

Kyro Corporation STOCK EXCHANGE ANNOUNCEMENT 8 May 2001 8:30 a.m.

KYRO CORPORATION, INTERIM REPORT JANUARY - MARCH 2001

- Kyro demerged on 31 March 2001 into new Kyro and Tecnomen Holding
- New Kyro's net sales grew by 74% to FIM 214.6 (123.3) million
- Operating result improved by 152% to FIM 24.4 (9.7) million
- Profit improved by 23% to FIM 7.7 (6.3) million
- Financial position good with 31 March equity ratio at 80.8% (70.5)
- Order book on 31 March 2001 grew compared to the corresponding period of the previous year by 26% to FIM 506.1 (403.0) million

The new Kyro figures presented above and within this report for the period before 31 March 2001 are pro forma figures. New Kyro's first official fiscal period is 31 March - 31 December 2001.

KYRO DEMERGER

Kyro Corporation (old Kyro) demerged on 31 March 2001 into two new companies, namely Tecnomen Holding Corporation and Kyro Corporation (new Kyro). Tecnomen Holding Corporation received the shares of Tecnomen owned by the demerged company together with a corresponding amount of equity. The shares of Tamglass Ltd Oy and Kyro Power Oy held by the demerged company, as well as the company's other assets and liabilities and the remaining part of the equity, were transferred to new Kyro Corporation.

The owners of old Kyro received in the demerger one new Kyro and one Tecnomen Holding share against each old Kyro share. The shares of new Kyro (KRO) and Tecnomen Holding (TEN) have been listed on the main list of the Helsinki Exchanges since 2 May 2001.

Following the demerger Tecnomen Corporation is a subsidiary of Tecnomen Holding Corporation. The boards of directors of Tecnomen Corporation and Tecnomen Holding Corporation signed on 4 April 2001 a merger plan, under which Tecnomen Corporation will merge into Tecnomen Holding Corporation on the estimated date of 31 December 2001, so that the resulting company will continue the business operations of Tecnomen Corporation under the name Tecnomen Corporation.

The merger prospectus for Tecnomen Corporation and Tecnomen Holding Corporation will be made public and available beginning 8 May 2001 from Hexgate at Fabianinkatu 14, Helsinki, or by order from the companies.

NEW KYRO GROUP

The new Kyro created in the demerger and its subsidiaries form a technology group consisting of Tamglass Ltd. Oy, the world market leader in safety glass machines, and Kyro Power Oy, the environmentally friendly energy producer. Kyro's strategy is to focus on selected business areas which are in a transition or breakthrough stage and to develop and grow them using its substantial financial resources. In terms of the new Kyro Group this primarily means growing Tamglass' operations both organically and through possible acquisitions.

NEW KYRO GROUP'S NET SALES AND OPERATING PROFIT (PRO FORMA)

The net sales of the new Kyro Group in the first quarter grew compared to the corresponding period of the previous year by around 74% and totalled EUR 36.1 (20.7) million. The net sales of Tamglass doubled and the net sales of Kyro Power grew by 15%. The new Kyro's operating profit was EUR 4.1 (1.6) million, representing significant growth from the previous year owing to Tamglass' good profit development.

Net financial items for the interim period totalled EUR -2.0 (0.6) million, out of which realised and unrealised exchange losses on bonds and securities amounted to EUR 3.1 million. Other net financial items amounted to EUR 1.1 million.

The new Kyro Group's first quarter profit before taxes and minority interest declined by 7.8% to EUR 2.1 (2.2) million. Profit for the interim period was EUR 1.3 (1.1) million, representing a growth of 23%. Earnings per share were EUR 0.03 (0.03) and equity per share at the end of the period stood at EUR 3.29 (2.78).

The new Kyro Group's order book on 31 March 2001 increased by around 26% from the corresponding period of the previous year to stand at EUR 85.1 million (67.8), but decreased from the record level (87.7) of the turn of the year by around 3%.

Table 1: Pro forma net sales, operating result and personnel of the new Kyro's business groups

	Net sales				Operating result		
	1-3/2001		1-3/2000		1-3/2001		1-
3/2000							
EUR/FIM million	EUR	FIM	EUR	FIM	EUR	FIM	EUR
FIM							
Tamglass	28.7	170.6	14.3	85.0	3.5	20.8	0.6
3.4							
Kyro Power	7.3	43.4	6.4	37.8	1.6	9.6	1.7
9.8							

Parent company	0.2	1.2	0.2	1.0	-1.0	-6.0	-0.5	-
3.3								
and other operations								
Eliminations	-0.1	-0.6	-0.1	-0.5				-
0.2								
Group, total	36.1	214.6	20.7	123.3	4.1	24.4	1.6	
9.7								

NEW KYRO GROUP'S FINANCING AND INVESTMENTS (PRO FORMA)

The new Kyro Group's financial position on 31 March 2001 was strong. Liquid cash and investment assets totalled EUR 63.3 (45.6) million at the end of the interim period.

Interest-bearing liabilities were EUR 5.8 (24.3) million. The net debt to equity ratio (gearing) stood at -43.9% (-37.9) and equity ratio at 80.8% (70.5).

The new Kyro Group's investments in the first quarter totalled EUR 0.9 (0.9) million.

NEW KYRO GROUP'S PERSONNEL

The new Kyro Group had 451 (419) employees on 31 March 2001. The growth in employee numbers is influenced by the establishment of a factory in Brazil and by an increase in resources for Tamglass' maintenance and sales services as well as product development.

	Personnel	
	31.3.2001	31.3.2000
Tamglass	418	384
Kyro Power	22	23
Parent company	11	12
Group, total	451	419

BOARDS OF DIRECTORS OF OLD AND NEW KYRO

The Annual General Meeting held on 20 March 2001 unanimously elected Lauri Fontell, Lars Hammarén, Carl-Olaf Homén, Barbro Koljonen, Carl-Johan Numelin, Christer Sumelius, Carl-Johan Rosenbröijer and Gerhart Wendt to the Board of Directors of old Kyro. The board of directors elected Carl-Johan Numelin as chairman and Christer Sumelius as deputy chairman.

The elected Board will serve until a shareholders' meeting to be held in June, which will formally close the operations of old Kyro. The same persons were also elected to the Board of Directors of new Kyro.

At its meeting on 20 March 2001 the Board of Directors of new Kyro elected Carl-Johan Numelin as chairman and Christer Sumelius as deputy chairman. The Board of Directors appointed Pentti Yliheljo as the President and Chief Executive Officer of new Kyro.

OLD KYRO GROUP'S INTERIM REPORT DATA JANUARY - MARCH 2001

The net sales of the old Kyro Group for January-March grew compared to the corresponding period of the previous year by 53.6% and totalled EUR 51.1 (33.3) million. Operating profit was EUR 4.5 (2.0) million. The result before extraordinary items was EUR 3.0 (1.4) million. Earnings per share were EUR 0.08 (0.03) and equity per share at the end of the period stood at EUR 4.83 (3.19).

The financial position of the old Kyro Group at the end of the period was strong. The Group's liquid cash and investment assets totalled EUR 103.1 (49.3) million. Interest-bearing liabilities stood at EUR 7.2 (25.8) million. Net debt to equity ratio (gearing) was -44.6% (-18.1). The balance sheet structure strengthened and the equity ratio was 82.2% (67.8).

Dividends of EUR 11.9 million were paid during the period as decided by the Annual General Meeting.

The old Kyro Group had 993 (867) employees at the end of the period. The 14.5% growth resulted from personnel increases in Tamglass and Tecnomen. Investments during the period totalled EUR 1.8 (2.7) million.

OLD KYRO SHARES AND SHARE-PRICE DEVELOPMENT

Some 2,678,098 old Kyro Corporation shares were traded during the period. The highest price paid during the period was EUR 8.90 and the lowest EUR 6.70. In the corresponding period last year the highest price paid for a share was EUR 16.50 and the lowest EUR 6.40.

FINAL MEETING OF OLD KYRO

The business operations of old Kyro ended in the demerger of 31 March 2001. The Board of Directors of old Kyro will convene an Extraordinary Shareholders' Meeting in June 2001, on a date to be announced later, to effect the formal closing of the company's operations. Following the execution of the demerger, business operations have been continued as of 31 March 2001 by new Kyro Corporation and Tecnomen Holding Corporation.

BUSINESS GROUPS

Safety glass

Tamglass' net sales for the first quarter doubled compared to the corresponding period of the previous year and totalled EUR 28.7 (14.3) million. Tamglass' operating profit grew sixfold to EUR 3.5 (0.6) million.

Contributory factors to the strong growth in net sales and operating profit were the concentration in the first quarter of deliveries from the last year's record order book and low net sales in the corresponding period last year. Capacity utilisation in the first quarter at each of the Tamglass factories was good.

The order book grew 33% compared to the corresponding period of the previous year and amounted to EUR 61.2 (46.0) million at the end of March. Demand for safety glass machines grew in Europe and remained level in America and the Far East. Uncertainty about growth in the United States made itself apparent during the period chiefly as a slowdown in decision-making.

Tamglass' market position as a supplier of automotive glass machines remained strong and the company's position in the manufacturing of architectural glass machines strengthened further as deliveries of high-capacity machines increased.

As part of its international expansion strategy, Tamglass decided to establish a machine factory in China. Through its own manufacturing the company intends to benefit from regional cost-efficiency by offering products in the local currency within China's growing safety glass machine market.

The high utilisation rate of safety glass machines supplied by Tamglass increases the importance of After Sales services. The number of maintenance contracts increased during the first quarter following sales of new machines at a good level.

The net sales of Tamglass' safety glass processing unit were at the previous year's level.

Telecommunications

During the interim period Tecnomen Corporation was a subsidiary within the group structure of old Kyro. When old Kyro was demerged on 31 March 2001, Tecnomen Holding Corporation became the new parent company of Tecnomen Corporation as the Tecnomen Corporation shares held by Kyro were transferred under its ownership.

The net sales of the Tecnomen Group grew in the first quarter grew by approximately 20% and totalled EUR 15.0 (12.6) million. The group's operating profit was EUR 0.4 million and grew by 2.4%. The development of Tecnomen's operations has been presented in greater detail in the company's own interim report announcement published on 8 May 2001.

Energy

Kyro Power's net sales in the first quarter grew by 15% as delivery volumes and prices rose and totalled EUR 7.3 (6.4) million. Electricity accounted for 57% of energy sales and steam and district heat for 43%.

Despite the growth in net sales, the operating profit EUR 1.6 (1.7) million declined by 2% due to a rise in the price of fuel.

The spot market price for electricity rose sharply during the period under review. A contributory factor to the price increase was the low level of water reserves in the Nordic countries.

The strong rise in the spot market price for electricity emphasised the positive effect on customers of Kyro Power's long-term energy supply contracts.

The president of Kyro Power, Matti Heino (60), retired at the end of February as provided by his employment contract, and he continues as the deputy chairman in the board of directors of Kyro Power. Esa Kujala was appointed as the new president of Kyro Power as of 1 March 2001. Prior to his appointment he has acted as the power station manager of Kyro Power since 1 September 1995.

NEW KYRO'S OUTLOOK FOR THE END OF THE YEAR

Tamglass' order book on 31 March 2001 nearly matched the record level at the end of last year. Tamglass' net sales and operating profit are estimated to improve in 2001 over the previous year.

Kyro Power's net sales are estimated to grow slightly during 2001 and its operating profit to be roughly at the previous year's level.

The new Kyro Group's comparable net sales and operating profit are estimated to improve in 2001 over the previous year.

The new Kyro Group will release further interim reports for the current year as follows:

Interim report 2/2001 (January - June 2001) on 16 August 2001
Interim report 3/2001 (January - September 2001) on 7 November 2001

Tampere, 8 May 2001

KYRO CORPORATION

Veli Krongvist	Arja Louhimo
Chief Financial Officer	Group Controller

For further information on Kyro's interim report, please contact:
President and CEO Pentti Yliheljo and Chief Financial Officer Veli
Krongvist.

Investor relations
Mika Nevalainen, V.P., Corporate Communications, Kyro Corporation
Tel. (+358 0) 400 882 024

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NEW KYRO GROUP, PRO FORMA

Consolidated Income Statement EUR million

	1-3/2001 EUR million	1-3/2000 EUR million	1-12/2000 EUR million
Net sales	36.1	20.7	117.3
Other operating income	0.0	0.0	1.2
Expenses	30.8	18.0	97.2
Depreciation	1.2	1.2	4.9
Operating profit	4.1	1.6	16.4*
% of net sales	11.4	7.8	14.0
Financial income and expenses	-2.0	0.6	
Profit before extraordinary items	2.1	2.2	
Extraordinary income and expenses			
Profit before taxes and minority interest	2.1	2.2	
Taxes	-0.7	-0.9	
Minority interest	-0.1	-0.3	
Profit for the interim period	1.3	1.1	

*) Comparable operating profit, which does not include EUR 38.9 million profit on the sale of Tecnomen shares entered in the parent company's accounts in 2000.

Consolidated Balance Sheet, EUR million

	31.3.2001	31.3.2000	31.12.2000
Fixed assets	64.5	63.9	65.1
Current assets			
Inventories	16.3	18.0	15.0
Financial assets	99.1	96.7	107.7
Assets	179.8	178.7	187.8
Shareholders' equity	130.5	110.3	140.7
Minority interest	2.4	4.7	2.2
Liabilities			
Interest-bearing liabilities	5.8	24.3	5.9
Non-interest-bearing liabilities	37.7	33.5	34.8
Deferred tax liability	3.5	6.0	4.1
Liabilities	179.8	178.7	187.8

Key Financial Indicators	1-3/2001	1-3/2000	1-12/2000
Earnings per share, EUR	0.03	0.03	0.87*
Number of shares, 1000s	39 675	39 675	39 675
Return on capital invested, %	7.0	7.7	36.3
Return on equity, %	4.0	4.6	28.3
Equity ratio, %	80.8	70.5	82.3
Gearing, %	-43.9	-37.9	-47.0

Equity per share, EUR	3.29	2.78	3.55
Investments, EUR million	0.9	0.9	6.6
Personnel, at end of year	451	419	435
Personnel, average	445	419	428
Order book	85.1	67.8	87.7

*) Comparable earnings per share, EUR 0.16.

	31.3.2001	31.3.2000	31.12.2000
Contingent liabilities, EUR million			
On own behalf			
Mortgages		17.9	
Other liabilities	5.6	10.3	11.5
Derivative contracts			
Value of underlying instruments			
Interest swap contracts		10.9	
Forward currency contracts	29.9	18.9	29.7
Market value			
Forward currency contracts	30.8	21.9	29.1

OLD KYRO GROUP

Consolidated Income Statement EUR million

	1-3/2001	1-3/2000	1-12/2000
	EUR million	EUR million	EUR million
Net sales	51.1	33.3	183.6
Other operating income	0.1	0.0	77.5*
Expenses	44.6	29.3	155.5
Depreciation	2.1	2.0	8.7
Operating profit	4.5	2.0	96.9*
% of net sales	8.9	5.9	52.8
Financial income and expenses	-0.3	0.5	1.4
Profit before extraordinary items	4.2	2.4	98.3
Extraordinary income and expenses			
Profit before taxes and minority interest	4.2	2.4	98.3
Taxes	-1.0	-1.0	-16.8
Minority interest	-0.2	-0.3	-2.7
Profit for the interim period	3.0	1.2	78.8

*) Comparable operating result, excluding profit on the sale of Tecnomen shares entered in the parent company's accounts as well as the proceeds from the Tecnomen share issue entered in the consolidated accounts, is EUR 21.5 million, namely 11.7% of net sales.

Consolidated Balance Sheet, EUR million

	31.3.2001	31.3.2000	31.12.2000
Fixed assets	77.8	77.6	78.4
Current assets			
Inventories	19.7	20.3	17.5
Financial assets	183.0	111.5	188.8
Assets	280.5	209.4	284.7
Shareholders' equity	191.7	126.4	200.2
Minority interest	25.4	4.8	25.1
Liabilities			
Interest-bearing liabilities	7.2	25.8	7.4
Non-interest-bearing liabilities	52.3	46.1	47.7
Deferred tax liability	3.9	6.3	4.3
Liabilities	280.5	209.4	284.7
Key Financial Indicators	1-3/2001	1-3/2000	1-12/2000
Earnings per share, EUR	0.08	0.03	1.98*
Number of shares, 1000s	39 675	39 675	39 675
Return on capital invested, %	7.4	7.5	50.5
Return on equity, %	5.9	4.4	46.0
Equity ratio, %	82.2	67.8	83.9
Gearing, %	-44.6	-18.1	-47.9
Equity per share, EUR	4.83	3.19	5.05
Investments, EUR million	1.8	2.7	11.1
Personnel, at end of year	993	867	952
Personnel, average	980	859	912
Order book	90.0	78.6	98.4

*) Comparable earnings per share are EUR 0.32.

	31.3.2001	31.3.2000	31.12.2000
Contingent liabilities, EUR million			
On own behalf			
Mortgages	0.6	18.6	0.7
Other liabilities	10.9	16.2	16.1
Derivative contracts			
Value of underlying instruments			
Interest swap contracts		10.9	
Forward currency contracts	46.6	27.9	51.3
Market value			
Forward currency contracts	47.8	31.8	49.6
Currency options			
Bought	1.4		
Sold	2.9		

Figures are unaudited.