FINANCIAL STATEMENTS BULLETIN 1 January – 31 December 2014

2014

COMPONENTA

Operating profit from business operations improved from previous financial year despite the fall in net sales

January – December 2014 summary

- Order book rose 2% from the previous year to MEUR 89 (MEUR 87).
- Consolidated net sales in the financial year totalled MEUR 495 (MEUR 511).
- EBITDA excluding one-time items and exchange rate differences of balance sheet items was MEUR 35.8 (MEUR 32.5).
- Operating profit excluding one-time items and exchange rate differences of balance sheet items ("operating profit from business operations") increased due to the cost savings achieved in the efficiency improvement program and was MEUR 17.8 (MEUR 14.5).
- The result after financial items excluding one-time items and exchange rate differences of operative balance sheet items during the year was MEUR -9.5 (MEUR -9.9).
- One-time items and exchange rate differences of operative balance sheet items that had an impact on the result after financial items totalled MEUR -19.2 (MEUR 0.3). The above-mentioned figure includes write-downs of fixed assets MEUR -4.9, expenses related to the closure of the production units MEUR -3.9, financing related costs MEUR -3.7, restructuring expenses MEUR -2.7 and other one-time items MEUR -1.3 as well as exchange rate differences related to operative balance sheet items MEUR -2.7.
- Basic earnings per share were EUR -0.63 (EUR -0.75).
- The Board of Directors proposes to the Annual General Meeting that no dividend be paid for the 2014 financial year.

October – December 2014 summary

- Net sales declined 3% from the previous year to MEUR 120 (MEUR 124).
- EBITDA excluding one-time items and exchange rate differences of balance sheet items was MEUR 5.4 (MEUR 8.0). The decrease was due to the lower volumes MEUR -1, changes in the price of aluminium raw materials which the company could not charge from customers in the final quarter MEUR -1 Me, quality problems in Orhangazi MEUR -1.6, the decline of productivity in the Dutch operations MEUR -1 and increased costs caused by the strengthening of the Turkish lira MEUR -1. At the same time the measures of the efficiency improvement program improved EBITDA by MEUR +3.
- Operating profit excluding one-time items and exchange rate differences of balance sheet items was MEUR 1.2 (MEUR 3.6) and including these items MEUR -9.0 (MEUR 2.1).
- The result after financial items excluding one-time items and exchange rate differences of operative balance sheet items was MEUR -4.9 (MEUR -2.5).
- One-time items and exchange rate differences of operative balance sheet items that had an impact on the result for the October - December period totalled MEUR -10.5 (MEUR -1.5).
- Basic earnings per share were EUR -0.18 (EUR -0.37).

Summary of main events in 2014

The reorganization of Componenta's financing that the company began in January 2014 was completed in August and September. The reorganization took place in several phases, replacing the company's short-term financing with new long-term loan agreements and strengthening the company's equity through share issues. The company's financial position and liquidity were further strengthened by changes made to the terms for the hybrid bonds and notes issued earlier.

The negotiations with financiers, with the goals of extending the repayment periods for loans and reducing annual financing expenses, resulted in the signing of new loan agreements in August. On 13 August 2014 Componenta's subsidiary in Turkey, Componenta Dökümcülük A.S., signed a new seven year EUR 90 million club loan agreement with four Turkish banks. On 14 August 2014 Componenta Corporation signed a new three year EUR 61.8 million syndicated credit facility and a EUR 7 million revolving credit facility.

To strengthen its equity, the company made two share issues in August and September. On 15 August 2014 the Board of Directors exercised the authorisation for share issues given by the General Meetings with a share issue to a limited group of selected investors, in which 15,000,000 new shares were subscribed. In the second week of September, in accordance with the resolution of the Extraordinary General Meeting, Componenta carried out a share issue to the public, in which altogether 53,000,000 new shares were subscribed. The company obtained a total of EUR 98.6 million in equity financing in the share issues and improved its liquidity position and equity ratio.

The Board decision in February to defer payment of the interest on the Group's hybrid bond was part of the reorganization, with the objective of strengthening the company's financial position and liquidity. The noteholders' meetings held in July and August also changed the terms of Componenta 2013 Notes.

Apart from the reorganization of financing, the key measures taken by the

Group in 2014 were related to developing operations and improving profitability. The development projects and action to raise productivity and reduce costs were carried out as planned. In December 2014 the Group extended its efficiency improvement program that began in 2012 with the target of a further EUR 10 million improvement in profitability by the end of 2016, in addition to the previous target of EUR 35 million.

Various steps were taken to develop operations at the production units and raise their capacity utilisation rates. The investments made at the foundries in Turkey and the Netherlands improved production processes and at the same time reduced their environmental impact.

Componenta's key segments and major customer service functions, quality and engineering, were combined in December and Maurice Ruiter was appointed Senior Vice President, Quality and Engineering and a member of the Corporate Executive Team as from 1 January 2015. He will be based in the Netherlands.

Efficiency improvement program

Componenta's group-wide efficiency improvement program, started in 2012 and expanded in 2013 has the target of improving the Group's profitability from its level in 2012 by EUR 35 million by the end of 2015. The program has made progress in accordance with expectations during the financial year and the cost savings target in total has been realized despite the targets in the fourth quarter were not fully achieved.

At the beginning of December 2014 the Group expanded the efficiency improvement program, with the target of a further EUR 10 million improvement in profitability by the end of 2016. Some of the new development measures will already have a positive impact on the result for 2015. The goal of the measures to improve efficiency in production and in common functions is to raise the capacity utilisation rate at the foundries and to reduce fixed costs, and their cost saving impact is estimated in total at a minimum of EUR 6 million by 2016. The company will concentrate foundry production by closing 2 – 3 casting lines during 2015 – 2016. By improving efficiency in the Group's internal processes and ways of working, the company is aiming at savings of EUR 4 million by the end of 2016, but with approximately EUR 3 million will impact already on the result in 2015.

The 2014 EBITDA excluding one-time items and exchange rate differences of balance sheet items was EUR 35.8 million. Of this an estimated EUR 27.5 million comprises savings achieved in the efficiency improvement program. In addition to the savings visible in EBITDA, the cost saving and efficiency improvement measures carried out during the year are only expected to have a visible impact of EUR 7.5 million in the 2015 EBITDA. In addition, the measures in the expansion of the efficiency improvement program that began in December 2014 are expected to bring additional cost savings and improve EBITDA by a further EUR 3.0 million in 2015. The remaining EUR 7.0 million of the cost savings are expected to be achieved in 2016.

Order book and net sales

The Group's order book at the end of the year was 2% higher than in the previous year, standing at EUR 89 (87) million. Improvement of the order book is due to increased market shares. However, increased uncertainty in Europe, mainly due to the economic sanctions imposed by western countries on Russia, has had a negative impact on the order book recently. This shows particularly in the order book for agricultural machinery. In addition, the order book has been negatively impacted by the decreased prices of raw materials, which is clearly seen particularly in orders from mining industry. The order book comprises orders confirmed to customers for the next two months.

Consolidated net sales declined 3% in the year to EUR 495 (511) million. The Group's capacity utilization rate in the period was 58% (59%).

Componenta's net sales in the financial year by customer sector were as follows: heavy trucks 33% (31%), construction and mining 17% (19%), machine building 19% (18%), agricultural machinery 14% (17%) and automotive 17% (15%).

Result

EBITDA for the 2014 financial year excluding one-time items and exchange rate differences of balance sheet items improved from the previous year to EUR 35.8 (32.5) 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 excluding one-time items and exchange rate differences of balance sheet items improved from the previous year to EUR 17.8 (14.5) million. The improvement from the previous year was due to the cost saving measures carried out in the efficiency improvement program, EUR +13 million. The operating profit was negatively impacted by the decline in volumes, EUR -4 million, quality problems in Orhangazi, EUR -4 million and the decline of productivity in the Dutch operations, EUR -3 million.

One-time items related to the operating profit of the financial year were EUR -12.9

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

MEUR	Q4/14	Q4/13	Change %	2014	2013	Change %
Net sales	119.6	123.5	-3%	495.2	510.5	-3%
Value of production	118.9	118.8	+0%	506.2	512.2	-1%
Materials	-54.0	-52.9	+2%	-223.5	-227.4	-2%
Direct wages and external services	-21.2	-20.4	+4%	-89.8	-95.7	-6%
Other variable and fixed costs	-38.2	-37.4	+2%	-157.1	-156.6	+0%
Total costs	-113.4	-110.7	+2%	-470.4	-479.7	-2%
EBITDA	5.4	8.0	-32%	35.8	32.5	+10%

(–3.3) million. The figure includes write-downs of fixed assets mainly in the Netherlands, EUR –4.9 million, expenses related to the closure of production units in Finland and Sweden, EUR –3.9 million, reorganizing in Turkey and the Netherlands, EUR –2.7 million and other one-time items, EUR –1.3 million.

Exchange rate differences of operative balance sheet items of the financial year totalled EUR –2.7 (3.7) million, mainly due to strengthening of the Turkish lira.

Operating profit including above-mentioned one-time items and exchange rate differences of balance sheet items was MEUR 2.2 (MEUR 14.9).

The Group's net financial costs for the financial year, excluding one-time items, were EUR –27.3 (–24.4) million. Net financial costs increased from the previous year because of exchange rate losses, EUR –1.1 million, interest and fair valuation differences of interest rate derivative contracts, EUR –0.9 million and the rescheduling of arrangement fees for the syndicated loan taken in 2012, EUR –0.6 million.

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 –9.5 (–9.9) million and including these items EUR –28.7 (–9.6) million.

One-time items related to financial income and expenses were EUR –3.7 (–0.1) million. They are related to expenses of the refinancing the Group's loans, to the cancellation of loans and to writing off their arrangement fees, in total EUR –6.5 million and to the profit obtained from the conversion of bonds and notes in connection with the share issue in September EUR 2.8 million.

Income taxes were EUR +0.2 (–6.0) million. Due to caution reasons some tax receivables have not been recorded from taxes of the financial year. The increase in tax costs in the previous year was mainly due to the cut in Finland's corporate tax rate in 2014 from 24.5% to 20.0%, which has resulted in a reduction in the value of deferred tax assets in Finland. Other factors that increased tax costs were the supplementary taxes imposed following the tax audit in Turkey and the increase in deferred tax liabilities arising from the weakening of the Turkish lira.

The net result for the financial period was EUR –28.6 (–15.5) million.

Basic earnings per share were EUR –0.63 (–0.75).

The return on investment excluding one-time items was 4.8% (5.9%) and after one-time items 0.8% (4.9%).

The return on equity excluding one-time items was –14.8% (–12.8%) and after one-time items –29.1% (–18.6 %).

Balance sheet, financing and cash flow

The reorganization of Componenta's interest-bearing debts that the company began in January 2014 was carried out as planned in August and September.

Componenta subsidiary Componenta Dökümcülük A.S. signed a new seven year EUR 90 million credit facility agreement with Turkish banks on 13 August 2014. This agreement refinanced the loans of the Turkish subsidiary. In addition, on 14 August 2014 Componenta Corporation signed an agreement with Nordic banks for a EUR 61.8 million long-term credit facility and for a new EUR 7 million revolving credit facility. This long-term credit facility extended Componenta Corporation's previous short-term credit facility by 3 + 1 years.

Through these new financing arrangements the average maturity for Componenta's interest bearing debts rose from about one year to four and a half years. Thanks to the refinancing the company's annual costs for its loans will fall by some EUR 8 million.

As part of these financing arrangements, in August and September, Componenta carried out share issues for a total of 68,000,000 shares in two phases. In the first private placement on 15 August 2014, Componenta offered 15,000,000 new company shares to a limited number of selected investors at a subscription price of EUR 1.00 a share. In the other share issue on 8 – 12 September 2014, 53,000,000 new company shares were offered to the public. In this share issue the price varied, depending on the form of payment. Holders of the company's 2009 and 2010 Capital Notes, 2012 and 2013 Hybrid Bonds, 2013 Unsecured Bond and 2013 Secured Bond had the right to use the loan and interest receivables from the company to pay the share subscription price. Through these share issues the company obtained altogether EUR 98.6 million in equity financing, with subscriptions in cash accounting for EUR 28.4 million of this. A further approximately EUR 70.2 million in principal and interest receivables was used for the share subscriptions. The company also improved its liquidity position and equity ratio with the funds received in the share issues.

After the conversions carried out in the share issue, the total outstanding amount of the company's capital notes, corporate bonds and hybrid bonds was EUR 11.3 million.

At the end of the financial year, Componenta's cash and bank receivables totalled EUR 12.1 (10.2) million. The Group's interest-bearing net debt, including the outstanding capital notes of EUR 2.0 (2.9) million, totalled EUR 216 (230) million. The company's net debt as a proportion of shareholders' equity was 194% (270%). At the end of the financial year the Group's equity ratio was 23.7% (18.9%).

Net cash flow from operations during the year was EUR –20.6 (2.2) million, and within this the changes in working capital were EUR –16.8 (2.6) million. Net cash flow from operations weakened from the previous year mainly because of increase of inventories and receivables. Amount of capital tied in the inventories was EUR 11.9 million higher than at the same time in the previous year due to the Pietarsaari foundry closure related buffer stocks and the higher raw material stocks than in the previous year. VAT net receivables in Turkey increased when export grew and purchases stayed unchanged. In addition, short-term loan receivables increased during the year as the rest of the capital note of Albin AB, which was sold in 2007, was transferred from the long-term loan receivables to short-term loan receivables.

Componenta makes more efficient use of capital with a program to sell its trade receivables. Under this arrangement, some of the trade receivables are sold without any right of recourse. At the end of December the company had sold trade receivables totalling EUR 88.9 (82.4) million.

At the end of 2014, the invested capital of the company was EUR 339 (325) million.

Loans, commitments and contingent liabilities given by the parent company to Group companies classified as related parties on 31 December 2014 totalled EUR 69.9 (91.5) million. Loans, commitments and contingent liabilities given by the company to private persons classified as related parties on 31 December 2014 totalled EUR 0.1 (0.4) million.

Investments

Componenta's investments in production facilities during the year totalled EUR 22.6 (18.9) million, of which finance lease investments accounted for EUR 6.2 (2.5) million. EUR 6 million of the investments have also decreasing environmental impact. The net cash flow from investments was EUR –13.4 (–15.7) 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.

Research and development

At the end of the financial year 2014 99 (106) people worked in research and development at Componenta, which corresponds to 2% (3%) of the company's total personnel. Componenta's research and development expenses in 2014 totalled EUR 2.8 (2.6) million, the equivalent of 0.6% (0.5%) of the Group's total net sales.

Environment

The objectives of Componenta's quality, environmental, and occupational health and safety policy are to fulfil customer requirements and to comply with all essential legal requirements relating to the environment, occupational health and safety. Componenta ensures that all its business locations have sufficient competent resources and relevant knowledge to be successful and continuously improves its own production processes to guarantee the best possible results. The programmes implemented for continuous improvement aim at achieving the principle of zero defects in quality, zero accidents and zero illness in health and safety, and at meeting agreed environmental targets.

Componenta is committed to continuous improvement and to reducing the environmental impact of its production. The most significant environmental aspects have been identified as the use of energy, preventing the creation of waste, and utilising waste instead of dumping it at waste disposal sites.

In 2014 the Group's production units used 666 GWh (671 GWh) of energy. Most of the energy used, 68% (67%), was electricity. The foundries consume about 90% of all the energy, since especially the melting processes at the foundries utilise much energy. In 2014 energy consumption in proportion to output at Componenta's iron foundries rose 2%, which was due to the lower capacity utilisation rate.

Componenta uses recycled material as raw material and delivers part of the waste for reuse. 71% (71%) of the main raw material used in Componenta's iron foundries in 2014 was recycled steel. 60% (63%) of the waste went for beneficial reuse. EUR 6 million of the 2014 investments have decreasing environmental impact. The implemented changes and renewals will reduce amount of waste and use of raw materials and emissions of the production. The investments will have a visible impact mainly in 2015.

Personnel

The Group had on average 4,438 (4,464) employees during the financial year, including 326 (311) leased employees. The number of Group personnel at the end of the year was 4,238 (4,431), which includes 257 (277) leased employees. At the end of the year 61% (60%) of the personnel were in Turkey, 16% (17%) in Finland, 13% (13%) in the Netherlands, and 10% (10%) in Sweden.

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 and Pori in Finland. The Pietarsaari foundry that previously belonged to the division was closed down in July.

At the beginning of 2015 the order book for the Foundry Division was 4% down on the previous year, standing at EUR 49.2 (51.2) million. The order book comprises confirmed orders for the next two months. 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.

Net sales for the Foundry Division in the financial year declined 6% from the previous year to EUR 308 (329) million. The operating profit in the year excluding one-time items and exchange rate differences of balance sheet items was EUR 5.3 million, or 1.7% of net sales (EUR 2.0 million; 0.6%). The operating profit improved from the previous year as a result of higher efficiency in operations and the cost savings even though net sales decreased from the previous year. Loss of margins due to the decrease in net sales was approximately EUR 5 million. The operating profit was decreased by the quality problems in Orhangazi, EUR –4 million and the decline of productivity in the Dutch operations, EUR –3 million.

Because of the poor profitabililty which has continued for years, a write-down of fixed assets, EUR 4.5 million, and due to the started reorganization, a one-time cost booking, EUR 1.5 million based on already carried out terminations of employment, were made in the Dutch operations. During the past year the management of the both production units have been changed. At Orhangazi, the quality problems of the unit have been resolved by means of organization changes made at the beginning of September.

October – December net sales totalled EUR 69.2 (73.3) million and the operating profit excluding one-time items and exchange rate differences of balance sheet items was EUR –1.2 million, or –1.7% of net sales (EUR –0.8 million; –1.1%).

Main part of the savings due to the ongoing efficiency improvement program will impact on the result of the Foundry Division in the year 2015.

The number of personnel in the Foundry Division during the year, including leased employees, was on average 4% less than during the previous year, at 2,751 (2,875).

Machine Shop Division

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

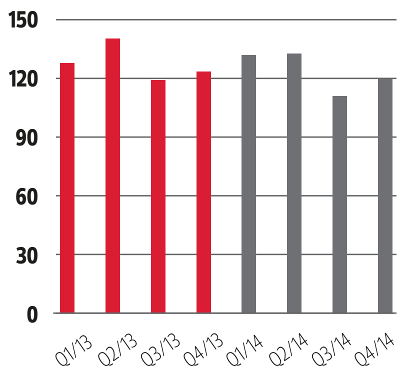
At the beginning of 2015 the order book was 8% higher than at the same time in the previous year, standing at EUR 22.1 (20.5) million. The order book comprises confirmed orders for the next two months. The order book for the Machine Shop Division comprises orders from manufacturers of heavy trucks, construction and mining machinery, and agricultural machinery, and from the machine building industry.

Net sales in the twelve month review period rose 5% from the previous year to EUR 121 (116) million. The operating profit in the year excluding one-time items and exchange rate differences of balance sheet items was EUR 3.8 million, or 3.1% of net sales (EUR 2.7 million; 2.4%). The operating profit improved mainly due to higher volumes and greater efficiency in production.

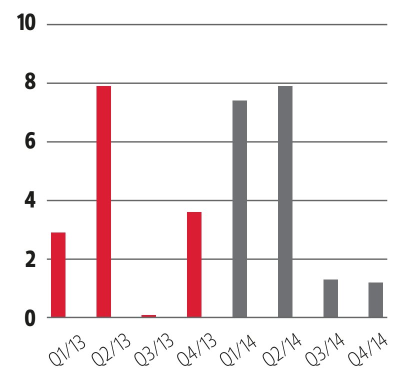
October – December net sales totalled EUR 31.5 (30.2) million and the operating profit excluding one-time items and exchange rate differences of balance sheet items was EUR 0.2 million, or 0.7% of net sales (EUR 0.8 million; 2.7%). The operating profit of the Machine Shop Division declined due to the unsuccessful implementation of the SAP production management system in Främmestad causing delays in production and customer deliveries, and quality problems in the Orhangazi machine shop. Both problems have been mainly resolved during the beginning of this year.

The number of personnel in the Machine Shop Division during the year,

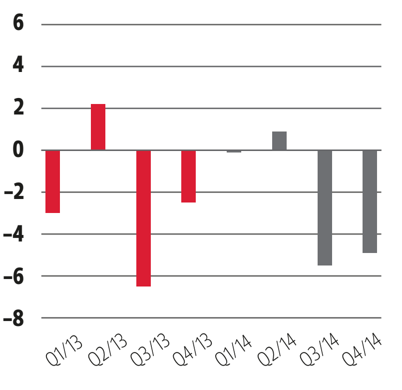
Net sales, MEUR



Operating profit excluding one-time items and exchange rate differences of operative balance sheet items, MEUR



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



including leased employees, was on average 4% more than during the previous year, at 396 (382).

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 beginning of 2015 the order book for the Aluminium Division was 24% higher than at the same time in the previous year, standing at EUR 15.9 (12.8) million. The order book comprises confirmed orders for the next two months. The order book for the Aluminium Division comprises orders from the automotive and heavy truck industries. The increased order book includes also growth due to risen aluminium prices.

Net sales in the January–December review period rose 9% from the previous year to EUR 79.5 (72.8) million. The operating profit in the year excluding one-time items and exchange rate differences of balance sheet items was EUR 8.2 million, or 10.3% of net sales (EUR 8.6 million; 11.8%). The operating profit of the Aluminium Division declined EUR 2 million due to the increases of aluminium raw material prices and premiums. The increases of aluminium raw material prices and premiums, which could not be invoiced further from customers in 2014.

October – December net sales totalled EUR 21.0 (18.4) million, and the operating profit excluding one-time items and exchange rate differences of balance sheet items was EUR 1.8 million, or 8.5% of net sales (EUR 2.7 million; 14.5%). The operating profit of the Aluminium Division was weakened by EUR 1 million the above mentioned increased aluminium raw material prices and premiums. The increases of aluminium raw material prices and premiums have been corrected in the product prices as of beginning of the year 2015.

The number of personnel in the Aluminium Division during the year, including leased employees, was on average 12% more than during the previous year, at 830 (744).

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 of EUR 0.7 (1.5) million in the year, and of EUR 0.4 (0.7) million in the October – December quarter.

Shares and share capital

The shares of Componenta Corporation are quoted on NASDAQ OMX Helsinki. At the end of the financial year the company had a total of 97,269,224 (29,269,224) shares and the company's share capital stood at EUR 21.9 (21.9) million. The quoted price on 31 December 2014 stood at EUR 0.72 (EUR 1.63). The average price during the year was EUR 1.09, the lowest price was EUR 0.67, and the highest EUR 2.15. At the end of the financial year the share capital had a market capitalization of EUR 69.5 (47.7) million and the volume of shares traded during the period was equivalent to 21.6% (10.1%) of the share stock.

Flagging notices

Componenta began to reorganize its interest-bearing debts in January 2014 and this reorganization and two share issues were completed during August and September. In consequence of these share issues the holdings of several shareholders exceeded or fell below flagging thresholds. Details about flagging notices are available on Componenta's website, which contains the stock exchange releases about flagging notices for the period 15 August – 23 September 2014.

Share-based incentive scheme 2014

The Board of Directors of Componenta Corporation resolved on 17 February 2014 to set up a new share-based incentive scheme for key personnel. The objective of the plan was to bring together the goals of the owners and key personnel so as to raise the value of the company, to commit key personnel to the company, and to offer them a competitive bonus scheme based on share ownership.

The scheme had one earning period, the 2014 calendar year. The earning criterion for the 2014 earning period was Componenta Group's result after financial items.

Under the terms of the scheme, any bonus for the 2014 earning period is paid as a combination of company shares and cash. The part to be paid in cash is intended to cover the taxes and tax-related costs incurred by key personnel from the bonus. The shares may not be disposed of during a two-year restriction period. If the employment of a key employee ends during this commitment period, they must return the shares given as a bonus to the company without compensation.

The target group for the scheme contained 18 people at the end of 2014. The Board of Directors decided not to allocate shares for the 2014 earning period, so the scheme's impact on the Group's result before tax at the end of 2014 was EUR 0.0 million. The maximum bonuses to be paid on the basis of the incentive scheme responded the value of 400,000 Componenta Corporation shares, including the part to be paid in cash.

Share issue and special rights with entitlement to shares

Componenta's Annual General Meeting held on 13 March 2014 authorized the Board to decide to issue shares and grant special rights with an entitlement to shares for a maximum of 6,000,000 shares in one or more issues, either against payment or free of charge. Componenta's Extraordinary General Meeting held on 27 June 2014 authorized the Board to decide to issue shares and grant special rights for a maximum of 9,000,000 shares in one or more issues, either against payment or free of charge. The authorizations, which are valid until the next Annual General Meeting, empowered the Board of Directors to decide on all the terms and conditions for a share issue and for granting special rights with an entitlement to shares, and included the right to disapply the pre-emption rights of shareholders. The authorization could be used to strengthen the company's balance sheet and financial position.

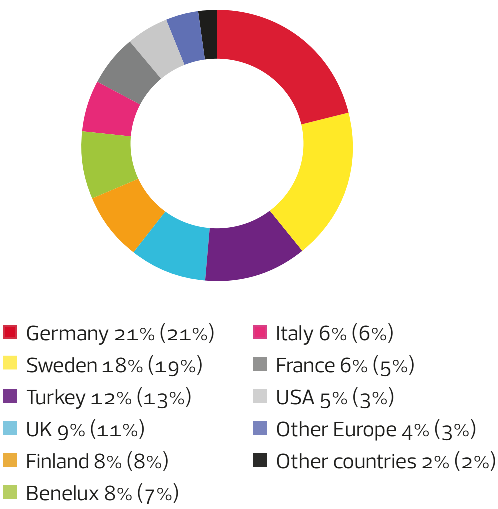
The company made use of the above authorisations in the share issue on 15 August 2014, when Componenta offered 15,000,000 new company shares to a limited number of selected investors. The purpose of the share issue was to safeguard the continuity of the company's operations by considerably strengthening the financial position of the company. As the result of this share issue, the number of Componenta shares rose to 44,269,224 shares.

In addition to the Board authorisations to issue shares, Componenta's Extraordinary General Meeting held on 5 September 2014 resolved to carry out a share issue to the public, in which the company offered in total a maximum of 53,000,000 new shares for subscription by private individuals and corporations in Finland, disapplying the pre-emption rights of the shareholders. The purpose of the share issue on 8 – 12 September 2014 was to safeguard the continuity of the company's operations by considerably strengthening the financial position of the company, so there were weighty financial grounds for the company to disapply the pre-emption subscription rights of the shareholders.

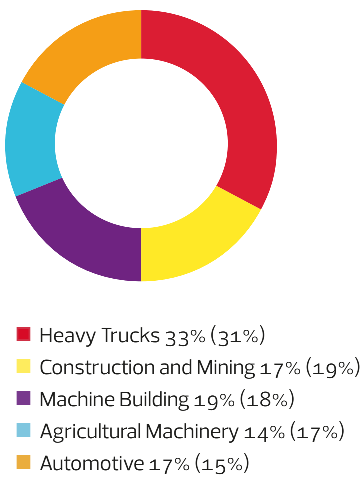
Altogether 68,000,000 new shares were subscribed in the share issues. At the end of September the new total number of Componenta shares was 97,269,224 shares.

At the end of 2014 Componenta's Board of Directors held no current authoriza-

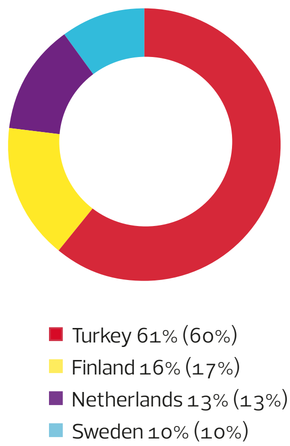
Sales by market area



Sales by customer industry



Personnel by country



tions to issue shares, options or convertible bonds, or to purchase or dispose of the company's own shares.

Board of Directors and Management

After the AGM on 13 March 2014, the Board of Directors held its organization meeting and elected Harri Suutari as its chairman and Matti Ruotsala as vice chairman. The Board met 26 times in 2014. The average attendance rate of Board members at its meetings was 98%. The Board assessed its performance in 2014, under the leadership of its chairman, in February 2015.

Componenta has two Board committees: the Audit Committee and the Nomination Committee.

At its organization meeting the Board elected Riitta Palomäki to be chairman of the audit committee and Olavi Huhtala and Tommi Salunen as the other members of the committee. The audit committee met 5 times in 2014 and its average attendance rate was 100%. The audit committee assessed its performance in 2014, under the leadership of its chairman, in February 2015.

On 2 June 2014 Componenta's Board of Directors established a nomination committee for preparing matters pertaining to the nomination and remuneration of directors. The members of the nomination committee represent the major shareholders in the company. Those elected to the nomination committee were Harri Suutari (Chairman of the Board of Directors), Heikki Lehtonen, Juuso Puolanne from Suomen Teollisuussijoitus Oy (Finnish Industry Investment Ltd), and Reima Rytsölä from Keskinäinen työeläkeyhtiö Varma (Varma Mutual Pension Insurance Company). The nomination committee met once in 2014 and the attendance rate at the meeting was 100%.

Heikki Lehtonen is President and CEO of Componenta. At the end of 2014 the Corporate Executive Team comprised: President and CEO Heikki Lehtonen; Juha Alhonoja, Senior Vice President, Machine Shop Division; CFO Mika Hassinen; Olli Karhunen, Senior Vice President, Foundry Division; Anu Mankki, Senior Vice President, HR and Internal Communications; Pauliina Rannikko, Senior Vice President, Legal and Risk Management; Furio Scolario, Senior Vice President, Sales and Product Development and Sabri Özdogan, Senior Vice President, Aluminium Division.

In December Maurice Ruiter was appointed Senior Vice President, Quality and Engineering at Componenta and a member of the Corporate Executive Team as from 1 January 2015.

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. More detailed information about the management of financial risks are given in the 2014 financial statements.

Re-financing and liquidity risks

The Group aims to ensure the availability of financing 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 are the club loan from Turkish banks, trade receivables financing without recourse, the syndicated credit facility, other bilateral short- and long-term loan agreements with Turkish banks, lease financing, bonds, pension loans and capital notes.

Componenta will refinance the instalments maturing in 2015 partly with cash flow from operations and partly with new long-term loans. Componenta plans to refinance the remaining part of maturing loans from Turkish banks due in 2015 with new bilateral or similar long-term loans from Turkish banks.

Currency risk

During the year Componenta's Board of Directors changed the hedging policy for the transaction position for Componenta's currency denominated income and expense items in Turkey. Under the new policy, the level of hedging for Turkey may be in the range 0 – 100 per cent, at the discretion of the President and CEO. Under the old policy, the level of hedging for Turkey could be in the range 70–130 per cent, at the discretion of the President and CEO. According to the company's opinion the Turkish lira will weaken against the euro and other main currencies in long-term based on the big inflation difference. In addition, with the open unhedged Turkish currency position, the purpose was to get rid of the cash flow based settlement payments at the end of the hedging periods.

More detailed information about the risks to which Componenta is exposed and risk management is given in the notes to the 2014 financial statements.

Business environment in 2015

The demand outlook in all the Group's customer sectors remains uncertain.

The order book for Componenta's heavy trucks customer sector was at the end of the year 12% higher than at the same time in the previous year. Demand in the heavy truck industry in Europe is expected to stay at the same level as in the previous year or to improve slightly in 2015. Componenta's sales to heavy trucks industry customers are expected to increase more than the market due to growth in introduction of new products.

The order book for Componenta's construction and mining customer sector was at the end of the year 19% lower than at the same time in the previous year. Demand in North America is expected to increase and in Europe to stabilize. Mining industry prospects are still weak due to low raw material prices. Cancellations of orders at the beginning of the previous year weaken the comparability of order books (impact approximately 10%). As a whole, the demand is expected to be lower than in previous year. Componenta's sales to the customers in the construction and mining sector are expected to stay at the same level as in the previous year or to improve slightly as a result of new products.

At the end of the review period, the order book for Componenta's machine building customer segment was on the same level as at the same time in the previous year. Componenta's sales to the machine building industry are expected to rise during 2015.

The order book for Componenta's agricultural machinery customer sector was at the end of the year 8% lower than at the same time in the previous year. Due to worldwide crop prospects and reciprocal economic sanctions by EU and Russia, the prices of the agricultural products in Europe have decreased clearly. Due to these reasons the demand is expected to decrease further in 2015. Componenta's sales to manufacturers of agricultural machinery are expected to decline from previous year.

The order book for Componenta's automotive customer sector was at the end of the year 26% higher than at the same time in the previous year. Demand in 2015 is estimated to improve from previous year. Componenta's sales to automotive industry are expected to increase from previous year.

Prospects for Componenta in 2015

The prospects for Componenta in 2015 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 the year 2014 was EUR 89 (87) million. Componenta expects the operating profit for 2015 excluding one-time items and exchange rate differences of balance sheet items to improve from the previous year due to the efficiency improvement program being carried out.

Dividend proposal

On 31 December 2014 the parent company had distributable equity of EUR 204.4 (102.3) million. The Board of Directors proposes to the Annual General Meeting to be held on 11 March 2015 that no dividend be paid for the 1 January – 31 December 2014 financial period.

Annual General Meeting

Componenta Corporation's Annual General Meeting of Shareholders will be held at 10.00 am on 11 March 2015 in Helsinki. Notice of the annual general meeting will be published in a separate stock exchange release.

2014 Annual Report and Corporate Governance Statement

The 2014 Annual Report, including the Report of the Board of Directors and the Financial Statements, as well as the separate Componenta Corporate Governance Statement for 2014 will be published no later than 18 February 2015 on Componenta's internet website at www.componenta.com.

Financial Statements Bulletin Tables

Accounting principles

In these financial statements Componenta has applied the same accounting principles for consolidated financial statements as in the financial statements for 2013, which were drawn up in accordance with International Financial Reporting Standards as adopted by the EU.

Related party transactions

There were no sales to associated companies during 2014 and purchase from the associated companies amounted to EUR 0.5 (EUR 0.6) 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 Niliharju 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. In 2014 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.–31.12.2014	1.1.–31.12.2013
Operating profit, IFRS	2.2	14.9
One-time items	-12.9	-3.3
Operating profit excluding one-time items	15.1	18.2
Operative exchange rate differences	-2.7	3.7
Operating profit excluding one-time items and operative exchange rate differences	17.8	14.5

Consolidated income statement excluding one-time items

MEUR	1.1.–31.12.2014	1.1.–31.12.2013	1.10.–31.12.2014	1.10.–31.12.2013
Net sales	495.2	510.5	119.6	123.5
Other operating income	-0.6	5.7	-0.2	0.7
Operating expenses	-461.5	-480.1	-115.0	-116.2
Depreciation, amortization and write-downs	-18.1	-18.0	-4.3	-4.5
Share of the associated companies' result	0.1	0.1	0.0	0.0
Operating profit	15.1	18.2	0.1	3.7
% of net sales	*3.0*	*3.6*	*0.1*	*3.0*
Financial income and expenses	-27.3	-24.4	-6.0	-6.1
Result after financial items	-12.2	-6.2	-5.9	-2.5
% of net sales	*-2.5*	*-1.2*	*-4.9*	*-2.0*
Income taxes	-2.3	-4.5	-2.4	-5.8
Net profit	-14.5	-10.7	-8.3	-8.3
Allocation of net profit for the period				
To equity holders of the parent	-15.1	-10.9	-8.2	-8.1
To non-controlling interest	0.6	0.2	-0.1	-0.1
	-14.5	-10.7	-8.3	-8.3
Earnings per share calculated on the profit				
attributable to equity holders of the parent				
Earnings per share, EUR	-0.35	-0.55	-0.08	-0.31

Consolidated income statement

MEUR	1.1.–31.12.2014	1.1.–31.12.2013	1.10.–31.12.2014	1.10.–31.12.2013
Net sales	495.2	510.5	119.6	123.5
Other operating income	-0.1	5.9	0.1	0.8
Operating expenses	-470.1	-483.2	-119.9	-117.3
Depreciation, amortization and write-downs	-22.9	-18.4	-8.9	-4.9
Share of the associated companies' result	0.1	0.1	0.0	0.0
Operating profit	2.2	14.9	-9.0	2.1
% of net sales	*0.4*	*2.9*	*-7.5*	*1.7*
Financial income and expenses	-30.9	-24.5	-6.4	-6.1
Result after financial items	-28.7	-9.6	-15.4	-4.0
% of net sales	*-5.8*	*-1.9*	*-12.9*	*-3.2*
Income taxes	0.2	-6.0	-1.9	-6.0
Net profit	-28.6	-15.5	-17.3	-10.0
Allocation of net profit for the period				
To equity holders of the parent	-29.2	-15.8	-17.2	-9.8
To non-controlling interest	0.6	0.2	-0.1	-0.1
	-28.6	-15.5	-17.3	-10.0
Earnings per share calculated on the profit				
attributable to equity holders of the parent				
Earnings per share, EUR	-0.63	-0.75	-0.18	-0.37
Earnings per share with dilution, EUR	-0.63	-0.75	-0.18	-0.37

Consolidated statement of comprehensive income

MEUR	1.1.–31.12.2014	1.1.–31.12.2013	1.10.–31.12.2014	1.10.–31.12.2013
Net profit	-28.6	-15.5	-17.3	-10.0
Other comprehensive income				
Items that will not be reclassified subsequently to profit or loss				
Revaluation of buildings and land areas	0.0	-1.8	0.0	-1.8
Items that may be reclassified subsequently to profit or loss				
Translation differences	0.4	-1.2	0.3	-0.4
Actuarial gains and losses	-1.0	-1.7	-0.5	-1.7
Cash flow hedges	0.4	-0.3	-0.1	-0.5
Other items	0.0	0.0	0.1	0.0
Total items that may be reclassified to profit or loss subsequently	-0.2	-3.2	-0.2	-2.5
Income tax on other comprehensive income	0.1	0.9	0.1	0.9
Other comprehensive income, net of tax	-0.1	-4.1	-0.1	-1.7
Total comprehensive income	-28.6	-19.6	-17.4	-13.4
Allocation of total comprehensive income				
To equity holders of the parent	-29.2	-19.7	-17.3	-13.1
To non-controlling interest	0.6	0.0	-0.1	-0.3
	-28.6	-19.6	-17.4	-13.4

Consolidated statement of financial position

MEUR	31.12.2014	31.12.2013
Assets		
Non-current assets		
Intangible assets	8.2	9.7
Goodwill	29.1	29.1
Investment properties	8.3	11.6
Tangible assets	251.5	253.3
Investment in associates	1.2	1.3
Receivables	1.4	4.2
Other investments	0.9	0.9
Deferred tax assets	37.4	34.0
Total non-current assets	338.0	344.1
Current assets		
Inventories	75.0	63.1
Receivables	43.5	34.4
Tax receivables	0.2	0.1
Cash and cash equivalents	12.1	10.2
Total current assets	130.8	107.8
Total assets	468.9	452.0
Shareholders' equity and liabilities		
Shareholders' equity		
Share capital	21.9	21.9
Other equity	81.2	55.8
Equity attributable to equity holders of the parent company	103.1	77.7
Non-controlling interest	8.0	7.4
Shareholders' equity	111.2	85.2
Liabilities		
Non-current		
Capital loans	0.0	2.3
Interest bearing	159.1	134.2
Interest free	0.1	0.6
Provisions	9.7	8.5
Deferred tax liability	12.9	12.6
Current		
Capital loans	2.0	0.6
Interest bearing	67.1	102.7
Interest free	102.2	101.8
Tax liabilities	0.1	0.4
Provisions	4.5	3.3
Total liabilities	357.7	366.8
Total shareholders' equity and liabilities	468.9	452.0

Condensed consolidated cash flow statement

MEUR	1.1.–31.12.2014	1.1.–31.12.2013
Cash flow from operating activities		
Result after financial items	-28.7	-9.6
Depreciation, amortization and write-downs	22.9	18.4
Net financial income and expenses	30.9	24.5
Other income and expenses, adjustments to cash flow	-0.8	-4.7
Change in net working capital	-16.8	2.6
Cash flow from operations before financing and income taxes	7.5	31.2
Interest received and paid and dividends received	-25.7	-23.3
Taxes paid	-2.4	-5.7
Net cash flow from operating activities	-20.6	2.2
Cash flow from investing activities		
Acquisition of subsidiaries, net of cash acquired	-0.3	-0.1
Capital expenditure in tangible and intangible assets	-16.2	-16.4
Proceeds from tangible and intangible assets	2.9	0.6
Other investments and loans granted	0.0	0.0
Proceeds from other investments and repayments of loan receivables	0.3	0.1
Net cash flow from investing activities	-13.4	-15.7
Cash flow from financing activities		
Dividends paid	-	-1.1
Interest paid, hybrid bond	-	-3.3
Proceeds from share issue	28.4	4.2
Expenses of share issue	-1.9	-0.3
Proceeds from the issue of hybrid bond	-	0.1
Repayment of finance lease liabilities	-4.1	-3.8
Draw-down (+)/ repayment (-) of current loans	33.4	13.6
Draw-down of non-current loans	7.0	30.3
Repayment of non-current loans and other changes	-26.8	-36.7
Net cash flow from financing activities	36.0	3.0
Change in liquid assets	2.0	-10.5
Cash and cash equivalents at the beginning of the period	10.2	20.6
Effects of exchange rate changes on cash	0.0	0.0
Cash and cash equivalents at the period end	12.1	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
Shareholders' equity 1.1.2013	**21.9**	**15.0**	**94.7**	**–0.4**	**–35.6**	**–20.9**	**74.6**	**8.8**	**83.4**
Net profit						–15.8	–15.8	0.2	–15.5
Translation differences					–1.2		–1.2	0.0	–1.2
Actuarial gains and losses						–1.2	–1.2	–0.1	–1.3
Cash flow hedges				–0.3			–0.3		–0.3
Revaluation of buildings and land areas			–1.8			0.4	–1.4	0.0	–1.4
The impact of the change in Finland's tax rate on items presented in the statement of comprehensive income			0.2				0.2		0.2
Other comprehensive income items			0.0				0.0		0.0
Total comprehensive income			–1.6	–0.3	–1.2	–16.6	–19.7	0.0	–19.6
Interest, hybrid bond						–2.5	–2.5		–2.5
Dividend							0.0	–1.1	–1.1
Share issue			11.0				11.0		11.0
Issue of hybrid bond			17.2				17.2		17.2
Items decreased directly from equity *)						–2.9	–2.9	–0.2	–3.2
Shareholders' equity 31.12.2013	**21.9**	**15.0**	**121.3**	**–0.7**	**–36.8**	**–42.9**	**77.7**	**7.4**	**85.2**

*) 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
Shareholders' equity 1.1.2014	**21.9**	**15.0**	**121.3**	**–0.7**	**–36.8**	**–42.9**	**77.7**	**7.4**	**85.2**
Net profit						–29.2	–29.2	0.6	–28.6
Translation differences					0.4		0.4	0.0	0.4
Actuarial gains and losses						–0.8	–0.8	0.0	–0.8
Cash flow hedges				0.3			0.3		0.3
Revaluation of buildings and land areas			–0.4			0.4	0.0		0.0
Other comprehensive income items			0.0				0.0		0.0
Total comprehensive income			–0.4	0.3	0.4	–29.6	–29.2	0.6	–28.6
Interest, hybrid bond						–3.8	–3.8		–3.8
Share issue			58.6				58.6		58.6
Minority share acquisition						–0.3	–0.3		–0.3
Shareholders' equity 31.12.2014	**21.9**	**15.0**	**179.5**	**–0.4**	**–36.3**	**–76.5**	**103.1**	**8.0**	**111.2**

Key Ratios

	31.12.2014	31.12.2013
Equity ratio, %	23.7	18.9
Equity per share, EUR	1.06	2.66
Invested capital at period end, MEUR	339.3	324.9
Return on investment, excl. one-time items, %	4.8	5.9
Return on investment, %	0.8	4.9
Return on equity, excl. one-time items, %	-14.8	-12.8
Return on equity, %	-29.1	-18.6
Net interest bearing debt, preferred capital note in debt, MEUR	216.0	229.6
Net gearing, preferred capital note in debt, %	194.4	269.6
Order book, MEUR	88.9	87.3
Investments in non-current assets without finance leases, MEUR	16.4	16.4
Investments in non-current assets incl. finance leases, MEUR	22.6	18.9
Investments in non-current assets (incl. finance leases), % of net sales	4.6	3.7
Average number of personnel during the period	4,111	4,153
Average number of personnel during the period, incl. leased personnel	4,438	4,464
Number of personnel at period end	3,981	4,154
Number of personnel at period end, incl. leased personnel	4,238	4,431
Share of export and foreign activities in net sales, %	91.7	91.6
Contingent liabilities, MEUR	662.4	532.1

Per Share Data

	31.12.2014	31.12.2013
Number of shares at period end, 1,000 shares	97,269	29,269
Earnings per share (EPS), EUR	-0.63	-0.75
Earnings per share, with dilution (EPS), EUR	-0.63	-0.75
Cash flow per share, EUR	-0.40	0.09
Equity per share, EUR	1.06	2.66
Dividend per share, EUR	0.00 *)	0.00
Payout ratio, %	0.00	0.00
Effective dividend yield, %	0.00	0.00
P/E multiple	neg.	neg.
Share price at period end, EUR	0.72	1.63

*) For year 2014 a proposal of the Board of Directors.

Changes in tangible assets and goodwill

MEUR	1–12/2014	1–12/2013
Changes in tangible assets		
Acquisition cost at the beginning of the period	561.3	571.1
Translation differences	–4.7	–2.9
Additions	22.0	15.7
Companies acquired	0.0	0.0
Revaluation of buildings and land areas	0.0	–1.8
Disposals and transfers between items	–7.4	–20.8
Acquisition cost at the end of the period	571.2	561.3
Accumulated depreciation at the beginning of the period	–308.0	–315.1
Translation differences	2.6	1.7
Accumulated depreciation on disposals and transfers	5.5	20.8
Accumulated depreciation on companies acquired	0.0	–
Depreciation, amortization and write-downs during the period	–19.9	–15.4
Accumulated depreciation at the end of the period	–319.7	–308.0
Book value at the end of the period	251.5	253.3
Goodwill		
Acquisition cost at the beginning of the period	29.1	29.1
Translation difference	0.0	0.0
Book value at the end of the period	29.1	29.1

Group development

Net sales by market area

MEUR	1-12/2013	1-12/2014
Germany	107.4	103.1
Sweden	97.6	89.1
Turkey	64.8	60.6
UK	56.3	45.1
Finland	42.7	41.0
Benelux countries	37.2	40.2
Italy	27.6	30.9
France	32.9	30.5
Other European countries	17.5	20.8
Other countries	26.6	33.9
Total	510.5	495.2

Quarterly net sales development by market area

MEUR	Q1/13	Q2/13	Q3/13	Q4/13	Q1/14	Q2/14	Q3/14	Q4/14
Germany	27.9	27.8	24.5	27.2	28.2	26.0	22.8	26.1
Sweden	22.6	27.2	21.9	25.8	25.3	25.8	17.7	20.3
Turkey	17.2	20.4	13.0	14.2	15.4	14.0	14.0	17.2
UK	13.8	15.3	15.6	11.6	12.2	12.7	10.3	9.9
Finland	11.3	11.9	9.8	9.7	12.1	11.1	8.3	9.5
Benelux countries	9.6	10.1	9.2	8.2	10.3	10.4	9.2	10.3
Italy	6.9	7.1	7.6	5.9	6.9	8.9	9.5	5.6
France	7.8	9.2	7.1	8.7	8.1	8.9	6.0	7.4
Other European countries	4.2	4.6	3.6	5.0	5.1	5.7	5.4	4.6
Other countries	6.2	6.7	6.7	7.0	8.2	9.1	7.8	8.7
Total	127.7	140.3	119.0	123.5	131.9	132.6	111.0	119.6

Reconciliation of consolidated operating profit

MEUR	1-12/2013	1-12/2014
Operating profit, IFRS	14.9	2.2
One-time items	-3.3	-12.9
Operating profit excluding one-time items	18.2	15.1
Operative exchange rate differences	3.7	-2.7
Operating profit excluding one-time items and operative exchange rate differences	14.5	17.8

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

MEUR	1-12/2013	1-12/2014
Net sales	510.5	495.2
Operating profit	14.5	17.8
Net financial items *)	-24.4	-27.3
Profit after financial items	-9.9	-9.5

*) 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	1-12/2014
Foundry division	2.0	5.3
Machine shop division	2.7	3.8
Aluminium division	8.6	8.2
Other business	1.5	0.7
Internal items	-0.3	-0.2
Componenta total	14.5	17.8

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	Q3/14	Q4/14
Net sales	127.7	140.3	119.0	123.5	131.9	132.6	111.0	119.6
Operating profit	2.9	7.9	0.1	3.6	7.4	7.9	1.3	1.2
Net financial items *)	-6.0	-5.7	-6.7	-6.1	-7.5	-7.0	-6.8	-6.0
Profit after financial items	-3.0	2.2	-6.5	-2.5	-0.1	0.9	-5.5	-4.9

*) 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	Q3/14	Q4/14
Foundry division	1.7	4.6	-3.4	-0.8	3.8	3.8	-1.0	-1.2
Machine shop division	0.1	0.9	0.9	0.8	0.9	1.9	0.8	0.2
Aluminium division	1.8	2.1	2.0	2.7	2.4	2.2	1.8	1.8
Other business	-0.4	0.7	0.5	0.7	0.3	0.2	-0.2	0.4
Internal items	-0.3	-0.3	0.0	0.3	0.0	-0.2	0.0	-0.1
Componenta total	2.9	7.9	0.1	3.6	7.4	7.9	1.3	1.2

Group development excluding one-time items

MEUR	1-12/2013	1-12/2014
Net sales	510.5	495.2
Operating profit	18.2	15.1
Net financial items *)	-24.4	-27.3
Profit after financial items	-6.2	-12.2

*) Net financial items are not allocated to business segments

Group development by business segment excluding one-time items

Operating profit, MEUR	1-12/2013	1-12/2014
Foundry division	4.6	3.7
Machine shop division	2.7	3.2
Aluminium division	9.7	7.9
Other business	1.6	0.5
Internal items	-0.3	-0.2
Componenta total	18.2	15.1

Group development by quarter excluding one-time items

MEUR	Q1/13	Q2/13	Q3/13	Q4/13	Q1/14	Q2/14	Q3/14	Q4/14
Net sales	127.7	140.3	119.0	123.5	131.9	132.6	111.0	119.6
Operating profit	3.8	8.5	2.2	3.7	7.4	6.9	0.6	0.1
Net financial items *)	-6.0	-5.7	-6.7	-6.1	-7.5	-7.0	-6.8	-6.0
Profit after financial items	-2.2	2.9	-4.4	-2.5	-0.1	-0.1	-6.2	-5.9

*) 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	Q3/14	Q4/14
Foundry division	2.6	5.0	-1.9	-1.0	4.0	3.1	-1.7	-1.7
Machine shop division	0.0	0.9	1.0	0.8	0.8	1.6	0.8	0.0
Aluminium division	2.0	2.3	2.6	2.9	2.3	2.3	1.7	1.6
Other business	-0.4	0.8	0.5	0.6	0.3	0.1	-0.2	0.3
Internal items	-0.3	-0.3	0.0	0.3	0.0	-0.2	0.0	-0.1
Componenta total	3.8	8.5	2.2	3.7	7.4	6.9	0.6	0.1

Group development

MEUR	1-12/2013	1-12/2014
Net sales	510.5	495.2
Operating profit	14.9	2.2
Net financial items *)	-24.5	-30.9
Profit after financial items	-9.6	-28.7

*) Net financial items are not allocated to business segments

Group development by business segment

Net sales, MEUR	1-12/2013	1-12/2014
Foundry Division		
External sales	223.4*)	212.0
Internal sales	105.6*)	95.7
Total sales	329.0	307.8
Machine Shop Division		
External sales	104.0*)	109.6
Internal sales	11.5*)	12.1
Total sales	115.5	121.7
Aluminium Division		
External sales	70.8	72.4
Internal sales	2.0	7.1
Total sales	72.8	79.5
Other Business		
External sales	112.3	101.2
Internal sales	29.6	28.7
Total sales	141.9	129.9
Internal items	-148.7	-143.7
Componenta total	510.5	495.2

*) 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	1-12/2014
Foundry division	4.6	3.7
Machine shop division	2.7	3.2
Aluminium division	9.7	7.9
Other business	1.6	0.5
One-time items	-3.3	-12.9*)
Internal items	-0.3	-0.2
Componenta total	14.9	2.2

*) One-time items in 2014 relate to the transfer of the smaller production line from the Pietarsaari foundry and the closure of the foundry (EUR -2.2 million), the costs for the transfer of the DISA production line to the Pori foundry and for starting it up (EUR -1.2 million), write-down and the loss recorded on the sale of the Nisamo property (EUR -0.6 million), Write-downs on machinery and equipment at Heerlen Foundry (EUR -4.2 million), restructuring measures in the Netherlands (EUR -1.5 million), running down the Smedjebacken forge (EUR -0.8 million), the temporary closure of the forge in Virsbo due to the forest fire (EUR -0.4 million), the restructuring measures and extra waste disposal costs at Orhangazi foundry (EUR -1.6 million) and other one-time items (in total EUR -0.4 million).

Group development by quarter

MEUR	Q1/13	Q2/13	Q3/13	Q4/13	Q1/14	Q2/14	Q3/14	Q4/14
Net sales	127.7	140.3	119.0	123.5	131.9	132.6	111.0	119.6
Operating profit	3.3	8.0	1.5	2.1	6.5	5.5	–0.8	–9.0
Net financial items *)	–6.0	–5.7	–6.7	–6.1	–7.5	–7.0	–10.0	–6.4
Profit after financial items	–2.7	2.3	–5.2	–4.0	–1.0	–1.5	–10.8	–15.4

*) 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	Q3/14	Q4/14
Foundry division	85.0	95.9	74.9	73.3	84.6	83.1	70.9	69.2
Machine shop division	27.7	30.9	26.7	30.2	30.4	33.1	26.8	31.5
Aluminium division	17.1	18.7	18.6	18.4	18.1	19.7	20.7	21.0
Other business	35.5	38.9	33.5	33.9	36.0	34.2	28.5	31.2
Internal items	–37.6	–44.1	–34.8	–32.2	–37.1	–37.5	–35.8	–33.2
Componenta total	127.7	140.3	119.0	123.5	131.9	132.6	111.0	119.6

Operating profit, MEUR	Q1/13	Q2/13	Q3/13	Q4/13	Q1/14	Q2/14	Q3/14	Q4/14
Foundry division	2.6	5.0	–1.9	–1.0	4.0	3.1	–1.7	–1.7
Machine shop division	0.0	0.9	1.0	0.8	0.8	1.6	0.8	0.0
Aluminium division	2.0	2.3	2.6	2.9	2.3	2.3	1.7	1.6
Other business	–0.4	0.8	0.5	0.6	0.3	0.1	–0.2	0.3
One-time items	–0.5	–0.6	–0.7	–1.5	–0.9*)	–1.5*)	–1.4*)	–9.1*)
Internal items	–0.3	–0.3	0.0	0.3	0.0	–0.2	0.0	–0.1
Componenta total	3.3	8.0	1.5	2.1	6.5	5.5	–0.8	–9.0

*) One-time items in 2014 relate to the transfer of the smaller production line from the Pietarsaari foundry and the closure of the foundry (EUR –2.2 million), the costs for the transfer of the DISA production line to the Pori foundry and for starting it up (EUR –1.2 million), write-down and the loss recorded on the sale of the Nisamo property (EUR –0.6 million), Write-downs on machinery and equipment at Heerlen Foundry (EUR –4.2 million), restructuring measures in the Netherlands (EUR –1.5 million), running down the Smedjebacken forge (EUR –0.8 million), the temporary closure of the forge in Virsbo due to the forest fire (EUR –0.4 million), the restructuring measures and extra waste disposal costs at Orhangazi foundry (EUR –1.6 million) and other one-time items (in total EUR –0.4 million).

Order book at period end, MEUR	Q1/13	Q2/13	Q3/13	Q4/13***)	Q1/14	Q2/14**)	Q3/14	Q4/14*)
Foundry division	58.7	54.6	46.7	51.2	55.3	54.4	42.3	49.2
Machine shop division	20.4	24.3	19.2	20.5	23.2	25.2	19.0	22.1
Aluminium division	12.4	14.1	13.0	12.8	14.1	15.3	14.4	15.9
Other business	21.6	25.6	20.3	21.7	21.0	23.2	18.9	17.7
Internal items	–24.1	–24.0	–15.4	–19.0	–22.9	–23.2	–15.5	–16.0
Componenta total	89.1	94.7	83.6	87.3	90.7	94.8	79.1	88.9

*) Order book on 8 January 2015
**) Order book on 4 July 2014
***) Order book on 6 January 2014

Business segments

MEUR	31.12.2014	31.12.2013
Foundry division		
Assets	271.0	245.6*)
Liabilities	75.4	73.8
Investments in non-current assets (incl. finance leases)	12.4	6.6
Depreciation, amortization and write-downs	12.3	9.0
Machine shop division		
Assets	67.8	61.9
Liabilities	39.9	25.9
Investments in non-current assets (incl. finance leases)	6.0	6.4
Depreciation, amortization and write-downs	3.5	2.8
Aluminium division		
Assets	51.5	47.6*)
Liabilities	5.5	8.2
Investments in non-current assets (incl. finance leases)	2.8	1.7
Depreciation, amortization and write-downs	2.9	2.5
Other business		
Assets	78.1	83.7
Liabilities	50.9	44.7
Investments in non-current assets (incl. finance leases)	1.5	4.2
Depreciation, amortization and write-downs	4.2	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. 31 December 2013 assets have been revised to correspond the new allocation principles.

Fair values of derivative instruments

MEUR	31.12.2014 Fair value, positive	31.12.2014 Fair value, negative	31.12.2014 Fair value, net	31.12.2013 Fair value, net
Currency derivatives				
Foreign exchange forwards	0.0	0.0	0.0	0.0
Currency swaps	0.6	-0.2	0.4	-2.1
Interest rate derivatives				
Interest rate swaps	0.0	-0.1	-0.1	-0.3
Commodity derivatives				
Electricity price forwards	0.0	-0.7	-0.7	-1.1
Total	0.6	-0.9	-0.3	-3.4

Nominal values of derivative instruments

MEUR	31.12.2014 Nominal value	31.12.2013 Nominal value
Currency derivatives *)		
Foreign exchange forwards	0.1	0.7
Currency swaps	54.3	96.2
Interest rate derivatives		
Interest rate swaps		
Maturity in less than a year	5.0	12.5
Maturity after one year and less than five years	–	5.0
Commodity derivatives		
Electricity price forwards		
Maturity in less than a year	2.4	2.5
Maturity after one year and less than five years	1.9	2.9
Total	63.8	119.8

*) 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 Q4 / 2014

MEUR	LEVEL 1	LEVEL 2	LEVEL 3
Foreign exchange rate derivatives (OTC)	–	0.4	–
Interest rate derivatives (OTC)	–	–0.1	–
Commodity derivatives	–0.7	–	–
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	31.12.2014	31.12.2013
Real-estate mortgages		
For own debts	11.2	11.7
Business mortgages		
For own debts	103.4	103.6
Pledges		
For own debts	541.4	409.7*)
Other leasing commitments	5.2	5.7
Other commitments	1.3	1.4
Total	662.4	532.1

*) Previously released comparatives regarding pledges given for own debt has been changed. Previously released value was EUR 404.0 million for 31 December 2013. The company has changed the valuation principle regarding property pledges and currently fair valuation principle is followed for the property pledges valuation.

On 31 December 2014 Componenta had contingent financial leasing liabilities, from not yet started contracts, amounting to EUR 1.2 million (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

	Closing rate		Average rate	
One Euro is	31.12.2014	31.12.2013	31.12.2014	31.12.2013
SEK	9.3930	8.8591	9.0985	8.6515
USD	1.2141	1.3791	1.3285	1.3281
GBP	0.7789	0.8337	0.8061	0.8493
TRY (Turkish central bank)	2.8207	2.9365	2.9049	2.5271

Calculation of key financial ratios

Return on equity, % (ROE)	=	Profit after financial items – income taxes x 100 / Shareholders' equity without preferred capital notes + non-controlling interest (quarterly average)
Return on investment, % (ROI) *)	=	Profit 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 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 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
Average trading price, EUR	=	Trading volume / Number of shares traded during the financial period
Equity per share, EUR	=	Shareholders' equity, preferred capital notes excluded / Number of shares at period end
Dividend per share, EUR	=	Dividend / Number of shares at period end
Payout ratio, %	=	Dividend x 100 / Earnings (as in Earnings per share)
Effective dividend yield, %	=	Dividend per share x 100 / Market share price at period end
Market capitalization, MEUR	=	Number of shares x market share price at period end
P/E multiple	=	Market share price at period end / Earnings per share
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

Largest registered shareholders on 31 December 2014

Shareholder		Shares	Share of total voting rights, %
1 Lehtonen Heikki		11,528,492	11.85
Oy Högfors-Trading Ab	8,010,704		
Cabana Trade S.A.	3,501,988		
Lehtonen Heikki	15,800		
2 Etra Capital Oy		11,381,450	11.70
3 Keskinäinen työeläkevakuutusyhtiö Varma		8,688,771	8.93
4 Mandatum Life Unit-Linked		7,960,979	8.18
5 Keskinäinen Eläkevakuutusyhtiö Ilmarinen		6,952,281	7.15
6 Suomen Teollisuussijoitus Oy		6,171,916	6.35
7 Keskinäinen Työeläkevakuutusyhtiö Elo		4,901,288	5.04
8 Sampo Oyj		4,615,384	4.74
9 Säästöpankki Kotimaa -sijoitusrahasto		2,400,000	2.47
10 Nordea Henkivakuutus Suomi Oy		2,323,119	2.39
Nominee-registered shares		216,948	0.22
Other shareholders		30,128,596	30.97
Total		97,269,224	100.00

The members of the Board of Directors own 12.2% of the shares. All shares have equal voting rights.

Helsinki, 10 February 2015

COMPONENTA CORPORATION
Board of Directors

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