

Kyro Corporation STOCK EXCHANGE RELEASE 16 August 2001 at 08.30 a.m.

KYRO'S NET SALES AND PROFIT CONTINUED TO GROW IN JANUARY-JUNE 2001

- Net sales FIM 455.9 (EUR 76.7) million, up 33%
- Profit before extraordinary items FIM 43.8 (EUR 7.4) million, up 28%
- Earnings per share doubled to EUR 0.12 (0,06)
- Strong financial position, end of June equity ratio 82.0%
- Order book at end of June FIM 475.1 (EUR 79.9) million, up 19%
- Net sales and operating profit estimated to grow from 2000 to 2001

On 31 March 2001 Kyro demerged into new Kyro and Tecnomen Holding. The first official accounting period of the present Kyro Corporation is from 31 March to 31 December 2001.

Due to changes in group structure, the figures shown in this interim report are mostly given as Pro Forma figures, where Tecnomen Group figures and the impact of the profit on the sale of Tecnomen shares, booked by Kyro Corporation in 2000, have been excluded.

The present Kyro Group comprises the parent company Kyro Corporation, Tamglass Group - the world market leader in safety glass machines, and Kyro Power Oy - the environmentally friendly energy producer.

NET SALES AND PROFIT IN JANUARY-JUNE

Net sales of Kyro Group in the period January-June grew, compared with the corresponding period of the previous year, by one third and amounted to EUR 76.7 (57.5) million.

Operating profit for the period was EUR 9.2 (8.4) million, growth 9%. Net financial items for January-June amounted to EUR -1.8 (-2.6) million. This includes interest and dividend income EUR 1.6 (1.7) million, as well as realised and unrealised exchange rate losses of securities EUR 3.4 (4.3) million.

Profit before extraordinary items for the period grew by about 28% and amounted to EUR 7.4 (5.8) million. Taxes entered for the period were EUR 2.7 million. Profit for the period was EUR 4.6 (2.5) million. Earnings per share were EUR 0.12 (0.06).

Net sales and operating profit of Kyro Group business areas in January-June 2001 (in millions)

	Net Sales				Operating Profit			
	1-6/2001		1-6/2000		1-6/2001		1-6/2000	
	EUR	FIM	EUR	FIM	EUR	FIM	EUR	FIM
Tamglass Group	62.8	373.4	45.5	270.7	8.3	49.5	7.2	42.6
Kyro Power	13.7	81.4	11.9	70.5	3.1	18.3	3.0	18.1
Parent Company,								

other oper. and								
eliminations	0.2	0.9	0.1	0.9	-2.2	-13.3	-1.8	-10.8
Group total	76.7	455.9	57.5	342.1	9.2	54.5	8.4	49.9

ORDER BOOK

The order book of Kyro Group grew by about 19% from the previous year and remained at the end of June at a high EUR 79.9 (67.1) million.

FINANCING AND INVESTMENTS

On 30 June 2001, the financial position of Kyro Group was strong. At the end of the period, liquid cash assets and securities amounted to EUR 64.5 (50.7) million, out of which publicly listed shares accounted for approximately 11%.

Interest-bearing liabilities totalled EUR 5.2 (9.6) million. Gearing ratio was -44.4% and equity ratio 82.0%. At the end of the period, shareholders' equity per share was EUR 3.38.

Investments by the Kyro Group amounted to EUR 2.0 (1.4) million, and they consisted mainly of maintenance and replacement investments by Kyro Power and investments in the product development environment and replacement investments by Tamglass.

PERSONNEL

On 30 June 2001, Kyro Group employed 486 (433) persons. The number of persons employed has increased from the previous year mainly due to the addition of resources in the product development and After Sales operations of Tamglass as well as the new plants in Brazil and China.

Breakdown of Personnel	30.6.2001	30.6.2000
Tamglass	451	396
Kyro Power	23	25
Parent company	12	12
Group total	486	433

KYRO SHARES AND SHARE-PRICE DEVELOPMENT

The total number of Kyro shares is 39.7 million, and 3,350,980 shares have been traded during the period from April to June. The highest price paid during the period was EUR 4.88, and the lowest EUR 3.60.

CLOSING MEETING OF THE OLD KYRO

On 12 June 2001, the shareholders' meeting of the old Kyro Corporation approved the financial statements and consolidated financial statements, as well as the final book, for the period from 1 January

to 31 March 2001. The shareholders' meeting granted discharge from liability for the period 1 January to 31 March 2001 to the members of the Board and the President of the company. The operations of the old Kyro Corporation formally closed on 31 March 2001, following the registration of the execution of the demerger.

AUTHORISATION TO PURCHASE AND TRANSFER THE COMPANY'S OWN SHARES

The extraordinary shareholders' meeting of Kyro Corporation on 12 June 2001 authorised the Board to purchase and transfer the company's own shares. This enables the future use of the company's shares as payment for possible acquisitions or investments. The authorisation covers at most 5% of the company's share capital at the moment of purchase. The Board has not used this authorisation during the period.

GROWTH STRATEGY

Kyro's strategy is to focus on business areas, which are in a restructuring or transition stage, and which Kyro may grow and develop through its substantial financial resources. This primarily means growing the business of Tamglass both organically and through possible acquisitions.

TAMGLASS

Net Sales, Operating Profit and Order Book

In January-June, the net sales of Tamglass grew by about 38% from the corresponding period of last year, totalling EUR 62.8 (45.5) million.

The operating profit for the six-month period grew by about 16% and was EUR 8.3 (7.2) million. Its share of net sales was 13.2 (15.7)%. Relative profitability weakened mainly due to outlays aimed at growing the company, e.g., start-up costs for plants in Brazil and China.

The order book of Tamglass on 30 June 2001 amounted to EUR 55.3 (45.3) million, which was about 22% more than in the previous year.

Market Development

Sales of Tamglass safety glass machines developed well during the second quarter, and the amount of orders received grew from last year. Tamglass has maintained or strengthened its market share in all market areas.

Uncertainty in the world economy manifested itself in the softening of the demand for safety glass machines for vehicles. On the other hand, sales of machines for architectural glass proceeded well and their order book reached a new record level.

The European market for safety glass machines has continued its relatively steady growth. The Middle East market has also grown due to the increase in oil prices.

In North America, commercial negotiations ongoing at the beginning of the year resulted in orders during May-June. Order accumulation from South America was good due to Brazilian demand.

Apart from China, demand in the Far East still remains low as a consequence of economic and political problems in the area. The Chinese market for safety glass machines is growing, although still concentrated on machines of low technological standards.

Production Capacity

The production capacity of Tamglass was in good use during the period, and the order books of all safety glass machine plants, except that in Switzerland, were good.

The order book of the new plant in Brazil has grown rapidly, and the first machines were delivered from the plant at the end of the period. Also, the start-up of operations at the plant in China is proceeding according to plan. First machine deliveries will take place at the end of the year.

Tamglass' own glass processing unit functioned actively as a presentation and testing unit. During the period, the unit delivered safety glass to, e.g., Nokia Group building extensions and to the roofing of the Hämeenlinna Railway Station.

After Sales

The service contract base of Tamglass safety glass machines continued to grow following the strong sales of new machines, which creates good conditions for the future growth of the After Sales business.

The small amount of used Tamglass machines offered by customers slowed down the growth of the volume of the After Sales operations. Resources for After Sales operations have been strengthened in Italy, Germany, the Arab Emirates, Singapore, and Finland.

Glass Processing Days

In June 2001, Tamglass organised for the seventh time the Glass Processing Days, which is the most significant world congress of the glass industry. More than 850 participants came from nearly 60 countries.

The glassfiles.com portal launched by Tamglass in February strengthened its position as one of the most significant Internet

services in the glass industry. It also complements and supports the connection between Glass Processing Days and key decision-makers.

KYRO POWER

Net Sales, Operating Profit and Order Book

During the first six months, the net sales of Kyro Power grew by 15% from the previous year and amounted to EUR 13.7 (11.9) million. The operating profit did not grow accordingly due to the price increase of natural gas used as energy raw material, but was EUR 3.1 (3.0) million. The order book on 30 June, 2001, was EUR 24.6 (21.8) million.

Energy Sales and Development of Electricity Markets

About 60% of the energy sales of Kyro Power came from electricity, and 40% from heat. The quantity of electricity sales was about 260GWh, and that of heat 180GWh. Electricity spot market prices at the beginning of the year almost doubled from the year before, caused by, among other things, reduced water resources in Norway and Sweden due to little snowfall in the winter. In a rapidly fluctuating market situation for electricity, long-term contracts by Kyro Power even out the purchase price of electricity for customers.

Energy Production

During the period, both power plants operated without problems. In the third quarter, the turbine of the gas power plant will undergo its first full inspection.

OUTLOOK FOR THE END OF THE YEAR

Tamglass net sales and operating profit are expected to grow in 2001 from the previous year.

Kyro Power net sales are estimated to grow somewhat in 2001, and the operating result is estimated to be at the level of the year 2000.

Forecasts for the net sales and operating profit of the Kyro Group are as presented at the beginning of the year: the comparable net sales and operating profit are estimated to grow in the year 2001 from the previous year.

Helsinki, 16 August, 2001

KYRO CORPORATION

BOARD OF DIRECTORS

Additional information concerning the Kyro Interim Report is available from Mr. Pentti Yliheltjo, Chief Executive Office, and Mr. Veli Krongvist, Chief Financial Officer, tel +358-3-372 3111

Interim report 1-9/2001 will be published on Wednesday 7 November, 2001.

Investor Relations: Kyro Corporation, Mr. Mika Nevalainen, Director of Communications, tel. +358-400-882 024, IR pages at the Internet address www.kyro.fi

Distribution: Stock Exchange of Helsinki
Main information media

KYRO GROUP 1-6/2001, INCOME STATEMENT AND BALANCE SHEET

Consolidated Income Statement, EUR Million

	4-6/01	1-6/01 Pf	1-6/00 Pf*	1-12/00 Pf*	1-12/00 Pf**
Net sales	40.6	76.7	57.5	117.3	117.3
Other operating income	0.0	0.1	0.1	1.2	40.7
Expenses	34.3	65.1	46.8	97.2	97.8
Depreciation	1.3	2.5	2.4	4.9	4.9
Operating profit	5.1	9.2	8.4	16.4	55.3
% of net sales	12.5	12.0	14.6	14.0	47.2
Financial income and expenses	0.2	- 1.8	- 2.6	- 4.9	- 4.1
Profit before extraordinary items	5.3	7.4	5.8	11.5	51.2
Extraordinary income and expenses					
Profit before taxes and minority interest	5.3	7.4	5.8	11.5	51.2
Taxes	- 2.0	- 2.7	- 2.1	- 3.4	- 14.9
Minority interest	0.0	- 0.1	- 1.2	- 1.7	- 1.7
Profit for the interim period	3.3	4.6	2.5	6.3	34.5

Pf = Pro Forma figures

* Comparable income statement excluding the impact of the profit on the sale of the Tecnomen shares.

** Income statement including EUR 39.5 million profit on the sale of Tecnomen shares.

In the comparable income statement 1-12/00 the impact of the profit on the sale of shares on interest income, EUR 0.8 million, has also been taken into consideration. In the comparable income statements 1-6/00 and 1-12/00 the impact from the sale of shares on taxes for the period, EUR 11.5 million, has been taken into consideration.

Consolidated Balance Sheet, EUR Million

	30.6.2001	30.6.2000	31.12.2000		
Fixed assets	64.0	63.1	65.1		
Current assets					
Inventories	16.1	15.3	15.0		
Financial assets	101.3	127.8	107.7		
Assets	181.4	206.2	187.8		
Shareholders' equity	134.2	136.6	140.7		
Minority interest	2.4	1.7	2.2		
Liabilities					
Interest-bearing liabilities	5.2	9.6	5.9		
Non-interest-bearing liabilities	36.0	53.2	34.8		
Deferred tax liability	3.5	5.1	4.1		
Liabilities & equity	181.4	206.2	187.8		
Financial Key Indicators	4-6/01	1-6/01	1-6/00*	1-12/00*	1-12/00**
Earnings per share, EUR	0.08	0.12	0.06	0.16	0.87
Number of shares, 1000s	39675	39675	39675	39675	39675
Return on capital invested, %	15.5	10.9	36.3
Return on equity, %	9.8	6.7	28.3
Equity ratio, %	82.0	82.0	82.3
Gearing ratio, %	- 44.4	- 44.4	- 47.0
Equity per share, EUR	3.38	3.38	3.55
Investments, EUR millions	1.1	2.0	1.4	6.6	6.6
Personnel, at end of period	486	486	433	435	435
Personnel, average	472	457	421	428	428
Order book, EUR millions	79.9	79.9	67.1	87.7	87.7

* Comparable key indicators

** Includes the impact on the key indicator of the profit on the sale of Tecnomen shares, not comparable

	30.6.2001	30.6.2000	31.12.2000
Contingent liabilities, EUR million			
On own behalf			
Mortgages		3.4	
Other liabilities	6.2	11.9	11.5
Derivative contracts			
Value of underlying instruments			
Currency forward contracts	28.9	23.4	29.7
Market value			
Currency forward contracts	30.2	23.5	29.1

Figures are unaudited.

Table 1. Net Sales of Kyro Business Areas 2000-2001

Net Sales, EUR Million

	1-3/00	4-6/00	7-9/00	10-12/00	1-12/00	1-3/01	4-6/01
Tamglass Group	14.3	31.2	18.9	29.0	93.5	28.7	34.1
Kyro Power	6.4	5.5	5.4	6.3	23.6	7.3	6.4
Parent Company, other operations and eliminations	0.1	0.1	0.1	0.1	0.3	0.1	0.1
Group, total	20.7	36.8	24.4	35.4	117.3	36.1	40.6

Table 2. Operating Profit of Kyro Business Areas 2000-2001

Operating Profit, EUR Million

	1-3/00	4-6/00	7-9/00	10-12/00	1-12/00	1-3/01	4-6/01
Tamglass Group	0.6	6.6	2.7	3.2	13.0	3.5	4.8
Kyro Power	1.7	1.4	1.1	1.4	5.5	1.6	1.5
Parent Company, other operations and eliminations	- 0.6	- 1.2	- 0.5	0.1	- 2.2	- 1.0	- 1.1
Group, total	1.6	6.8*	3.3	4.7	16.4*	4.1	5.1

* Comparable operating result excluding profit on the sale of Tecnomen shares

Table 3. Quarterly Order Book by Kyro Business Areas, EUR Million

	12/99	3/00	6/00	9/00	12/00	3/01	6/01
Tamglass Group	34.5	46.0	45.3	48.0	64.0	61.2	55.3
Kyro Power	22.2	21.8	21.8	21.8	23.7	23.9	24.6
Group, total	56.7	67.8	67.1	69.8	87.7	85.1	79.9