OKMETIC

ANNUAL REPORT

2000

SILICON WAFERS ARE A PART OF OUR EVERYDAY LIFE SINCE WE USE ELECTRONICS AND SENSOR TECHNOLOGY MANUFACTURED FROM SILICON. SILICON HAS BECOME AN IRREPLACEABLE RAW MATERIAL IN THE INFORMATION SOCIETY. IMITATION OF OUR COMPANY'S SPECIAL KNOW-HOW IS JUST AS DIFFICULT AS TRYING TO IMITATE THE SILICON WAFER'S MAGNIFICENT GLOSS IN PRINTING TECHNOLOGY.

THE YEAR IN BRIEF

STRONG GROWTH IN SILICON WAFER MARKET

Okmetic's most important client industries, i.e. the semiconductor and sensor industries, grew rapidly during the year 2000. Growth in the consumption of semiconductor components slowed down during the last quarter of the year. The demand for silicon wafers grew by over 20%, following growth in the client industries. Okmetic's turnover increased by 50% compared with the previous year.

Turnover and profitability improved clearly

There was a significant improvement in Okmetic's profit compared with the previous year. The operating profit was EUR 10.9 million i.e. 15,9% of turnover.

The improved operating profit was the result of strong growth in sales and production volume, improvement in productivity and the reduction in the unit costs of manufacturing. Favourable price developments and the strengthening of the dollar also affected the operating profit positively. The turnover and the operating profit grew during every quarter and also increased in comparison with the corresponding periods of the previous year. The reduction in the total amount of financing items improved the Group's final result.

Prospects for the near future

Growth is expected to continue during the current year in Okmetic's field of business. Increases in the price level of silicon wafers, increased production capacity and raising the extent of value added will further improve Okmetic's profitability. It is expected that the expansion of the range of products and new business activity will further increase Okmetic's profitability. The operation of the Allen plant in the United States is expected to turn profitable during 2001.

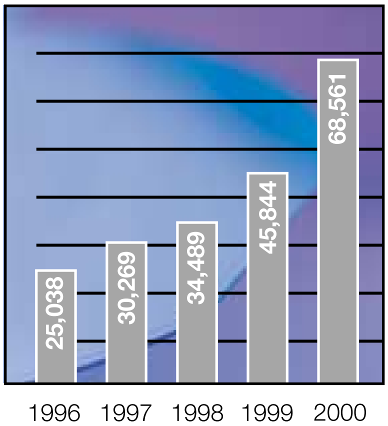
Investments continued

The main emphasis of investments was on machinery and equipment for expanding production capacity in all plants, to which end an investment programme of approximately EUR 90 million was launched during the autumn. The objective is to double the Group's turnover in three years. The financing of the investments is based mainly on cash funds, cash flow accruing from the business activity and the new credit facility.

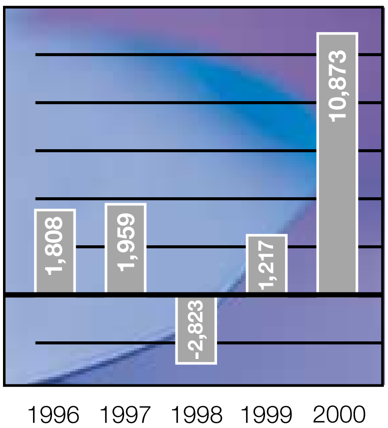
Proposal of the Board of Directors for measures concerning the profit

The Board of Directors proposes that no dividends shall be paid.

Net sales
EUR 1,000



Operating profit
EUR 1,000



KEY FIGURES EUR 1,000	**2000**	**1999**
Net sales	68,561	45,844
Operating profit	10,873	1,217
% of net sales	15.9	2.7
Profit before extraordinary items	7,444	-2,253
Income per share undiluted, EUR	0.40	-0.30
Income per share diluted, EUR	0.39	
Return on investment (ROI), %	10.7	1.6
Return on equity (ROE), %	8.2	-7.1
Equity ratio, %	65.5	36.5
Personnel at the end of the period	534	444
Calculation of key figures, page 41		

BUSINESS IDEA AND STRATEGY

Okmetic is a rapidly growing high-tech company which manufactures and markets high quality silicon wafers and silicon-based material solutions for the semiconductor and sensor industries. The financially profitable business is based on customer satisfaction, high quality and competitive know-how. The Company is traded on the main list of the Helsinki Exchanges.

OBJECTIVE

Okmetic's objective is to grow and develop into the world's leading company supplying silicon wafers and silicon-based material solutions in its selected sectors of the semiconductor and sensor industries.

STRATEGY

Okmetic will endeavour to reach its objective through a business strategy consisting of the following main points:

Customer relations

Okmetic places emphasis on long-term customer relations, on mutual profitability of the business and on customer satisfaction. One of the most important criteria in customer relations is a deep understanding of the customers' processes and requirements. The objective of continuously developing our customer service is to work in partnership with key customers.

Product and process development

Okmetic's research and development aims at the development of new products required by our clientele and at continuous improvement of quality. The objective of process development is to improve productivity and the yields of production. The starting point for the development of products and processes is close co-operation with clients. This also ensures that there is a commercial demand for the new products and that introduction to the market is made at the correct time.

Focus on selected product sectors

Okmetic endeavours to find rapidly growing market areas and concentrates on manufacturing wafers for three core product sectors. These are application specific wafers, sensor wafers for micromechanics and wafers for power and discrete semiconductors. Okmetic intends to keep its market leader position in demanding MEMS sensor applications.

Okmetic intends to operate in sectors where the biggest competitors do not concentrate their efforts. At the moment Okmetic is concentrating on manufacturing silicon required for electronics in telecommunications, consumer products and the automotive industry. The share of special products will be increased; these include epitaxial silicon wafers, highly doped wafers and wafers with very good electrical conductivity, as well as sensor wafers.

Presence in the main market areas

Okmetic's main market areas are North America, Europe and the Far East, a balance that allows Okmetic to offset the effects of fluctuations in regional demands. In addition to the present regional sales and customer service units, Okmetic is studying the possibilities of strengthening its operations in the above mentioned market areas.

Personnel training and development

The semiconductor industry is a dynamic and rapidly developing industrial sector. This business sector requires the continuous maintenance of professional skills and strategic know-how of its research and development personnel. The Company employs an exceptionally large number of persons with post-graduate degrees, and places emphasis on the development and training of its expert and qualified personnel. The Company's objective is to create a dynamic, open and innovative working environment.

The continuous improvement of quality

The key objective of Okmetic's operations is customer satisfaction with the highest quality of products and services. The manufacture of wafers is controlled by means of a data management system which makes it possible to accurately monitor the processes and track raw materials exceedingly well. The quality control system of the Company's plants in Finland is documented and certified under the QS - 9000 / ISO 9002 standards.

PRESIDENT'S REVIEW

Okmetic experienced substantial changes during 2000. The Company was listed successfully on the Helsinki Exchanges in July. The funds obtained from the Initial Public Offering are being used to make significant enlargements to the manufacturing facilities and for continuing the expansion of international operations. The IPO resulted in the ownership of our Company being increased from nine to over two-thousand shareholders. The employee offering and the option rights for employees were received favourably and there was wide participation in both. Trading on the main list of the stock exchange started on 5 July. As we have operated as a publicly quoted company only for a short period of time, the communication of our strengths to the investment markets requires greater emphasis now and in the future.

Okmetic's profitability developed favourably during the year under review and exceeded the set objectives. Growth in sales and production volume based on the good market situation improved the profitability of our operations and lowered the manufacturing unit costs. The production yields of our plants were good and in line with targets, and quality objectives were achieved. Increased sales prices, a strong dollar and relatively decreasing financing costs were some of the reasons for improvements in the financial result. The start-up costs of the Allen plant, however, strained the Group's profitability during the year under review, but now that operations are under way at the plant, profitability will again develop favourably.

Okmetic's position in the silicon wafer markets strengthened. In accordance with our strategy, Okmetic's operations are growing in several significant special product groups. We have succeeded in obtaining and establishing new customer relations with the industry's leading enterprises in the world, despite the fact that our Company by turnover is a modest manufacturer. We have built up our customer service, and we have taken several new and challenging product ideas from the planning table to the manufacturing process. Our customer satisfaction questionnaire indicated that Okmetic is rated among the best suppliers.

Okmetic has experienced strong growth during the last few years. During 2000 Okmetic's long-term average growth of 25–30% was exceeded: our turnover increased by 50%. Our objective now is to double the turnover during the next three years. When this target is attained, Okmetic will reach a critical size, and following its growth in the industry will no longer require excessive investments with regard to size.

There was significant growth in the production volumes of all our plants. The number of personnel in Okmetic increased by 90 persons during the year. Such strong growth places demands on all functions supporting the operations, to which our personnel showed exceptional flexibility in adopting new working methods and adapting to the growing needs. I can state with satisfaction that in Okmetic we have succeeded in simultaneously implementing and responding to significant growth and considerably improving profitability.

One of the year's challenges was strengthening Okmetic's internationalisation. The Allen plant went through an intensive development programme. Customer relations were created anew, investments for increasing production capacity were implemented, the number of personnel was increased substantially and numerous measures were taken to improve the level of quality of operations. The importance of the Allen unit as a part of the Group increased and at the same time a foundation was established for the continuous development of the plant.

During the year under review the Espoo and Vantaa plants worked under pressure. The Espoo plant, concentrating on highly-developed products, suffered now and again from capacity shortage, so it was not possible to satisfy the growing needs of customers in all situations, but our investment program will relieve this situation later in 2001. The Vantaa plant reached full production capacity during the latter half of the year. Provision for market growth is being made by increasing capacity during 2001.

In June our plants in Finland were granted the QS - 9000 / ISO 9002 Quality Certificate, which further strengthens Okmetic's continuous endeavours for good quality and customer service.

Our future depends to a great extent on research and development work. A successful product strategy, prioritisation of research projects and allocation of sufficient research and development resources are the key factors for an enterprise manufacturing silicon wafers. The results of the past year indicate that our choices have been correct. In spite of heavy pressure at times, we were able to balance our resources between short-term development of products and processes on the one hand, and on long-term productive work on the other hand. The long-term objectives are now being served by intensive research on SOI and SiC wafers. Strong growth prospects are forecast for both of these product sectors.

For Okmetic the year 2000 was busy, rewarding and confidence building. I wish to thank Okmetic's personnel for a job well done, our customers and suppliers for excellent business relations, and our owners, both old and new, for the support and trust that you have placed in us.

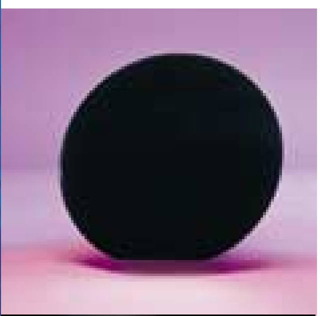
Seppo Isoherranen
President

1

SILICON IS REQUIRED FOR MEASURING PRESSURE

ACCURATE MEASUREMENT OF PRESSURE IN SUUNTO'S WRISTOP COMPUTERS IS MADE POSSIBLE WITH **HIGH QUALITY SILICON WAFERS**. THE AUTOMOTIVE INDUSTRY HAS ALSO USED SENSORS MADE FROM SILICON FOR MANY YEARS **FOR IMPROVING SAFETY AND ECONOMICAL USE.** SILICON SENSORS ARE A PART OF OUR DAILY LIFE.

BUSINESS SECTORS AND PROSPECTS FOR THE FUTURE



THE MARKET SITUATION DURING 2000

The semiconductor industry experienced strong growth during 2000; sales of semiconductor components increased by over 30% compared with the previous year. There was also strong growth in the demand for silicon wafers used by the sensor industry, since the monitoring and control of car functions is being based more and more on micromechanical sensors. The global volume of silicon wafers measured by surface area grew by over 20%.

At the end of the year there were indications of declining prices and oversupply, particularly in the key components used in manufacturing PCs, i.e. microprocessors and memory circuits. Okmetic's product sectors did not experience variations in demand, instead market development was steady. Fluctuations in demand for silicon wafers at the turn of the year are usually related to seasonal variations in stock levels, but the industry also speculated on the beginning of a trade recession. Okmetic's operations are concentrated on sectors where the risk of economic change is small, since the Company remains outside e.g. the computer manufacturing chain. Growth in demand for silicon wafers, particularly in the sensor and power semiconductor sectors, has been strong.

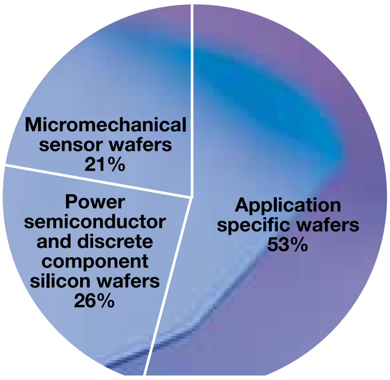
Product sectors

Silicon wafers are made for the electronics industry as a base for microcircuits. Microcircuits are required in the manufacture of nearly every electronic device. Micromechanical sensors are used e.g. in the automotive industry, in medical instruments and for control of industrial processes and consumer applications.

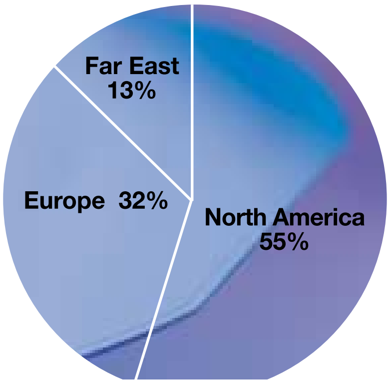
Okmetic specialises in manufacturing wafers for three core product sectors. These are application specific wafers, micromechanical MEMS (Micro Electro Mechanical Systems) wafers particularly for sensor applications as well as wafers for the manufacturers of power and discrete semiconductors. The largest application sectors for Okmetic's silicon wafers are the automotive industry, communications and consumer electronics.

Product sectors	Share of sales	Applications
Application specific wafers	53%	Consumer electronics, communications
Micromechanical sensor wafers	21%	Automotive industry, medical instruments, process control, consumer applications
Power semiconductor and discrete component silicon	26%	Electric motors and equipment, power sources and control circuits, automotive electronics, consumer applications

Sales by product sectors



Sales by main market area



Substantial development of the Allen plant

Okmetic's internationalisation was strengthened. The Allen plant in Texas went through an intensive development programme. Customer relations were strengthened, investments for increasing production capacity were implemented, the number of personnel was increased substantially and the quality of products and operations was improved. The importance of Allen as a part of the Group increased, and at the same time, a foundation was established for the continuous development of the plant. This development also supports growth in the North American markets.

The investments in 2001 will increase capacity

The Espoo plant, which manufactures highly-developed products, suffered the occasional capacity shortage and full capacity at the Vantaa plant was achieved at the end of the year. The investment programme will bring relief to the capacity shortage of both the Espoo and Vantaa plants in 2001 and thus will fully satisfy the growing needs of the customers.

Good market prospects for application specific silicon wafers

The semiconductor industry uses application specific silicon wafers for manufacturing integrated circuits. Okmetic offers its material know-how mainly in applications for consumer electronics and communications. The wafers are customised specifically for the customer in order to optimise the circuit manufacturing process. The best possible components can be achieved when the application specific wafers are adjusted for circuit manufacturing together with the customer. The wafer must be very clean and the adjustable characteristics are e.g. the oxygen level and the nature, amount and distribution of microdefects. The effects of impurities caused by the customer's process can be minimised by adjusting the internal characteristics of the wafer.

Okmetic has concentrated on developing its manufacturing processes and on bringing new products to the markets. The silicon crystal growth process has been improved with the aid of experimental and computational process simulation. Thus significant advantages have been obtained with criteria for applicability, quality and processing economy. Furthermore, better processes have been developed for cleaning silicon wafers.

Okmetic manufactures application specific silicon wafers with diameters of 100–200 mm. 53% of sales was attributed to this product group. Among Okmetic's customers there are numerous large and medium sized circuit manufacturers who concentrate on these applications, the demand for which has remained strong.

The market situation for application specific silicon wafers varies according to customers. Okmetic's customers are clearly on the upswing. In its R&D, Okmetic is concentrating on more specific control of the internal customised properties of wafers. Wire slicing of large 200 mm wafers will be implemented and this will improve quality and economy. Manufacturing capacity will be increased significantly at the Vantaa plant. The share of epiwafers is being increased by raising capacity and quality at the Allen plant. The Company is making significant investments for the production of SOI wafers particularly for demanding applications in communications.

Okmetic is a global market leader of micromechanical sensor silicon

Industries using MEMS wafers in their manufacturing processes need highly specialised silicon wafers. MEMS sensor applications are used e.g. in the automotive, aviation and medical industries as well as in equipment used in monitoring the environment. During the 1990's sensor technology based on micromachining of silicon was commercialised through mass production in the automotive industry, and sensor applications are being extended to other sectors as well. Sensors, such as acceleration, pressure and gyroscopic sensors, are able to measure and process information on physical changes in the environment. Some of the best known MEMS sensor applications are those designed for launching airbags in cars, for anti-slip devices and for measuring tire pressure while on the road.

Okmetic has been a major silicon material supplier for MEMS sensor manufacturers for over ten years. The Company manufactures MEMS wafers with diameters of 100–150 mm, as well as demanding epiwafers. 21% of Okmetic's sales was attributed to MEMS wafers in 2000.

Focus on SOI wafers

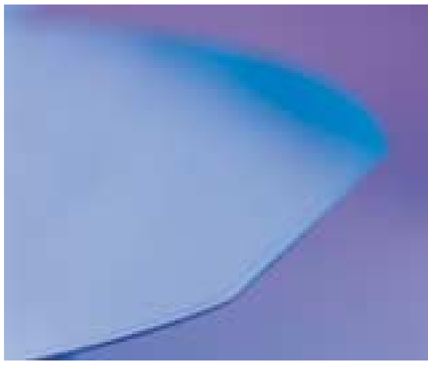
Okmetic has put a strong focus into producing SOI (Silicon On Insulator) wafers in the development work for new generations of sensors. The manufacturing technology developed earlier in the Company for MEMS sensor wafers and the strong market position of the product is now being utilised for manufacturing SOI wafers.

OKMETIC'S MOST IMPORTANT CUSTOMERS ARE IN NORTH AMERICA, EUROPE AND THE FAR EAST

The production line for Okmetic's MEMS wafers is being renewed completely. The new clean rooms under construction in the Espoo plant have facilities for volume production of MEMS and SOI wafers. The capacity of the SOI pilot line operating at present may be sufficient for satisfying demand in 2001. The production capacity for manufacturing MEMS wafers will increase substantially, and with the new clean room facilities, quality will improve further.

There is strong growth in the market for MEMS sensors and these are spreading into new sectors such as optical data communications (MOEMS), mobile telephone electronics, medical instruments and process automation. Okmetic's competitiveness in the MEMS sector is good. It is believed that demand in this product sector will increase and the strong growth in sales is expected to continue.

The recent arrangement made on March 2001 between Okmetic and JDS Uniphase Corporation will enable the volume production of SOI wafers to be started earlier than planned. The production line, costing about 10 million euros, will be built in the new facilities at the Espoo plant and it will become fully on line by March 2002. The greater part of the investment will be financed from the 9 million euros received from a share issue directed to JSD Uniphase Corporation. A long-term supply agreement was also signed with JSD Uniphase.



SOI (Silicon On Insulator) wafers will be used in the future for manufacturing fast and dense microcircuits. Okmetic has selected a relatively thick SOI wafer type for production to applications such as demanding MEMS sensor applications, mobile telephone electronics, the MOEMS components of optical data communications and high voltage circuits. On the base wafer, there is a thin layer of silicon oxide, on top of which there is another layer of silicon only a few micrometers thick.

Growth in power semiconductor and discrete component silicon sectors

Industries that manufacture applications using power semiconductors and discrete components uses wafers that have a highly doped and highly conductive silicon wafer base. Discrete components are used e.g. in electric motors, electronic equipment and in cars for controlling electric current. Growth areas are found in devices for the regulation and saving of power in consumer electronic equipment such as mobile telephones, televisions and home appliances. The operating time of mobile equipment can be extended significantly this way.

The decisive factor here is the minimisation of power losses. In other words, the electrical conductivity of silicon wafers must be as high as possible. Growing power semiconductor applications are represented by “smartpower” or the combination of power regulation and smart processing on the same silicon chip. The sale of power and discrete semiconductor applications represented 26% of Okmetic's sales in 2000. This section of the operations was bolstered in the autumn of 1999 by the acquisition of the Allen plant which manufactures epiwafers, and by investments for manufacturing high conductivity silicon wafers at the Vantaa plant.

Okmetic's products include high conductivity wafers with diameters of 100–150 mm. Okmetic believes that in this sector it is one of the leading suppliers and manufacturers of such wafers. Other important competitive factors are the requirements for high quality in wafers and the ability to deliver highly developed epitaxial structures. Development in these areas remains the point of focus in Okmetic's R&D work. There has been very strong growth in sales and demand in this product sector during 2000.

Silicon carbide wafers as a promising opportunity

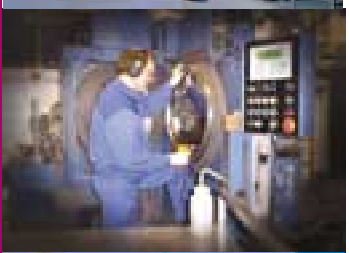
The new products in power semiconductor materials that Okmetic has developed include silicon carbide wafers (SiC, Silicon Carbide) and SiC epitaxial structures. Semiconductor applications based on silicon carbide include light emitting diodes (LED), emitting blue and white light, semiconductors operating on microwaves and fast switches for medium and high voltage application. The markets are restricted at the moment because SiC wafer material of sufficiently good quality is not available. Since 1993 Okmetic has been developing, in co-operation with Linköping University, production technology based on the so-called HTCVD technique (High Temperature Chemical Vapour Deposition), and the initial customer feedback has been very encouraging. This work is being financed by the European Community and the Swedish national funding agency NUTEK. At the end of 2000 Okmetic delivered the first commercial SiC wafers and SiC epitaxial structures to its customers.

Silicon for power semiconductors and discrete components is Okmetic's most rapidly growing business sector. The capacity of all the plants is being raised significantly in order to increase competitiveness. The focal point in Okmetic's R&D is advanced electrical conductivity and epiwafer products. Relative growth is expected to be strongest in this business sector. The development of silicon carbide materials is moving from R&D to pilot production. This will be implemented by concentrating on the development of process equipment for industrial production in co-operation with equipment manufacturers.

2

SILICON SENSORS IMPROVE THE QUALITY OF LIFE

SURGICAL OPERATIONS ARE MORE CONVENIENT THAN EVER BEFORE FOR BOTH DOCTORS AND PATIENTS. WHEN THE INSTRUMENT SHOWN IN THE PICTURE IS INSERTED INTO THE PATIENT'S ARTERY, THE SILICON SENSOR **MEASURES INTRA-VASCULAR PRESSURE** DURING DILATATION OF THE ARTERY. EXTENSIVE SURGERY IS NOT NECESSARY, SO **THE PATIENT RECOVERS SOONER.**



Focus on personnel

One of the strategic objectives of Okmetic is to have an expert and motivated personnel. A sufficient number of highly skilled professional personnel ensures the Company's competitiveness and customer satisfaction. The Company's personnel policy supports the attainment of growth and profitability objectives.

At the end of the year the number of personnel in the Group was 534. Of these, 484 persons worked in the Parent Company, 43 in Okmetic Inc. and 7 in Okmetic AB. The average number employed by the Group in 2000 was 516 persons. The number of employees in the Group increased by 90 persons during the year. The table below shows the number of personnel at the end of each year. The figures for 2000 include six Finnish employees expatriated abroad.

	2000	1999	1998	1997
Espoo	236	226	203	224
Vantaa	248	193	171	126
Allen	43	18	-	-
Linköping	7	7	2	-
Total	**534**	**444**	**376**	**350**

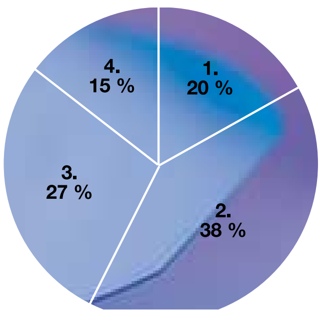
The average age of Okmetic's personnel is 35. The personnel consists of 71% male and 29% female employees.

During 2000 a total of 86 persons started work in the Parent Company in employment relationship for unspecified terms and 94 persons started in employment relationships of fixed periods. The majority of fixed period employment relationships were offered to university students. The turnover of permanent personnel decreased by 14.5% from the previous year.

Of the personnel, 171 were white collar workers and 363 were blue collar workers. The number of white collar workers in the Parent Company was 149.

The collective agreements of the metal industry are observed in the Parent Company. Wages in all personnel groups are based on how demanding the work is.

Education of group management and upper level employees, n=82



1. Doctors and licentiates
2. Higher academic degrees
3. Lower academic degrees
4. Others

Incentive schemes

All personnel groups in the Parent Company are within the scope of incentive schemes. The basis for incentives of blue collar workers is the quantity and efficiency of production. The Company's profitability was emphasised in incentive schemes for white collar workers.

When the Company was listed, the personnel were offered shares in the Company at a reduced personnel price. 44% of the personnel availed themselves of this opportunity. The personnel participated comprehensively also in the option rights programme offered in connection with the listing.

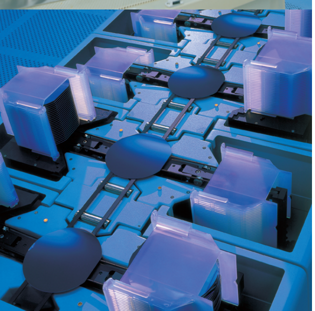
The job satisfaction of personnel is measured with a survey of the atmosphere. The results are used as an aid in the preparation of development measures. The personnel's working fitness is upheld by supporting their leisure-time activities and cultural interests.

3

SOI WAFERS FOR SILICON SENSORS AND FIBEROPTIC COMPONENTS OF THE FUTURE

INFORMATION IS TRANSFERRED MORE AND MORE OFTEN THROUGH OPTICAL CABLES WHERE THE SIGNALS FROM **MOBILE TELEPHONES, INTERNET COMMUNICATIONS AND LINE TELEPHONY** ARE ROUTED WITH COMPONENTS MANUFACTURED FROM SOI WAFERS WITH MICROMECHANICAL MEANS. THE DEMAND FOR THESE COMPONENTS WILL **GROW RAPIDLY IN THE NEXT FEW YEARS.**

QUALITY AND THE ENVIRONMENT



QUALITY AND ENVIRONMENTAL MATTERS ARE THE GROUP'S STRATEGIC FOCUS POINTS

During the past year Okmetic has improved the quality of its products and services in accordance with its strategy. Surveys of customer satisfaction indicate that the strategy has been successful. The quality systems implemented in Okmetic's plants are documented and certified under the QS - 9000 / ISO 9002 standards. The Company's plants in Finland received the QS - 9000 certificate in June 2000. QS - 9000 is a quality system that is stipulated mainly by the automotive industry in USA, and subcontractors in the auto industry are also required to observe it.

The environment

Okmetic takes environmental matters into consideration in all its activities and endeavours to minimise the environmental effects of its plants. The most significant environmental effects of Okmetic's plants are related to the use of polysilicon raw materials, chemicals, water and energy as well as the correct handling and disposal of waste produced during processing. Okmetic's environmental work also covers the control of risks and takes into consideration noise, smell and aesthetic inconveniences.

Environment and safety as an integral part of business activity

In its environmental policy, Okmetic is committed to the following principles:

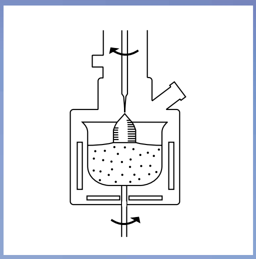
- regular evaluation of environmental effects and elimination of defects in advance
- reducing the quantities of emissions and waste
- efficient use of raw materials, chemicals, water and energy
- personnel training with regard to the Group's environmental policy, the obligations involved and awareness of the opportunities to influence environmental matters
- open discussions on environmental matters with customers, authorities, shareholders, personnel and other interested parties
- concentrating on measures which are useful and sustainable from the standpoint of the environment and the manufacture of silicon wafers when developing new products and production lines.

The main points of focus in the 2001 environmental programme are to reduce the environmental effects of the use of polysilicon, the effective separation of silicon from waste water and the reduction of mixed acid waste.

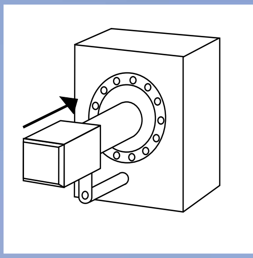
In order to achieve a continuous and methodical environmental plan, Okmetic is committed to building an environmental system in accordance with the ISO 14001 standard during 2001.

In spring, the world's leading manufacturer of medical equipment, Medtronic Inc. presented the Supplier Prize to Okmetic, its supplier of silicon wafers at a ceremony in Finland. Medtronic makes e.g. cardiac pacemakers.

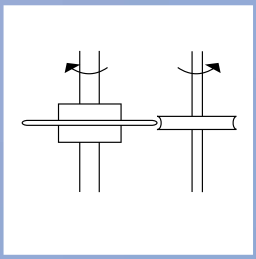
THE MAIN STEPS OF SILICON WAFER MANUFACTURING



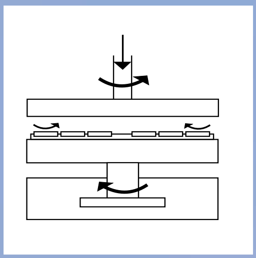
Pure semiconductor grade silicon is melted in a vacuum furnace and a cylinder shaped crystalline rod is grown by lifting it slowly upwards. The crystal growth process is one of the most critical phases in the manufacture of silicon wafers.



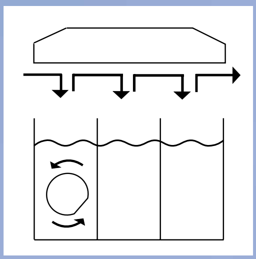
The cylindrical silicon crystal is cut for further processing, it is then ground to an exact diameter and sliced into thin wafers.



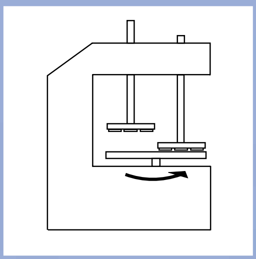
The edge of the sliced wafer is shaped in the edge-rounding process. This enhances the mechanical strength of the wafer. The shape of the edge is custom-specific.



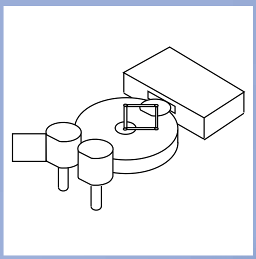
Surface defects are removed from wafers in the lapping process; lapped wafers have a very uniform thickness and an even surface.



The wafers are etched in order to remove damage that has produced during mechanical processing. Etching is done in various kinds of acidic and caustic solutions.



Depending on intended use, the wafer is polished either on one side or on both sides. The surface of a polished wafer is flawless. After polishing, all fine particles and chemical impurities are removed from the surface. Inspected wafers are either delivered to the customer or they are sent for further processing to the Espoo or Allen epitaxial plants.



After polishing, a thin epitaxial layer of silicon can be added to the surface of the wafer in an epitaxial reactor. An epitaxial layer can be added to sensor wafers, to wafers used in the manufacture of microcircuits and also to power and discrete component wafers.

THE BOARD OF DIRECTORS' REPORT

The Okmetic Group experienced favourable progress in its business activities during 2000. Profitability improved significantly and the result for the year was good after two years of losses. Due to a good market situation, investments and development work made by the Company, the production capacity of the plants was efficiently utilised. Silicon wafer prices began to rise moderately and the strengthening of the dollar also affected sales favourably.

The Group's turnover was EUR 68.6 million, the operating profit rose to EUR 10.9 million and the profit before extraordinary items and taxes was EUR 7.4 million.

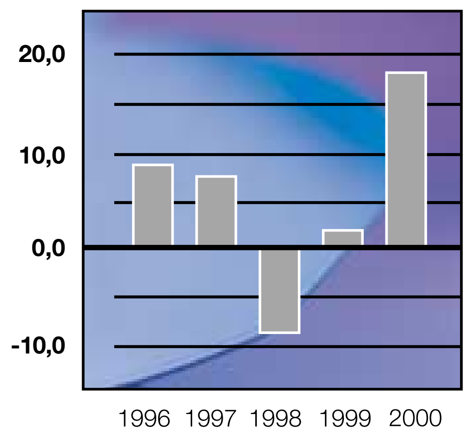
Strong growth in silicon wafer markets

Okmetic's most important customer groups - the semiconductor and sensor industries - experienced strong growth during 2000. According to market research estimates, the value of global sales of semiconductor components rose by over 30% compared with the previous year, and it exceeded USD 200 billion for the first time. Market information also indicates that the sensor manufacturing volume reached record heights.

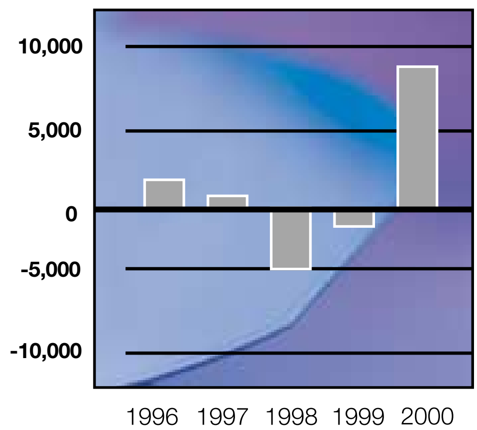
The demand for silicon wafers increased rapidly, driven by growth of semiconductor consumption. According to various estimates, silicon wafer surface area grew by over 20% during the year. This is the highest since 1995, exceeding the average long-term growth rate by a wide margin. Global silicon wafer sales rose to about USD 7.5 billion (Source: SEMI).

The supply and demand of silicon wafers reached a balance in many volume product areas, e.g. standard 200 mm diameter wafers. Clear increase of delivery times in small volume special products indicated that demand had exceeded supply. General market prices of silicon wafers rose moderately during the year. The strong dollar improved prices against other currencies.

Operating profit, % of net sales



Profit before extraordinary items, EUR 1,000



Significant growth in turnover

The Group's turnover increased 50% from the previous year, and was EUR 68.6 million. Growth occurred in all product groups and in all three manufacturing plants. The most significant volume growth took place in Vantaa, where new capacity was implemented. At the same time, the share of highly-doped wafers used for power and discrete semiconductors increased. The Espoo plant expanded its range of special products, and sensor wafer deliveries showed significant growth. The Allen plant in Texas focused on ramp-up of production and establishing customer relations.

The division of turnover by product groups was as follows:

ASW (application specific wafers)	53%
MEMS (sensor wafers)	21%
PWR (power and discrete wafers)	26%

The export from Finnish plants and the Group's foreign operations accounted for 97% of the overall turnover. The distribution of sales between the main market areas was as follows: North America 55%, Europe 32% and the Far East 13%.

Clear improvement in profitability

Okmetic Group profitability improved significantly compared with the previous year. The operating profit was EUR 10.9 million (1999: EUR 1.2 million). The improved operating profit level was strongly affected by strong growth of sales and production volumes, improvement in productivity and reduction in manufacturing unit costs. Favourable sales price development together with the strengthening of the dollar also improved the operating profit.

The turnover and the operating profit grew during every quarter and also in comparison with the corresponding periods of the previous year. The operating profit of the Group during the last quarter of the year was 18% of turnover.

The dominant share of the turnover and operating profit of the Group was produced by Okmetic Oyj. The parent company's operating profit increased to EUR 13.1 million (1999: EUR 1.3 million). The operations of the Espoo and Vantaa plants were profitable. Okmetic Inc. (Allen plant) was not profitable due to start-up costs of operations and a small volume of sales.

The Group's profit before extraordinary items was EUR 7.4 million (1999: loss EUR 2.3 million). The extraordinary items include expenses and fees for the Initial Public Offering and listing, totalling EUR 1.8 million. Deferred taxes amounting to EUR 1.9 million were included for the year. The Group's net profit was EUR 3.7 million (1999: loss EUR 2.3 million). The earnings per share was EUR 0.39 (1999: EUR -0.30). The return on capital employed was 10.7% (1999: 1.6%).

The financial position strengthened

The main part of the Group's financing was renewed during the year. At the same time the financial position strengthened considerably. The executed Initial Public Offering added EUR 47.9 million new equity to the Group.

The cash flow from operations was much better than in the previous year, although the working capital increased due to growth of business activities.

The equity ratio improved significantly and it was 65.5% at the end of the year (1999: 36.5%).

The bank loans were renewed and the parent company's old loans were prematurely repaid in December. The interest-bearing net debt was EUR 4.7 million at the end of the year.

The Group's cash position was good and liquid assets amounted to EUR 25.2 million at the end of the year. The new long-term revolving credit facility and the agreed new loans amounted to a total available financing of EUR 34.5 million.

The Group has increased its hedging against the dollar with exchange rate futures and it has also extended the hedging span to about 18 months.

The investment activities remained strong

The Group's investments in fixed assets during 2000 were EUR 16.1 million (1999: EUR 15.9 million) i.e. 23.4% of turnover.

The main focus of the investments was on production machinery and equipment for increasing manufacturing capacity. The most significant investments were implemented at the Vantaa and Allen plants. At Vantaa the additional machinery and equipment increased the overall production capacity. Special attention was paid to increase highly-doped silicon crystal pulling capacity. At the Allen plant the number of epiwafer reactors and additional equipment were increased.

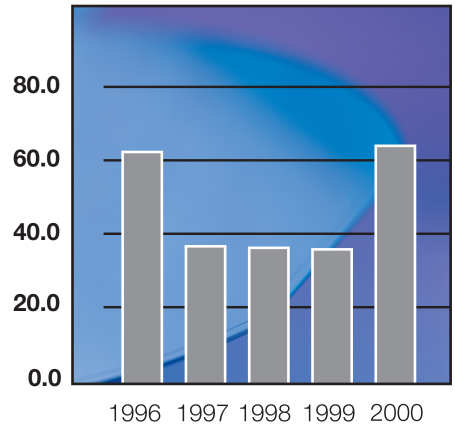
In September a three-year EUR 90 million investment program was launched, concerning all manufacturing plants. The objective is to double the Group's turnover in three years. The production capacity at the Vantaa plant will be doubled, the clean room facilities and the special products manufacturing capacity will be expanded at Espoo, and the epiwafer capacity of the Allen plant will be quadrupled. The amount of investments in 2001 is estimated at close to EUR 50 million. The financing of the investments is based on existing liquid funds, future cash flow from operations and agreements made for bank funding.

Focused research and development work

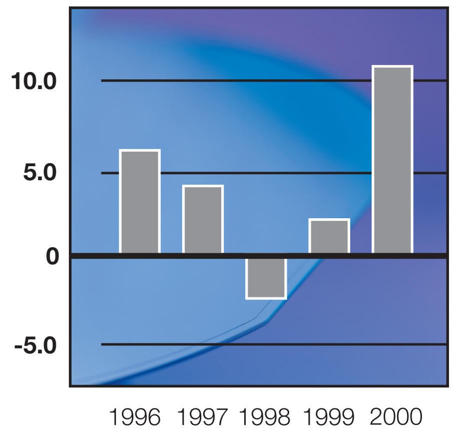
The Group's gross expenditure on research and development during the year was 3.9% of turnover (1999: 4.6%).

Okmetic received support from Tekes (Technology Development Centre) for five projects. Development work covered e.g. new wafer cleaning processes, analysis techniques of wafer surface impurities, 200 mm wafer processes, as well as SOI and sensor wafer manufacturing. Okmetic participated in three research projects supported by the European Union, two of which involved the development of SOI and sensor wafers. During the first half of the year the most important SOI pilot line equipment was completed. At the end of the year first samples were delivered to customers for evaluation. The feedback was encouraging.

Equity ratio, %



Return on investment, %



The process development for large arsenic-doped wafers started in 1999, is now established. Development of 100 and 125 mm arsenic-doped wafers was started at the end of the year.

Okmetic AB continued the research project targeted at the manufacturing of SiC wafers (silicon carbide). The research project is supported by the European Union and the Swedish national funding agency Nutek. Samples of the SiC wafers were sent to customers for evaluation. The demand for further deliveries increased considerably.

Emphasis was placed on quality and the environment

During the summer Okmetic received the QS - 9000 Quality Certificate. The requirements of this quality system are tighter and more specific than in the ISO 9000 based quality system. The QS - 9000 system emphasises active and continuous improvement and elimination of defects in advance.

Okmetic's environmental policy was prepared during the year, and simultaneously the focus points for environmental protection were defined. In its manufacturing and development work, Okmetic aims to adopt useful and environmentally sustainable solutions. The Company intends to obtain certification for its environmental systems during 2001.

Personnel and incentive systems

At the end of the year the number of personnel in the Company was 484 (1999: 420) and the number of personnel in the whole Group was 534 (1999: 444). The number increased most at Vantaa. 43 persons were employed at the Allen plant in USA, and Okmetic AB in Sweden employed 7 persons at the end of the year. The Group consisted of 363 blue collar and 171 white collar employees.

All employee groups were included in different incentive systems during the year. The production bonus system blue collar employees and bonus systems for white collars covered all regular employees.

Shares and share capital

The Extraordinary General Meeting held on 23 May 2000 decided to abandon a nominal value for the shares of the Company when moving to the euro. In the same connection the Company's shares were split into 250 parts and a bonus issue of EUR 248,933.61 was implemented. The accounting par value of each share is after that EUR 0.7. The Shareholders' Meeting also authorised the Board of Directors to increase the share capital within one year of the Meeting by a maximum of EUR 1,279,005. Under this authorisation the Board of Directors offered 43,200 option rights to the personnel of its subsidiary company in USA and to its agents in USA. Of these, a total of 42,800 option rights were subscribed for. Furthermore, the Extraordinary Shareholders' Meeting decided to offer to the personnel of the Company and its Swedish Subsidiary a maximum of 512,000 option rights for subscription, which entitle the holders to subscribe for a maximum of 512,000 shares of the Company. The option rights were fully subscribed for.

The Board of Directors of Okmetic Oyj decided on 2 June 2000 to start making arrangements and submit an application for listing the Company's shares on the main list of the Helsinki Exchanges. An Initial Public Offering preceded the listing. The issue of shares was implemented by offering 6,395,000 shares for subscription during the period 13 – 19 June 2000. Furthermore, the Board was authorised to increase the share capital by a maximum of EUR 1,279,005. The Company's Board of Directors accepted the subscriptions on 28 June 2000 at the subscription price of EUR 7.00 for the institutional and retail offering and at the subscription price of EUR 6.30 for the employee offering.

Okmetic Oyj authorised the IPO Lead Manager to increase the number of shares offered in the institutional offering within 30 days of the start of the subscription period. On 18 July 2000 the Company's Board of Directors accepted subscriptions for a total of 450,000 additional shares. After the offering and the subscription for additional shares, the number of registered shares in the company is 15,980,750 and the share capital is EUR 11,186,525.

Okmetic Oyj's shares were quoted for the first time on the main list of the Helsinki Exchanges on 5 July 2000.

Shares and shareholders are described later in more detail in the relevant section.

Changes in the structure of the Group during the financial period

Okmetic Oyj established a fully owned subsidiary named Okmetic Invest Oy on 4 July 2000. The main task of the company is to take care of the administration of personnel option rights which are still undistributed or which have been redeemed.

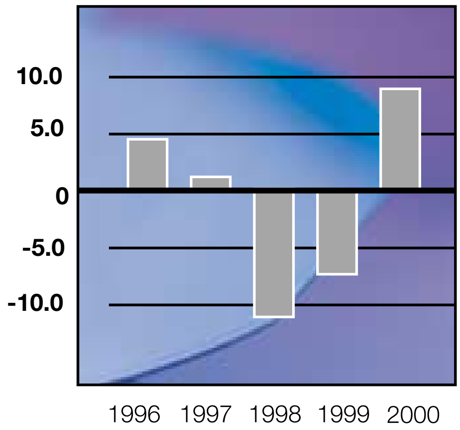
Significant events subsequent to the end of the financial period

The proposals of the Board of Directors to the Annual General Meeting to be held on 27 March 2001:
The Board of Directors proposes that the Annual General Meeting shall revoke the authorisation for issuing shares granted to the Board on 23 May 2000 under which it has been possible to subscribe for a maximum of 1,827,150 new shares. It is proposed that the authorisation be revoked to the extent it has not been utilised by the date of the Annual General Meeting.

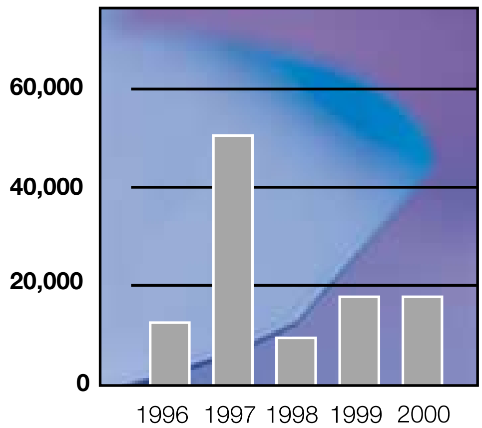
The Board of Directors proposes that the Annual General Meeting shall authorise the Board to decide within one year of the Annual General Meeting to increase the share capital with a new issue and/or decide to take a convertible loan and/or grant option rights so that the new issue or the convertible loan or the option rights shall give the right to subscribe for a maximum of 2,000,000 new shares. Under this authorisation the share capital may be increased by not more than EUR 1,400,000. The proposed authorisation shall include the right to deviate from the shareholders' pre-emptive subscription rights.

The Board of Directors proposes to the Annual General Meeting that the Articles of Association shall be amended with regard to the convening times of meetings of shareholders so that these provisions shall be in line with the regulations prescribed in the Companies Act that became effective in the beginning of 2001. Furthermore, the Board of Directors proposes that the Articles of Association be amended so that the Board may appoint a Deputy President for the Company and decide on his/her terms of remuneration.

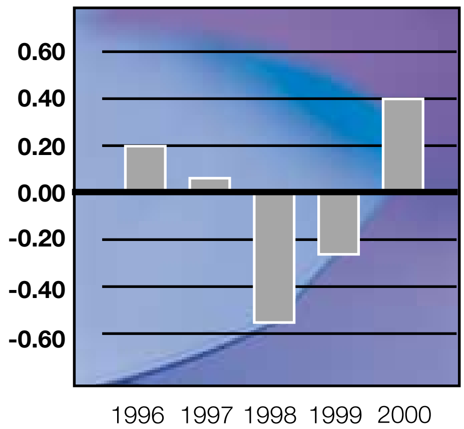
Return on equity, (ROE) %



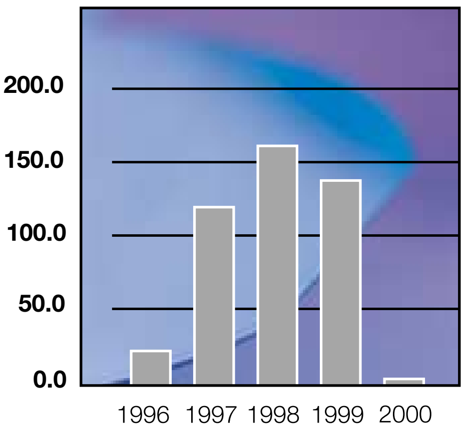
Investments, EUR 1,000



Earning per share, EUR



Net gearing, %



The bar graphs in the column are not a part of the official Financial Statement.

The Board of Directors proposes that the Annual General Meeting shall approve the conversion, in accordance with Finnvera Oyj's offer, of the convertible subordinated loan received from Finnvera Oyj on the basis of the decision made by the Extraordinary General Meeting on 9 August 1996 into an unsubordinated and non-convertible loan with effect from 16 June 2001.

The prospects and objectives for the near future

The semiconductor industry growth is expected to continue during the current year, and the demand for silicon wafers is expected to increase in line with demand growth of semiconductor components and MEMS-sensors. Okmetic believes that growth will continue, even though the demand for semiconductor components slowed down somewhat at the end of the year. The demand for MEMS-sensors has remained strong.

Okmetic believes that the demand for silicon wafers will maintain growth, especially in the less volatile segments served by the company. Improvements in the silicon wafer sales prices, the increasing manufacturing capacity and share of value added products will create good opportunities for improved profitability. Okmetic's operating profit and profitability is believed to improve further, in line with the expansion of the product range and new business activities. The operation of the Allen plant in USA is expected to turn profitable during 2001.

The prospects for Okmetic's business activities are positive. However, the Company's opportunities for advancing in its planned growth track may be limited by the current uncertainty in economic development in USA.

The Company's Board of Directors

During 2000 the Board of Directors consisted of the following members:

Risto Virrankoski, Chairman
Mikko J. Aro
Esa Lager
Juha Marjosola
Pekka Paasikivi
Pekka Salmi

Seppo Isoherranen was the President of the Company.

The auditors of the Company was SVH Pricewaterhouse Coopers Oy, Authorised Public Accountants, with Markku Marjomaa APA, as the auditor in charge.

The proposal of the Board of Directors for measures concerning the profit

According to the Financial Statements of 31 December 2000, the Group's distributable funds are EUR 26.5 thousand and the Parent Company's distributable funds are EUR 5,528,998.07 of which the profit for the financial period is EUR 2,399,718.39.

The Board of Directors proposes to the Annual General Meeting that in the Company's present strong growth period no dividends shall be distributed and that the profit for the financial period shall be transferred to retained earnings.

Vantaa, 12 February 2001

Risto Virrankoski
Chairman of Board of Directors

Mikko J. Aro

Esa Lager

Juha Marjosola

Pekka Paasikivi

Pekka Salmi

Seppo Isoherranen
President

AUDITOR'S REPORT

To the shareholders of Okmetic Oyj

We have audited the accounting, the financial statements and the corporate governance of Okmetic Oyj for the period from 1 January to 31 December 2000. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets and notes to the financial statements, have been prepared by the Board of Directors and the President. Based on our audit we express an opinion on these financial statements and on corporate governance.

We have conducted the audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. The purpose of our audit of corporate governance is to examine that the members of the Board of Directors and the President have legally complied with the rules of the Companies' Act.

In our opinion the financial statements have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements. The financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company's result of operations as well as of the financial position. The financial statements with the consolidated financial statements can be adopted and the members of the Board of Directors and the President of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the distributable assets is in compliance with the Companies' Act.

Vantaa, 27 February 2001

SVH Pricewaterhouse Coopers Oy
Authorised Public Accountants

Markku Marjomaa
APA

CONSOLIDATED INCOME STATEMENT

EUR 1,000		1 Jan–31 Dec 2000	1 Jan–31 Dec 1999
Net sales	(1)	**68,560.8**	**45,844.2**
Cost of sales		-47,708.0	-36,930.5
Gross margin		**20,852.8**	**8,913.7**
Selling and marketing expenses		-2,903.8	-2,099.4
Administration expenses		-4,987.1	-4,365.9
Research and development expenses		-1,891.0	-1,090.4
Other operating income		4.6	17.7
Other operating expenses		-202.6	-158.3
Operating profit/loss	(2,3)	**10,872.9**	**1,217.4**
Financial income and expenses	(4)	-3,428.6	-3,470.6
Profit before extraordinary items and taxes		**7,444.3**	**-2,253.2**
Extraordinary items	(5)	-1,803.6	-
Taxes from extraordinary items		523.0	-
Profit after extraordinary items and taxes		**6,163.7**	**-2,253.2**
Income taxes	(7)	-2,454.6	-59.6
Net income		**3,709.1**	**-2,312.8**

Numbers in brackets refer to the notes on pages 32-39

CONSOLIDATED BALANCE SHEET

EUR 1,000

ASSETS		31 Dec 2000	31 Dec 1999
Fixed assets	(8)		
Intangible assets			
Intangible rights		185.0	185.0
Other long-term expenses		1,495.9	1,844.8
Goodwill		91.6	94.8
Goodwill on consolidation		283.5	360.9
		2,056.0	2,485.5
Tangible assets			
Land		2,180.7	2,868.4
Buildings		20,635.0	20,435.9
Machinery and equipment		55,456.3	49,654.5
Construction in progress		4,359.5	3,118.7
		82,631.5	76,077.5
Investments			
Other long-term equity investments	(10)	6.3	7.1
		6.3	7.1
Total fixed assets		**84,693.8**	**78,570.1**
Current assets			
Inventories			
Raw materials		4,230.4	1,668.7
Work in process		1,629.3	1,413.4
Finished products		2,905.4	1,552.7
		8,765.1	4,634.8
Receivables			
Accounts receivable		11,106.6	7,866.3
Other receivables		2,466.4	1,063.2
Prepaid expenses and accrued income	(11)	436.7	237,1
		14,009.7	9,166.6
Cash and cash equivalents		25,206.8	4,802.3
Total current assets		**47,981.6**	**18,603.7**
TOTAL ASSETS		**132,675.4**	**97,173.8**

CONSOLIDATED BALANCE SHEET

EUR 1,000

SHAREHOLDERS' EQUITY AND LIABILITIES		31 Dec 2000	31 Dec 1999
Shareholders' equity	(12)		
Share capital		11,186.5	6,146.1
Premium fund		62,651.5	19,840.5
Retained earnings		2,081.0	4,598.4
Net income for the year		3,709.1	-2,312.8
		79,628.1	28,272.2
Subordinated loans	(13)	7,656.6	7,866.8
Total shareholders' equity		**87,284.7**	**36,139.0**
Minority interest		**7,232.1**	**7,232.1**
Liabilities			
Deferred tax liability	(15)	**2,072.1**	**140.5**
Long-term liabilities	(17)		
Loans from financial institutions		16,869.6	35,122.6
Other liabilities		733.9	2,748.8
		17,603.5	37,871.4
Short-term liabilities			
Loans from financial institutions		4,434.5	4,273.3
Advances received		6.1	2.0
Accounts payable		6,824.6	7,140.5
Other liabilities		2,753.0	1,023.3
Accrued expenses and prepaid income	(18)	4,464.8	3,351.7
		18,483.0	15,790.8
Total liabilities		**38,158.6**	**53,802.7**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**132,675.4**	**97,173.8**

CONSOLIDATED STATEMENT OF CASH FLOW

EUR 1,000

	1 Jan–31 Dec 2000	1 Jan–31 Dec 1999
Operating activities:		
Operating profit	10,872.9	1,217.1
Adjustments to operating profit loss	8,697.5	7,160.0
Change in net working capital	-5,006.6	2,846.3
Interest received	1,142.8	99.2
Interest paid	-3,582.2	-2,299.2
Other financial items	-202.6	302.5
Extraordinary items	-1,803.6	-
Cash provided by operating activities	**10,118.2**	**9,325.9**
Investing activities:		
Capital expenditure	-16,059.2	-15,779.1
Cash used in investing activities	-198.0	-114.9
Cash flow before financing activities	**-16,257.2**	**-15,894.0**
Financing activities:		
Share issue	47,851.4	8,410.3
Decrease (-) increase in in long-term loans	-20,267.9	-1,937.9
Decrease (-) increase in subordinated loans	-210.2	2,881.0
Decrease (-) increase in short-term loans	161.2	832.1
Other financial activities	-991.1	-1,134.8
Cash provided by financing activities	**26,543.4**	**9,050.7**
Increase (+) in cash and cash equivalents	20,404.4	2,482.6
Cash and cash equivalents on 1 January	4,802.3	2,319.7
Cash and cash equivalents on 31 December	**25,206.7**	**4,802.3**

PARENT COMPANY'S INCOME STATEMENT

EUR		1 Jan–31 Dec 2000	1 Jan–31 Dec 1999
Net sales	(1)	**67,130,825.51**	**45,734,392.01**
Cost of sales		-45,847,522.85	-37,884,055.55
Gross margin		**21,283,302.66**	**7,850,336.46**
Selling and marketing expenses		-2,842,539.94	-2,062,805.38
Administration expenses		-3,518,786.88	-3,274,519.95
Research and development expenses		-1,784,703.27	-1,107,375.29
Other operating income		4,652.06	17,659.73
Other operating expenses		-65,341.31	-132,533.37
Operating profit	(2,3)	**13,076,583.32**	**1,290,762.20**
Financial income and expenses	(4)	-2,475,031.97	-2,790,982.91
Profit before taxes and extraordinary items		**10,601,551.35**	**-1,500,220.71**
Extraordinary items	(5)	-1,803,558.55	**-**
Profit after extraordinary items		**8,797,992.80**	**-1,500,220.71**
Increase (-)/decrease (+) in untaxed reserves			
Depreciation difference	(6)	-6,398,274.41	-
Net income		**2,399,718.39**	**-1,500,220.71**

PARENT COMPANY'S BALANCE SHEET

EUR		31 Dec 2000	31 Dec 1999
ASSETS			
Fixed assets	(8)		
Intangible assets			
Intangible rights		77,255.31	77,255.31
Other long-term expenses		881,754.46	1,166,382.61
		959,009.77	1,243,637.92
Tangible assets			
Land		977,081.45	977,081.45
Buildings		4,893,059.37	5,008,789.75
Machinery and equipment		47,382,673.96	45,534,989.95
Construction in progress		2,833,856.21	1,989,278.99
		56,086,670.99	53,510,140.14
Investments			
Shares in subsidiaries	(9)	13,771,811.27	5,758,839.16
Other long-term equity investments	(10)	6,281.82	7,122.76
		13,778,093.09	5,765,961.92
Total fixed assets		**70,823,773.85**	**60,519,739.98**
Current assets			
Raw materials		3,582,575.26	1,636,111.77
Work in process		1,629,329.53	1,413,401.22
Finished products		2,738,903.65	1,533,500.84
		7,950,808.44	4,583,013.83
Receivables			
Accounts receivable		9,881,080.10	7,962,294.88
Other receivables		7,345,783.90	4,133,028.42
Prepaid expenses and prepaid income	(11)	432,056.97	236,617.33
		17,658,920.97	12,331,940.63
Cash and cash equivalents		24,832,750.04	4,486,596.31
Total current assets		**50,442,479.45**	**21,401,550.77**
TOTAL ASSETS		**121,266,253,30**	**121,266,253.30**

PARENT COMPANY'S BALANCE SHEET

EUR		31 Dec 2000	31 Dec 1999
SHAREHOLDERS' EQUITY AND LIABILITIES			
Shareholders' equity	(12)		
Share capital		11,186,525.00	6,146,091.40
Premium fund		62,651,495.00	19,840,488.61
Retained earnings		3,129,279.68	4,629,500.39
Net income for the year		2,399,718.39	-1,500,220.71
		79,367,018.07	29,115,859.69
Subordinated loans	(13)	7,656,586.60	7,866,821.50
Total shareholders' equity		**87,023,604.67**	**36,982,681.19**
Untaxed reserves			
Depreciation difference	(6)	6,398,274.41	-
Liabilities			
Long-term liabilities	(17)		
Loans from financial institutions		11,151,219.56	28,058,732.06
Other liabilities		-	1,831,398.33
		11,151,219.56	29,890,130.39
Short-term liabilities			
Loans from financial institutions		3,088,974.78	2,927,803.14
Advances received		6,094.07	2,045.16
Accounts payable		4,861,933.65	5,793,460.45
Other liabilities		4,359,238.44	3,158,080.69
Accrued expenses and prepaid income	(18)	4,376,913.72	3,167,089.73
		16,693,154.66	15,048,479.17
Total liabilities		**27,844,374.22**	**44,938,609.56**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**121,266,253.30**	**81,921,290.75**

PARENT COMPANY'S CASH FLOW

EUR 1,000

	1 Jan-31 Dec 2000	1 Jan-31 Dec1999
Operating activities:		
Operating profit	13,076.6	1,290.8
Adjustments to operating profit	6,994.2	6,153.6
Change in net working capital	-5,178.0	-680.4
Interest received	1,653.7	90.1
Interest paid	-3,139.4	-1,729.8
Other financial items	-202.6	302.3
Extraordinary items	-1,803.6	-
Cash provided by operating activities	**11,400.9**	**5,426.6**
Investing activities:		
Capital expenditure	-19,270.8	-12,188.0
Cash used in investing activities	-60.7	-114.9
Cash flow before financing activities	**-19,331.5**	**-12,302.9**
Financing activities:		
Share issue	47,851.4	8,410.3
Decrease (-) in long-term loans	-18,738.9	-1,937.9
Decrease (-) in subordinated loans	-210.2	2,881.0
Decrease (-) in short-term loans	161.2	832.2
Other financial activities	-786.7	-1,134.8
Cash provided by financing activities	**28,276.8**	**9,050.8**
Increase (+) in cash and cash equivalents	20,346.2	2,174.5
Cash and cash equivalents on 1 January	4,486.6	2,312.1
Cash and cash equivalents on 31 December	**24,832.8**	**4,486.6**

NOTES TO THE FINANCIAL STATEMENTS

ACCOUNTING PRINCIPLES

The consolidated financial statements

The consolidated financial statements cover all the Group companies, i.e., the parent company, Okmetic AB, Okmetic Inc., Okmetic Invest Oy and Kiinteistö Oy Piitalot.

The consolidated financial statements have been drawn up as a combination of the parent company's and subsidiaries' income statements, balance sheets and notes. Prior to the consolidation of the consolidated financial statements, the Group companies' separate financial statements were adjusted to comply with the Group's uniform accounting principles.

The Group companies' internal income and expenses and intercompany receivables and liabilities are eliminated in the consolidation.

Intercompany ownership has been eliminated by means of the acquisition method. The elimination difference between the acquisition of the subsidiaries' shares and the shareholders' equities at the time when the subsidiary was acquired has been allocated primarily to those assets and liabilities in the consolidated balance sheet that caused the elimination difference.

The conversion differences due to changes in exchange rates which emerged in the elimination of intercompany share ownership have been entered under shareholders' equity.

The minority interests in the results and shareholders' equity are shown as separate items in the Income Statement and the Balance Sheet.

Items and derivative instruments denominated in foreign currency

Business transactions denominated in foreign currency are valued at the current rate on the date of the transaction. At closing the receivables and debts denominated in foreign currency have been translated into euros at the average rate quoted by the European Central Bank on the closing day. Advances received are entered in the balance sheet at the rate on the date of payment.

From the beginning of 2000, Okmetic changed bookkeeping practice so that now the exchange rate differences of business receivables and debts and the related hedging are offset against sales and purchases in the profit and loss account.

The exchange rate profits and losses from the translation of receivables and debts and financing activities have been entered in the income statement in the category of financial income and expenses.

The derivative contracts made for hedging against exchange rate risks are entered as affecting income so that interest is periodised as interest income or interest expenses and the exchange rate differences are entered against the hedged item when the contracts mature either as exchange rate differences in sales or purchases.

The foreign subsidiary's income statement has been translated into euros at the average rate for the period and its balance sheet at the rate valid on the closing day.

Fixed assets

The balance sheet values of the fixed assets are based on the original acquisition costs.

Rental expenditure on operational lease agreements is entered as rental costs, and the assets are not entered as fixed assets. The liability for these is stated in the notes.

The depreciation of fixed assets is based on the original acquisition cost and estimated economic life of the assets according to plan. The depreciation is calculated by means of straight-line depreciation. The estimated economic lives for the different assets are

• Intangible rights	5 years
• Goodwill and the goodwill on consolidation	5 years
• Other long-term expenses	3 – 10 years
• Buildings	25 years
• Machinery and equipment	3 – 15 years.

Stock

Stock is valued using the FIFO principle and at the lower of cost or market. The cost of stock only includes the variable costs arising from acquisition and manufacturing.

Cash and cash equivalents

Cash and cash equivalents includes cash, bank accounts and deposits of less than three months.

Net sales

The net sales include revenue from goods sold less sales related taxes and discounts.

Research and product development costs

Research and development expenses are expensed as incurred.

Other operating income and expenses

Other operating income and expenses include income and expenses generated outside normal business activities, such as capital gains and losses on fixed assets, and scrapping.

Contingent losses

Provisions are made for any contingent losses the future realisation of which is known with reasonable certainty and of which the amount can be reasonably estimated. Provisions are presented as long-term or short-term liabilities.

Pension arrangements

The pension coverage for the Group's Finnish personnel has been provided by pension insurance.

The pension arrangements of the foreign subsidiaries have been arranged according to local practice. The pension liability has also been arranged for those companies.

Extraordinary items

Extraordinary items include significant transactions outside the scope of the Group's core business activities.

Untaxed reserves

In the consolidated balance sheet the untaxed reserves (depreciation difference) of the Group companies, have been divided into the shareholders' equity and the deferred tax liability. Correspondingly, the change in the untaxed reserves that occurred during the period has been divided in the consolidated income statement between the net income for the period and the change in the deferred tax liability.

Under the Companies Act, the untaxed reserves included in the Group's shareholders' equity do not constitute distributable shareholders' equity.

Income Taxes

The estimated taxes related to the results of the Group companies for the financial period and adjustments to taxes for earlier periods have been entered in the income statement as income taxes. The deferred tax liability is shown in the consolidated income statement.

The deferred tax liability or receivable has been calculated for all the timing differences between the taxation and the financial statements using the tax rate for the following years confirmed at the closing of the accounts. The consolidated balance sheet includes the deferred tax liability in its entirety. The deferred tax receivable is presented in the notes as the amount of the estimated probable tax benefit.

NOTES TO THE FINANCIAL STATEMENTS

	GROUP		PARENT COMPANY	
	2000 EUR 1,000	1999 EUR 1,000	2000 EUR	1999 EUR
1. NET SALES BY MARKET AREA				
Europe	21,615.1	16,841.6	21,551,293.39	16,862,631.52
North America	38,020.8	21,885.1	36,654,629.57	21,754,227.39
Far East	8,924.9	7,117.5	8,924,902.55	7,117,533.09
Total	68,560.8	45,844.2	67,130,825.51	45,734,392.00
2. PERSONNEL EXPENSES				
Wages and salaries	15,930.5	12,266.0	14,209,897.00	11,807,643.92
Pension costs	1,994.8	1,572.2	1,942,265.95	1,563,554.38
Other personnel costs	1,499.1	1,370.3	1,152,018.98	1,241,256.22
Personnel costs in the income statement	19,424.4	15,208.5	17,304,181.93	14,612,454.52
Taxation value of fringe benefits	64.2	54.8	62,880.92	54,815.78
Total	19,488.6	15.263.3	17,367,062.85	14,667,270.30

Accrual-based salaries include not only salaries paid for time at work but also salaries paid for holiday time, days off, sick leave, holiday pay and fees for years of service etc.

Separate remuneration is not paid to the President or the Management Group for membership on the Boards of Subsidiary Companies or for acting as President. The salaries and fees paid to the Board members and President during the year consist of payments relating to one individual person, so these are not shown separately.

The President's retirement age is 62.

Number of personnel				
31 December	534	444	484	420
Average	516	430	475	420

3. DEPRECIATION				
Depreciation according to plan				
Goodwill	10.7	4.7		
Goodwill on consolidation	77.3	25.8		
Other long-term expenses	393.8	191.8	294,298.97	150,518.76
Buildings	1,086.8	967.7	298,822.17	296,169.22
Machinery and equipment	6,930.9	5,970.0	6,340,419.47	5,704,082.75
Total	8,499.5	7,160.0	6,933,540.61	6,150,770.73
Depreciation by category of expenses				
Cost of sales	7,950.6	6,747.6	6,564,479.70	5,773,667.47
Selling and marketing	2.3	2.7	2,255.92	2,725.37
Administration	261.7	131.1	93,181.24	101,155.70
Research and development	284.9	278.6	273,623.75	273,222.19
Total	8,499.5	7,160.0	6,933,540.61	6,150,770.73

	GROUP		PARENT COMPANY	
	2000 EUR 1,000	1999 EUR 1,000	2000 EUR	1999 EUR
4. FINANCIAL INCOME AND EXPENSES				
From Group companies			532,363.31	179,815.96
Other financial income			1,121,282.80	90,091.27
Interest from short-term investments	1,142.9	99.3	1,653,646.11	269,907.23
To Group companies			-76,666.21	-60,374.89
To other companies			-3,062,705.14	-2,168,037.79
Interest expenses	-3,582.2	-2,737.4	-3,139,371.35	-2,228,412.68
Other financial expenses	-989.3	-832.5	-989,306.73	-832,477.46
Total	-3,428.6	-3,470.6	-2,475,031.97	-2,790,982.91
5. EXTRAORDINARY ITEMS				
Expenses relating to the listing of the Parent Company	1,803.6	-	1,803,558.55	-
6. INCOME TAXES AND CHANGES IN UNTAXED RESERVES				
Income taxes from ordinary operations				
Change in deferred tax liability				
Buildings			254,681.63	
Machinery and equipment			6,085,217.93	
Intangible assets			58,374.85	
Total			6,398,274.41	-
Depreciation difference				
Buildings			254,681.63	
Machinery and equipment			6,085,217.93	
Intangible assets			58,374.85	
Total			6,398,274.41	-
7. INCOME TAXES				
Deferred taxes from extraordinary items	523.0	-		
Change in deferred tax liability	-2,454.6	-59.6		
Taxes for period	-1,931.6	-59.6		

8. FIXED ASSETS

See the following page

9. SUBSIDIARIES ON 31 DECEMBER, 2000

Name of company or corporation	Registered office	Ownership share parent and Group
Okmetic AB	Ekerö, Sweden	100
Okmetic Inc.	Dallas, USA	100
Okmetic Invest Oy	Vantaa	100
Kiinteistö Oy Piitalot	Vantaa	14

10. OTHER LONG-TERM EQUITY INVESTMENTS

Book value of shares in other companies owned by the Group is 6,281.82 euros and market value 30,847.50 euros.

8. FIXED ASSETS

GROUP EUR 1,000	Acquisition cost on 1 January 2000**	Increases	Decreases	Transfers between items
Intangible assets				
Intangible rights	185.0	-	-	-
Goodwill	107.5	-	-	-
Goodwill on consolidation	386.7	-	-	-
Other long-term expenses	4,075.0	9.7	-	-
	4,754.0	9.7	-	-
Tangible assets				
Land	3,019.0	-	-	-838.3
Buildings	24,574.6	3.1	-	1,105.5
Machinery and equipment *	77,098.1	4,395.7	289.7	8,436.4
Construction in progress	3,208.6	9,854.5	-	-8,703.6
	107,900.3	14,253.3	289.7	-
Investments				
Other long-term equity investments	7.1	-	0.8	-
	7.1	-	0.8	-
Total	**112,661.5**	**14,263.3**	**290.6**	**-**

* Balance Sheet value of production machinery and equipment

** reconciliation differences included

PARENT COMPANY EUR	Acquisition cost on 1 January 2000*	Increases	Decreases	Transfers between items
Intangible assets				
Intangible rights	77,255.31	-	-	-
Other long-term expenses	3,289,842.53	9,670.81	-	-
	3,367,097.84	9,670.81	-	-
Tangible assets				
Land	977,081.45	-	-	-
Buildings	7,544,125.40	-	-	183,091.79
Machinery and equipment *	72,363,357.23	2,795,876.38	82,266.02	5,452,529.70
Construction in progress	1,989,279.02	6,480,198.68	-	-5,635,621.49
	82,873,843.10	9,276,075.06	82,266.02	-
Investments				
Shares in subsidiaries	5,758,839.16	8,012,972.11	-	-
Other long-term equity investments	7,122.76	-	840.94	-
	5,765,961.92	8,012,972.11	840.94	-
Total	**92,006,902.86**	**17,298,717.98**	**83,106.96**	**-**

* Balance Sheet value of production machinery and equipment

Accumulated depreciation on 1 Jan 2000	Accumulated depreciation of transfers	Depreciation for period ended on 31 Dec 2000	Balance sheet value on 31 Dec 2000
-	-	-	185.0
5.2	-	10.6	91.6
25.8	-	77.3	283.5
2,194.9	-	393.8	1,495.9
2,225.9	-	481.8	2,056.0
-	-	-	2,180.7
3,961.4	-	1,086.8	20,635.0
27,310.3	57.1	6,930.9	55,456.3
-	-	-	4,359.5
31,271.7	57.1	8,017.7	82,631.5
-	-	-	6.3
-	-	-	6.3
33,497.5	**57.1**	**8,499.5**	**84,693.8**
			53,792.6

Accumulated depreciation on 1 January 2000	Accumulated depreciation of transfers	Depreciation for period ended on 31 Dec 2000	Balance sheet value on 31 Dec 2000
-	-	-	77,255.31
2,123,459.91	-	294,298.97	881,754.46
2,123,459.91	-	294,298.97	959,009.77
-	-	-	977,081.45
2,535,335.65	-	298,822.17	4,893,059.37
26,828,367.28	21,963.42	6,340,419.47	47,382,673.96
-	-	-	2,833,856.21
29,363,702.93	21,963.42	6,639,241.64	56,086,670.99
-	-	-	13,771,811.27
-	-	-	6,281.82
-	-	-	13,778,093.09
31,487,162.84	**21,963.42**	**6,933,540.61**	**70,823,773.85**
			45,961,193.74

	GROUP		PARENT COMPANY	
	2000 1,000 EUR	1999 1,000 EUR	2000 EUR	1999 EUR
11. PREPAID EXPENSES AND ACCRUED INCOME				
Essential items included in prepaid expenses and accrued income				
Pension accruals	432.0	224.8	432,056.97	224,865.24
Other	4.7	12.2	-	11,752.09
	436.7	237.0	432,056.97	236,617.33
12. SHAREHOLDERS' EQUITY				
Share capital				
1 January	6,146.1	4,097.6	6,146,091.39	4,097,562.45
Bonus issue	248.9	-	248,933.61	-
New issue	4,791.5	2,048.5	4,791,500.00	2,048,528.95
31 December	11,186.5	6,146.1	11,186,525.00	6,146,091.40
Premium fund				
1 January	19,840.50	13,478.7	19,840,488.60	13,478,720.51
Bonus issue	-248.9	-	-248,933.61	-
Premium from new issue	43,059.9	6,361.8	43,059,940.01	6,361,768.10
31 December	62,651.5	19,840.5	62,651,495.00	19,840,488.61
Retained earnings				
1 January	4,598.4	8,118.6	4,629,500.39	4,491,472.67
Translation difference	-204.6	18,1		
Net income from previous period	-2,312.8	-3,538.3	-1,500,220.71	138,027.72
31 December	2,081.0	4,598.4	3,129,279.68	4,629,500.39
Net income for period	3,709.1	-2,312.8	2,399,718.39	-1,500,220.71
Subordinated loans				
1 January	7,866.8	4,985.8	7,866,821.50	4,985,803.26
Increase	-	3,175.3	-	3,175,347.11
Decrease	210.2	294.3	210,234.90	294,328.87
31 December	7,656.6	7,866.8	7,656,586.60	7,866,821.50
Total shareholders' equity on 31 December	87,284.7	36,139.0	87,023,604.67	36,982,681.19
13. SUBORDINATED LOANS				
Parent company / Group				
Due date 31 December 2003, interest 7%				
The Finnish National Fund for Research and Development SITRA			69,629.80	69,629.80
Due date December 31 2003, interest 7%				
The Finnish National Fund for Research and Development SITRA			138,737.38	138,737.38
Loan period 1996–2006 *)				
Conventum Securities Limited, Helsinki			101,424.05	101,424.05
Tapiola Mutual Pension Insurance Company			33,334.85	33,334.85
Tapiola Mutual Insurance Company			33,334.85	33,334.85
Merita Capital Oy			504,281.22	504,281.22
Insurance Company Sampo Life			672,374.96	672,374.96
Oras Oy			1,008,562.45	1,008,562.45
The Finnish National Fund for Research and Development SITRA			404,276.68	404,276.68
Finnish Industrial Investment Ltd			605,705.27	605,705.27
			3,363,294.33	3,363,294.33

	GROUP		PARENT COMPANY	
	2000 1,000 EUR	1999 1,000 EUR	2000 EUR	1999 EUR
Loan period 1997–2006, interest 9,5% **) Finnvera Oyj			1,051,174.55	1,261,409.45
Loan period 1999-2009, interest 6% ***)				
Conventum Securities Limited, Helsinki			39,079.80	39,079.80
Merita Capital Oy			196,846.41	196,846.41
Insurance Company Sampo Life			338,691.61	338,691.61
Oras Oy			392,245.42	392,245.42
Outokumpu Oyj			1,660,167.88	1,660,167.88
The Finnish National Fund for Research and Development SITRA			144,740.01	144,740.01
PCA Corporate Finance Oy			261,979.41	261,979.41
			3,033,750.54	3,033,750.54
Total			7,656,586.60	7,866,821.50

Principle terms of loans

The capital, interest and other remuneration must, upon the dissolution of the company or in the bankruptcy of the company, be paid subordinated to all other debts.
The capital may otherwise be refunded only if the restricted shareholders' equity and the other non-distributable items according to the Balance Sheet to be adopted for the company or, if the company is a parent company, for the group, for the financial period last ended are fully covered thereafter.

Interest or other remuneration may be paid only if the amount payable may be used for the distribution of profit in accordance with the Balance Sheet to be adopted for the company, or if the company is a parent company, for the group, for the financial period last ended.

If interest cannot be paid according to agreement, it will be cumulated. There is no interest not entered as expense at the time of the closing of the accounts.

*) The loan will be converted by 31 March 2000 into restricted shareholders' equity or, in special circumstances, refunded in three equal instalments annually starting on 31 December 2003. The interest on the loan until 1 April 2000 will be 2% and subsequently 8%. Following payment of an instalment on the loan, the Group's equity-to-assets ratio must be a minimum of 40%.

The loan was not converted into shares by 31 March 2000.

**) The holder of a convertible bond will be entitled to convert this debt into shares of the company between 1 February 1997 and 30 December 2007. The exchange ratio of the shares is 1:8,44, i.e., EUR 0,7 is paid for each share with an accounting par value of EUR 5,68 (not exact). The company's share capital can increase by exchanging these bonds by a maximum of EUR 155.508.50 and the number of shares by a maximum of 222.155 .

***) Each bond with a par value of FIM 8,605.85 (EUR 1,447.40) entitles its holder to obtain in exchange for the bond one share with an accounting par value of EUR 0,7. The exchange ratio is 1:8.60585. The number of company's shares can increase as a consequence of subscriptions of all loans taken out at the same time by a maximum of 524,000. The share subscription can occur 30 June 2001 – 30 November 2001, 8 April 2002 – 29 November 2002, 8 April 2003 – 28 November 2003, 8 April 2004 – 30 November 2004, 8 April 2005 – 30 November 2005, 8 April 2006 – 30 June 2006. The company's share capital can increase by a maximum of EUR 366,800.00.

	GROUP		PARENT COMPANY	
	2000 1,000 EUR	1999 1,000 EUR	2000 EUR	1999 EUR
14. RETAINED EARNINGS				
Accumulated profit	2,081.0	4,598.4	3,129,279.68	4,629,500.39
Net income for the period	3,709.1	-2,313.0	2,399,718.39	-1,500,220.71
Capitalisation of foundation expenses of subsidiary	-690.5	-802.6		
Equity share of untaxed reserves	-5,073.1	-344.0		
Total	26.5	1,138.8	5,528,998.07	3,129,279.68
15. DEFERRED TAX LIABILITY				
Total deferred tax liability on 1 January	140.5	80.9		
Change during period presented in income statement	1,931.6	59.6		
Deferred tax liability presented in the balance sheet on 31 December	2,072.1	140.5		
16. DEFERRED TAX RECEIVABLE				
Total deferred tax receivable presented in the balance sheet on 1 January	38.5	37.2	-	-
Change during period presented in the income statement	39.2	1.3	39,224.86	-
Deferred tax receivable presented in the balance sheet on 31 December	77.7	38.5	39,224.86	-
17. LIABILITIES				
Loans falling due in five or more years' time:				
Loans from financial institutions	344.8	6,305.0	344,785.25	4,623,093.10
Other liabilities	-	183.5	-	-
Total	344.8	6,488.5	344,785.25	4,623,093.10
18. ACCRUED EXPENSES AND INCOME				
Essential items included in accrued expenses and deferred income				
Holiday pay costs	2,316.1	1,893.8	2,299,441.76	1,893,761.23
Unpaid wages and related social expenses	840.8	434.5	836,961.03	386,024.14
Accrued interests	968.8	878.9	901,421.63	802,350.30
Other	339.1	144.9	339,089.30	84,954.08
	4,464.8	3,352.0	4,376,913.72	3,167,089.75

	GROUP		PARENT COMPANY	
	2000 1,000 EUR	1999 1,000 EUR	**2000** EUR	1999 EUR
19. RECEIVABLES AND LIABILITIES FROM GROUP COMPANIES				
Accounts receivable			22,374.96	252,875.30
Other receivables			5,134,969.67	3,196,519.88
			5,157,344.63	3,449,395.18
Other liabilities			2,047,454.09	2,355,433.69
20. PLEDGES, CONTINGENT LIABILITIES AND OTHER COMMITMENTS				
Pledges given on 31 December				
Mortgages on land and buildings				
Capital of bank loans secured by mortgages	9,865.0	12,311.4	1,883,704.77	2,892,832.34
Mortgages given	14,296.0	15,305.1	4,204,698.17	5,213,825.72
Capital of other loans secured by mortgages	-	1,831.4	-	1,831,398.33
Mortgages given	-	1,850.1	-	1,850,067.19
Total mortgages	14,296.0	17,155.2	4,204,698.17	7,063,892.91
Floating charges				
Capital of loans from financial institutions	8,241.2	22,860.2	8,241,208.39	22,860,230.53
Floating charges	30,105.6	30,273.8	30,105,638.83	30,273,826.76
Total pledges given on 31 December	44,401.6	47,429.0	34,310,337.00	37,337,719.67
Commitments relating to current rental and leasing agreements on 31 December				
To be paid in the following year	699.0	528.7	425,230.41	316,166.55
To be paid subsequently	2,215.0	1,888.1	515,668.34	283,992.03
Total pledges and contingent liabilities	2,914.0	2,416.8	940,898.75	600,158.58

The leasing agreements are mainly five-year agreements with no redemption clauses.

	GROUP 2000	GROUP 1999	PARENT COMPANY 2000	PARENT COMPANY 1999
Derivative contracts/currency forward agreements				
Contract value	20,526.3	-	20,526,269.22	-
Fair value 31 December	19,344.4	-	19,344,438.47	-

The company has hedged its net incoming cash flow in dollars with derivative contracts.
The derivative contracts have been extended up to the end of June 2002.

KEY FIGURES 1)

1,000 Eur, financial period 1 Jan – 31 Dec	2000	1999	1998	1997	1996
Net sales	68,561	45,844	34,489	30,269	25,038
Net sales, change %	49.6	32.9	13.9	20.9	24.4
Export and foreign operations, share of net sales, %	96.8	94.7	96.4	95.3	94.9
Operating profit	10,873	1,217	-2,823	1,959	1,808
% of net sales	15.9	2.7	-8.2	6.5	7.2
Profit before extraordinary items	7,444	-2,253	-4,958	609	1,253
% of net sales	10.9	-4.9	-14.4	2.0	5.0
Profit after extraordinary items	6,164	-2,253	-4,958	609	1,253
% of net sales	9.0	-4.9	-14.4	2.0	5.0
Return on equity (ROE), %	8.2	-7.1	-11.3	1.0	3.8
Return on investment (ROI), %	10.7	1.6	-3.5	4.0	6.3
Non interest bearing net debt	15,875	11,567	5,192	13,345	6,752
Net debt to net equity (Net gearing), %	5.4	127.6	156.7	114.6	13.4
Equity ratio, %	65.5	36.5	35.4	35.9	60.1
Capital expenditure	16,059	15,894	6,172	50,160	10,778
% of net sales	23.4	34.7	17.9	165.7	43.0
Research and development expenditure 2)	2,702	2,103	1,289	2,140	2,419
% of net sales	3.9	4.6	3.7	7.1	9.7
Average personnel	516	430	398	290	245
Personnel at the end of the period	534	444	376	350	231

KEY FIGURES OF THE GROUP PER SHARE

	2000	1999	1998	1997	1996
Income per share undiluted,	0.40	-0.30	-0.55	0.05	0.19
Income per share diluted,	0.39				
Shareholder's equity per share,	4.98	3.09	3.47	4.04	4.00
Dividend per share,	0.00	0.00	0.00	0.00	0.00
Dividend per earnings, %	-	-	-	-	-
Price per earnings	13.2				
Development of share price (3 July – 31 Dec 2000)					
Average trading price	6.63				
Lowest trading price	4.82				
Highest trading price	8.20				
Trading price at the end of the period	5.16				
Market capitalization at the end of the period 1,000 Eur	82,461				
Development in trading volume (3 July – 31 Dec 2000)					
Trading volume, transactions	3,486,339				
In relation to weighted, average number of shares, %	27.7				
Trading, Eur	23,097,345				
Adjusted average number of shares during the period 3)	12,580,476	7,613,250	6,388,547	6,388,547	4,032,208
Adjusted number of shares at the end of the period 3)	15,980,750	9,135,750	6,388,547	6,388,547	6,388,547
Adjusted average number of shares during the period including the dilution due to the convertible loans and options	13,356,274	8,064,039			
Adjusted average number of shares at the end of the period including the dilution due to the convertible loans and options	16,738,716	9,918,932			

1) Financial statements of the Group and Parent Company on pages 23-30
2) Research and development expenditure has been presented in gross figures and only projects lasting over three years have been taken into account.
3) Per share figures have been adjusted in accordance with the guidelines issued by the Finnish Accounting Board (KILA) no 390/1999 and have been adjusted to correspond to the current number of shares in the Company. As the Company does not have a market price for 1999, the adjusted average number of shares after the issue of shares has been calculated by using the shareholders' equity per share at the end of the quarter closest to the share issue as the price of an old share and the subscription price as the price of a new share.

CALCULATION OF KEY FIGURES

Research and development expenditure	=	Research and development expenditure entered in the Income Statement (including expenses covered by outside financing)
Return on equity (ROE), %	=	$\frac{\text{Profit before extraordinary items - taxes x 100}}{\text{Shareholders´ equity – subordinated loans + minority interest (average for the year)}}$
Return on investment (ROI), %	=	$\frac{\text{Profit before extraordinary items + interest and other financial expenses x 100}}{\text{Total assets – non-interest bearing debt (average for the year)}}$
Equity ratio, %	=	$\frac{\text{Shareholders´ equity – subordinated loans + minority interest x 100}}{\text{Total assets – advances received}}$
Net debt to equity (Net gearing), %	=	$\frac{\text{Interest-bearing debt – cash and cash equivalence x 100}}{\text{Shareholders´ equity – subordinated loans + minority interest}}$
Earnings per share	=	$\frac{\text{Profit before extraordinary items - taxes +/- minority interest}}{\text{Adjusted average number of shares}}$
Shareholders´ equity per share	=	$\frac{\text{Shareholders´ equity – subordinated loans}}{\text{Adjusted average number of shares at the end of the period}}$
Price/earnings ratio (P/E)	=	$\frac{\text{Adjusted trading price at end of period}}{\text{Income per share}}$

SHARES AND SHAREHOLDERS

Shares and share capital

Okmetic Oyj has issued altogether 15,980,750 shares. The Extraordinary General Meeting held on 23 May 2000 decided to abandon a nominal value for the shares of the Company when moving to the euro. Then the equivalent book value of each share became EUR 0.7. In the same connection the Company's share was divided into 250 parts. The change was implemented by a bonus of EUR 248,933.61 as decided by the Extraordinary General Meeting.

The Articles of Association were amended according to the decision made by the Extraordinary General Meeting of Shareholders so that under the amended Articles Okmetic Oyj's minimum share capital is 6,000,000 euros and the maximum share capital is 24,000,000 euros within which limits the share capital may be increased or decreased without amending the Articles of Association. The Company's registered share capital is EUR 11,186,525. Each share gives one vote in the General Meeting. The Company has one class of shares. The ownership of the Company's shares is registered in the Finnish book-entry securities system from 23 May 2000 onwards.

Quotation of the shares

Okmetic Oyj's shares have been quoted on the Helsinki Stock Exchange from 3 July 2000 onward. The shares were quoted on the main list for the first time on 5 July 2000. The trading code for the shares is OKM on the said market place.

The Board of Directors of Okmetic Oyj decided on 2 June 2000 to start making arrangements and submit applications for listing the company's shares on the main list of the Helsinki Stock Exchange. An Initial Public Offering preceded the listing. The Lead Manager for the listing and the Company's advisor was Evli Corporate Finance Oy and the Manager was PCA Corporate Finance Oy.

The issue of shares was implemented by offering a total of 6,395,000 shares for subscription during the period 13 – 19 June 2000. The shares were offered for subscription as follows: to domestic and foreign institutions a total of 5,755,000 shares, to the public a total of 512,100 shares and 127,900 shares to the Company's personnel. The issue to the public was suspended on 15 June 2000 and the issue to institutions on 16 June 2000, both due to oversubscription. The company's Board of Directors accepted the subscriptions on 28 June 2000 at the subscription price of EUR 7.00 for the institutional and public offering and at the subscription price of EUR 6.30 for the employee offering.

Okmetic Oyj authorised the Lead Manager of the offering to increase the number of shares offered in the institutional offering by a maximum of 700,000 shares within 30 days of the start of the subscription period. On 18 July 2000 the Company's Board of Directors accepted subscriptions for a total of 450,000 additional shares. The subscription price for the shares was EUR 7.00.

After the offering and the subscription for additional shares, the number of registered shares in the company is 15,980,750 and the share capital is EUR 11,186,525.

The shares give the right to a full dividend for the financial period that started on 1 January 2000.

The authorisation of the Board of Directors for increasing the share capital

The Extraordinary General Meeting held on 23 May 2000 authorised the Board of Directors to decide within one year of the General Meeting to increase the share capital with a new issue and/or decide to take a convertible loan and/or grant option rights so that the new issue or the convertible loan or the option rights shall give the right to subscribe for a maximum of 1,827,150 new shares. Under this authorisation, the share capital may be increased by not more than EUR 1,279,005. The authorisation includes the right to deviate from the shareholders' pre-emptive subscription rights.

In its meeting held on 12 February 2001 the Company's Board of Directors decided to propose to the Annual General Meeting to be held on 27 March 2001 that the Annual General Meeting shall revoke the said authorisation granted on 23 May 2000 to the extent it has not been utilised by the date of the Annual General Meeting.

In its meeting held on 12 February 2001 the Board of Directors decided to propose to the Annual General Meeting to be held on 27 March 2001 that the Annual General Meeting shall authorise the Board to decide within one year of the Annual General Meeting to increase the share capital with a new issue and/or decide to take a convertible loan and/or grant option rights so that the new issue or the convertible loan or the option rights shall give the right to subscribe for a maximum of 2,000,000 new shares. Under this authorisation the share capital may be increased by not more than EUR 1,400,000. The proposed authorisation shall include the right to deviate from the shareholders' pre-emptive subscription rights provided that the Company has a significant reason for it.

Convertible loans

The Extraordinary General Meeting Company has a held on 9 August 1996 decided on taking a convertible subordinated loan of FIM 10,000,000 to be subscribed for by Kera Oy, deviating from the pre-emptive rights of shareholders. The loan was fully subscribed for. The holder of the convertible loan is entitled to convert this loan into shares during the period between 1 February 1997 – 30 December 2007. The conversion ratio for the shares is 1:8.44 i.e. the conversion shall take place by paying FIM 8,440 for each share of FIM 1,000 nominal value. At present FIM 7,500,000 of the loan is still outstanding. The next instalment of FIM 1,250,000 is due on 15 June 2001. After increasing the number of shares from 36,543 to 9,135,750 shares the maximum number of shares that can be subscribed for under the convertible loan is 222,155 shares and the subscription price is EUR 5.68 (not exact). The Company's share capital may increase by the conversion of these convertible loans by not more than EUR 155,508.50, which represents approximately 1.39% of the Company's share capital and votes. According to the terms of the loan, the conversion right at the conversion ratio of 1:8.44 is created by company reorganisation or failure to pay a mature instalment. The convertible loan has not been converted by the end of 31 December 2000.

In its meeting held on 12 February 2001 the Company's Board of Directors decided to propose to the Annual General Meeting to be held on 27 March 2001 that the Annual General Meeting shall accept the offer made by Finnvera Oyj for transforming the convertible subordinated loan into an unsubordinated and non-convertible loan with effect from 16 June 2001.

The Company's Extraordinary General Meeting held on 28 June 1999 decided to take a convertible subordinated loan of FIM 19,999,995.40 and offer it for subscription to the shareholders registered in the Company's Share Register on 28 June 1999 so that the Shareholders are entitled to subscribe for one promissory note valued at FIM 8,605.85 for each 10.483219 shares owned. A total of 2,096 promissory notes were subscribed for at FIM 18,037,861.60. The conversion ratio is 1:8.60585 whereupon a maximum of 2,096 shares may be subscribed for under the promissory notes. In accordance with the terms of the loan, the Board of Directors gave one outside subscriber the right to subscribe for the promissory notes that were not subscribed for by the shareholders. Pursuant to the terms of the loan, the Company's Board of Directors has the right to make necessary changes to the terms of the loan and terms relating to the conversion, as required by the General Meeting, provided that such changes that do not affect the loan holders' position if the General Meeting decides on changing the Company's share capital and conversion of the nominal value into euros or abandonment of the share nominal value and substituting the nominal value with an accounting par value. Increasing the number of shares from 36,543 shares to 9,135,750 shares means that the number of shares that may be subscribed for under the promissory notes shall increase from 2,096 shares to 524,000 shares and the subscription price shall change from EUR 1,447.40 (not exact) to EUR 5,79 (not exact). The share capital of the Company may increase as a result of subscriptions taken simultaneously under all the loans by a maximum of EUR 366,800 which represents approximately 3.28% of the Company's share capital and voting rights. The number of shares in the Company may increase by a maximum of 524,000 shares if the promissory notes are converted. The conversion of the promissory notes may take place during the following periods: 30.6.2001–30.11.2001; 8.4.2002–29.11.2002; 8.4.2003–28.11.2003; 8.4.2004–30.11.2004; 8.4.2005–30.11.2005 and 8.4.2006–30.6.2006.

Own shares

The Company has not acquired its own shares, nor does the Company´s Board of Directors have a valid authorisation to acquire or dispose of the Company´s own shares.

Capital loans

At the Company's Extraordinary General Meeting held on 9 August 1996, the subscribers for the increase of the share capital i.e. Oras Oy, The Finnish National Fund for Research and Development SITRA, Nova Life Insurance Company (later Insurance Company Sampo Life), Tapiola Mutual Insurance Company, Tapiola Mutual Pension Insurance Company, Arctos Capital Oy (later Conventum Oyj), Merita Capital Oy and Finnish Industrial Investment Ltd granted to the Company a convertible subordinated loan of FIM 19,997,240. The terms of the loan stated that the loan shall be converted into shares by 31 March 2000 if the Company reaches it targets for results.The loan was not converted because the Company did not reach the targeted results.
Furthermore, the Company has taken two capital loans from The Finnish National Fund for Research and Development SITRA, with capitals of EUR 69,629.80 and EUR 138,737.38. The due date for both capital loans is 31 December 2003. The capital loans are described in section 13 of the Notes to the Accounts. See also the above section "Convertible Loans".

The option programme for personnel

The Extraordinary Meeting held on 23 May 2000 decided, deviating from the pre-emptive rights of shareholders, to offer for subscription to the personnel of the Company and its Swedish Subsidiary a maximum of 512,000 option rights which entitle the holders to subscribe for a maximum of 512,000 shares of the Company. The option rights were fully subscribed for.

Under the authorisation given by the Extraordinary Meeting on 23 May 2000 the Board of Directors offered 43,200 option rights, deviating from the pre-emptive rights of shareholders, to the three agents, citizens of the United States, used by the Company's US Subsidiary located in the United States and to the employees of the Subsidiary. 42,800 option rights were subscribed for.

The subscription period for these option rights was 14 August to 8 September 2000. The Board of Directors of Okmetic Oyj accepted the above mentioned personnel subscriptions for option rights in its meeting held on 18 September 2000 under the "Option Programme 2000". The option rights were recorded under the book-entry securities system. Of these options, 112,400 were registered on 31 December 2000 in the book-entry securities account of Okmetic Invest Oy.

Each option right entitles the holder to subscribe for one (1) share of the Company. Half of the option rights are marked with the letter A and half with the letter B. Subscriptions for shares under the A option right shall start on 3 December 2001 and under the B option right on 2 May 2003. The subscription period for shares under option rights shall end on 31 May 2007.

Option rights are freely transferable when the subscription period for them has started. The Board of Directors may, deviating from that stated above, grant permission for the option rights to be transferred earlier.

If the subscriber's employment relationship in a Company belonging to the Group terminates before 2 May 2003 for a reason other than the death or retirement of the employee, he/she must without delay offer to the Company free of consideration the option rights for which the subscription period has not yet started by the date of the termination of employment. The Company is entitled, irrespective of whether the option rights have been offered or not, to apply for and to obtain the right to get the option rights meant in this paragraph to be transferred from the subscriber's book-entry securities account to a book-entry securities account indicated by the Company. A restriction on the transfer of the option rights in favour of the Company may be recorded on the subscriber's book-entry securities account.

Each option right entitles the holder to subscribe for one (1) share in the Company with an accounting par value of EUR 0.7. As a consequence of the subscriptions, the Company's share capital may increase by a maximum of 554,800 new shares, i.e. by not more than EUR 388,360.

The subscription price for the share is EUR 7.00. The subscription price for the shares shall be lowered after the subscription price determination period and before the subscription for the shares is made with the amount of the cash dividends to be distributed according to the record date for each dividend. The subscription price for the share is, however, always at least the accounting par value of the share.

The shares entitle the holder to receive dividends for the financial period during which they have been subscribed for. Other shareholder rights start when the increase of the share capital has been registered in the Trade Register.

The Management's share ownership

At the end of the year, the members of the Board of Directors and the President of Okmetic Oyj possessed a total of 6,150 shares, i.e. 0.04 per cent of the Company's share capital and voting rights. In addition, the President is entitled under the personnel option programme to 30,000 shares. If this option right is fully utilised, his share of the Company's share capital and voting rights would rise to 0.2%.

Shareholder agreements

A Shareholder Agreement concerning Okmetic Oy was made on 13 June 1996 between Outokumpu Oy, The Finnish National Fund for Research and Development SITRA, Oras Oy, Nova Life Insuranse Company, Arctos Capital Oy, Merita Capital Oy and Finnish Industrial Investment Ltd. The Shareholder Agreement ceased to be effective when the General Meeting of Shareholders made the decision concerning the public quotation of the shares.

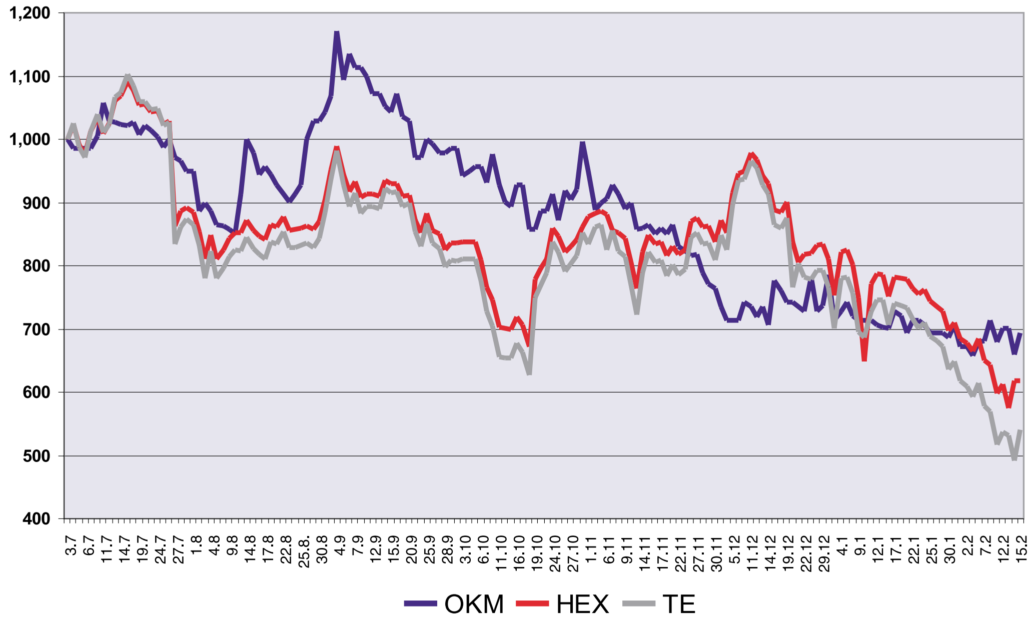
Insider rules

In its meeting held on 16 August 2000, the Board of Directors of Okmetic Oyj approved the insider rules to be observed in the Group. The rules take into consideration rules regulating securities markets, the regulations and instructions of the Helsinki Stock Exchange and the recommendations given by the Finnish Association of Securities Dealers.

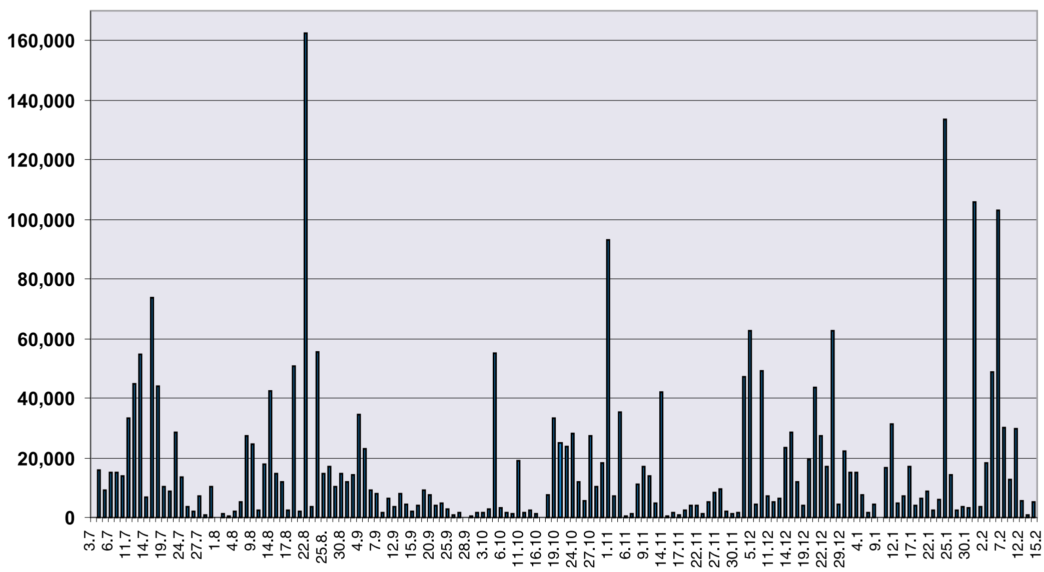
Share price developments and trading

Share price and trading developments and the key figures for the shares over five years are shown in the adjoining tables.

SHARE PRICE



SHARE TRADING



SHARES AND SHAREHOLDERS ON 31 DECEMBER 2000

Shareholders	Shares	%
Outokumpu Oyj	4,510,000	28.2
The Finnish National Fund for Research and Development SITRA	1,291,500	8.1
Oras Oy	1,066,500	6.7
Insurance Company Sampo Life	872,250	5.4
Finnish Industrial Investment Ltd	639,750	4.0
Merita Capital Oy	533,250	3.3
Evli-Select Mutual Fund	320,000	2.0
Investment Fund Meritanordbanken Nordic	302,500	1.9
Conventum Securities Limited, Helsinki	300,000	1.9
Ilmarinen Mutual Pension Insuranse Company	299,300	1.9
Nominee accounts held by custodian banks	1,310,600	8.2
Other shareholders	4,535,100	28.4
Total number of shares	15,980,750	100.0

SHAREHOLDERS BY GROUP ON 31 DECEMBER 2000

Shareholder group	Shares	%
Private companies	7,653,450	47.9
Public companies	190,250	1.2
Financial and insurance institutions	3,809,650	23.8
Public organizations	711,500	4.5
Non-profit organizations	1,443,200	9.0
Households/private persons	837,920	5.2
International shareholders	1,334,780	8.4
Total	15,980,750	100.0

DISTRIBUTION OF SHAREHOLDINGS ON 31 DECEMBER 2000

Number of shares	Number of shareholders	% of shareholders	Total shares	% of share capital	Average shareholding
1-100	218	10.4	20,786	0.1	95
101-500	1,497	71.6	433,544	2.7	290
501-1,000	152	7.3	122,220	0.8	804
1,001-10,000	158	7.6	581,050	3.6	3,678
10,001-100,000	44	2.1	1,767,850	11.1	40,178
100,001-1,000,000	18	0.9	4,876,700	30.5	270,928
over 1,000,001	3	0.1	6,868,000	43.0	2,289,333
	2,090	100.0	14,670,150	91.8	7,019
Nominee accounts held by custodian banks			1,310,600	8.2	
Total			15,980,750	100.0	

INCREASE IN SHARE CAPITAL 1996-2000

	Number of shares	Share capital EUR
Share capital on 1 Jan 1996	14,884	2,503,309.10 [1)]
New issues on 12 Dec 1996 and on 11 June 1997	+ 9,479	4,097,562.45 [2)]
Redenomination into euro, abolishing nominal value, new issue on 20 Oct 1999	+12,180	6,146,091.39
Bonus issue on 5 June 2000		6,395,025.00
Increase in the number of shares, public limited company on 5 June 2000	+ 9,099,207	6,395,025.00
New issue at listing on 29 June 2000	+ 6,395,000	10,871,525.00
Additional shares on 19 July 2000	+ 450,000	11,186,525.00
Share capital on 31 Dec 2000	15,980,750	11,186,525.00

[1)] FIM 14,884,000.00
[2)] FIM 24,363,000.00

BOARD OF DIRECTORS

Risto Virrankoski, born 1946, B.A. (Econ.), Chairman of Board of Directors since 1999.
Deputy President, Deputy CEO and member of the Management Board of Outokumpu Oyj. Holds the following positions of responsibility outside the Outokumpu Group: Deputy Chairman of the Board of Directors of Partek Oyj, member of the Board of Directors of VR Ltd and member of the management board of AvestaPolarit Oyj.

Mikko J. Aro, born 1945, B.A. (Econ.), industrial counsellor, member of Board of Directors since 1999. President of Metorex International Oy.
Member of the Board of Directors in the following companies: Katko Oy Konerauta, Oy Airam Electric Ab, Evox Rifa Group OYJ ja Metorex International Oy.

Esa Lager, born 1959, M.Sc. (Econ.) Master of Laws, member of Board of Directors since 1996. Executive Vice President Finance and Administration.

Juha Marjosola, born 1952, M.Sc., member of Board of Directors since 1999, President of Finnish Industrial Investment Ltd. Member of the Board of Directors in the following companies and associations: Setec Oy, Start Fund of Kera Oy and the Finnish Venture Capital Association.

Pekka Paasikivi, born 1944, engineer, member of the Board of Directors since 1996. Group Director and Chairman of the Board of Directors of Oras Oy. Holds positions of trust in the following companies and associations: Deputy Chairman, member of the Board of Directors and member of the Work Committee of the Board of Directors of the Federation of Finnish Metal Engineering and Electrotechnical Industries (MET), member of the Board of Directors of the Confederation of Finnish Industry and Employers (TT), member of the Administrative Council of Varma-Sampo, Chairman of the Board of Directors of Uponor Oyj, member of the Board of Directors of Hollming Oy, member of the Administrative Council of Finpro.

Pekka Salmi, born 1961, Licentiate of Technology (industrial economy), member of the Board of Directors since 1999. Sector Director of The Finnish National Fund for Research and Development SITRA. Chairman of the Board of Directors in the following companies: Bevesys Oy, Finnsonic Oy ja Neorem Magnets Oy.

Applicable recommendations

The Helsinki Exchanges recommend that Finnish listed companies observe the recommendations given in 1997 by the Central Chamber of Commerce and the Confederation of Finnish Industry and Employers concerning the governance of public companies. Okmetic Oyj complies with these recommendations.

Group Management

The control and management of the Group is divided between the shareholders at the Annual General Meeting, the Board of Directors and the President of the Company.

As the parent company, Okmetic Oyj is responsible for the Group's management, strategic planning, research and development work as well as accounting and financing. Furthermore, the parent company has the resources for coordinating matters related to sales, marketing, customer support, procurements, quality and environmental matters, personnel administration, IT operations and communications, and for offering the services of the Group to the Subsidiaries in common activities. Manufacturing responsibility lies with each individual plant.

The Board of Directors

The duties and responsibilities of the Board of Directors are defined by the Finnish Companies Act and the Company's Articles of Association. The Annual General Meeting is the Company's highest decision making body. In addition to the duties mentioned specifically in the Act and in the Articles of Association, the Board of Directors is responsible for the following matters, inter alia:

- confirming operational strategy
- approving business plans and objectives, and supervising their implementation
- approving the budget and financing plan
- approving total investments and making decisions on acquisitions and large, strategically significant investments and divestments
- defining the Company's dividend policy and making proposals on the amount of dividend to be paid each year to the Annual General Meeting
- confirming the main outline of the organisational structure of the Group
- appointing the President and defining his/her remuneration
- being responsible for risk control and internal supervision

The Board of Directors has set itself the objective of guiding the operation of the Company so that it will produce the highest return on the capital invested. The Board of Directors has also set itself the objective of evaluating its own work regularly.

Election of Board members

The Group's Board for Directions is elected by the Annual General Meeting for a term of office that shall terminate at the end of the first Annual General Meeting subsequent to the election. Therefore the Annual General Meeting shall elect all the Board members each time. The Board of Directors elects a Chairman and a Deputy Chairman from among themselves.

The composition of the present Board of Directors

According to the Articles of Association, the Board of Directors consists of at least three and not more than eight members. At present there are six Board members, none of whom are employed by the Company.

Meetings of the Board of Directors

Generally, the Board of Directors meets from five to ten times each year. The meetings of the Board of Directors are usually held at the Company's headquarters in Vantaa.

President

The duty of the President is to manage and supervise the business operations in accordance with instructions and regulations issued by the Board of Directors. The President is assisted in this work by an internal Executive Management Group selected by him. The Board of Directors appoints the President and confirms the composition of the Executive Management Group. Seppo Isoherranen was appointed Okmetic's President in 1999.

Management

The guidance and supervision of the Group's business operations takes place under the administration and management system described above. The Company has the necessary reporting systems for monitoring business operations and supervising financial administration.

Ultimate responsibility for the supervision of bookkeeping and financial administration is borne by the Board of Directors. The duty of the President is to make the practical arrangements for bookkeeping, accounting and the supervision procedures.

The President and the Executive Management Group and the so-called Extended Management Group consisting of Vice Presidents and Deputy Vice Presidents are responsible for supervising the day to day operations of the Group so that the valid laws and regulations and the Company's operating principles as well as the decisions of the Board of Directors are followed. The Company has insider rules, the content of which correspond to the insider rules of the Helsinki Exchanges.

The auditors of the Companies in the Group are SVH Pricewaterhouse Coopers Oy, Authorised Public Accountants, with Markku Marjomaa, APA, as the auditor in charge. He also carries the responsibility for drawing up instructions and coordinating the audit.

The Company's appointed auditor and the Executive Management Group plan the audit programme annually. The plan takes into consideration that the Companies have no separate internal audit function.

The Company's auditors issue an Auditors' Report to the Company's shareholders with the Annual Accounts as required by law.

MANAGEMENT GROUP

Seppo Isoherranen,
born 1943, M.Sc.
(metal engineering), President
since 1999

Esko Sipilä,
born 1948, M.A. (Econ.)
Senior Vice President, Finance
and Accounting
since1996
Responsibilities: Finance, IT
and Communications

Markku Tilli,
born 1950, M.Sc. (physical
metallurgy) Senior Vice
President, Research and
Development since 1996
Responsibilities:
Research and Development,
Customer Support

Asko Vehanen,
born 1951, Doctor of
Technology (technical
physics), Vice President since
1994, Executive Vice
President since 1996
Responsibilities: Sales and
Business Development

EXTENDED MANAGEMENT GROUP

From left to right: Jukka Suomalainen, Jukka Lahtinen, Seppo Isoherranen, Asko Vehanen, Markku Tilli and Esko Sipilä (in front). From left to right: Matti Haapala, Tapio Jämsä, Glenn P. Davis, Mikko Montonen, Markku Nieminen, Heikki Tupola, Timo Koljonen and Markus Virtanen (in back). Missing from the picture are Anssi Westerlund (Deputy Vice President, European and Asian Sales and Marketing from 1 Oct 2000) and Jari Laakkonen, Doctor of Technology (Deputy Vice President, Information Technology, appointed a member of the Extended Management Group on 1 Jan 2001).

Glenn P. Davis	B.Sc. Eng., Director, Allen plant (Okmetic Inc.), until 31 December 2000
Matti Haapala	M.Sc. (process metallurgy),Vice President, Material and Purchasing
Tapio Jämsä	M.Sc. (metallurgy), Vice President, Vantaa plant
Timo Koljonen	Licentiate of Technology, Deputy Vice President, Technology
Jukka Lahtinen	Doctor of Technology (technical physics), Vice President, Research and Development
Mikko Montonen	M.Sc. (metal and rock engineering), Vice President, North-American Sales and Marketing (President of Okmetic Inc. from 1 Jan 2001)
Markku Nieminen	Doctor of Technology (mechanical engineering), Deputy Vice President, Quality
Heikki Tupola	M.Sc. (mechanical engineering), Vice President, Espoo plant
Jukka Suomalainen	M.Sc. (process metallurgy and material engineering), Vice President, Investments, Technical planning and Environment
Markus Virtanen	M.Sc. (technical physics), Deputy Vice President, Human Resources

FINANCIAL CALENDAR

Results for 2000 on	12 February 2001
Annual Report published	Week 13
Interim Reports in 2001 for	
January-March	7 May 2001
January-June	7 August 2001
January-September	7 November 2001

Available in both English and Finnish, the reports can be ordered by writing to:

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