

TECNOMEN HOLDING CORP.

STOCK EXCHANGE RELEASE

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INTERIM REPORT 1 JANUARY - 30 JUNE 2001

- Tecnomen Corporation's former parent company Kyro Corporation demerged on 31 March 2001 into Tecnomen Holding Corporation and the new Kyro Corporation.
- As a result of the demerger, Tecnomen Holding Corporation became Tecnomen Corporation's parent company.
- The net sales of Tecnomen Holding Group in the period 31 March to 30 June 2001 consisted of the net sales of Tecnomen Group and amounted to EUR 10.1 million. Pro forma net sales for January-June 2001 were EUR 25.1 million.
- The Tecnomen Holding Group's pro forma operating result for January-June 2001 was EUR -5.4 million and was mainly affected by the loss incurred by Tecnomen Group.
- The order book of Tecnomen Holding Group and Tecnomen Group grew from EUR 4.6 million at 31 March 2001 to EUR 7.6 million at 30 June 2001.

NET SALES AND OPERATING RESULT

The first official financial period of Tecnomen Holding Corporation, set up as a result of the demerger of Kyro Corporation on 31 March 2001, is 31 March to 31 December 2001, and this is why the interim report shows the most important figures for the second quarter without the comparative data for 2000. Also shown in the interim report is the pro forma data of the income statement of the currently prevailing group structure of the Tecnomen Holding Group covering the period 1 January to 30 June 2001, as well as comparative figures for the Tecnomen Group covering the period 1 January to 30 June 2000.

The pro forma net sales of the Tecnomen Holding Group during the period January-June amounted to EUR 25.1 million, which corresponds to the net sales of Tecnomen Group, as during this interim period the Tecnomen Holding Group was not engaged in operations that would have produced any actual net sales of its own.

The Tecnomen Holding Group's pro forma operating result for January-June was EUR -5.4 million. The result was affected by Tecnomen Group's loss, which resulted from a slowing of the company's net sales growth and increased operating expenses.

The pro forma result before extraordinary items of the Tecnomen Holding Group for the period 1 January to 30 June 2001 was EUR -5.0 million. The result per share of the Tecnomen Holding Group

was EUR -0.10 and equity per share at the end of the interim period was EUR 1.45.

The parent company Tecnomen Holding Corporation had no net sales of its own and its operating result was EUR -0.5 million, due mainly to non-recurring items resulting from preparations for the merger of Tecnomen Holding Corporation and Tecnomen Corporation. Tecnomen Holding Corporation's result before extraordinary items and taxes was EUR 0.8 million.

Tecnomen Holding Corporation's dividend income from the year 2000 dividend distribution of Tecnomen Corporation was EUR 0.9 million. This has been eliminated from the income statement of the Tecnomen Holding Group.

The net sales of Tecnomen Group for January-June 2001 amounted to EUR 25.1 million (24.0) and the operating result for January-June 2001 was EUR -4.9 million (-1.6). The result before extraordinary items for the interim period was EUR -4.5 million (-1.9). Earnings per share were EUR -0.10 (-0,02). Equity per share stood at EUR 1.54 (1.51).

The order book of Tecnomen Group and of the Tecnomen Holding Group underwent positive development during the period April to June. At 30 June 2001 it was valued at EUR 7.6 million (10.2) compared with EUR 4.6 million at the end of the first quarter.

KEY FIGURES

	31 March-30 June, 2001	1-6/2001 proforma
Net sales, EUR million	10.1	25.1
Operating result, EUR million	-5.8	-5.4
% of net sales	-57.8	-21.5
Result before extraordinary items, appropriations, taxes and minority, EUR million	-5.7	-5.0
% of net sales	-56.7	-19.9
Personnel, average	552	458
Personnel, at end of period	581	581
Earnings per share, EUR	-0.10	-
Equity per share, EUR	1.45	-

FINANCING AND INVESTMENTS

The financial standing of the Tecnomen Holding Group during the period 31 March to 30 June 2001 was strong. Total assets at 30 June 2001 amounted to EUR 95.0 million, of which liquid assets represented EUR 38.8 million. Interest-bearing liabilities amounted to EUR 1.3 million. The debt to equity ratio (gearing)

was -46.3%. The Group's equity ratio as at 30 June 2001 was 86.2%.

GROUP STRUCTURE

Kyro Corporation demerged on 31 March 2001 to form the new Kyro and Tecnomen Holding. As a result of this demerger, Tecnomen Holding Corporation became Tecnomen Corporation's parent company on 31 March 2001.

On demerger, Kyro's assets and liabilities were distributed between the new Kyro Corporation and Tecnomen Holding Corporation in such a way that the Tecnomen Corporation shares that had been in Kyro's possession, a total of 36,706,100 shares representing around 73% of Tecnomen's share capital on at 1 April 2001, as well as a corresponding amount of equity, were transferred to Tecnomen Holding Corporation.

As a result of subscriptions made under Tecnomen Corporation's share option rights, the number of Tecnomen shares increased in the period April-June by 1,779,000 shares to 51,860,650 shares, whereupon Tecnomen Holding Corporation's ownership fell to 71%.

The Tecnomen Holding Group consists of Tecnomen Corporation and its subsidiaries. According to Tecnomen Holding Corporation's Articles of Association the company's business area is defined, in accordance with the operations of Tecnomen Corporation, as the development, manufacture and marketing of messaging and telecommunications software, hardware and services. Until the end of 2001 the operations of Tecnomen Holding Corporation will consist chiefly of the ownership of Tecnomen Corporation shares. It is estimated that Tecnomen Corporation will merge with Tecnomen Holding Corporation around 31 December 2001.

On merger, all the assets and liabilities of Tecnomen Corporation will be transferred to Tecnomen Holding Corporation at their book value and without any liquidation proceedings, and in consideration of this merger the shareholders of Tecnomen Corporation will receive new shares in Tecnomen Holding Corporation without having to take any action.

When the merger becomes effective, the business name of Tecnomen Holding Corporation will be changed to Tecnomen Corporation. The company will continue the business operations of Tecnomen Corporation and the merger will, therefore, have no direct impact on the business activities of Tecnomen Corporation.

BUSINESS ACTIVITIES IN 2001

The business development and future prospects of Tecnomen Holding Corporation correspond to the information given in the half-yearly interim report published by Tecnomen Corporation on 16 August 2001. Provided that the economic situation does not deteriorate markedly, Tecnomen estimates its net sales in 2001 to be at the same level as the year before and its operating result to remain positive.

EXTRAORDINARY SHAREHOLDERS' MEETING

On 5 April 2001 the Tecnomen Holding Corporation and Tecnomen Corporation Boards of Directors signed a merger plan specifying that Tecnomen Corporation will merge with Tecnomen Holding Corporation. The Board of Tecnomen Holding Corporation proposed to the Extraordinary Shareholders' Meeting held on 15 May 2001 that the merger plan be approved, and the Board of Tecnomen Corporation did likewise to the Annual General Meeting held on the same day.

The shareholders' meetings of both companies approved the merger plan and, consequently, Tecnomen Corporation will merge with Tecnomen Holding Corporation in accordance with the plan. It is estimated that the registration of the merger will take place around 31 December 2001.

Tecnomen Holding Corporation's Extraordinary Shareholders' Meeting also approved the Board's proposal included in the merger plan to replace the decision on option rights made by the Board of Tecnomen Corporation on 9 June 2000 with an options schedule proposed by Tecnomen Holding Corporation, on the same terms and conditions.

However, owing to the exchange ratio agreed in the merger plan the terms of the option rights will change to the extent that a total of 2,250,938 option rights will be issued, giving entitlement to subscribe to a maximum of 2,250,938 Tecnomen Holding Corporation shares with a nominal value of EUR 0.08. In accordance with the exchange ratio the subscription price of the share is EUR 7.86. As a result of share subscriptions the share capital of Tecnomen Holding Corporation can be increased by a maximum of EUR 180,075. The new option rights have not yet been distributed.

BOARD OF DIRECTORS AND MANAGEMENT

Kyro Corporation's Extraordinary Shareholders' Meeting held on 22 November 2000 unanimously elected Keijo Olkkola, Lauri Ratia, Timo Toivila, Hannu Turunen, Lars Hammarén, Carl-Johan Numelin and Christer Sumelius to Tecnomen Holding Corporation's Board of Directors. Tecnomen Holding Corporation's Board of Directors elected Lauri Ratia among its members as Chairman.

KPMG Wideri Oy Ab, responsible auditor Sixten Nyman, was unanimously elected as auditor.

Pentti Yliheljo, the President and CEO of the present Kyro Corporation, was appointed President and CEO of the company.

SHARES AND SHAREHOLDERS

The shares of Tecnomen Holding Corporation, which was set up on 31 March 2001 as a result of the demerger of Kyro Corporation, have been quoted on the Main List of the Helsinki Exchanges since 2 April 2001.

The quotation of the shares of the merging Tecnomen Corporation on the Main List of the Helsinki Exchanges will continue until the day before the merger, or until approx. 28 December 2001. The concurrent quoting of both Tecnomen Corporation and Tecnomen Holding Corporation shares, therefore, is a transitory phase in the current structural reorganisation process.

Listing on the Main List of the Helsinki Exchanges of the new Tecnomen Holding Corporation shares to be issued when the merger takes place will be applied for in order to have the new Tecnomen Holding Corporation shares that were issued in consideration of the merger quoted on the Main List of the Helsinki Exchanges as of the first working day following the registration of the merger, estimated to fall on 2 January 2002.

During the interim period under review, a total of 1.3 million Tecnomen Holding Corporation shares were traded. The highest share price was EUR 3.93 and the lowest EUR 2.17.

TIMETABLE OF FINANCIAL ANNOUNCEMENTS

The following interim report by Tecnomen Holding Corporation to cover the period 31 March to 30 September 2001, will be published on 7 November 2001.

Espoo, 16 August, 2001

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Board of Directors

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CONSOLIDATED INCOME STATEMENT OF TECNOMEN HOLDING GROUP*

MEUR	31 March-30 June 2001	1-6/2001 new Tecnomen pro forma	1-6/2000 TECNOMEN GROUP
Net sales	10.1	25.1	24.0
Operating expenses	14.9	28.7	24.1
Depreciation	1.0	1.8	1.5
Operating result	-5.8	-5.4	-1.6
% of net sales	-57.8	-21.5	-6.5
Financial income and expenses	0.1	0.4	-0.3
Result before taxes and minority interest	-5.7	-5.0	-1.9
Taxes	0.0	-0.2	0.9
Minority interest	-1.6	-1.5	0.0
Result for the period	-4.1	-3.7	-1.0

CONSOLIDATED BALANCE SHEET	30 June 2001	30 June 2001 new Tecnomen pro forma	30 June 2000 TECNOMEN GROUP
Fixed assets	13.4	13.4	13.9
Current assets			
Inventories	3.5	3.5	2.6
Financial assets	78.1	78.1	72.1
Assets	95.0	95.0	88.6
Shareholders' equity	57.4	57.4	74.3
Minority interest	23.5	23.5	0.1
Liabilities			
Interest-bearing liabilities	1.3	1.3	1.5
non-interest bearing liabilities	12.4	12.4	12.5
Deferred tax liabilities	0.4	0.4	0.2
Equity and liabilities	95.0	95.0	88.6

* Comparative data 30 June 2000 = Tecnomen Group's income statement and balance sheet at 30 June 2000

KEY FINANCIAL FIGURES

MEUR	31 March-30 June, 2001	30 June, 2000 TECNOMEN GROUP
Return on capital invested, %	-27.5	-4.6
Return on equity, %	-27.9	-4.5
Equity ratio, %	86.2	84.8
Debt/Equity ratio (gearing), %	-46.3	-52.1
Investments	1.1	2.8
% of net sales	11.0	12.7
Research and development expenditure	4.6	9.0
% of net sales	46.0	36.0
Order book	7.6	10.2
Personnel, average	552	458
Personnel, at end of period	581	502

KEY FIGURES PER SHARE

MEUR	31 March-30 June, 2001	1-6/2000 TECNOMEN GROUP
Earnings per share, EUR	-0.10	-0.02
Equity per share, EUR	1.45	1.51
Number of shares at and of period	39.675	49.116
Share price trend, EUR		
Average price	2.92	-
Lowest price	2.17	-
Highest price	3.93	-
Share price at end of period	2.35	-
Market value of issued stock at end of period, EUR million	93.2	-
Share turnover, mill. of shares	1.3	-
Share turnover, % of total	3.3	-
Share turnover, EUR million	3.9	-

CONTINGENT LIABILITIES	30 June, 2001	30 June, 2000
MEUR		TECNOMEN GROUP
For own debts		
Property mortgages	0.7	0.7
Securities on behalf of group companies and on own behalf	0.2	0.2
Other own liabilities	4.9	5.2
Values of underlying instruments of derivative contracts		
Currency forwards		
Market value	16.2	7.5
Value of underlying instruments	15.7	7.2

The figures are not audited.