

A MESSAGE FROM VALMET AUTOMOTIVE, CONTRACT MANUFACTURER OF SPECIALTY CARS



## Customer satisfaction, high flexibility and continuous improvement

The paint finish is one of the key elements that every luxury car customer can easily see. This is an area where customer demands, environmental matters and technological development will be intensive in the near future.

The further upgrading of the paint process is one important step in the never-ending process of continuous improvement at Valmet Automotive. With the renewal of the clear coat application we have completed the whole upgrading of our paint shop to meet the most stringent demands of the customers.

As a long-time car industry man and employee of Valmet Automotive I am confident that we will succeed in keeping us in the top league by fulfilling the needs of the OEM customers. A network of partners completes our service portfolio and we can tailor the projects to exactly meet the expectations.

I am very proud that contract manufacturers manage such a flexibility in business fluctuations as well as a superior quality level shown also in J. D. Power Study figures, where two of the top three

European quality companies were contract manufacturers.

The highly skilled personnel is the source of the success of Valmet Automotive and its customers. Each member of our team is aware of the challenges and strives for the best results. Valmet Automotive is a reliable and flexible partner in the product development process, manufacturing engineering, supplier management, production launches and production of niche vehicles. Thanks to our lean organization and flexible working methods we can carry out the projects rapidly and cost-effectively.

Later this year, we celebrate the tenth anniversary of Porsche production at Valmet Automotive. This cooperation shows clearly, how we can enhance the growth and success of our customer.



Juhani Suvinen  
President

# Final touch to the paint

## Clear coat process will be renewed



Signing the contract of the paint shop investment: Christian Caillet, Sames Technologies, Leo Myllymaa, Juhani Suvinen and Hannu Berger, Valmet Automotive.

The paint process of Valmet Automotive provides highest surface quality to the car bodies. Thanks to systematic and continuous development and investments the paint process is state-of-the-art and meets the highest surface quality requirements.

Freshly, the latest investment project on the paint surface quality was started. Valmet Automotive will renew the clear coat process. The new process will be in use in fall 2007. It will also allow the use of 2-component clear coat.

The clear coat is the top protecting layer of the paint surface and gives it a shining appearance. Currently, the clear coat is applied manually inside the body and

automatically on the outside. After the renewal the clear coat application will be carried out by four robots. This investment and updating of the base coat process will further improve the surface quality. Simultaneously, the ventilation and humidifying systems will be renewed.

The supplier of the new equipment is Sames Technologies, France. The line will be rebuilt during the shut down period next summer.

The paint process of Valmet Automotive has been thoroughly upgraded during the recent years. Most recently the dip-phosphating process was converted to be suitable for aluminium body panels. A new

primer coating line was introduced in 2001. Before that, the base coat line and the pretreatment and electrocoating facilities were renewed.

The process chemicals, the primer materials as well as the base coat are waterborne and the environmental issues are fulfilled. Valmet Automotive obtained the ISO 14001 Environmental Certificate in 2001.

Currently, different body models with over 30 base coat colours can be flexibly treated in the painting process. Also larger bodies such as SUVs and mini-vans can be painted.

## QUALITY IS THE KEY FOR SUCCESS

The cars manufactured by Valmet Automotive have succeeded outstandingly well in several quality studies. For example, the American customers ranked the production quality of Valmet Automotive the third best among the European factories delivering cars to the American market. (J.D. Power Initial Study, June 2006).

"It is not a coincidence that contract manufacturers took two of the three top positions in the study", says Hannu Berger, Senior Vice President of Marketing.

"When the OEMs outsource their projects, they need more than only resources: innovative ideas, rapid production launches, superior quality and flexibility. A contract manufacturer must be a step ahead to be able to meet the customer needs.

Outsourcing niche car development and manufacture is a great potential to the OEMs. With the help of contract manufacturers they can flexibly satisfy the expectations of end-customers and gain new market shares."



Porsche Boxster and Cayman production at Valmet Automotive represents a successful outsourcing.

The body-in-white process of Valmet Automotive is an optimised combination of the work of robots and experienced car builders, says Pasi Rannus, the new head of body welding at Valmet Automotive.

"The robots bring the accuracy and effectivity to the series production. When the capacity has been increased, we have also increased automation. There are now 74 robots, and the automation rate in the welding is over 90 percent.

However, we can only reach the final high quality with our welding professionals. Their expertise gives a touch that cannot be taught at school. An experienced car builder sees at first sight if there is something wrong in the process. He or she knows the robots as well and can react immediately when disturbances occur."

The latest changes include a new layout and lighting, which improve working conditions on the finishing line. A new robotised preassembly unit for subassemblies has been installed as well.

## Man and machine optimise welding



*The renewed finishing line offers excellent working conditions for car builders.*

## Cross training

Cross training and sharing expertise is the motto of the internal training program at Valmet Automotive in 2007. The training is very strongly based on the know-how of the experts in the company and complemented by external courses.

The main training topics are quality issues, problem solving, change management and improving productivity and cost-efficiency. Training of leadership

and communication skills plays a significant role in courses tailored to supervisors and managers. The overall target is to find and share the best practices to achieve complete customer satisfaction.

"There is plenty of good knowledge and skills to be shared within the organization", says Anneli Nummela, who is responsible for personnel development. "The network of internal trainers and coaches is an asset that has already shown its strength, as over three hundred new workers were trained."

Planning and running the courses gives also the trainers the opportunity to enlarge their vision and learn new skills. Maija Vaismaa is planning a course on quality assurance in change situations. During the course certain changes in the production process will be handled.

"As an internal coach one must work very hard to get a deep understanding of the issues concerned. It is delightful that the participants can open totally new views on the subject. It increases motivation and common understanding."

Maija Vaismaa says that the trainers need also external output and help in their work. Recently, she participated in a course of activating training methods.



*Katja Keskitalo and Maija Vaismaa plan internal courses.*

## NEW COMPUTERISED TESTING EQUIPMENT

*A large variety of computerised testing equipment simulates challenging driving conditions in the final assembly. Thanks to intensive testing and development the results on indoor testing fully correspond to those of the outdoor test track.*

*A key principle at Valmet Automotive is to do right the first time. It means that the quality is built on the production line. No finishing areas are needed. The operations needed are carried out as a process.*



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*Valmet Automotive is a brand-independent European contract manufacturer of exclusive specialty cars of superior quality. Today Valmet Automotive produces Porsche Boxster and Cayman cars for Porsche AG. The facilities on the south-western coast of Finland consist of body welding, painting, final assembly and technical center. In 37 years Valmet Automotive has delivered over one million cars to demanding customers all over the world.*



## Ten years of Porsche production in Finland

Porsche production in Finland will soon reach its 10th anniversary. The first Porsche Boxster rolled off the production line at Valmet Automotive on the 3rd of September, 1997. Porsche's decision to choose Valmet Automotive as production partner has proven to be a huge success.

Porsche and Valmet signed a new agreement on continued cooperation in 2001. The second generation Boxster and the new Cayman were launched into production in Finland.

Last year 32,393 Boxster and Cayman cars were delivered from Valmet Automotive.

Until the end of the year 2006 the number of Porsche cars produced in Finland exceeded 167,000 units.

## JUHANI SUVINEN NEW PRESIDENT



Juhani Suvinen was appointed President of Valmet Automotive as of January 10, 2007.

Mr Suvinen started his work in the company as young engineer in 1975 and he acted as the head of the body shop and the paint shop. He was responsible for the production process in 1987-1995 and held the position of Executive Vice President of the company since 1996.

Mr Suvinen has been in charge of launching several Saabs, Chrysler Talbot models and Opel Calibra into production as well as starting the manufacturing of Porsche at Valmet Automotive.



Ilpo Korhonen was appointed Executive Vice President. He is responsible for the production process. He has previously acted as Vice President responsible for the Porsche project and the production, and before that he acted in different production and quality related assignments.

Mr Korhonen started his career as car builder in the factory before starting his engineering studies.

"I've been working in many teams and many roles at Valmet Automotive. I have learned that no one can succeed alone, but the commitment of the whole team is needed", he states.

## TAPIO KUISMA APPOINTED BOARD MEMBER



Valmet Automotive's former President Mr Tapio Kuisma joined the Board of Valmet Automotive as Board Member. He acted as President of Valmet Automotive since 2001. During his 30-year career in the company he has held responsibilities in IT, finance and personnel administration.

### The board of Valmet Automotive

Mr Olli Vaartimo, Executive Vice President and CFO of Metso, is the chairman of the Board. The members are Mr Kalle Reponen, Mr Vesa Kainu and Mr Tapio Kuisma. Valmet Automotive is a wholly owned daughter company of Metso.

## VALMET AUTOMOTIVE PRODUCED 32 393 CARS IN 2006

Last year Valmet Automotive produced 32,393 cars compared to 21,233 cars in 2005. The number of the personnel in the end of the year was 1013.

Valmet Automotive belongs to Metso, which is a global engineering and technology corporation. Its 25,500 employees in more than 50 countries serve

customers in the pulp and paper industry, rock and minerals processing, the energy industry and selected other industries.