

Componenta Corporation Interim Report 1 January - 30 June 2014: Operating profit improved although net sales fell in the review period

January - June 2014 in brief

- 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 in brief

- 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).

Business environment

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

Casting Future **SOLUTIONS**

COMPONENTA CORPORATION

Panuntie 4, FI-00610 Helsinki, Finland /// Tel. +358 10 403 00, Fax +358 10 403 2721 /// www.componenta.com
Domicile Helsinki /// Business ID 1635451-6 /// VAT.reg FI16354516

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.

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.

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.

Key figures

	1-6/2014	1-6/2013	1-12/2013
Order book, MEUR	95	95	87
Net sales, MEUR	265	268	511
Operating profit*), MEUR	15.3	10.8	14.5
Operating profit*), %	5.8	4.0	2.8
Result after financial items*), MEUR	0.8	-0.8	-9.9
One-time items ja exchange rate differences of operative balance sheet items, MEUR	-3.3	0.4	0.3
Taxes, MEUR	0.4	0.8	-6.0
Net result for the period, MEUR	-2.1	0.4	-15.5
Earnings per share, EUR	-0.16	-0.04	-0.75
Net gearing, %	282	314	270
Return on investment, excl. one-time items, %	9.2	7.7	5.9
Return on equity, excl. one-time items, %	-0.6	3.4	-12.8
Number of personnel at period end, incl. leased personnel	4,523	4,606	4,431

*) excluding one-time items and exchange rate differences of operative balance sheet items

President and CEO Heikki Lehtonen comments on the review period:

"Componenta's net sales in the review period were on the same level as in the previous year. EBITDA and the operating profit improved from the previous year due to the cost savings achieved in the efficiency improvement program.

The Group's order book in total at the end of June was on the same level as in the previous year. Second half business environment looks quite reasonable.

Componenta's group-wide efficiency improvement program made progress in accordance with expectations during January - June. The program has the target of improving the Group's profitability by EUR 35 million by the end of 2015 compared to 2012. The measures that have been implemented and decided on to date are estimated at EUR 34.9 million, of which EUR 12.0 million were not yet visible in the reported figures. The company's run rate adjusted rolling 12 months EBITDA is thus EUR 49.2 million.

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."

Componenta's Interim Report 1 January - 30 June 2014 in PDF format is attached to this release. The report is also available on the Componenta website at www.componenta.com.

Press conference for analysts and media representatives at 15.00 (EEST)

A press conference will be held at 15.00 (EEST) on 4 August 2014, in the auditorium of the SATO building in Käpylä, at Panuntie 4, 00610 Helsinki. The press conference will be webcast simultaneously via the internet. The link can be found on Componenta's website at www.componenta.com.

Helsinki, 4 August 2014

COMPONENTA CORPORATION

Heikki Lehtonen
President and CEO

ENCL. Interim Report 1 January - 30 June 2014

For further information, please contact:

Heikki Lehtonen
President and CEO
tel. +358 10 403 2200

Mika Hassinen
CFO
tel. +358 10 403 2723

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.