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Componenta plans to merge Pietarsaari foundry with Pori foundry

As part of the Group's efficiency programme to improve its profitability and competitiveness, Componenta is improving the capacity utilization of its iron foundries and concentrating production at larger units.

Statutory personnel negotiations, as stipulated in the Finnish Act on Cooperation in Undertaking will be started at the Pietarsaari foundry on 30 September 2013. The negotiations concern the possible transfer of the small DISA production line at the Pietarsaari foundry to the Group's foundry in Pori and as a result of that closure of the Pietarsaari foundry.

At the negotiations the impact of these changes will be assessed on the operations, volumes and personnel at the Pietarsaari foundry. If the changes mentioned above are carried out, they will have an impact on personnel, and this is estimated to mean a reduction of about 85 persons at the Pietarsaari foundry by the end of the summer in 2014. One-time costs and write-downs in the balance sheet would total some EUR 2 million during 2013 and 2014 and the annual savings achieved would be about EUR 2 million. Capital expenditure during the project would be about EUR 1 million.

The proposed transfer of the small DISA production line and production from Pietarsaari to Pori would improve the capacity utilization at the Pori foundry and would strengthen its position as a flexible and competitive supplier to Nordic customers. The transfer of production would have a positive impact on employment at the Pori foundry. At present about 175 people work in Pori foundry, and the estimated increase would be of about 40 people.

The statutory personnel negotiations do not affect Componenta Corporation's engineering personnel in Pietarsaari nor the Componenta Pistons business unit which operates in Pietarsaari. These operations at present employ altogether 42 people.

Componenta is strengthening its position as a global supplier of pistons by carrying out a EUR 3.7 million investment. With this investment Componenta Pistons will double its piston production capacity. The investment is expected to be completed during 2014 and it is estimated to have a positive impact on personnel of about 10 persons.

Componenta is holding a press conference in Pietarsaari, Birgerintie 3, on 30 September 2013 at 11.00.

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COMPONENTA CORPORATION

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Componenta is a metal sector company with international operations and production plants located in Finland, Turkey, the Netherlands and Sweden. The net sales of Componenta were EUR 545 million in 2012 and its share is listed on the NASDAQ OMX Helsinki. The Group employs approx. 4,300 people. Componenta specializes in supplying cast and machined components and total solutions made of them to its global customers, who are manufacturers of vehicles, machines and equipment.

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COMPONENTA CORPORATION

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