



Two successful production launches within one year

During the past twelve months Valmet Automotive has started the production of two new products. The production of the second generation Porsche Boxster started in fall 2004 and the new Cayman S has just been put into production.

An intensive engineering and build-up phase as well as considerable investments in the production process preceded the production start of these products in Finland. Valmet Automotive's team of specialists cooperated with Porsche AG already in the product engineering phase. During the project's three-year duration, we brought our commitment and long experience in the specialty cars manufacturing to the advantage of our customer, and the new products are now being manufactured efficiently to highest level of quality.

The start of the production as well as the rapid increase of the production volume required flexible operations and the ability for quick problem solving. The planned daily production of 150 vehicles will be reached already in November.

We are proud to be selected as manufacturer of these two fantastic sports cars. Our cooperation with the teams of Porsche AG has been excellent. We have fulfilled the targets set by the customer: the serial production of the products has started exactly

as scheduled and the quality targets have been achieved as planned.

The successful Porsche project is again a good example of the services Valmet Automotive can offer to OEM customers. We can join a specialty vehicle project in any project phase and offer services from product engineering to serial production rapidly and cost-efficiently.

We are an ideal partner combining high quality and record time with cost-effective investments and production. Our highly

qualified personnel, quality culture and modern production process make a first-rate basis for new successful specialty vehicle projects.



Tapio Kuisma
President



Partners already in the engineering phase

The cooperation between Valmet Automotive and Porsche AG for the manufacturing of the new models, the Boxster and the Cayman S, started already in the product engineering phase. Valmet Automotive had a key role in the SE-activities, where the product and the production process engineering are carried out simultaneously.

The specialists of Valmet Automotive brought their expert knowledge of the production process to the use of the product engineering teams of Porsche. Valmet Automotive also participated in the supplier management.

Valmet Automotive was responsible for the entire production process engineering and the planning of the logistics process. Also the pre-series phases of both models were carried out at Valmet Automotive before the start of the production.

In the engineering phase some ten engineers from Valmet Automotive were working full-time in the Porsche teams in Germany. In Finland 50 - 100 persons have participated in the project in different phases. The expert knowledge of our team members has been essential in achieving an optimal result.

- A lot of work, many challenges but also a huge amount of successes, says Mr Ilpo Korhonen, Vice President Porsche Program. The serial production of both products started exactly in schedule. The production rate was raised according to plans and the quality gates criteria were achieved in every phase. The amount of variables, players and information was huge, involving besides the Porsche organization also a great number of part suppliers and other cooperation partners.



A job well done

A launch team from Porsche AG worked at Valmet Automotive with their Finnish colleagues preparing and following the primary launches of the Boxster and the Cayman S in Finland. The Porsche launch team manager Mr Peter Katzschner says that he is very satisfied with the good cooperation.

- The change of information and the cooperation in problem solving has helped the both parties. As the global success of the new Boxster and a great interest in the recent press launch of its big brother the Cayman S have shown – this was a job well done.



Strong company culture secured the technical changes

Valmet Automotive invested nearly 40 Mill. Euro in the production process of the new sports cars Porsche Boxster and Porsche Cayman S. The largest changes were made to the body line and the finishing area in the Assembly Shop.

- The high flexibility of the manufacturing process enables bringing new products in the production very quickly and efficiently, says Mr Risto Hukkanen, Vice President Production. The production launch of the new Boxster was done in the running production of the previous model, which was phased out after two months after the S.O.P.

- Great merit for this result is owed to our team that planned the production system for the new products in cooperation with our customer and was also responsible for the implementation of the changes. In such large changes, Valmet Automotive's way of operation is a distinct strength. It includes intensive involvement of our experienced team members in the planning process.

Body Line

The automation and integration level of the body manufacturing at Valmet Automotive has risen considerably. We offer the customer an ideal production system to achieve the highest quality and efficiency. The body line was thoroughly renewed. The total number of robots is now 73 and the automation level of the spot welding is 90 %. The body framing station is now completely automated. A new manufacturing method, roller hemming, was introduced for the Cayman S rear hatch.

The new measuring center is a prerequisite for the effective participation in the product engineering project. Two big 3D measuring devices provide the body

shop, the assembly shop and the product development with measuring services of parts, sub-assemblies and bodies.

Painting

In the modern surface treatment process special attention has been paid to the surface quality, corrosion resistance and environmental issues. In the phosphating process the process chemicals were changed to lead-free materials enabling the treatment of aluminium parts.

Assembly

In the final assembly both new products were launched flexibly to the production line. The testing area was organized in a process form. The outdoor test track drive of completed vehicles can now to a large extent be replaced with indoor testing processes including vibration testing on a shaking roller, a blow-nozzle test stand and a high-speed drive test on a dynamic dynamometer.

Logistics

Valmet Automotive manages the supply chain of 350 suppliers and 8000 parts for the current production. The incoming car parts are shipped from Rostock, Germany, directly to Uusikaupunki three times a week. The majority of the built-up vehicles are shipped from Uusikaupunki to Emden, Germany.

Focus on customer orientation



Mr Suvinen in discussion with practicants Arttu Koski and Terhi Toivonen.

Due to the production increase to 150 vehicles per day Valmet Automotive is hiring 150 new employees. There were over 500 applicants for the open jobs. During the seven weeks' training period the new employees are studying e.g. quality issues, problem solving, continuous improvement, and working practices. The number of Valmet Automotive's personnel will rise up to 1100 persons.

- The manufacturing of the most desirable sports cars in the world is very demanding. Although our technical process is state-of-the-art, the required quality can only be achieved with skillful team members, says Mr Juhani Suvinen, Executive Vice President Manufacturing.

- Therefore each new employee will be trained to become a specialist in car manufacturing. It is just as important to learn the work itself as to understand the customer's way of thinking and the importance of high quality, Mr Suvinen says.



The Cayman S conquers hearts

The debut of the Cayman S in September has raised praising comments from automotive journalists. AutoWeek's editors named it the Best car in the Frankfurt Auto show - "because it is sexy as hell". Autocar calls it "the brilliant new Porsche Cayman" and "Porsche's most focused sports car".

The most interesting comment was released by John Griffiths in Financial Times:

- Having driven it, I suggest the time has finally come to sell the family into slavery, flog the house and move into a caravan - or do whatever else it takes to raise the money needed for the Cayman.



One million cars produced in Uusikaupunki

The one millionth passenger car, a red Porsche Boxster S, rolled out of the production line in the Valmet Automotive plant in Uusikaupunki last summer.

The first car in the company's history, a Saab 96, was assembled more than 35 years ago, on the 13th of November 1969.

The important field of know-how of Valmet Automotive are the open cars, the share of which numbers more than 300,000 units

of the one million cars produced so far. Out of them, about 200,000 units are Saab Convertibles produced only in Finland in 1986 - 2003.

The car builders in Uusikaupunki have manufactured cars for Saab, Chrysler, General Motors and EuroLada. Currently, our customer is the German Porsche AG, to whom the second generation Boxster model and Cayman S are produced.

Finland the most competitive again

Finland remains the most competitive economy in the world and tops the rankings for the third consecutive year in The Global Competitiveness Report 2005-2006, released by the World Economic Forum. The United States is in second position, followed by Sweden, Denmark, Taiwan and Singapore.

- The country is very well managed at the macroeconomic level, but it also scores very high in those measures that assess the quality of its public institutions. Furthermore, the private sector shows a high proclivity for adopting new technologies and nurturing a culture of innovation, states the report.

Formula Student Team - best in Europe



The Helsinki Polytechnic Formula Engineering Team has designed and built a formula-type of a racing car and competes with it in the international Formula SAE/Student racing class.

The team was very successful in Leicestershire in the Formula Student 2005 competition. The Finnish team was the best European team beating e.g. the teams of the Swedish Royal Institute of Technology and the Austrian Graz University of Technology. The Canadian University of Toronto took the overall win.

In August the Stadia team finished third in a race between the best teams on the Porsche test track in Leipzig. The successful season was crowned by a victory in the Baltic Open Race in Stockholm in September.

In the competitions the teams present the design engineering and the technical specifications of the car, and the team members also drive the races.

Valmet Automotive is a cooperation partner for the Helsinki Polytechnic Formula Engineering Team.

Reliable partner for car projects



Valmet Automotive offers complete vehicle projects from product development to serial production tailored to specific customer expectations. Our strength is to bring high-quality specialty models on the market quickly and cost-efficiently.

We have long experience in cooperation with demanding OEM-customers and in integrating their engineering and production systems. The production process of Valmet Automotive can be flexibly adapted to a broad range of different vehicle types and production volumes.