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Componenta to execute financing arrangements of approximately EUR 250 million including share issues of about EUR 90 million

The financing arrangements Componenta Corporation started at the beginning 2014 have made progress as mentioned in the interim report 1 January - 30 June 2014. By means of these arrangements the company's interest bearing debt portfolio will be refinanced with the new long-term financing instruments. In addition, the arrangements to strengthen the company's shareholders' equity and thus to decrease the gearing and improve the liquidity situation have been agreed with the investors of the company.

Componenta has signed an agreement with Nordic banks on a credit facility of EUR 61.8 million and a new revolving credit facility of EUR 7 million. This long-term financing agreement will extend the current short-term credit facilities of Componenta to 3 + 1 years. In addition, Componenta's subsidiary Componenta Dökümcülük A.S. has signed a new 7-year credit facility agreement of EUR 90 million with the Turkish banks, which was announced on 14 August 2014. As a consequence, the average maturity of the interest bearing debt of Componenta will be lengthened from about one year to four and half years. Total annual interest expenses will decrease approximately by EUR 8 million.

As part the financing arrangements Componenta intends to execute share issues in total of maximum 68 million shares in two phases. In the first share issue a maximum total of 15,000,000 new shares ("Issued Shares") will be offered to a limited group of selected investors at a price of EUR 1.00 per share ("the Private Placement"). The subscription price is based on negotiations with the investors about the subscription price at which the Private Placement can be executed. The company has received subscription commitments for subscribing all Issued Shares and the Private Placement will be offered on 15 August 2014 according to the Board of Directors' decision made today and which is based on the authorisations granted by the General Meetings. Funds received from this Private Placement will improve the company's liquidity immediately. The terms and conditions for the Private Placement are attached to this release.

The Board of Directors proposes that the Extraordinary General Meeting to be held on 5 September 2014 will resolve to offer in the second phase of the share issues in total a maximum of 53,000,000 new shares ("New Shares") to individuals and corporations in Finland ("the Share Issue"). The subscription price of the new shares is EUR 1.00 per share when the subscription will be paid in cash; EUR 1.30 per share, when the subscription will be paid with the loan units of the Componenta 2013 secured bond; EUR 1.60 per share, when the subscription will be paid with the loan units of the Componenta 2013 Unsecured Bond; and EUR 2.00 per share when the payment will be made with Componenta 2009 and 2010 Capital Notes or Hybrid Bonds 2012 and 2013. The subscription price is based on negotiations with the investors, as well as on the priority status of the loan to be used for the payment. In addition to the principals also the accrued but unpaid interests of the Company's bonds will be used for the payments.

In the event of an oversubscription, a maximum of 10,000,000 New Shares will be allocated to the company's shareholders who have made a subscription in the Share Issue and who on 4 September 2014 are recorded in the Company's shareholder register kept by Euroclear Finland Ltd in order to receive New Shares in proportions corresponding to their shareholdings of the total amount of 10,000,000 New Shares and 15,000,000 Issued Shares. In the event of an oversubscription, the subscriptions of the Company's bondholders that are paid with the principals and accrued but unpaid interests of the bonds will be approved in full.

Notice to the Extraordinary General Meeting on 5 September 2014 will be published today as a separate stock exchange release. The terms and conditions in details will be attached to the Notice. The shareholders, who represent at least 70% of the company's shares and voting rights, are committed to vote

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for the share issue in the Extraordinary General Meeting to be held on 5 September 2014. Componenta will publish a Finnish prospectus related to the Share Issue before the subscription period begins.

The purpose of the share issues is to secure the continuity of the company's operations by considerably strengthening the company's financial position. There are thus weighty financial reasons for derogating from the shareholders' pre-emptive subscription rights.

If the share issues will be fully subscribed, the average price in the share issues is estimated to be EUR 1.49 per share. Based on the subscription commitments Componenta has already received the average price is estimated to be EUR 1.49 per share.

The company has received from its largest shareholders and bondholders subscription commitments to subscribe shares in total of EUR 20 million in the share issues and pay the subscription by cash. EUR 15 million of the total EUR 20 million will be directed to the Private Placement. In addition, the company has received subscription commitments from certain bondholders to subscribe New Shares in the Share Issue with more than EUR 63 million by paying the subscriptions with the loan receivables of Componenta and the accrued but unpaid interest.

In addition, Componenta signed on 14 August 2014 an agreement to extend the maturity period of the secured bond, which was issued by Componenta on 2 September 2013, to 2019, apart from the portion that will be used as a subscription payment in the Share Issue.

As part of financing arrangements Componenta will today publish a Notice to Noteholders' Meeting of Componenta Corporation Notes 2013 to resolve the amendments to the terms and conditions of the Notes.

Once realized the financing arrangements will fulfil Componenta's targets to stabilize the company's financing by lengthening the average maturity of interest bearing debts from current, by improving the company's liquidity position significantly and by strengthening the shareholders' equity by about EUR 90 million.

President and CEO, Heikki Lehtonen states that these exceptionally large financing arrangements will strengthen Componenta's position in the network of its customers and suppliers. Together with the ongoing corporate-wide efficiency improvement program which has made progress according to the plan, these financing arrangements support Componenta's position as one of the leading cast component suppliers in Europe.

The arranger of the share issues is Alexander Corporate Finance Oy.

Helsinki, 15 August 2014

COMPONENTA CORPORATION

Heikki Lehtonen
President and CEO

ENCL.Terms and conditions of the Share Issue (Private Placement) to be offered on 15 August 2014

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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 511 million in 2013 and its share is listed on the NASDAQ OMX Helsinki. The Group employs approx. 4,400 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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