

Kyro Corporation STOCK EXCHANGE ANNOUNCEMENT 15 May 2001 16:30 p.m.  
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DEMERGED KYRO GROUP FINAL ACCOUNTS 1 JANUARY - 31 MARCH 2001

- The Board of Directors of the demerged Kyro Corporation approved today the final accounts of the Kyro Corporation for the period 1 January - 31 March 2001
- The net sales of the demerged Kyro Group grew by 54 % to FIM 303,9 (197,9 during the corresponding period of the previous year) million
- The operating result improved by 131 % to FIM 27,0 (11,7) million
- Profit before taxes grew by 126 % to FIM 19,3 (8,5) million
- Financial position 31 March 2001 was good and equity ratio 82 % improved compared to the corresponding period of the previous year (68 %).

The report of the Board of Directors, included in the final accounts, is as follows.

REPORT OF THE BOARD OF DIRECTORS 1 JANUARY - 31 MARCH 2001

KYRO DEMERGER

On 22 November 2000, an Extraordinary Shareholders' Meeting of Kyro Corporation approved a demerger plan, according to which all the assets and liabilities of Kyro Corporation were transferred without liquidation proceedings to the new Kyro Corporation and the Tecnomen Holding Corporation formed in the demerger. On 31 March 2001, the demerging Kyro Corporation was dissolved and the implementation of the demerger was registered in the trade register. The public quotation of the recipient companies' shares began on the Main List of the Helsinki Exchanges on 2 April 2001. To Tecnomen Holding Corporation were transferred the shares of Tecnomen Corporation owned by the demerged company, representing a book value EUR 5,214 272, and a corresponding amount of equity. The shares of Tamglass Ltd Oy and Kyro Power Oy, the company's other assets and liabilities, and the remaining part of the equity were transferred to the new Kyro Corporation. The number of old Kyro shares totalled 39,675,000. The owners of the old Kyro received in the demerger one new Kyro share, nominal value EUR 0.16, and one Tecnomen Holding share, nominal value EUR 0.08, for each old Kyro share. The share capital of the companies formed in the demerger was registered in the trade register on 31 March 2001.

The demerger of the old Kyro and the distribution of compensation has been implemented in accordance with the demerger plan.

The financial period of the final accounts was three months and the reference period 12 months.

In the demerger of Kyro Corporation the assets and liabilities of the demerged company have been transferred to the recipient companies, so no proposal for the distribution of profits will be made.

## GROUP STRUCTURE

The Kyro Group has consisted of the parent company Kyro Corporation, the technology companies Tamglass and Tecnomen, as well as the energy company Kyro Power. A combined offering and sale of Tecnomen shares took place in summer 2000, and the company was listed on the Main List of the Helsinki Exchanges. Before the demerger, the parent company owned 73.3% of Tecnomen's shares.

## NET SALES AND RESULT

The January-March net sales of the Kyro Group totalled EUR 51.1 million (183.6 in 2000, 12-month period). Operating profit was EUR 4,5 (96,9) million. Profit from the combined new issue and sale of Tecnomen shares totalled EUR 76 million was entered in the consolidated operating profit as other operating income in year 2000. Operating profit in 2000 was EUR 21 million without profit of combined issue and sale of Tecnomen shares. The Group's profit was EUR 3.0 million (78.8). Earnings per share were EUR 0.08 (1.98) and equity per share at the end of the period was EUR 4.83 (5.05).

The net sales of the parent company Kyro Corporation totalled EUR 0.2 million (0.7) and the operating result was EUR -0.7 million (37.2). The parent company's profit was EUR 0.2 million (22.0).

## BALANCE SHEET AND FINANCING

The consolidated balance sheet total was EUR 280.5 million (at the end of the previous year, 284.7). Shareholders' equity was EUR 191.7 million (200.2) and minority interest EUR 25.4 million (25.1). The equity ratio remained good at 82.2% (83.9%). Liquid assets and investments totalled EUR 103.1 million (114.6). Interest-bearing liabilities were EUR 7.2 million (7.4). The debt to equity ratio (gearing) was -44.6% (-47.9%). Return on capital invested was 7.4% (50.5%) and return on equity 5.9% (46.0%).

In accordance with a decision of the Annual General Meeting, dividends of EUR 11.9 million were paid during the period under review.

## INVESTMENTS

Investments totalled EUR 1.8 million (11.1).

## PERSONNEL

The Kyro Group had 993 employees (952) at the end of the period under review.

## BUSINESS GROUPS

### Safety glass

In accordance with a demerger plan approved by an Extraordinary Shareholders' Meeting held on 22 November 2000, the shares of Tamglass Ltd Oy were transferred to the new Kyro Corporation.

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

### Telecommunications

In accordance with a demerger plan approved by an Extraordinary Shareholders' Meeting held on 22 November 2000, the shares of Tecnomen Corporation were transferred to Tecnomen Holding Corporation.

Tecnomen's net sales grew in the first quarter by 20% and totalled EUR 15.0 million (12.6). The company's operating result, EUR 0.4 million, remained at the level of the corresponding period last year (0.4).

### Energy

In accordance with a demerger plan approved by an Extraordinary Shareholders' Meeting held on 22 November 2000, the shares of Kyro Power were transferred to the new Kyro Corporation.

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. The operating result was EUR 1.6 million (1.7).

## BOARD OF DIRECTORS, AUDITORS, PRESIDENT AND CEO

At the Annual General Meeting held on 20 March 2001 the following were unanimously elected to the Board of Directors of Kyro Corporation: Lauri Fontell, Lars Hammarén, Carl-Olaf Homén, Barbro Koljonen, Carl-Johan Numelin, Christer Sumelius, Carl-Johan Rosenbröijer and Gerhard Wendt.

The elected Board will serve until the final accounts is registered.

Authorised Public Accountant firm KPMG Wideri Oy Ab, responsible auditor Sixten Nyman APA, served as the company's auditor.

Kyro's President and CEO was Pentti Yliheljo M.Sc.(Eng.).

#### SHAREHOLDERS' MEETING

The meeting of Kyro Corporation's shareholders for the presentation of the final account of the demerger shall be held at LordHotel, Lönnrotinkatu 29, Helsinki, on Tuesday 12 June 2001 at 16 p.m.

#### INSPECTION OF DOCUMENTS

The final account is available for inspection by the shareholders at the Main Office of the Company, Vehmaistenkatu 5, 33730 Tampere, as from 5 June 2001.

The combined profit from the issue and sale of the Tecnomen shares, EUR 76 million, was booked in the Group operating profit as other operating income for 2000. The comparable operating profit for 2000 totalled EUR 21.5 million.

KYRO CORPORATION  
Pentti Yliheljo  
President

For further                      Kyro Corporation, Chief Financial Officer,  
Information:                      Veli Kronqvist tel +358 400 838 140

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