improvement program

Componenta's group-wide efficiency improvement program has made progress in accordance with expectations during the first half of 2014. The program has the target of improving the Group's profitability by EUR 35 million by the end of 2015 compared to 2012. The rolling EBITDA for the past 12 months excluding one-time items and exchange rate changes of balance sheet items was EUR 37.3 million. The measures that have been implemented and decided on to date are estimated to have a run rate cost savings impact of EUR 12.0 million and thus the company's run rate adjusted rolling 12 months EBITDA is EUR 49.2 million. The run rate cost savings actions are comprised of the following two subcategories:

- a) Annual impact on EBITDA of measures decided on or implemented for cutting fixed costs is estimated to be EUR 4.6 million and is consisting of the following actions:
  - savings in fixed costs after terminating the employment of 31 people working in management and as experts at Group or country level and these positions have been terminated
  - savings in fixed costs from the decided closure of the Pietarsaari foundry in July 2014
  - savings in fixed costs from the decided reorganization of the Främ-mestad machine shop in Sweden and from the decided closure of one of the production buildings in the first quarter of 2015
  - savings in fixed costs from the personnel reductions in the Netherlands.
- b) Impact on EBITDA of efficiency improvement measures that have been decided on or implemented is estimated to be EUR 7.3 million and is consisting of the following actions:
  - savings in raw material costs at the Orhangazi foundry in Turkey, resulting from the process and product improvement measures that were completed by the end of February 2014

- savings in labour costs at the Orhangazi foundry in Turkey, resulting from the process and product improvement measures that were completed by the end of March
- savings in variable costs from the transfers of the production and machining operations for certain cast iron components from the Pietarsaari foundry in Finland to the Orhangazi foundry in Turkey and from the Främmostad machine shop in Sweden to the Orhangazi machine shop
- savings in raw material costs at the Orhangazi foundry in Turkey, resulting from the introduction of the new sand recycling system in September 2014
- improvements based on the investments being made at the Heerlen foundry, which will reduce the environmental impact and odour emissions by installing a new after-burner, changing the raw materials used and building a higher chimney. These investments will be taken in use in August 2014.

### Refinancing of the company's interest bearing debts

Componenta's short term interest bearing debts totalled EUR 168 million at the end of review period. Componenta's target is to sign a club loan of 70 MEUR for seven years and a revolving credit facility of 20 MEUR with four Turkish banks. At the same time the company is targeting to finalise the refinancing negotiations with Nordic banks in order to replace the majority of the remaining short-term financing into long-term financing. In addition, Componenta is also targeting to negotiate an arrangement with investors, by which the company's shareholders' equity will be strengthened and thus the gear-

ing is decreased and the liquidity situation improved. These refinancing negotiations are targeted to finalize by mid-August. Due to the delay in refinancing negotiations, the company's current liquidity position is low.

### January - June 2014 interim report

#### Order book and net sales

The Group's order book stood at EUR 95 (95) million at the end of the period. The order book comprises orders confirmed to customers for the next two months excluding the impact of holiday season.

Consolidated net sales declined 1% in the review period to EUR 265 (268) million. The Group's capacity utilization rate in the review period was 62% (62%).

Componenta's net sales in the review period by customer sector were as follows: heavy trucks 32% (30%), construction and mining 18% (20%), machine building 20% (18%), agricultural machinery 16% (19%) and automotive 14% (13%).

#### Result

EBITDA for the January - June period excluding one-time items and exchange rate differences of balance sheet items improved from the previous year to EUR 24.7 (19.9) million. The improvement in the Group's EBITDA from the previous year was due to the efficiency improvement measures carried out.

The consolidated operating profit in the period excluding one-time items and exchange rate differences of balance sheet items improved from the previous year to EUR 15.3 (10.8) million. Operating profit including the above mentioned items was EUR 12.0 (11.3) million. This improvement was due to the cost-saving measures car-

ried out in the efficiency improvement program.

The Group's net financial costs excluding one-time items in the review period totalled EUR -14.4 (-11.6) million. Net financial expenses increased from the corresponding period in the previous year due to exchange rate losses, higher interest expenses and the rescheduling of the accrued arrangement fees for the syndicated loan taken in 2012.

The Group's result for the period after financial items, excluding one-time items and exchange rate differences of operative balance sheet items was EUR 0.8 (-0.8) million and including the above mentioned items EUR -2.5 (-0.4) million.

The one-time items in the period were EUR -2.4 (-1.1) million and they were related to the transfer of the smaller production line from the Pietarsaari foundry and the closure of the foundry (EUR -0.5 million), the restructuring measures at the Orhangazi foundry (EUR -0.2 million), the loss recorded on the sale of the Nisamo industrial property (EUR -0.6 million), running down the Smedjebacken forge (EUR -0.3 million), the costs related to transfer and starting up the DISA production line after it was transferred to the Pori foundry (EUR -0.2 million), and other one-time items in total (EUR -0.6 million).

The exchange rate differences of operative balance sheet items were EUR -1.0 (1.5) million in the review period. The Board of Directors decided to change the currency transaction risk policy related to Turkish subsidiary in the review period. According to the new policy the hedging levels of Turkish lira may stand at anywhere between 0% and 100% in respect of currency transaction risk at the discretion of the Group's President and CEO. According to previous policy Componenta Turkey's hedging level might have been standing at 70-130% at the discre-

### Quarterly analysis of changes in income statement excluding one-time items and exchange rate differences of balance sheet items is as follows:

MEUR	Q2/14	Q2/13	Change %	Q1-Q2/14	Q1-Q2/13	Change %
Net sales	132.6	140.3	-6%	264.5	268.0	-1%
Value of production	137.7	145.1	-5%	273.5	275.5	-1%
Materials	-59.1	-62.2	-5%	-118.7	-120.3	-1%
Direct wages and external services	-24.3	-27.8	-13%	-48.2	-52.6	-8%
Other variable and fixed costs	-41.6	-42.6	-2%	-81.9	-82.7	-1%
Total costs	-125.0	-132.6	-6%	-248.8	-255.6	-3%
EBITDA	12.6	12.5	1%	24.7	19.9	24%

tion of the Group's President and CEO. The exchange rate differences of the operative balance sheet items are mainly consisting of unhedged transaction exposure items.

Income taxes for the review period were EUR 0.4 (0.8) million.

Basic earnings per share in the review period were EUR -0.16 (-0.04).

The return on investment excluding one-time items was 9.2% (7.7%) and after one-time items 7.7% (7.1%).

The return on equity excluding one-time items was -0.6% (3.4%) and after one-time items -5.1% (1.0%).

## Balance sheet, financing and cash flow

The refinancing negotiations which Componenta published earlier this year have moved on slower than expected due to summer holiday season. Componenta is targeting to finalise the refinancing negotiations with the banks by mid-August.

Componenta is targeting to finalize further financing arrangements with the company's investors, whereby the company's shareholders' equity will be strengthened, gearing decreased and liquidity situation improved.

At the end of June, cash funds and bank receivables before refinancing totalled EUR 4.1 (20.8) million.

The Group's interest-bearing net debt, including the outstanding capital notes of EUR 2.9 (27.4) million, totalled EUR 234 (241) million at the end of the period. The company's net debt as a proportion of shareholders' equity was 282% (314%). At the end of June the Group's equity ratio was 17.9% (15.8%).

Net cash flow from operations declined in the review period from the corresponding period in the previous year to EUR 3.3 (9.1) million. This was due to changes in working capital which accounted for EUR -6.0 (1.6) million. Stocks increased from the previous quarter as units prepared for deliveries during the summer holiday period but also due to built-up buffer stocks at Pietarsaari foundry before closing it down.

Componenta makes 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 by the end of June totalled EUR 90.6 (87.4) million.

## Investments

Investments in production facilities in the review period totalled EUR 8.8 (7.9) million,

and financial lease investments accounted for EUR 2.5 (0.5) million of these. The net cash flow from investments was EUR -4.3 (-7.0) 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.

## Performance of business segments

### Foundry Division

The production units in the Foundry Division are located in Orhangazi in Turkey, in Heerlen and Weert in the Netherlands, and in Iisalmi, Karkkila, Pietarsaari and Pori in Finland.

At the end of June the order book for the Foundry Division was close to same level than at the same time in the previous year, standing at EUR 54.4 (54.6) million. The order book for the Foundry Division comprises orders from manufacturers of heavy trucks, construction and mining machinery, and agricultural machinery, and from the machine building industry.

The Foundry Division had net sales in the April - June period of EUR 83.1 (95.9) million. The April - June operating profit excluding one-time items and exchange rate differences of balance sheet items was EUR 3.8 million, or 4.5% of net sales (EUR 4.6 million; 4.8%). The operating profit declined from the previous year due to lower volumes. However, the cost savings achieved in the efficiency improvement program compensated for some of the fall in volumes. The profitability was also affected by the quality related problems in Orhangazi foundry, approximately EUR 2.0 million. These quality problems have mainly been solved.

Net sales for the Foundry Division in the six month review period totalled EUR 167.7 (180.9) million. The January - June operating profit excluding one-time items and exchange rate differences of balance sheet items was EUR 7.6 million, or 4.6% of net sales (EUR 6.3 million; 3.5%).

The number of personnel in the Foundry Division during the review period, including leased employees, was on average 2,830 (2,867).

### Machine Shop Division

The production units in the Machine Shop Division are located in Orhangazi in Turkey and in Främme stad in Sweden. The production unit for pistons in Pietarsaari, Finland also belongs to the division.

At the end of June the order book for the Machine Shop Division was 3% higher than at the same time in the previ-

ous year, standing at EUR 25.2 (24.3) million. The order book for the Machine Shop Division comprises orders from manufacturers of heavy trucks, construction and mining machinery, and agricultural machinery, and from the machine building industry.

The Machine Shop Division had net sales in April - June of EUR 33.1 (30.9) million. The April - June operating profit excluding one-time items and exchange rate differences of balance sheet items was EUR 1.9 million, or 5.6% of net sales (EUR 0.9 million; 3.0%). The improvement in the operating profit was the result of higher volumes and the cost savings achieved in the efficiency improvement program.

Net sales for the Machine Shop Division in the six month review period totalled EUR 63.5 (58.6) million. The operating profit excluding one-time items and exchange rate differences of balance sheet items in this period was EUR 2.7 million, or 4.3% of net sales (EUR 1.0 million; 1.7%).

The number of personnel in the Machine Shop Division during the review period, including leased employees, was on average 386 (379).

### Aluminium Division

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

At the end of June the order book for the Aluminium Division was 8% higher than at the same time in the previous year, standing at EUR 15.3 (14.1) million. The order book for the Aluminium Division comprises orders from the automotive and heavy truck industries.

The Aluminium Division had net sales in April - June of EUR 19.7 (18.7) million. The April - June operating profit excluding one-time items and exchange rate differences of balance sheet items was EUR 2.2 million, or 11.4% of net sales (EUR 2.1 million; 11.1%).

Net sales for the Aluminium Division in the six month review period totalled EUR 37.8 (35.8) million. The operating profit excluding one-time items and exchange rate differences of balance sheet items in this period was EUR 4.6 million, or 12.2% of net sales (EUR 3.9 million; 10.9%). The operating profit in the review period for the Aluminium Division improved mainly because of higher volumes.

The number of personnel in the Aluminium Division during the review period, including leased employees, was on average 815 (705).

### Other Business

Other business comprises the Wirsbo forges in Sweden, the sales and logistics company Componenta UK Ltd in Great Britain, service and real estate companies in Finland, the Group's administrative functions and the associated company Kumsan A.S. in Turkey. Other business recorded an operating profit excluding one-time items and exchange rate differences of balance sheet items in April - June of EUR 0.2 (0.7) million and in the six month review period of EUR 0.5 (0.3) million.

### Personnel

The Group had on average 4,493 (4,413) employees during the review period, including 338 (295) leased employees. The number of Group personnel at the end of the period was 4,523 (4,606), which includes 347 (386) leased employees. At the end of June, 59% (57%) of personnel were in Turkey, 17% (18%) in Finland, 13% (14%) in the Netherlands and 10% (11%) in Sweden.

### Shares and share capital

The shares of Componenta Corporation are quoted on the NASDAQ OMX Exchange in Helsinki. At the end of June the company had a total of 29,269,224 shares and the company's share capital stood at EUR 21.9 (21.9) million. The quoted price at the end of June 2014 stood at EUR 1.73 (1.48). The average price during the period was EUR 1.74, the lowest price was EUR 1.45 and the highest EUR 2.15. At the end of the review period the share capital had a market capitalization of EUR 50.6 (32.9) million and the volume of shares traded during the period was equivalent to 5.7% (5.2%) of the share stock.

### Share issue and special rights with entitlement to shares

The Extraordinary General Meeting of Componenta Corporation, held on 27 June 2014, resolved to authorise the Board of Directors, in accordance with its proposal, to resolve on a share issue and an issue of special rights entitling to shares as referred to in Chapter 10, Section 1 of the Limited Liability Companies Act in one or several instalments, either against payment or without payment. The aggregate amount of shares to be issued, including the shares to be received based on special rights, shall not exceed 9,000,000 shares. The proposed maximum amount of the authorisation corresponds approximately



to 31 per cent of all the shares in the company, and in conjunction with the authorisation to resolve on a share issue and issue of special rights entitling to shares amounting to a maximum 6,000,000 shares given to the Board of Directors by the Annual General Meeting of shareholders on 13 March 2014, approximately to 51 per cent of all the shares in the company. The Board of Directors may resolve to issue either new shares or to transfer treasury shares potentially held by the company.

The authorisation entitles the Board of Directors to resolve on all conditions for the share issue and the issue of special rights entitling to shares, including the right to derogate from the pre-emptive right of the shareholders. The authorisation may be used to strengthen the balance sheet and financial position of the company.

The authorisation is in force until the next Annual General Meeting. The authorisation does not cancel the earlier authorisation to resolve on a share issue and issue of special rights entitling to shares given to the Board of Directors by the Annual General Meeting of shareholders on 13 March 2014.

### Board committees

Componenta's Board of Directors established a Nomination Committee for preparing matters pertaining to the nomination and remuneration of directors. The Board considers that a model in which representatives of the largest sharehold-

ers are nominated to members of the Nomination Committee will best serve the interests of the shareholders. The members of the Nomination Committee are Harri Suutari, Chairman of the Board of Directors, Heikki Lehtonen, Juuso Puolanne from Finnish Industry Investment Ltd, and Reima Ryttsölä from Varma Mutual Pension Insurance Company.

### Risks and business uncertainties

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

In order to manage the Group's business operations it is essential to secure the availability of certain raw materials, such as recycled metal 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.

**Refinancing and liquidity risks**

The Group aims to safeguard the availability of finance by spreading the maturity dates, sources and instruments in its loan portfolio. A single source of finance may not account for more than an amount specified in the Group Treasury Policy. The most important sources of finance in use in the Group are the syndicated credit facility, capital notes, bonds, hybrid loans, bilateral short and long-term loan agreements with Turkish banks, pension loans, financing of trade receivables without any right to recourse, and lease finance.

The refinancing negotiations which Componenta published earlier this year have moved on slower than expected due to summer holiday season. Componenta is targeting to finalise the refinancing negotiations with the banks by mid-August.

Componenta is targeting to finalise further financing arrangements with the company's investors, whereby the company's shareholders' equity will be strengthened, gearing decreased and liquidity situation improved.

As a consequence, the average maturity of the company's interest bearing debt portfolio will be lengthened significantly from the current maturity.

In the current syndicated loan agreement, there are conventional terms

including certain finance covenants. Componenta breached one of the finance covenants at the end of review period. The breach has not led to a situation in which the syndicate banks would have prematurely called off the loans because the company has negotiated with the loan lenders about an arrangement where part of the current syndicated loan will be replaced by a new long-term loan. Anyhow, by the publishing date of this interim report, an agreement has not been signed. The change of terms and lengthening of the maturity of the syndicated loan are aimed to be finalised by mid-August 2014. The breach of finance covenant had no impact to the income statement neither to balance sheet as the loan was already classified as short-term at the end of review period.

In the assessment of the Board of Directors, the refinancing arrangements can be executed in a planned manner, but the success of the refinancing arrangements includes uncertainty. The company will announce the progress of the arrangements.

**Currency risks**

In the review period the Board of Directors decided to change the currency transaction risk policy related to Turkish subsidiary. According to the new policy the hedging levels of Turkish lira may stand at anywhere from 0% to 100% in respect of currency transaction risk at the discretion of the Group's President and CEO. According to previous policy Componenta Turkey's hedging level might have been stand at 70-130% at the discretion of the Group's President and CEO.

More detailed information about the risks to which Componenta is exposed and risk management is given in the notes to the 2013 financial statements.

**Events after end of period**

The noteholders' meeting of Componenta Corporation Notes 2013, held on 14 July 2014, resolved, in accordance with the proposal of Componenta Corporation, to amend clause 5 of the terms and conditions of the 2013 Notes and the Redemption Date defined pursuant to clause 5 of the terms and conditions of the 2013 Notes to enable the Board of Directors of the Company to decide on a premature redemption of the 2013 Notes.

Clause 5 of the terms and conditions of the 2013 Notes was amended to read as follows:

**"5. Redemption Date**

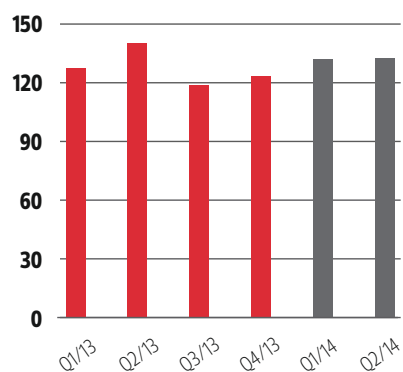
The Notes shall be repaid in full at their nominal principal amount on 2 March 2017 or (subject to the prior or simultaneous repayment of all Existing Senior Debt of the Company) on any prior date as determined by the Board of Directors of the Issuer (the "Redemption Date"), to the extent the Issuer has not prepaid the Notes in accordance with Clause 8 (Change of Control and Delisting Event) or 10 (Events of Default) below."

The approved amendments of the terms and conditions of the 2013 Notes became effective immediately.

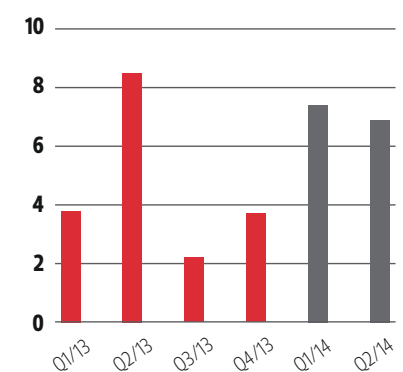
**Business environment**

The order book for Componenta's heavy trucks customer sector was 14% lower at

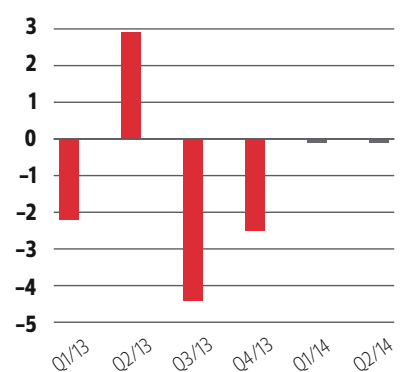
**Net sales, MEUR**



**Operating profit excluding one-time items, MEUR**



**Result after financial items, excluding one-time items, MEUR**



the end of the period than at the same time in the previous year. Demand in the truck industry in Europe is expected to decline in 2014. Componenta's sales to heavy truck customers are however expected to increase during second half of the year because of an introduction of new products.

The order book for Componenta's construction and mining customer sector was 9% higher at the end of the review period than at the same time in the previous year. Demand in North America is clearly improving, however in Europe the demand is still modest. As a whole, the demand is expected to remain at the same level as in the previous year. Manufacturers of mining machinery in particular reduced their stocks because of poor prospects during 2012 and 2013. Componenta's sales to the construction and mining industry are expected to stay at the same level as in the previous year.

At the end of the review period, the order book for Componenta's machine building customer segment was 15% higher than at the same time in the previous year. Componenta's sales to the machine building industry are expected to rise during 2014.

The order book for Componenta's agricultural machinery customer sector was 2% higher at the end of June than at the same time in the previous year. Demand for agricultural machinery is expected to decrease in 2014. Componenta's sales to manufacturers of agricultural machinery are expected to decrease or remain unchanged from the previous year because of an increase in market share.

The order book for Componenta's automotive customer sector was 1% higher at



the end of June than at the same time in the previous year. Demand in 2014 is estimated to improve from the previous year. Componenta's sales are expected to remain unchanged or to increase during 2014.

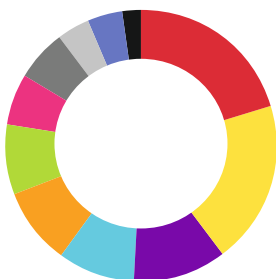
In consequence of the structural efficiency measures being carried out, the full year operating profit excluding one-time items is expected to improve from the previous year.

**Prospects for Componenta**

The prospects for Componenta in 2014 are based on general external economic indicators, delivery forecasts given by customers, and on Componenta's order intake and order book.

Componenta's order book at the end of June was at the same level as previous year, standing at EUR 95 (95) million.

**Sales by market area**



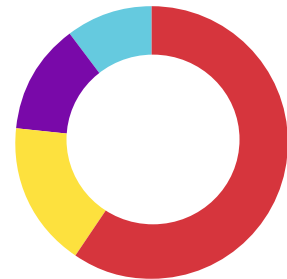
- Germany 20%
- Sweden 19%
- Turkey 11%
- UK 9%
- Finland 9%
- Benelux 8%
- France 6%
- Italy 6%
- Other Europe 4%
- USA 4%
- Other countries 2%

**Sales by customer industry**



- Heavy Trucks 32%
- Construction and Mining 18%
- Machine Building 20%
- Agricultural Machinery 16%
- Automotive 14%

**Personnel by country**



- Turkey 59%
- Finland 17%
- Netherlands 13%
- Sweden 10%

## Interim report tables

### Basis of preparation

These unaudited interim financial statements for 30 June 2014 have been prepared in accordance with IAS 34, 'Interim financial reporting' - standard.

Componenta has applied the same accounting principles in this interim report as in the financial statements for 2013 which have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. As from the start of the fiscal year, the company has also applied certain new or revised IFRS standards as described in the 2013 Financial Statements.

In the financial statements 2013 the Group changed the accounting practice for defining the current value of the defined benefit in Turkey. In accordance with the new accounting practices the Group calculated, by using actuarial calculations, the amount that actuarial gains and losses account for in the change in the current value for the scheme, and this was recognised in items in the statement of comprehensive income. The result for the period for comparison did not include any significant actuarial gains or losses.

### Related party transactions

There were no sales to associated companies during the reporting periods and purchase from the associated companies amounted to EUR 0.3 (EUR 0.4) million.

Oy Högfors-Trading Ab, a company controlled by the Company's CEO purchased 100% of the shares of Luoteis-Uudenmaan Kiinteistöt Oy and Uusporila Oy in February 2014. In addition, Oy Högfors-Trading purchased 25% of the associated company Niiharju Oy shares from Company Oyj in February 2014. The total purchase price of the shares purchased was EUR 2.1 million. The purchase price was based on valuations made by external parties.

### Financial risk management

The financial risks relating to Componenta Group's business operations are managed in accordance with the Group Treasury Policy approved by the Componenta Board of Directors. Applied Financial Risk management is described on more detailed level in the 2013 Financial Statements. In the review period the Board of Directors decided to change the currency transaction risk policy related to Turkish subsidiary. According to the new policy the hedging levels of Turkish lira may stand at anywhere from 0% to 100% in respect of currency transaction risk at the discretion of the Group's President and CEO. According to previous policy Componenta Turkey's hedging level might have been stand at 70-130% at the discretion of the Group's President and CEO.

## Reconciliation of consolidated operating profit

MEUR	1.1.-30.6.2014	1.1.-30.6.2013	1.1.-31.12.2013
<b>Operating profit, IFRS</b>	<b>12.0</b>	11.3	14.9
One-time items	-2.3	-1.1	-3.3
<b>Operating profit excluding one-time items</b>	<b>14.3</b>	12.3	18.2
Operative exchange rate differences	-1.0	1.5	3.7
<b>Operating profit excluding one-time items and operative exchange rate differences</b>	<b>15.3</b>	10.8	14.5

## Consolidated income statement excluding one-time items

MEUR	1.1.-30.6.2014	1.1.-30.6.2013	1.4.-30.6.2014	1.4.-30.6.2013	1.1.-31.12.2013
Net sales	264.5	268.0	132.6	140.3	510.5
Other operating income	-0.2	2.1	-0.5	1.0	5.7
Operating expenses	-240.6	-248.8	-120.4	-128.2	-480.1
Depreciation, amortization and write-downs	-9.5	-9.1	-4.8	-4.7	-18.0
Share of the associated companies' result	0.1	0.1	0.0	0.1	0.1
Operating profit	14.3	12.3	6.9	8.5	18.2
% of net sales	5.4	4.6	5.2	6.1	3.6
Financial income and expenses	-14.4	-11.6	-7.0	-5.7	-24.4
Result after financial items	-0.1	0.7	-0.1	2.9	-6.2
% of net sales	-0.1	0.3	0.0	2.0	-1.2
Income taxes	-0.1	0.6	0.4	-0.1	-4.5
Net profit	-0.3	1.3	0.4	2.7	-10.7
Allocation of net profit for the period					
To equity holders of the parent	-0.9	1.0	0.0	2.5	-10.9
To non-controlling interest	0.6	0.3	0.4	0.2	0.2
	-0.3	1.3	0.4	2.7	-10.7
Earnings per share calculated on the profit attributable to equity holders of the parent					
Earnings per share, EUR	-0.10	0.00	-0.03	0.09	-0.55



**Consolidated income statement**

MEUR	1.1.-30.6.2014	1.1.-30.6.2013	1.4.-30.6.2014	1.4.-30.6.2013	1.1.-31.12.2013
Net sales	264.5	268.0	132.6	140.3	510.5
Other operating income	-0.1	2.0	-0.5	0.9	5.9
Operating expenses	-242.9	-249.8	-121.8	-128.7	-483.2
Depreciation, amortization and write-downs	-9.6	-9.1	-4.8	-4.7	-18.4
Share of the associated companies' result	0.1	0.1	0.0	0.1	0.1
Operating profit	12.0	11.3	5.5	8.0	14.9
% of net sales	4.5	4.2	4.1	5.7	2.9
Financial income and expenses	-14.5	-11.6	-7.0	-5.7	-24.5
Result after financial items	-2.5	-0.4	-1.5	2.3	-9.6
% of net sales	-1.0	-0.1	-1.1	1.6	-1.9
Income taxes	0.4	0.8	0.7	0.0	-6.0
Net profit	-2.1	0.4	-0.8	2.3	-15.5
Allocation of net profit for the period					
To equity holders of the parent	-2.8	0.0	-1.2	2.1	-15.8
To non-controlling interest	0.6	0.3	0.4	0.2	0.2
	-2.1	0.4	-0.8	2.3	-15.5
Earnings per share calculated on the profit attributable to equity holders of the parent					
Earnings per share, EUR	-0.16	-0.04	-0.07	0.07	-0.75
Earnings per share with dilution, EUR	-0.16	-0.04	-0.07	0.07	-0.75

**Consolidated statement of comprehensive income**

MEUR	1.1.-30.6.2014	1.1.-30.6.2013	1.4.-30.6.2014	1.4.-30.6.2013	1.1.-31.12.2013
Net profit	-2.1	0.4	-0.8	2.3	-15.5
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
Revaluation of buildings and land areas	-	-	-	-	-1.8
Items that may be reclassified subsequently to profit or loss					
Translation differences	0.0	-0.7	0.2	-0.3	-1.2
Actuarial gains and losses	-0.4	0.0	-0.3	0.0	-1.7
Cash flow hedges	0.2	-0.4	0.3	-0.4	-0.3
Other items	0.0	0.0	-0.1	0.0	0.0
Total items that may be reclassified to profit or loss subsequently	-0.3	-1.0	0.2	-0.7	-3.2
Income tax on other comprehensive income	0.1	0.1	0.0	0.1	0.9
Other comprehensive income, net of tax	-0.3	-0.9	0.2	-0.6	-4.1
Total comprehensive income	-2.4	-0.6	-0.6	1.7	-19.6
Allocation of total comprehensive income					
To equity holders of the parent	-3.1	-0.9	-1.1	1.4	-19.7
To non-controlling interest	0.6	0.3	0.4	0.3	0.0
	-2.4	-0.6	-0.6	1.7	-19.6

**Consolidated statement of financial position**

MEUR	30.6.2014	30.6.2013	31.12.2013
<b>Assets</b>			
Non-current assets			
Intangible assets	8.3	5.9	9.7
Goodwill	29.1	29.1	29.1
Investment properties	9.1	11.4	11.6
Tangible assets	252.5	253.1	253.3
Investment in associates	1.1	1.4	1.3
Receivables	3.6	4.2	4.2
Other investments	0.9	0.8	0.9
Deferred tax assets	34.9	33.7	34.0
Total non-current assets	339.6	339.6	344.1
Current assets			
Inventories	71.8	77.1	63.1
Receivables	47.9	49.4	34.4
Tax receivables	0.2	0.1	0.1
Cash and cash equivalents	4.1	20.8	10.2
Total current assets	124.0	147.4	107.8
<b>Total assets</b>	<b>463.6</b>	<b>486.9</b>	<b>452.0</b>
<b>Shareholders' equity and liabilities</b>			
Shareholders' equity			
Share capital	21.9	21.9	21.9
Other equity	52.8	47.1	55.8
Equity attributable to equity holders of the parent company	74.7	68.9	77.7
Non-controlling interest	8.0	7.7	7.4
Shareholders' equity	82.7	76.7	85.2
Liabilities			
Non-current			
Capital loans	2.3	23.7	2.3
Interest bearing	67.3	101.9	134.2
Interest free	0.6	1.0	0.6
Provisions	9.2	8.9	8.5
Deferred tax liability	11.5	9.4	12.6
Current			
Capital loans	0.6	3.7	0.6
Interest bearing	167.5	132.4	102.7
Interest free	117.3	123.7	101.8
Tax liabilities	0.9	1.5	0.4
Provisions	3.6	4.0	3.3
Total liabilities	380.8	410.2	366.8
<b>Total shareholders' equity and liabilities</b>	<b>463.6</b>	<b>486.9</b>	<b>452.0</b>

**Condensed consolidated cash flow statement**

MEUR	11.-30.6.2014	11.-30.6.2013	11.-31.12.2013
<b>Cash flow from operating activities</b>			
Result after financial items	-2.5	-0.4	-9.6
Depreciation, amortization and write-downs	9.6	9.1	18.4
Net financial income and expenses	14.5	11.6	24.5
Other income and expenses, adjustments to cash flow	0.2	-1.3	-4.7
Change in net working capital	-6.0	1.6	2.6
<b>Cash flow from operations before financing and income taxes</b>	<b>15.8</b>	<b>20.7</b>	<b>31.2</b>
Interest received and paid and dividends received	-11.2	-7.9	-23.3
Taxes paid	-1.3	-3.7	-5.7
<b>Net cash flow from operating activities</b>	<b>3.3</b>	<b>9.1</b>	<b>2.2</b>
<b>Cash flow from investing activities</b>			
Acquisition of subsidiaries, net of cash acquired	-	-0.1	-0.1
Capital expenditure in tangible and intangible assets	-6.4	-7.4	-16.4
Proceeds from tangible and intangible assets	2.1	0.6	0.6
Other investments and loans granted	0.0	0.0	0.0
Proceeds from other investments and repayments of loan receivables	0.0	0.0	0.1
<b>Net cash flow from investing activities</b>	<b>-4.3</b>	<b>-7.0</b>	<b>-15.7</b>
<b>Cash flow from financing activities</b>			
Dividends paid	-	-1.1	-1.1
Interest paid, hybrid bond	-	-2.5	-3.3
Proceeds from share issue	-	-	4.2
Proceeds from the issue of hybrid bond	-	-	0.1
Repayment of finance lease liabilities	-2.0	-1.6	-3.8
Draw-down (+)/ repayment (-) of current loans	8.7	10.6	13.6
Draw-down of non-current loans	0.0	12.0	30.3
Repayment of non-current loans and other changes	-11.7	-19.5	-37.0
<b>Net cash flow from financing activities</b>	<b>-5.0</b>	<b>-2.0</b>	<b>3.0</b>
<b>Change in liquid assets</b>	<b>-6.0</b>	<b>0.1</b>	<b>-10.5</b>
Cash and cash equivalents at the beginning of the period	10.2	20.6	20.6
Effects of exchange rate changes on cash	0.0	0.0	0.0
Cash and cash equivalents at the period end	4.1	20.8	10.2

**Statement of changes in consolidated shareholders' equity**

MEUR	Share capital	Share premium account	Other reserves	Cash flow hedges	Trans - lation diffe- rences	Retained earnings	Total	Non- controlling interest	Share - holders' equity total
<b>Shareholders' equity 1.1.2013</b>	<b>21.9</b>	<b>15.0</b>	<b>94.7</b>	<b>-0.4</b>	<b>-35.6</b>	<b>-20.9</b>	<b>74.6</b>	<b>8.8</b>	<b>83.4</b>
Net profit						0.0	0.0	0.3	0.4
Translation differences					-0.6		-0.6	0.0	-0.7
Cash flow hedges				-0.3			-0.3		-0.3
Other comprehensive income items			0.0				0.0		0.0
Total comprehensive income			0.0	-0.3	-0.6	0.0	-0.9	0.3	-0.6
Interest, hybrid bond						-1.9	-1.9		-1.9
Dividend							0.0	-1.1	-1.1
Items decreased directly from equity (*)						-2.9	-2.9	-0.2	-3.1
<b>Shareholders' equity 30.6.2013</b>	<b>21.9</b>	<b>15.0</b>	<b>94.7</b>	<b>-0.7</b>	<b>-36.2</b>	<b>-25.7</b>	<b>68.9</b>	<b>7.7</b>	<b>76.7</b>

\*) Prior year 2004 the subsidiary in Turkey has recorded the inflation related value increase adjustments directly in equity in accordance with IAS 29. The inflation adjustments have been reclassified in equity and the tax charges of the reclassification have been recorded directly in equity, hence the value adjustments were also recorded directly in equity at the time.

MEUR	Share capital	Share premium account	Other reserves	Cash flow hedges	Trans - lation diffe- rences	Retained earnings	Total	Non- controlling interest	Share - holders' equity total
<b>Shareholders' equity 1.1.2014</b>	<b>21.9</b>	<b>15.0</b>	<b>121.3</b>	<b>-0.7</b>	<b>-36.8</b>	<b>-42.9</b>	<b>77.7</b>	<b>7.4</b>	<b>85.2</b>
Net profit						-2.8	-2.8	0.6	-2.1
Translation differences					0.0		0.0	0.0	0.0
Actuarial gains and losses						-0.3	-0.3	0.0	-0.3
Cash flow hedges				0.1			0.1		0.1
Other comprehensive income items			0.0				0.0		0.0
Total comprehensive income			0.0	0.1	0.0	-3.1	-3.1	0.6	-2.4
<b>Shareholders' equity 30.6.2014</b>	<b>21.9</b>	<b>15.0</b>	<b>121.2</b>	<b>-0.6</b>	<b>-36.8</b>	<b>-46.0</b>	<b>74.7</b>	<b>8.0</b>	<b>82.7</b>

<b>Key Ratios</b>	<b>30.6.2014</b>	30.6.2013	31.12.2013
Equity ratio, %	17.9	15.8	18.9
Equity per share, EUR	2.55	3.10	2.66
Invested capital at period end, MEUR	320.4	338.4	324.9
Return on investment, excl. one-time items, %	9.2	7.7	5.9
Return on investment, %	7.7	7.1	4.9
Return on equity, excl. one-time items, %	-0.6	3.4	-12.8
Return on equity, %	-5.1	1.0	-18.6
Net interest bearing debt, preferred capital note in debt, MEUR	233.6	240.9	229.6
Net gearing, preferred capital note in debt, %	282.3	314.2	269.6
Order book, MEUR	94.8	94.7	87.3
Investments in non-current assets without finance leases, MEUR	6.3	7.4	16.4
Investments in non-current assets incl. finance leases, MEUR	8.8	7.9	18.9
Investments in non-current assets (incl. finance leases), % of net sales	3.3	3.0	3.7
Average number of personnel during the period	4,155	4,118	4,153
Average number of personnel during the period, incl. leased personnel	4,493	4,413	4,464
Number of personnel at period end	4,176	4,220	4,154
Number of personnel at period end, incl. leased personnel	4,523	4,606	4,431
Share of export and foreign activities in net sales, %	91.2	91.3	91.6
Contingent liabilities, MEUR	528.0	535.9	532.1
Earnings per share (EPS), EUR	-0.16	-0.04	-0.75
Earnings per share, with dilution (EPS), EUR	-0.16	-0.04	-0.75
Cash flow per share, EUR	0.11	0.41	0.09

### Changes in tangible assets and goodwill

MEUR	<b>1-6/2014</b>	1-6/2013	1-12/2013
<b>Changes in tangible assets</b>			
<b>Acquisition cost at the beginning of the period</b>	<b>561.3</b>	571.1	571.1
Translation differences	-3.0	-2.4	-2.9
Additions	8.8	6.7	15.7
Companies acquired	0.0	-	0.0
Revaluation of buildings and land areas	0.0	-	-1.8
Disposals and transfers between items	-1.1	-5.8	-20.8
<b>Acquisition cost at the end of the period</b>	<b>566.0</b>	569.6	561.3
<b>Accumulated depreciation at the beginning of the period</b>	<b>-308.0</b>	-315.1	-315.1
Translation differences	1.3	1.5	1.7
Accumulated depreciation on disposals and transfers	0.7	4.9	20.8
Accumulated depreciation on companies acquired	0.5	-	-
Depreciation, amortization and write-downs during the period	-8.1	-7.7	-15.4
<b>Accumulated depreciation at the end of the period</b>	<b>-313.5</b>	-316.5	-308.0
<b>Book value at the end of the period</b>	<b>252.5</b>	253.1	253.3
<b>Goodwill</b>			
<b>Acquisition cost at the beginning of the period</b>	<b>29.1</b>	29.1	29.1
Translation difference	0.0	0.0	0.0
<b>Book value at the end of the period</b>	<b>29.1</b>	29.1	29.1

## Group development

### Net sales by market area

MEUR	1-12/2013	1-6/2013	1-6/2014
Germany	107.4	55.7	54.2
Sweden	97.6	49.9	51.1
Turkey	64.8	37.6	29.4
UK	56.3	29.1	24.9
Finland	42.7	23.2	23.2
Benelux countries	37.2	19.7	20.8
France	32.9	17.1	17.0
Italy	27.6	14.0	15.8
Other European countries	17.5	8.9	10.9
Other countries	26.6	12.9	17.4
<b>Total</b>	<b>510.5</b>	<b>268.0</b>	<b>264.5</b>

### Quarterly net sales development by market area

MEUR	Q1/13	Q2/13	Q3/13	Q4/13	Q1/14	Q2/14
Germany	27.9	27.8	24.5	27.2	28.2	26.0
Sweden	22.6	27.2	21.9	25.8	25.3	25.8
Turkey	17.2	20.4	13.0	14.2	15.4	14.0
UK	13.8	15.3	15.6	11.6	12.2	12.7
Finland	11.3	11.9	9.8	9.7	12.1	11.1
Benelux countries	9.6	10.1	9.2	8.2	10.3	10.4
France	7.8	9.2	7.1	8.7	8.1	8.9
Italy	6.9	7.1	7.6	5.9	6.9	8.9
Other European countries	4.2	4.6	3.6	5.0	5.1	5.7
Other countries	6.2	6.7	6.7	7.0	8.2	9.1
<b>Total</b>	<b>127.7</b>	<b>140.3</b>	<b>119.0</b>	<b>123.5</b>	<b>131.9</b>	<b>132.6</b>

### Reconciliation of consolidated operating profit

MEUR	1-12/2013	1-6/2013	1-6/2014
<b>Operating profit, IFRS</b>	14.9	11.3	12.0
One-time items	-3.3	-1.1	-2.3
<b>Operating profit excluding one-time items</b>	18.2	12.3	14.3
Operative exchange rate differences	3.7	1.5	-1.0
<b>Operating profit excluding one-time items and operative exchange rate differences</b>	14.5	10.8	15.3

### Group development excluding one-time items and exchange rate differences arising from open operative balance sheet positions

MEUR	1-12/2013	1-6/2013	1-6/2014
Net sales	510.5	268.0	264.5
Operating profit	14.5	10.8	15.3
Net financial items *)	-24.4	-11.6	-14.4
Profit after financial items	-9.9	-0.8	0.8

\*) Net financial items are not allocated to business segments

### Group development by business segment excluding one-time items and exchange rate differences arising from open operative balance sheet positions

Operating profit, MEUR	1-12/2013	1-6/2013	1-6/2014
Foundry division	2.0	6.3	7.6
Machine shop division	2.7	1.0	2.7
Aluminium division	8.6	3.9	4.6
Other business	1.5	0.3	0.5
Internal items	-0.3	-0.7	-0.2
<b>Componenta total</b>	14.5	10.8	15.3

### Group development by quarter excluding one-time items and exchange rate differences arising from open operative balance sheet positions

MEUR	Q1/13	Q2/13	Q3/13	Q4/13	Q1/14	Q2/14
Net sales	127.7	140.3	119.0	123.5	131.9	132.6
Operating profit	2.9	7.9	0.1	3.6	7.4	7.9
Net financial items *)	-6.0	-5.7	-6.7	-6.1	-7.5	-7.0
Profit after financial items	-3.0	2.2	-6.5	-2.5	-0.1	0.9

\*) Net financial items are not allocated to business segments

### Quarterly development by business segment excluding one-time items and exchange rate differences arising from open operative balance sheet positions

Operating profit, MEUR	Q1/13	Q2/13	Q3/13	Q4/13	Q1/14	Q2/14
Foundry division	1.7	4.6	-3.4	-0.8	3.8	3.8
Machine shop division	0.1	0.9	0.9	0.8	0.9	1.9
Aluminium division	1.8	2.1	2.0	2.7	2.4	2.2
Other business	-0.4	0.7	0.5	0.7	0.3	0.2
Internal items	-0.3	-0.3	0.0	0.3	0.0	-0.2
<b>Componenta total</b>	2.9	7.9	0.1	3.6	7.4	7.9

### Group development excluding one-time items

MEUR	1-12/2013	1-6/2013	1-6/2014
Net sales	510.5	268.0	264.5
Operating profit	18.2	12.3	14.3
Net financial items *)	-24.4	-11.6	-14.4
Profit after financial items	-6.2	0.7	-0.1

\*) Net financial items are not allocated to business segments

### Group development by business segment excluding one-time items

Operating profit, MEUR	1-12/2013	1-6/2013	1-6/2014
Foundry division	4.6	7.5	7.1
Machine shop division	2.7	0.9	2.4
Aluminium division	9.7	4.2	4.6
Other business	1.6	0.4	0.4
Internal items	-0.3	-0.7	-0.2
<b>Componenta total</b>	18.2	12.3	14.3

### Group development by quarter excluding one-time items

MEUR	Q1/13	Q2/13	Q3/13	Q4/13	Q1/14	Q2/14
Net sales	127.7	140.3	119.0	123.5	131.9	132.6
Operating profit	3.8	8.5	2.2	3.7	7.4	6.9
Net financial items *)	-6.0	-5.7	-6.7	-6.1	-7.5	-7.0
Profit after financial items	-2.2	2.9	-4.4	-2.5	-0.1	-0.1

\*) Net financial items are not allocated to business segments

**Quarterly development by business segment excluding one-time items**

Operating profit, MEUR	Q1/13	Q2/13	Q3/13	Q4/13	Q1/14	Q2/14
Foundry division	2.6	5.0	-1.9	-1.0	4.0	3.1
Machine shop division	0.0	0.9	1.0	0.8	0.8	1.6
Aluminium division	2.0	2.3	2.6	2.9	2.3	2.3
Other business	-0.4	0.8	0.5	0.6	0.3	0.1
Internal items	-0.3	-0.3	0.0	0.3	0.0	-0.2
<b>Componenta total</b>	3.8	8.5	2.2	3.7	7.4	6.9

**Group development**

MEUR	1-12/2013	1-6/2013	1-6/2014
Net sales	510.5	268.0	264.5
Operating profit	14.9	11.3	12.0
Net financial items *)	-24.5	-11.6	-14.5
Profit after financial items	-9.6	-0.4	-2.5

\*) Net financial items are not allocated to business segments

**Group development by business segment**

Net sales, MEUR	1-12/2013	1-6/2013	1-6/2014
<b>Foundry Division</b>			
External sales	223.4*)	120.6	117.5
Internal sales	105.6*)	60.3	50.2
Total sales	329.0	180.9	167.7
<b>Machine Shop Division</b>			
External sales	104.0*)	53.0	57.4
Internal sales	11.5*)	5.6	6.1
Total sales	115.5	58.6	63.5
<b>Aluminium Division</b>			
External sales	70.8	35.1	34.1
Internal sales	2.0	0.7	3.7
Total sales	72.8	35.8	37.8
<b>Other Business</b>			
External sales	112.3	59.4	55.5
Internal sales	29.6	15.0	14.7
Total sales	141.9	74.5	70.2
Internal items	-148.7	-81.7	-74.6
<b>Componenta total</b>	510.5	268.0	264.5

\*) The split between the external and internal sales have been changed regarding the comparative financial year 2013. The change in question did not have any impact to the Group consolidated external sales and neither to the total sales of Foundry Division and Machine Shop Division. The change of comparative figures was done in order to synchronize the Group internal delivery registration for the year 2013 with the registration model in use in 2014.

Operating profit, MEUR	1-12/2013	1-6/2013	1-6/2014
Foundry division	4.6	7.5	7.1
Machine shop division	2.7	0.9	2.4
Aluminium division	9.7	4.2	4.6
Other business	1.6	0.4	0.4
One-time items	-3.3	-1.1	-2.3*)
Internal items	-0.3	-0.7	-0.2
<b>Componenta total</b>	14.9	11.3	12.0

\*) One-time items in 2014 relate to the small production line transfer and closure of the Pietarsaari Foundry, EUR -0.6 million, restructuring measures at Orhangazi Foundry in Turkey, EUR -0.2 million and structural changes and adaptation measures in Wirsbo, EUR -0.3 million and in addition EUR -0.6 million write-downs of receivables and write-down of property sales price agreed on the letter of intent in conjunction to Nisamo business divestment in 2011. Other one-time items were EUR -0.6 million.



**Group development by quarter**

MEUR	Q1/13	Q2/13	Q3/13	Q4/13	Q1/14	Q2/14
Net sales	127.7	140.3	119.0	123.5	131.9	132.6
Operating profit	3.3	8.0	1.5	2.1	6.5	5.5
Net financial items *)	-6.0	-5.7	-6.7	-6.1	-7.5	-7.0
Profit after financial items	-2.7	2.3	-5.2	-4.0	-1.0	-1.5

\*) Net financial items are not allocated to business segments

**Quarterly development by business segment**

Net sales, MEUR	Q1/13	Q2/13	Q3/13	Q4/13	Q1/14	Q2/14
Foundry division	85.0	95.9	74.9	73.3	84.6	83.1
Machine shop division	27.7	30.9	26.7	30.2	30.4	33.1
Aluminium division	17.1	18.7	18.6	18.4	18.1	19.7
Other business	35.5	38.9	33.5	33.9	36.0	34.2
Internal items	-37.6	-44.1	-34.8	-32.2	-37.1	-37.5
<b>Componenta total</b>	127.7	140.3	119.0	123.5	131.9	132.6

Operating profit, MEUR	Q1/13	Q2/13	Q3/13	Q4/13	Q1/14	Q2/14
Foundry division	2.6	5.0	-1.9	-1.0	4.0	3.1
Machine shop division	0.0	0.9	1.0	0.8	0.8	1.6
Aluminium division	2.0	2.3	2.6	2.9	2.3	2.3
Other business	-0.4	0.8	0.5	0.6	0.3	0.1
One-time items	-0.5	-0.6	-0.7	-1.5	-0.9*)	-1.5*)
Internal items	-0.3	-0.3	0.0	0.3	0.0	-0.2
<b>Componenta total</b>	3.3	8.0	1.5	2.1	6.5	5.5

\*) One-time items in 2014 relate to the small production line transfer and closure of the Pietarsaari Foundry, EUR -0.6 million, restructuring measures at Orhangazi Foundry in Turkey, EUR -0.2 million and structural changes and adaptation measures in Wirsbo, EUR -0.3 million and in addition EUR -0.6 million write-downs of receivables and write-down of property sales price agreed on the letter of intent in conjunction to Nisamo business divestment in 2011. Other one-time items were EUR -0.6 million.

Order book at period end, MEUR	Q1/13	Q2/13	Q3/13	Q4/13**)	Q1/14	Q2/14*)
Foundry division	58.7	54.6	46.7	51.2	55.3	54.4
Machine shop division	20.4	24.3	19.2	20.5	23.2	25.2
Aluminium division	12.4	14.1	13.0	12.8	14.1	15.3
Other business	21.6	25.6	20.3	21.7	21.0	23.2
Internal items	-24.1	-24.0	-15.4	-19.0	-22.9	-23.2
<b>Componenta total</b>	89.1	94.7	83.6	87.3	90.7	94.8

\*) Order book on 4 July 2014

\*\*\*) Order book on 6 January 2014

**Business segments**

MEUR	30.6.2014	30.6.2013	31.12.2013
<b>Foundry division</b>			
Assets	281.3	255.3*)	245.6*)
Liabilities	93.9	82.5	73.8
Investments in non-current assets (incl. finance leases)	4.1	2.0	6.6
Depreciation, amortization and write-downs	3.8	4.6	9.0
<b>Machine shop division</b>			
Assets	63.4	61.6	61.9
Liabilities	32.8	28.7	25.9
Investments in non-current assets (incl. finance leases)	2.7	2.5	6.4
Depreciation, amortization and write-downs	2.3	1.4	2.8
<b>Aluminium division</b>			
Assets	50.9	59.0*)	47.6*)
Liabilities	7.1	18.8	8.2
Investments in non-current assets (incl. finance leases)	1.5	1.1	1.7
Depreciation, amortization and write-downs	1.5	1.2	2.5
<b>Other business</b>			
Assets	79.5	90.0	83.7
Liabilities	56.3	49.3	44.7
Investments in non-current assets (incl. finance leases)	0.6	2.3	4.2
Depreciation, amortization and write-downs	1.9	1.9	4.1

\*) Previously released allocations of assets between Foundry division and Aluminium division has been changed. The internal allocation principles of the VAT receivables and other public authority items within Turkish subsidiary has been changed between Orhangazi iron foundry unit and Manisa aluminium business units. 30 June 2013 and 31 December 2013 assets have been revised to correspond the new allocation principles.

**Fair values of derivative instruments**

MEUR	Fair value, positive	30.6.2014 Fair value, negative	Fair value, net	30.6.2013 Fair value, net	31.12.2013 Fair value, net
Currency derivatives					
Foreign exchange forwards	0.0	0.0	0.0	0.0	0.0
Currency swaps	0.5	0.0	0.5	-0.1	-2.1
Interest rate derivatives					
Interest rate swaps	0.0	-0.1	-0.1	-0.4	-0.3
Commodity derivatives					
Electricity price forwards	0.0	-0.9	-0.9	-1.2	-1.1
<b>Total</b>	<b>0.6</b>	<b>-1.1</b>	<b>-0.5</b>	<b>-1.7</b>	<b>-3.4</b>

**Nominal values of derivative instruments**

MEUR	30.6.2014 Nominal value	30.6.2013 Nominal value	31.12.2013 Nominal value
Currency derivatives *)			
Foreign exchange forwards	3.1	1.3	0.7
Currency swaps	48.3	116.5	96.2
Interest rate derivatives			
Interest rate swaps			
Maturity in less than a year	-	35.0	12.5
Maturity after one year and less than five years	5.0	5.0	5.0
Commodity derivatives			
Electricity price forwards			
Maturity in less than a year	1.4	1.6	2.5
Maturity after one year and less than five years	3.8	5.3	2.9
<b>Total</b>	<b>61.6</b>	<b>164.6</b>	<b>119.8</b>

\*) Currency derivatives mature in less than a year.

## Classification of fair value of financial assets and liabilities

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

### LEVEL 1:

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

### LEVEL 2:

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

### LEVEL 3:

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

### Fair values by classification of valuation method Q2 / 2014

MEUR	LEVEL 1	LEVEL 2	LEVEL 3
Foreign exchange rate derivatives (OTC)	-	0.6	-
Interest rate derivatives (OTC)	-	-0.1	-
Commodity derivatives	-0.9	-	-
Available-for-sale investments	-	-	0.9

### Fair values by classification of valuation method Q2 / 2013

MEUR	LEVEL 1	LEVEL 2	LEVEL 3
Foreign exchange rate derivatives (OTC)	-	-0.1	-
Interest rate derivatives (OTC)	-	-0.4	-
Commodity derivatives	-1.2	-	-
Available-for-sale investments	-	-	0.9

### Fair values by classification of valuation method Q4 / 2013

MEUR	LEVEL 1	LEVEL 2	LEVEL 3
Foreign exchange rate derivatives (OTC)	-	-2.1	-
Interest rate derivatives (OTC)	-	-0.3	-
Commodity derivatives	-1.1	-	-
Available-for-sale investments	-	-	0.9

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

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

## Contingent liabilities

MEUR	30.6.2014	30.6.2013	31.12.2013
Real-estate mortgages			
For own debts	11.2	11.7	11.7
Business mortgages			
For own debts	103.4	103.6	103.6
Pledges			
For own debts	407.0	412.0 <sup>*)</sup>	409.7 <sup>*)</sup>
Other leasing commitments	5.0	6.6	5.7
Other commitments	1.4	2.0	1.4
<b>Total</b>	<b>528.0</b>	<b>535.9</b>	<b>532.1</b>

<sup>\*)</sup> Previously released comparatives regarding pledges given for own debt has been changed. Previously released values were EUR 404.0 million for 31 December 2013 and EUR 404.5 million for 30 June 2013. The company has changed the valuation principle regarding property pledges and currently fair valuation principle is followed for the property pledges valuation.

On 30 June 2014 Componenta had contingent financial leasing liabilities, from not yet started contracts, amounting to EUR 3.5 million (EUR 2.8 million) and 31 December 2013 EUR 2.3 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

One Euro is	Closing rate			Average rate		
	30.6.2014	30.6.2013	31.12.2013	30.6.2014	30.6.2013	31.12.2013
SEK	9.1762	8.7773	8.8591	8.9535	8.5311	8.6515
USD	1.3658	1.3080	1.3791	1.3703	1.3134	1.3281
GBP	0.8015	0.8572	0.8337	0.8213	0.8508	0.8493
TRY (Turkish central bank)	2.8919	2.5137	2.9365	2.9657	2.3773	2.5271

## Calculation of key financial ratios

Return on equity, % (ROE) *)=	$\frac{\text{Profit after financial items} - \text{income taxes} \times 100}{\text{Shareholders' equity without preferred capital notes} + \text{non-controlling interest (quarterly average)}}$
Return on investment, % (ROI) *)	$= \frac{\text{Profit after financial items} + \text{interest and other financial expenses} \times 100}{\text{Shareholders' equity} + \text{interest bearing liabilities (quarterly average)}}$
Equity ratio, %	$= \frac{\text{Shareholders' equity, preferred capital notes excluded} + \text{non-controlling interest} \times 100}{\text{Balance sheet total} - \text{advances received}}$
Earnings per share, EUR (EPS)	$= \frac{\text{Profit after financial items} - \text{income taxes} +/- \text{non-controlling interest} - \text{deferred and paid interest on hybrid loan}}{\text{Average number of shares during the financial period}}$
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)	$= \frac{\text{Net cash flow from operating activities}}{\text{Average number of shares during the financial period}}$
Equity per share, EUR	$= \frac{\text{Shareholders' equity, preferred capital notes excluded}}{\text{Number of shares at period end}}$
Net interest bearing debt, MEUR	= Interest bearing liabilities + preferred capital notes - cash and bank accounts
Net gearing, %	$= \frac{\text{Net interest bearing liabilities} \times 100}{\text{Shareholders' equity, preferred capital notes excluded} + \text{non-controlling interest}}$
EBITDA, EUR	= Operating profit + Depreciation, amortization and write-downs +/- Share of the associated companies' result

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

**Largest registered shareholders on 30 June 2014**

Osakkaan nimi	Shares	Share of total voting rights, %
1 Lehtonen Heikki	7,528,492	25.72
Oy Högfors-Trading Ab	4,010,704	
Cabana Trade S.A.	3,501,988	
Lehtonen Heikki	15,800	
2 Etra Capital Oy	6,751,450	23.07
3 Finnish Industry Investment Ltd	2,666,662	9.11
4 Varma Mutual Pension Insurance Company	2,385,218	8.15
5 Mandatum Life	1,200,000	4.10
6 Nordea Life Assurance Finland Ltd	800,000	2.73
7 Alfred Berg Finland Fund	405,754	1.39
8 Danske Fund Finnish Small Cap	402,515	1.38
9 Bergholm Heikki	375,016	1.28
10 Laakkonen Mikko	370,000	1.26
Nominee-registered shares	280,022	0.96
Other shareholders	6,104,095	20.85
Total	29,269,224	100.00

The members of the Board of Directors own 26.6% of the shares. All shares have equal voting rights.

Helsinki, 4 August 2014

COMPONENTA CORPORATION  
Board of Directors

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