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## Componenta continues the adaptation actions

The market situation in most of Componenta's customer business areas has further weakened due to recent turbulence in the international financial markets. As a result of this, Componenta continues to adapt its operations by reducing production temporarily to correspond with the lower demand outlook.

Componenta will decrease the amount of leased employees in the Netherlands and Turkey and markedly increase the number of lay-offs and redundancies in Finland, Sweden and Turkey from already earlier announced amounts. In total, the impact of the reduction of leased employees as well as lay-offs and redundancies of own employees will reach 1 600 persons. In addition, the use of external subcontracting will be reduced by an amount equivalent to the work of altogether 200 people. At the end of September 2008, Componenta's personnel, including leased employees, stood at 5 300 employees.

Componenta started adaptation actions in the beginning of October 2008, immediately after having experienced the first signs of decreased demand outlook. Leased personnel were decreased by 580 employees during October - November. In addition, it was announced that the amount of own employees will be decreased by 170 persons through lay-offs and redundancies mainly during Q4/2008. Further more, it was decided that the use of external subcontractors will be reduced by an amount of equivalent to the work of altogether 150 people.

As a result of further weakened market situation Componenta continues to adapt its operations and personnel. Componenta's business units are closed down 2-3 weeks mainly in December. The amount of leased employees will be reduced as earlier announced by altogether 700 people in the Netherlands and Turkey. The amount of lay-offs and redundancies in Finland, Sweden and Turkey will increase from earlier announced 170 persons to 900 persons.

In spite of the adaptation actions, Componenta is capable to ensure stable deliveries to its customers to guarantee their production without any disturbances.

The investments in the new aluminium component factory in Manisa and the melting furnace in Orhangazi have been halted for the time being. Componenta's investments are expected to decrease from EUR 40 million in 2008 to EUR 10 million in 2009.

Due to the weakened demand outlook, customers' increased inventory levels and their own adaptation actions, Componenta's net sales of the last quarter of 2008 is expected to decrease clearly compared with the same period a year before. As a result of decreased deliveries and significant price decrease of raw materials, as well as the costs related to personnel's adaptation actions, Componenta's result after financial items excluding one-time items is expected to be clearly negative in the last quarter of 2008.

After all, Componenta Group's comparable 2008 net sales and result after financial items excluding one-time items are still expected to show a considerable improvement on the corresponding figures of 2007, as stated already earlier this year.

Due to the financial crisis the credit risks of the customers are supposed to increase. Because of the increased risks Componenta has boosted the collection of customer receivables and shortened payment terms to some of its customers as from the beginning of next year. The reduced business volumes together with the strongly decreased raw material prices will strongly decrease the funds tied up in working capital during the last quarter of the current year and in the first half of the year 2009. Componenta's unused, long-term credit facilities at the end of November of 2008 were EUR 71 million.

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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 635 million in 2007. The Group employs about 5,100 people. Componenta's shares are quoted on the OMX Nordic Exchange in Helsinki. 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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