OKMETIC OYJ STOCK EXCHANGE RELEASE 11 FEBRUARY 2009 AT 4.30 P.M.

OKMETIC´S FINANCIAL STATEMENTS FOR 1 JANUARY – 31 DECEMBER 2008

Okmetic is a technology company that supplies customised silicon wafers for the sensor and semiconductor industries and sells its technological expertise. Net sales for the financial year amounted to 67.9 million euro (64.7 million euro). Profit for the period amounted to 5.8 million euro (5.3 million euro). Earnings per share were 0.34 euro (0.31 euro).

REVIEW IN BRIEF

- Net sales amounted to 67.9 million euro (64.7 million euro).
- Profit for the period amounted to 5.8 million euro (5.3 million euro).
- Earnings per share were 0.34 euro (0.31 euro).
- Okmetic´s equity ratio strengthened, amounting to 62.8 percent (55.3 %).
- The net cash flow from operations amounted to 13.2 million euro (8.3 million euro).
- On 31 December 2008, the group´s cash and cash equivalents exceeded the interest-bearing liabilities by 0.6 million euro (On 31 December 2007 liabilities 9.0 million euro higher than cash and cash equivalents).
- Net sales for the first half of 2009 are expected to amount to considerably less than in 2008. The uncertainty that currently dominates the global economy and the prevailing trend towards lower stock levels amongst semiconductor customers in particular are making business projections more challenging. The company is expecting to make a slight profit thanks to cost-cutting measures. Cash flow from operating activities is estimated to be clearly positive.
- The company plans to temporarily lay off 240 people in Finland for a fixed period of between one to six weeks between February and June 2009, and will also adjust other costs to the prevailing market situation.

KEY FIGURES

1,000 euro	1.1.-31.12.08	1.1.-31.12.07	1.1.-31.12.06
Net sales	67,867	64,652	63,694
Operating profit	8,476	7,121	9,877
% of net sales	12.5	11.0	15.5
Earnings per share, euro	0.34	0.31	0.41
Net cash flow from operating activities	13,177	8,305	17,945
Return on equity, %	12.1	12.4	18.6
Net gearing ratio, %	-1.2	19.6	31.3
Equity ratio, %	62.8	55.3	51.1
Average number of personnel during the period	364	362	360

MARKETS

The year 2008 was marked by below-average growth in Okmetic’s customer industry, electronics. The market became particularly cautious towards the end of the last quarter of the year. The clearly weakened financial trend affected customers' business activities.

In 2008, the increase in the sales of silicon-based sensors remained below the long-term average of 10 - 20 percent (SIA, IC Insights, Yole). Growth was concentrated on accelerometers, in particular, which are used in cars and mobile telephones as well as other consumer applications.

Semiconductor shipment volumes increased during the year under review, although net sales within the semiconductor industry did not increase due to dropping sale prices (WSTS/SIA,IC Insights).

Demand for silicon wafers follows the shipment volumes of the customer industries, and the trend of companies lowering their stock levels during the last quarter of the year clearly reflected on wafer shipment volumes as well. The total volume of silicon wafers shipped during 2008 was similar to the previous year's figure.

The global shipment volumes of the wafer sizes that Okmetic produces were slightly lower in 2008 than in 2007.

PROJECTIONS FOR THE NEAR FUTURE

Forecasts for 2009 are marked by uncertainty and cautiousness. Due to the weak financial forecasts for the first months of the year, the electronics industry is trying to minimise stock levels. Okmetic is keeping a close eye on the behaviour of its customers throughout the production chain. The objective is to be able to react quickly as soon as growth resumes.

The silicon-based sensor industry benefits from steadier growth than the semiconductor industry. Overall, the early months of 2009 are nevertheless likely to see the sensor shipment volumes falling short of the figures recorded during the same period last year. However, several microelectromechanical products are currently being developed within the sensor segment, and demand for these is also expected to grow in 2009. Silicon-on-insulator (SOI) technology is a good example of a rapidly growing new sensor manufacturing technology. Okmetic is amongst the pioneering suppliers who provide these products and services to the sensor industry.

Semiconductor sales are believed to drop considerably in 2009. Forecasts have been revised frequently in recent months, and it is not possible to form a clear picture especially as regards the latter part of the year. During the first half of the year, semiconductors are expected to be in low demand overall.

Global demand for silicon wafers is also expected to drop from last year's shipment volumes over the next few months. The decrease affects semiconductor wafers in particular, and will comprise all wafer sizes.

Okmetic is believed to still have the capacity to strengthen its market leadership in sensor wafers, the demand for which is expected to hold up better than that for semiconductor wafers.

Net sales for the first half of 2009 are expected to amount to considerably less than in 2008. The uncertainty that currently dominates the global economy and the prevailing trend towards lower stock levels amongst semiconductor customers in particular are making business projections more challenging. The company is expecting to make a slight profit thanks to cost-cutting measures. Cash flow from operating activities is estimated to be clearly positive.

EVENTS AFTER THE END OF THE FINANCIAL YEAR

Board of directors´ proposals at the annual general meeting to be held on Thursday, 2 April 2009:

The board's proposal regarding its own powers to decide on new issues, stock options and other share entitlements is presented under Authorisation of the board of directors to increase share capital.

Okmetic Oyj opened negotiations for adjusting staff levels in Finland according to Finnish law in January. The objective of the negotiations was to ensure continued profitability in the prevailing weaker market situation within the semiconductor industry in particular by cutting staff costs and fixed costs.

After the personnel negotiations, the employer decided it will implement fixed-term temporary layoffs. The layoffs will affect 240 people out of the total 320 Okmetic employees in Finland. The layoffs began on 9 February 2009 and will take place between February and June. The layoffs are administered in one-week periods. The duration of the layoffs per employee will vary from one to six weeks.

At a group level, efforts are also made to minimise other costs where possible, and to reduce the labour costs of 40 employees working in foreign subsidiaries to accommodate the current market situation.

SALES

Okmetic's net sales grew by 5.0 percent (1.5%) from the previous year, amounting to 67.9 million euro (64.7 million euro). The company therefore did not quite meet its long-term growth objective of six percent. The modest growth in net sales was partially due to the overall weakening of the market situation towards the end of the year. In addition, the majority of the company's net sales are made in the US dollar, the main trading currency in the industry, the average rate of which dropped by 7.3 percent compared to the euro during the year. The company's share of its customers' wafer sourcing continued to increase.

Sales per customer area

	2008	(2007)
Sensors	37%	(34%)
Semiconductors	38%	(56%)
Technology	25%	(10%)

Okmetic's performance in the sensor market developed according to objectives. The use of sensors is expected to continue its increase. Sensor applications are rapidly becoming more popular in cameras and other consumer electronics products, for example, in addition to the automotive industry and other traditional applications.

The drop in the share of semiconductor sales is due to the weak market situation. The shipment volumes and sale prices of these wafers continued to drop overall, in line with the previous year. The most typical uses of semiconductor wafers include consumer electronics, information technology, telecommunications and the automotive industry.

Technology sales comprise not just manufacturing technology but also crystal sales and occasional polysilicon recycling. Okmetic saw the first revenue from a major technology sales project in 2007. The project initially progressed ahead of schedule, which is why the majority of the revenue was accumulated during 2008. The fluctuations in sales volumes, which are due to the nature of technology sales, cause significant variation in the percentage of sales that technology transfer represents per customer area and market area.

Net sales per market area

	2008	(2007)
North America	39%	(48%)
Europe	33%	(32%)
Asia	28%	(20%)

Asia's share of sales has developed according to plan thanks to strategic investments. The weakening exchange rate of the US dollar against the euro had a significant effect on the way net sales were distributed between different market areas.

PFOFITABILITY

In 2008, Okmetic group recorded a profit of 5.8 million euro (5.3 million euro). Earnings per share amounted to 0.34 euro (0.31 euro).

The company’s profits suffered from the strong decrease in the value of the US dollar during the year and the increasing prices of polysilicon, the principal raw material, similarly to the previous year.

Income from Okmetic's first ever technology project and silicon recycling boosted profits in 2008 significantly. In addition, the sale of an old machine decommissioned from the Vantaa plant towards the end of the year boosted profits by 0.5 million euro.

The annual profits of the Okmetic group and Okmetic Oyj were compromised by the impairment of the shares of Norstel AB, a Swedish company in which Okmetic Oyj has invested, as 2.5 million euro and 3.2 million euro respectively were recorded as value adjustments in financial expenses at the end of the year. The holding had been initially accounted for as available-for-sale investments and the change in fair value had been accounted for in the fair value reserve of equity. The decision had no bearing on the operating profit or cash flow.

Okmetic Oyj’s loan to Okmetic Inc, which was originally recorded as a net investment, generated a loss for the group due to the exchange loss entered in translation differences under equity. At the beginning of 2008, the remaining loss amounted to 1.3 million euro (1.4 million euro). The loan has been recorded as a regular liability since 2006. Financial expenses for 2008 include 0.2 million euro of the exchange loss, which represents a loan repayment. The remaining 1.1 million euro of the exchange loss will be expensed according to the same principle in the future, proportioned to the loan repayments.

The group’s operating profit accounted for 12.5 percent of net sales. This is in line with the long-term goal of 10.0% set by the board of directors.

FINANCING

The group´s financial situation is good. The net cash flow from operations amounted to 13.2 million euro (8.3 million euro). In 2007 the cash flow was compromised by 3.5 million euro worth of interest payments associated with the company´s subordinated loans that were overdue from previous years as well as 3.8 million euro worth of subordinated loan repayments.

The group´s interest-bearing liabilities amounted to 17.4 million euro at the end of the year (22.3 million euro). Subordinated loans accounted for 0.9 million euro of these at the end of the year (1.9 million euro).

At the end of the year, cash and cash equivalents amounted to 18.0 million euro (13.3 million euro). On 31 December 2008, the group´s cash and cash equivalents exceeded the interest-bearing liabilities by 0.6 million euro (on 31 December 2007 liabilities were 9.0 million higher than cash and cash equivalents).

Return on equity amounted to 12.1 percent (12.4%). The group´s equity ratio strengthened, amounting to 62.8 percent (55.3%). The company exceeded the 50 percent financial objective set for the group´s equity ratio. Equity per share was 2.98 euro (2.70 euro).

INVESTMENTS

In 2008, Okmetic´s capital expenditure amounted to 2.6 million euro (4.8 million euro). The majority of the capital expenditure focused on increasing the company's sensor wafer production capacity and on regular maintenance.

PRODUCT DEVELOPMENT

The company invested 2.3 million euro (1.9 million euro) in long-term product development projects in 2008. Product development accounted for 3.3 (2.9%) percent of net sales. Okmetic engaged in several strategic research projects with customers, research institutes and other partners and participated both in national technology programmes funded by Tekes, the leading Finnish funding agency for technology and innovation, and international EU-funded programmes.

New products and new versions of existing products were developed and introduced during the year. The development of new SOI versions continued in sensor wafers, and preparations for the shift of demand towards 200 mm wafers continued. Both Okmetic’s own and its customers’ yields improved and the consumption of raw materials dropped thanks to efforts to develop production machinery and internal processes and practices.

PERSONNEL

The group’s objectives for personnel development and staff well-being are set out in Okmetic’s strategy. The personnel’s expertise and well-being are Okmetic’s strengths as well as preconditions for the realisation of the company’s strategy and success in the long term. The company conducts regular one-on-one development discussions in order to monitor how well goals are being met.

On average, Okmetic employed 364 people in 2008 (2007: 362 and 2006: 360).

At the end of the year, 324 of the group’s employees worked in Finland, 36 in the US and three in Japan.

Twenty-nine percent (29%) of the personnel were women and seventy-one percent (71%) were men. Clerical workers accounted for 36 (35) percent of the personnel and manual workers for 64 (65) percent. The average age of Okmetic’s employees was 41 (40) and the average length of employment was 8.5 (8.1) years.

On average, each employee spent 4.8 (4.4) days in training. Courses organised for clerical workers focused on management and leadership skills. The two-year training programme, which was launched during the previous year, continued at the Vantaa plant. The course is open for all manual workers and results in a vocational qualification in chemical engineering.

As regards staff well-being, the focus was on physical fitness, ergonomics and people management.

Salaries and bonuses are based on the level of skills required in each position throughout the organisation. Salaries and bonuses amounted to 18.0 million euro (2007: 18.1 million euro and 2006: 17.6 million euro). The group’s parent company complies with the collective labour agreements of the Technology Industries of Finland.

All employee groups at Okmetic are eligible for an incentive scheme. Monthly targets are set for the manual workers’ productivity, and the resulting bonuses are paid once a month. Clerical workers are paid bonuses according to annual targets relating to the group’s profitability, financial situation and operative performance. The bonuses payable for meeting the group's financial targets account for 4 - 22 percent of the employees' annual income, at the most, depending on the personnel group. Operative targets are set individually from managerial level upwards. Any bonuses paid as a result of meeting these can account for no more than eight percent of the managers' annual income.

ENVIRONMENTAL ISSUES

Okmetic takes good care of its environmental responsibilities. The company has investigated the environmental risks associated with its business and devised both a universal risk management plan and plans for individual processes. Ecologically sustainable operations boost Okmetic’s competitiveness and profitability.

Measures devised for eliminating environmental risks are built into Okmetic’s operational processes. Environmental considerations are also factored into the further development of products and business in line with continuous improvement principles. Planning preventive measures is fundamental to managing environmental risks.

Okmetic keeps an eye on developments in environmental legislation both in Finland and internationally, and adjusts its business to meet the latest regulations. For example, Okmetic follows the chemicals regulations of the European Union (REACH).

Okmetic has ISO 9001:2000, TS 16949 and ISO 14001 certified quality and environmental systems, and the company’s plants have been built with environmental considerations in mind. Okmetic’s most important subcontractors and suppliers are also ISO 9001:2000 and ISO 14001 certified.

Okmetic recognises that the use of silicon material has an important environmental impact. The company does not produce essential volumes of emissions or waste, and the resulting costs are not significant from a business point of view. On a day-to-day level, Okmetic strives to use materials, water and electricity as efficiently as possible. The company also strives to recycle its silicon material.

Okmetic had no major environmental non-conformities in 2008. The acceptable emission limit values set for waste water treatment were exceeded on three occasions. In these instances the recorded values were nevertheless only just over the acceptable limits and corrective measures were implemented expediently. Okmetic’s environmental management system was found to meet the requirements of the company’s demanding international customers. The company is not subject to emissions trading regulations.

The key figures on environmental protection at the Vantaa plant in 2008 are as follows:

Energy consumption (GWh): electricity 28.6 (25.7), district heating 2.2 (2.2)
Water consumption (tm3): water 520 (490), waste water 450 (430)
Waste volumes (t): hazardous waste 230 (290), landfill waste 57 (63), recycled waste 190 (180).

Okmetic does not publish a separate environmental report in addition to the annual report.

BUSINESS RISKS

The group’s silicon wafer sales are targeted at the sensor and semiconductor industries. The demand for semiconductor wafers is sensitive to economic fluctuations and changes in the market situation can be sudden and dramatic. The demand for sensor wafers is more stable. Periodic revenue from technology sales causes significant variations in the interim results. The success of the sales strategy hinges on trouble-free contract manufacturing.

Okmetic’s share of the global silicon wafer market is around one percent and the market prices have a notable effect on the price development of Okmetic’s products. The majority of sales are conducted in US dollars. The Japanese yen is another notable trading currency. Despite hedging, the company remains vulnerable to exchange rate fluctuations.

Great volumes of electricity are used in Okmetic’s production. Despite hedging, the company is also vulnerable to fluctuations in the price of electricity.

SHARES AND SHAREHOLDERS

On 31 December 2008, Okmetic Oyj’s paid-up share capital, as entered in the Finnish trade register, was 11,821,250.00 euro. The share capital is divided into 16,887,500 shares. The shares have no nominal value attached. Each share entitles its holder to one vote at general meetings. The company has one class of shares. The company’s shares are included in the Finnish book-entry securities system.

Major shareholders on 31 Dec 2008

	Shares, pcs	Share, %
Outokumpu Oyj	2,705,000	16.0
OP-Suomi Arvo Equity Fund	1,185,401	7.0
Ilmarinen Mutual Pension Insurance Company	1,149,300	6.8
Mandatum Life Insurance Company	800,000	4.7
Etra-Invest Oy Ab	500,000	3.2
FIM Fenno Equity Fund	487,349	2.9
Varma Mutul Pension Insurance Company	477,175	2.8
Arvo Finland Value Equity Fund	400,000	2.4
Finnish Industrial Investment Ltd.	320,750	1.9
Op-Ilmasto Investment Fund	218,000	1.3
Foreign shares and nominee accounts held by custodian banks	4,146,410	24.6
Others	4,498,115	26.6
Total	16,887,500	100.0

Shareholders by group on 31 Dec 2008

Shareholders groups	Quantity	Shares, pcs	Share, %
Enterprises	195	4,294,437	25.4
Financial and insurance institutions	18	2,630,910	15.6
Public organisations	3	1,642,475	9.7
Non-profit organisations	11	797,129	4.7
Households	2,771	3,376,139	20.0
Foreign investors and nominee accounts held by custodian banks	27	4,146,410	24.6
Total	3,025	16,887,500	100.0

Distribution of shareholdings on 31 Dec 2008

Shares, pcs	Number of shareholders	% of shareholders	Shares, pcs	% of share capital
1-100	362	12.0	28,955	0.2
101-500	1,246	41.2	384,024	2.3
501-1 000	598	19.8	514,620	3.0
1 001-10 000	735	24.3	2,181,905	12.9
10 001-100 000	70	2.3	1,690,777	10.0
100 001-1 000 000	10	0.3	3,675,477	21.8
Over 1 000 000	4	0.1	8,411,742	49.8
Total	3,025	100.0	16,887,500	100.0

SHARE PRICE DEVELOPMENT AND TRADING

A total of 8.4 million shares (13.2 million shares) were traded between 1 January and 31 December 2008, representing 49.5 percent (78.0%) of the share total of 16.9 million. The lowest quotation of the year was 2.15 euro (2.54 euro) and the highest 3.14 euro per share (4.67 euro per share), with the average being 2.63 euro (3.87 euro). The closing quotation for the year was 2.40 euro (3.03 euro). At the end of the year, the market capitalisation amounted to 40.5 million euro (51.2 million euro).

Okmetic is listed on the Small Cap list of NASDAQ OMX Helsinki Ltd under the trading code OKM1V. According to the Global Industry Classification Standard (GICS), which the exchange uses, Okmetic Oyj is listed under the Information Technology sector. The company´s website can be found at www.okmetic.com.

OWN SHARES

The company has not repurchased any of its own shares.

The board of directors’ authorisation to decide on repurchasing the company’s own shares

The shareholders participating in the extraordinary general meeting held on 6 November 2008 accepted the board of directors’ proposal regarding the board’s authorisation to repurchase the company's own shares as follows:

The aggregate number of shares repurchased on the basis of the authorisation cannot exceed 1,688,750 shares, which represents 10 percent of all the shares of the company. The company and its subsidiaries together cannot at any time own more than 10 percent of all of the company’s registered shares.

Only unrestricted shareholders’ equity can be used to repurchase the company’s own shares under the authorisation. Own shares can be repurchased at a price determined by public trading on the day of repurchase or at another market-based price.

The board of directors decides the method of repurchasing the company’s own shares as well as the other terms and conditions. Derivatives, for example, can be used in the repurchase. Shares can be repurchased independently of the shareholders’ proportional share holdings (private placement). The authorisation will remain in force until the annual general meeting of spring 2010 and in any case not past 6 May 2010.

The board of directors’ authorisation to decide on transferring rights to the company’s own shares

The shareholders participating in the extraordinary general meeting held on 6 November 2008 accepted the board of directors’ proposal regarding the board’s authorisation to transfer rights to the company's own shares as follows:

The aggregate number of rights transferred on the basis of the authorisation cannot exceed 1,688,750 shares, which represents 10 percent of all the shares of the company.

The board of directors has the authority to decide on all the terms and conditions of the share issues. The authorisation is limited to transferring rights to the company’s own shares as held by the company. The share issue can be carried out as a private placement. The board of directors can also cancel any shares it has repurchased. The authorisation will remain in force until further notice, although in any case not past 30 June 2013. Moreover, the authorisation cannot override the authorisation granted at the annual general meeting of 3 April 2008 regarding share issues.

Authorisation of the board of directors to increase share capital

On 11 February 2009, the board of directors decided to propose at the annual general meeting to be held on Thursday 2 April 2009 that the board be granted the authority to decide on new issues, stock options and other share entitlements according to the first paragraph of section 10 of the Finnish Companies Act as follows:

The aggregate number of shares issued on the basis of the authorisation cannot exceed 3,377,500 shares, which represents approximately 20 percent of all the shares of the company.

The board of directors has the authority to decide on all the terms and conditions concerning the issue of shares and other share entitlements. The authorisation relates to the issuance of new shares. Issuance of shares and other share entitlements can be carried out as a directed issue.

The authorisation is effective until the following annual general meeting of shareholders.

The board of directors was granted similar authorisations at the annual general meetings held on 29 March 2007 and 3 April 2008. The board had not taken advantage of its authorisations by 11 February 2009.

CONVERTIBLE BONDS AND OPTION PROGRAMMES

Okmetic has no convertible bonds or option programmes at the moment.

MANAGEMENT AND AUDITOR

In 2008, Okmetic´s board of directors was made up of Mikko J. Aro as the chairman, Karri Kaitue as the deputy chairman, and Tapani Järvinen, Jarmo Niemi, Pekka Salmi and Henri Österlund (as of 6 November 2008) as members of the board.

Antti Rasilo, M.Sc. (Technology) has been acting as the president of Okmetic Oyj since 1 January 2003. In addition to the president, the group´s executive management group comprises Tapio Jämsä, Senior Vice President, Sourcing; Jaakko Montonen, Senior Vice President, Production; Mikko Montonen, Executive Vice President, Sales and deputy to the president; Esko Sipilä, Senior Vice President, Finance; Markku Tilli, Senior Vice President, Research; Markus Virtanen, Senior Vice President, Human Resources; and Anna-Riikka Vuorikari-Antikainen, Senior Vice President, Product Development.

The company´s auditors are PricewaterhouseCoopers Oy, Authorised Public Accountants, with Markku Marjomaa, Authorised Public Accountant, acting as the principal auditor.

THE BOARD OF DIRECTORS´ PROPOSAL REGARADING DIVIDEND DISTRIBUTION

According to the financial statements dated 31 December 2008, the parent company´s distributable earnings amount to 15,559,346.96 euro. No significant changes have taken place in the company´s financial position after the end of the financial year.

The board of directors of Okmetic Oyj propose to the annual general meeting that Okmetic Oyj pay a dividend of 0.05 euro per share for 2008, which, based on the number of shares registered on 11 February 2009, amounts to 844 375,00 euro.

Vantaa, 11 February 2009

Board of directors

CONDENSED FINANCIAL STATEMENTS AND TABLES 1 JANUARY - 31 DECEMBER 2008 (unaudited)

ACCOUNTING PRINCIPLES

The report on Annual Financial Statements has been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted EU.

In preparing these financial statements, Okmetic has followed the same accounting policies as in the financial statements for 2007 except that the company has adopted the following revised standards issued during 2008:

IAS 39(Amendment) and IFRS 7(Amendment), reclassification of financial assets. Following the amendment, certain financial assets can be classified as something other than assets held for trading or sale if certain criteria are met. When this is the case, additional information must be provided on the arrangement in the financial statements. The amendment took effect on 1 July 2008. The group did not take advantage of the provisions of the amendment during the financial period.

CONDENSED CONSOLIDATED INCOME STATEMENT

1,000 euro	1.10.- 31.12.08	1.10.- 31.12.07	1.1.- 31.12.08	1.1.- 31.12.07
Net sales	15,751	15,790	67,867	64,652
Cost of sales	-11,545	-13,207	-50,687	-50,967
Gross profit	4,206	2,583	17,180	13,685
Other income and expenses	-3,097	-1,602	-8,704	-6,564
Operating profit	1,108	981	8,476	7,121
Financial income and expenses	-2,432	-527	-2,900	-1,906
Profit before tax	-1,323	454	5,576	5,215
Income tax	206	95	248	90
Profit for the period	-1,117	548	5,825	5,305
Attributable to:				
Equity holders of the parent company	-1,117	548	5,825	5,305
Basic and diluted earnings per share, euro	-0.07	0.03	0.34	0.31

CONDENSED CONSOLIDATED BALANCE SHEET

1,000 euro	December 31, 2008	December 31, 2007
Assets		
Non-current assets		
Property, plant and equipment	38,848	43,355
Available-for-sale financial assets	0	2,431
Other receivables	4,619	2,731
Total non-current assets	43,468	48,517
Current assets		
Inventories	10,753	6,399
Receivables	9,289	14,439
Cash and cash equivalents	17,975	13,308
Total current assets	38,016	34,147
Total assets	81,484	82,664
Equity and liabilities		
Equity		
Equity attributable to equity holders of the parent company		
Share capital	11,821	11,821
Other equity	38,568	33,828
Total equity	50,389	45,649
Liabilities		
Non-current liabilities	14,027	17,716
Current liabilities	17,068	19,299
Total liabilities	31,095	37,014
Total equity and liabilities	81,484	82,664

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

1,000 euro	January 1- December 31, 2008	January 1- December 31, 2007
Cash flows from operating activities:		
Profit before tax	5,576	5,215
Adjustments	11,272	9,826
Change in working capital	-2,935	-2,235
Interest received	424	394
Interest paid and other financial items	-1,135	-4,805
Tax paid	-26	-90
Net cash from operating activities	13,177	8,305
Cash flows from investing activities:		
Proceeds from investing activities	469	498
Capital expenditure	-2,646	-4 809
Net cash used in investing activities	-2,177	-4 311
Cash flows from financing activities:		
Repayments of long-term borrowings	-4,748	-21,540
Proceeds from long-term borrowings	-	18,000
Payments of finance lease liabilities	-198	-213
Dividends paid	-1,689	-
Net cash used in financing activities	-6,634	-3,754
Increase (+) / decrease (-) in cash and cash equivalents	4,365	241
Exchange rate changes	301	-117
Cash and cash equivalents at the beginning of the period	13,308	13,184
Cash and cash equivalents at the end of the period	17,975	13,308

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to equity holders of parent company					
1,000 euro	Share capital	Share premium	Trans-lation differ-ences	Fair value reserve	Retained earnings	Total equity
Balance at 31 Dec 2007	11,821	20,185	75	-114	13,682	45,649
Available-for-sale financial assets:						
Fair value gains/losses recognised directly in equity, net of tax				-2,441		-2,441
Transfer to income statement				2,554		2,554
Translation differences			320			320
Transfer to income statement			240			240
Equity component of convertible loan notes		-70				-70
Net income recognised directly in equity	-	-70	560	114	-	603
Profit for the period					5,825	5,825
Total recognised income and expenses	-	-70	560	114	5,825	6,428
Dividend distribution					-1,689	-1,689
Balance at 31 Dec 2008	11,821	20,115	635	0	17,818	50,389
Balance at 31 Dec 2006	11,821	20,256	669	-1,042	8,376	40,080
Available-for-sale financial assets:						
Fair value gains/losses recognized directly in equity, net of tax				929		929
Translation differences			-712			-712
Transfer to income statement			117			117
Equity						

component of convertible loan notes		-70				-70
Net income recognised directly in equity	-	-70	-595	929	-	264
Profit for the period					5,305	5,305
Total recognised income and expenses	-	-70	-595	929	5,305	5,569
Balance at 31 Dec 2007	11,821	20,185	75	-114	13,682	45,649

CHANGES IN PROPERTY, PLANT AND EQUIPMENT

1,000 euro	January 1 - December 31, 2008	January 1- December 31, 2007
Carrying amount at the beginning of the period	43,355	47,821
Additions	2,773	4,816
Disposals	-537	-521
Depreciation and impairments	-7,041	-8,102
Exchange differences	298	-659
Carrying amount at the end of the period	38,848	43,355

CHANGES IN FINANCIAL LIABILITIES

1,000 euro	January 1 - December 31, 2008	January 1- December 31, 2007
Carrying amount at the beginning of the period	22,259	25,731
Proceeds of loans from financial institutions	999	17,974
Repayments of loans from financial institutions	-4,744	-16,833
Repayments of subordinated loans	-928	-4,591
Changes in finance lease liabilities	-198	-21
Carrying amount at the end of the period	17,389	22,259

DIVIDENDS PAID

In April, the company distributed a dividend of 31.8 percent, i.e. 1.7 million euro, of the profit accrued in 2007, representing a 0.10 euro dividend per share.

COMMITMENTS AND CONTINGENCIES

1,000 euro	December 31, 2008	December 31, 2007
Loans secured with collaterals	13,333	15,667
Collaterals	24,964	29,001
Off-balance sheet lease commitments	165	238
Capital commitments	574	-
Nominal values of derivative contracts		
Currency options, call	-	3,484
Electricity derivatives	2,961	2,383
Fair values of derivative contracts		
Currency options, call	-	119
Electricity derivatives	-540	419

The contract price of the derivatives has been used as the nominal value of the underlying asset. Derivative contracts are for hedging.

RELATED PARTY TRANSACTIONS

Key management compensation during the period under review amounted to 1,506 thousand euro (1,425 thousand euro).

KEY FIGURES SHOWING FINANCIAL PERFORMANCE

	January 1 - December 31, 2008	January 1 – December 31, 2007
Net sales	67,867	64,652
Change in net sales compared to the previous year´s period, %	5.0	1.5
Export and foreign operations share of net sales, %	95.6	93.0
Operating profit	8,476	7,121
% of net sales	12.5	11.0
Profit before tax	5,576	5,215
% of net sales	8.2	8.1
Return on equity, %	12.1	12.4
Return on investment, %	9.9	10.8
Non-interest bearing liabilities	13,707	14,755
Net gearing ratio, %	-1.2	19.6
Equity ratio, %	62.8	55.3
Capital expenditure	2,773	4,816
% of net sales	4.1	7.4
Depreciation	7,041	8,095
Research and development expenditure 1)	2,261	1,854
% of net sales	3.3	2.9
Average number of personnel during the period	364	362
Personnel at the end of the period	363	357

1) Research and development expenditure has been presented in gross figures and only long-term projects based on research program have been taken into account.

KEY FIGURES PER SHARE

	December 31, 2008	December 31, 2007
Earnings per share basic and diluted, euro	0.34	0.31
Equity per share, euro	2.98	2.70
Dividend per share, euro	0.05	0.10
Dividend/earnings, %	14.5	31.8
Effective dividend yield, %	2.1	3.3
Price/earnings (P/E)	7.0	9.6
Share price development (Jan 1-)		
Average trading price	2.63	3.87
Lowest trading price	2.15	2.54
Highest trading price	3.14	4.67
Trading price at the end of the period	2.40	3.03
Market capitalisation at the end of the period, 1,000 euro	40,530	51,169
Trading volume (Jan 1-)		
Trading volume, transactions	8,355,374	13,175,961
In relation to weighted average number of shares, %	49.5	78.0
Trading volume, euro	22,002,739	51,002,491
The weighted average number of shares during the period under review adjusted by the share issue	16,887,500	16,887,500
The number of shares at the end of the period adjusted by the share issue	16,887,500	16,887,500

QUARTERLY KEY FIGURES

	10-12/08	7-9/08	4-6/08	1-3/08
Net sales	15,751	18,090	16,992	17,034
Compared to previous quarter, %	-12.9	6.5	-0.2	7.9
Operating profit	1,108	2,089	2,737	2,542
% of net sales	7.0	11.5	16.1	14.9
Profit before tax	-1,323	2,683	2,582	1,634
% of net sales	-8.4	14.8	15.2	9.6
Net cash flow generated from:				
Operating activities	2,878	4,522	3,495	2,281
Investing activities	-716	-289	-841	-331
Financing activities	-1,912	-48	-4,616	-58
Increase/decrease in cash and cash equivalents	250	4,185	-1,962	1,892
Personnel at the end of the period	363	361	370	359

	10-12/07	7-9/07	4-6/07	1-3/07
Net sales	15,790	15,927	15,613	17,322
Compared to previous quarter, %	-0.9	2.0	-9.9	8.2
Operating profit	981	2,801	662	2,677
% of net sales	6.2	17.6	4.2	15.5
Profit before tax	454	2,229	207	2,326
% of net sales	2.9	14.0	1.3	13.4
Net cash flow generated from:				
Operating activities	4,735	2,357	-414	1,628
Investing activities	-285	-593	-1,582	-1,850
Financing activities	-931	-58	-3,582	817
Increase/decrease in cash and cash equivalents	3,518	1,706	-5,578	595
Personnel at the end of the period	357	356	369	360

DEFINITIONS OF KEY FINANCIAL FIGURES

Return on equity, % (ROE)	=	Profit/loss for the period from continuing operations x 100 / Equity (average for the period)
Return on investment, % (ROI)	=	(Profit/loss before tax + interest and other financial expenses) x 100 / Balance sheet total - non-interest bearing liabilities (average for the period)
Equity ratio, %	=	Total equity x 100 / Balance sheet total - advances received
Gearing, %	=	(Interest-bearing liabilities - cash and cash equivalents) x 100 / Equity
Earnings per share	=	Profit/loss for the period attributable to the equity holders of the parent company / Adjusted weighted average number of shares in issue during the period
Equity per share	=	Equity attributable to the equity holders of the parent company / Adjusted number of shares at the end of the period
Dividend per share	=	Dividend for the period / Adjusted number of shares at the end of the period
Effective dividend yield, %	=	Dividend per share x 100 / Trading price at the end of the period
Price/earnings ratio (P/E)	=	Last adjusted trading price at the end of the period / Earnings per share
Average trading price	=	Total traded amount in euro / Adjusted number of shares traded during the period
Market capitalisation at the end of the period	=	Number of shares at the end of the period x trading price at the end of the period
Trading volume	=	Number of shares traded during the period / Weighted average number of shares during the period

All figures of the financial tables are rounded, and consequently the sum of individual figures can deviate from the presented sum figure.

The figures are unaudited. In the written report, the figures in parenthesis refer to the corresponding period in the previous year.

The future estimates and forecasts in this financial statements bulletin are based on company management´s current knowledge. Actual events and results may differ from the estimates presented here.

OKMETIC OYJ

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