

A MESSAGE FROM VALMET AUTOMOTIVE, CONTRACT MANUFACTURER OF SPECIALTY CARS



A partner you can rely on

Highlights

- Flexibly on the upswing
- Positive appearance at the Geneva Motor Show
- The Audi A4 Coupé Cabrio Concept
- 20 years of convertibles – 330 000 open cars
- New website and presentation material

Valmet Automotive presented its know-how and portfolio of its services at the 76th Geneva International Motor Show early March. At the Valmet Automotive's stand the visitors had the opportunity to view the advanced Audi A4 Coupé Cabrio concept car. The vehicles currently being manufactured at Valmet Automotive, the Porsche Boxster and the Cayman, were given a pole position at our customer's stand. We are naturally proud of being known as "the Porsche factory", but we can easily extend our flexible manufacturing and complete vehicle services for other OEMs.

At Valmet Automotive we commit ourselves to contract manufacturing of specialty cars. We have built a vast experience in co-operating with demanding OEM customers, and in optimizing of our systems with the OEM engineering and production systems. Our concrete contribution to their success and to the joy of drivers are the more than one million passenger cars we have produced.

Our service package

Our core services for vehicle production include plant and manufacturing engineering, quality assurance, supplier management and logistics.

We tailor our service packages to our customer's specific needs. We team up with renowned engineering partners for special product engineering expertise and capabilities. As a production partner for a new vehicle project we can participate in our customer's product engineering teams, and reflect our ideas and knowledge there to help the customer make the cars as efficient on production line as they are on tarmac. This way, engineering the product and the manufacturing process simultaneously saves time and costs, and ensures premium quality right from the start.

New challenges

The production process of Valmet Automotive can easily be adapted to different production volumes, customer specifications, and various specialty cars. The feedback we received at the Geneva Motor Show convinced us that our service package meets the needs of the OEMs and helps them in creating new success stories and in winning new pole positions.

Tapio Kuisma
President





Flexibly on the upswing

The production volume at Valmet Automotive increased rapidly after the decline in 2004. In 2005, 21 233 cars were built, which doubled the volume compared to the previous year. There are now 300 persons more working at the Uusikaupunki plant than the year before. The number of employees is 1100 persons.

Valmet Automotive has started the production of two new products in the Uusikaupunki plant in Finland within the past 18 months. In fall 2004 the company started the production of the second generation Porsche Boxster sports car and in fall 2005 the production of the new Porsche Cayman S. Both of these

new products have been very well received in the market. Their total production volume in Uusikaupunki at the moment is 150 cars/day.

- As a contract manufacturer we are able to act effectively and flexibly also when the production volumes fluctuate, says Mr Tapio Kuisma, the President of Valmet Automotive. In the Porsche production we were able to achieve excellent quality and high delivery precision although both the production volume and the number of new employees increased rapidly at the same time.

The present production rate amounts to an annual production of over 30 000 cars. Naturally, the actual production volume depends on the demand.

In the manufacturing engineering of Porsche Boxster and Cayman S the production specialists of Valmet Automotive participated already in an early phase in Porsche's product engineering teams. The production process engineering and investments were carried out simultaneously with the product engineering. The outcome was that the project was successfully completed exactly as planned.



FLEXIBLE MANAGEMENT OF COMPLEXITY

Valmet Automotive is able to start the production of new vehicles in record time. In the body manufacturing the flexible automation allows for a welding process tailored exactly according to the specific customer requirements. The modern surface treatment process can be adjusted to differ-

ent vehicle types and offers a great variety of top coat colors. Also the treatment of aluminum parts is possible. In the assembly shop the high quality and efficiency are guaranteed by the multi-skilled production teams, advanced working methods and state-of-the-art testing equipment.

- Our special strength is the flexible management of the complexity of tailored specialty versions in the efficient serial production, emphasizes Mr Hannu Berger, Senior Vice President, Marketing.

THE WINNING RACING CAR BY STUDENTS

A good example of the Finnish automobile know-how on both sides of the steering wheel is the racing car designed and built by the Helsinki Polytechnic Formula Engineering Team. The Student Formula racing car was shown at Valmet Automotive's stand in Geneva.

Formula Student/SAE is an international competition class for automotive engineering students, where the team has to design, build, develop and market and compete as

a team with small single-seater racing cars. The Finnish team has been very successful. It was the best European team in Leicestershire in the Formula Student 2005 competition. Valmet Automotive is a co-operation partner for the Helsinki Polytechnic Formula Engineering Team.

For this year the team is building a new car, which will be lighter and much faster. - In 2006 our only target is the first position. We know that we are one of the top teams



in the world. But to win the competition, every team member has to give 110% effort, says Vesa Rinne, the team manager.

Positive appearance at the Geneva Motor Show

The management and specialists of Valmet Automotive were very busy in meetings at the Geneva International Motor Show again this year.

- We had many interesting discussions with the management representatives of both European and worldwide automobile industry. Also the overall appearance of the Show was very positive and the future expectations of the car manufacturers seemed to be optimistic, says Mr Tapio Kuisma, the President of Valmet Automotive.

The convertible and concept know-how of Valmet Automotive was this year presented by the retractable hardtop concept vehicle built on the Audi A4 Convertible base car. The retractable hardtop for a 4-seater convertible offers optimal space for both the passengers and the luggage.

- Open cars continue to be an important and growing part of the automobile market, which is naturally encouraging for a convertible specialist like Valmet Automotive, Mr Kuisma says. For example in 2005 the major part of the production of Valmet Automotive consisted of open cars.

The practical sport utility vehicles represented a new trend in the Show, which is a sign of the increasing environmental awareness. The flexible production process of Valmet Automotive fits very well also for the production of these kinds of vehicles.

The Press Office of the Geneva Motor Show has reported that the 76th International Motor Show welcomed some 674 000 visitors despite being affected by unfavorable weather conditions during the event. Once again, the press coverage throughout the world was exceptional, with more than 5 000 journalists attending from some 80 countries.



The Audi A4 Coupé Cabrio

Concept

The Audi A4 Coupé Cabrio concept car has been developed and built in the product development center of Valmet Automotive. It is a true four-seater based on the Audi A4 Cabriolet, now equipped with a retractable roof. The concept car is a one-off vehicle with which Valmet Automotive demonstrates its product development competence.

The fully automatic retractable roof of the concept car consists of three panels. When the roof is down, the panels are packed parallel with the largest rearmost panel on the

top of the stack. This onion-like packaging principle keeps the required space to a minimum and maximizes the size of the luggage compartment. The interior layout of the concept car is carried over from the base car.

During the last ten years Valmet Automotive has presented several different soft-top and hardtop concepts at the Geneva Motor Show. The concept car development has enhanced the development of the convertible expertise in the company and created patentable new engineering solutions.



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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 S cars for Porsche AG. The facilities on the south-western coast of Finland consist of body welding, painting, final assembly and a technical center. In 36 years Valmet Automotive has delivered over one million cars to demanding customers all over the world.

20 years of convertibles

Valmet Automotive is one of the most experienced manufacturers of open cars in Europe. One third of the one million cars manufactured so far is an open car.

The start of the convertible era at Valmet Automotive dates back to early 80's. After the highly successful presentation of the concept vehicle at Frankfurt the first open car, a Saab 900 Convertible, was built in Uusikaupunki in 1986. Valmet Automotive played a key role in the product development of this car. The success of the car exceeded all expectations and nearly 50 000 cars were made in sole production in the Uusikaupunki plant. Valmet Automotive also manufactured the Saab Convertibles of the second generation. Between 1986 - 2003 altogether 198 000 Saab Convertibles were made in Finland.

The product development and production of the Saab Convertible created the basis for the convertible expertise of Valmet Automotive. The production of Porsche Boxster, started in 1997, has further deepened Valmet Automotive's know-how as a manufacturer of open cars. To date some 130 000 Porsche Boxster open-top sports cars have been built in Finland.

330 000 OPEN CARS

- 1980** *Early concept of Saab 900 Convertible*
- 1983** *First concept of Saab 900 Convertible at the Frankfurt Motor Show*
- 1984** *Decision to start the sole production of Saab 900 Convertible in Finland*
- 1986** *Convertible series production starts*
- 1992** *The yearly production of convertible cars exceeded 10 000 cars*
- 1994** *The second generation of Saab 900 Convertible, key role in the development of the car*
- 1997** *The production of Porsche Boxster sports cars started in Finland*
- 1998** *The new Saab 9-3 Convertible, the development of the car continued in Finland*
- 2001** *The decision of continued Porsche production in Finland*
- 2004** *The new Porsche Boxster into production in Finland*



NEW WEBSITE AND PRESENTATION MATERIAL

Valmet Automotive launched at the Geneva Motor Show 2006 a completely renewed company presentation material. The company website www.valmet-automotive.com has now a fresh orange-colored look, which reflects the flexibility and the innovativeness of the Finnish specialty car manufacturer.

The same visual line is seen also in the new company brochure - Your partner in specialty cars - which is targeted to the OEMs. The new DVD enables you to make a visit to the virtual factory and to follow the production process of Valmet Automotive step by step. The production video shows

how the Porsche Boxster and the Porsche Cayman S are manufactured in Finland. Photos for the media are also available on this DVD.

The presentation material is available in English and in German.