

OKMETIC OYJ FINANCIAL STATEMENTS RELEASE 13 FEBRUARY 2014 AT 11.30 A.M.**FINANCIAL STATEMENTS FOR 1 JANUARY – 31 DECEMBER 2013: STRONG CASH FLOW IN A CHALLENGING MARKET SITUATION**

Unless otherwise stated, figures in parenthesis refer to the corresponding period in the previous year.

OCTOBER-DECEMBER IN BRIEF:

- Net sales amounted to 16.8 (20.7) million euro, down 18.6%.
- Silicon wafer shipments amounted to 16.2 (18.1) million euro, down 10.5%.
- Operating profit was 0.3 (1.0) million euro corresponding to 1.6% (4.9%) of net sales.
- Profit for the period was 0.4 (0.2) million euro.
- Basic earnings per share was 0.03 (0.01) euro.
- Net cash flow from operations amounted to 4.9 (3.6) million euro.

JANUARY-DECEMBER IN BRIEF:

- Net sales amounted to 68.5 (83.1) million euro, down 17.5%.
- Net sales of silicon wafers amounted to 66.1 (70.9) million euro, down 6.7%.
- Operating profit was 5.0 (8.0) million euro corresponding to 7.3% (9.7%) of net sales.
- Profit for the period was 3.8 (5.1) million euro.
- Basic earnings per share was 0.23 (0.31) euro.
- Net cash flow from operations amounted to 9.7 (9.4) million euro.
- The Board of directors does not propose a dividend to be distributed for the financial year 2013 to the annual general meeting (stock exchange release on 27 November 2013).
- In December 2013, the company distributed an additional dividend of 0.19 euro per share as well as a capital repayment of 0.07 euro per share.

The financial statement figures presented in this report are derived from the audited financial statements of the company.

SHORT-TERM OUTLOOK

In 2014, the demand for semiconductors is expected to continue on its growth track, which started in the second half of 2013. Volume growth is also expected for the silicon wafer market in 2014, but the average price level of wafers is expected to further decline.

Demand for Okmetic's sensor wafers is estimated to grow from the previous year, and the sales and price level of sensor wafers are expected to be fairly stable throughout the year. Prices of semiconductor wafers are hit by the weakened Japanese yen. The demand is expected to pick up compared to 2013.

In accordance with normal seasonal fluctuation, the demand for semiconductor wafers is strongest in the second and third quarters of the year. Other business sales are not expected to materially differ from the low level of 2013.

In 2014, net sales and operating profit are estimated to exceed the level of year 2013.

PRESIDENT KAI SEIKKU:

“In the challenging market conditions of year 2013, Okmetic’s business operations remained well in control, even though the long-term operating profit target of 10% was not met. Fixed costs were adjusted by approximately 10 percent. Considerable cost savings were achieved in productivity and yield. Due to released working capital, cash flow from operations was strong towards the year-end. Changes in valuation practices and non-recurring items reduced operating profit in the second half of the year, particularly in the last quarter.

Market situation continued to be challenging. The average market prices in the silicon wafer industry, which have been declining since 2011, decreased by more than 10 percent per year for the second year in a row. The declined price level in the solar cell industry did not enable profitable growing of solar crystals, which cut net sales expectedly by nearly EUR 10 million.

Sales of sensor wafers, which are key to the company's strategy, continued to grow, and the growth is expected to accelerate in the upcoming years. Sensor wafers already accounted for approximately 60 percent of Okmetic's net sales. The price and margin level of these advanced wafers are clearly higher and more stable than those of other silicon wafers. Therefore, growth in the sales of sensor wafers will improve the company's profitability. In its core business as a manufacturer of silicon wafers, Okmetic outperformed the overall market development in 2012-2013: the company's silicon wafer business decreased by 5.5 percent during the period, whereas the market plummeted by an average of 24 percent (in US dollars).

Other business was at a very low level, as forecasted at the beginning of the year. The long-term polysilicon purchase agreements will burden the company's working capital until the end of 2015. In terms of other items, working capital was effectively released in the second half of the year.

In the upcoming years, growth in the demand for Okmetic's sensor and semiconductor wafers will be focused on 200 millimeter wafers. This means that the company's own and subcontracted production capacity will gradually move to larger wafer size. In crystal growing and in sensor wafer production, particularly in SOI wafers, there are several interesting product development projects for future applications ongoing. These projects are carried out in cooperation with our key customers.

Among the geographical market areas, Europe was by far in the best shape. There is plenty of sensor manufacturing industry important for Okmetic in Europe. Sales in Asia and Japan decreased clearly due to the economic cycle and exchange rates, but also due to weakened technology sales to Asia.

Okmetic's business operations are going through a structural change in which sensor wafer sales are growing fairly steadily throughout economic cycles. The role of technology business, which generated considerable growth and profitability for approximately ten years, seems to be smaller in the future. New products developed for silicon wafers used in manufacturing of single and power semiconductors are expected to bring Okmetic back to a growth path.”

KEY FIGURES

1,000 euro	1 Oct- 31 Dec, 2013	1 Oct- 31 Dec, 2012	1 Jan- 31 Dec, 2013	1 Jan- 31 Dec, 2012	1 Jan- 31 Dec, 2011
Net sales	16,837	20,685	68,516	83,074	83,186
Operating profit before depreciation (EBITDA)	1,881	2,409	10,905	13,864	18,069
Operating profit	263	1,007	5,031	8,018	11,817
% of net sales	1.6	4.9	7.3	9.7	14.2
Profit for the period	447	211	3,842	5,089	10,235
Basic earnings per share, euro	0.03	0.01	0.23	0.31	0.61
Net cash flow from operating activities	4,915	3,565	9,726	9,425	11,691
Net interest-bearing liabilities	6,530	-1,688	6,530	-1,688	-10,257
Equity ratio, %	68.2	72.2	68.2	72.2	78.9
Average number of personnel during the period	355	364	363	368	363

MARKETS

Sensor industry

According to different estimates, the sales value of sensor industry increased by 6-12 percent in 2013 compared to the previous year. The increasing use of micro sensors in many consumer electronics products has accelerated sensor sales growth. In 2014, the sales value of sensor industry is estimated to grow by 8-11 percent, and annual growth of 8-13 percent is forecasted for the next few years. In terms of volume, sensor shipments are likely to clearly rise to a new record in 2014. (IHS, Yole)

Certain silicon-based microelectromechanical (MEMS) products within the sensor segment have higher sales growth than the others. The shipment volumes of silicon-based microphones experienced particularly strong growth in 2013 (IHS). Also, the demand for pressure sensors, accelerometers, gyroscopes, and micromechanical filters increased. Silicon-on-insulator (SOI) technology is increasingly used in the manufacture of these products, among others. Okmetic is a pioneering supplier of SOI wafers for the sensor industry.

Semiconductor industry

The global semiconductor industry's sales in US dollars continued to grow in the last quarter of 2013. Sales in October-December exceeded those of the corresponding period in 2012 by seven percent (SIA). Annual sales in 2013 reached a new record. The estimates settle between 304 – 318 billion US dollars, corresponding to an annual growth of 4.4-4.9 percent (WSTS, SIA, IHS, Cowan LRA).

Semiconductor industry is estimated to continue on a clear growth track. The market is forecasted to grow 5-8 percent in 2014, and the growth is anticipated to continue in 2015 (WSTS, Gartner, IHS, IC Insights). In particular, portable wireless applications play a key role in the growth of semiconductors. For the market that is key to Okmetic, semiconductors for wireless applications and automotive electronics, among others, the outlook is more positive than the market average (WSTS).

Silicon wafer market

According to the estimate published by SMG, the group of silicon wafer suppliers in SEMI (a global umbrella organisation for semiconductor materials and equipment industry), the surface area of silicon wafer shipments grew 0.4 percent in 2013. In the fourth quarter, shipments were 5.7% lower than in the third quarter, but 2.2% higher than in the fourth quarter of 2012 (in surface area). In years 2014-2016, surface area is estimated to grow around 6 percent annually (Infiniti Research, SEMI).

Total value of the silicon wafer market in US dollars decreased by 13 percent in 2013 (SMG) due to declined average sales prices and weakening of the Japanese yen.

The key customer areas for Okmetic in the silicon wafer market

In line with its strategy, Okmetic seeks niches in the silicon wafer market, where growth exceeds market average and in which the company has special expertise. Okmetic supplies primarily 150mm and 200mm wafers. The sensor/MEMS industry is a key growth area for Okmetic. MEMS market grows as portable consumer products, automotive electronics, and industrial process control increase.

In the semiconductor market, Okmetic's growth areas include wafers for production of discrete and power semiconductors. In these wafer markets, areas for growth include, among others, components used in the production of renewable energy, increasing automotive electronics, portable consumer products, as well as different solutions related to power supply and efficiency improvement.

SALES

In 2013, Okmetic's net sales decreased by 17.5 percent (down 0.1 %) from the previous year amounting to 68.5 (83.1) million euro. Other business sales diminished significantly and amounted to 2.4 (12.3) million euro in year 2013. Value of sensor wafer shipments grew by 2.5 percent, while shipment value of semiconductor wafers decreased by 18.4 percent.

Sales per customer area

	1 Oct- 31 Dec, 2013	1 Oct- 31 Dec, 2012	1 Jan- 31 Dec, 2013	1 Jan- 31 Dec, 2012	1 Jan- 31 Dec, 2011
Sensors	60%	53%	59%	47%	46%
Semiconductors	35%	34%	37%	38%	35%
Technology	5%	13%	4%	15%	19%

Sensor wafer sales grew in 2013 compared to the previous year. The demand for sensor wafers was at a good level throughout the whole year. The rise in production and shipment volumes of the strategically important SOI wafers in the second half of the year was particularly positive. The use of sensors and their requirement level are expected to continue growing. Sensor applications are increasing in the automotive industry, and especially in consumer electronics products like smartphones, cameras, game consoles, and other mobile devices.

The sales of Okmetic's semiconductor wafers decreased in 2013 in line with the general market development. The demand was weak in the first quarter, but improved in the second as well as in third quarter. In the fourth quarter, the semiconductor wafer sales declined, in line with the normal seasonal fluctuation. The third quarter was the best in sales, which is typical of the industry.

Other business sales dropped clearly in 2013 from the level in the previous year. The declined price level in the solar cell industry did not enable profitable growing of solar crystals.

Sales per market area

	1 Oct- 31 Dec, 2013	1 Oct- 31 Dec, 2012	1 Jan- 31 Dec, 2013	1 Jan- 31 Dec, 2012	1 Jan- 31 Dec, 2011
North America	44%	33%	42%	37%	37%
Europe	42%	30%	40%	27%	30%
Asia	14%	36%	18%	35%	33%

In Europe, Okmetic's sales saw strong growth in 2013, thanks to solid demand for sensor wafers. North American and Asian sales decreased. The decrease of sales in Asia was largely due to the drop in Other business sales (earlier, technology sales formed a significant portion of sales in Asia), but also silicon wafer sales were weak in Asia.

PROFITABILITY

October-December

In October-December, Okmetic's operating profit was 0.3 (1.0) million euro. Operating profit accounted for 1.6 (4.9) percent of net sales. Profit for the period was 0.4 (0.2) million euro. The result for October-December was reduced by changes in valuation practices and non-recurring items. Basic earnings per share was 0.03 (0.01) euro. Diluted earnings per share was 0.03 (0.01) euro.

January-December

In January-December, Okmetic's operating profit was 5.0 (8.0) million euro and accounted for 7.3 (9.7) percent of net sales. Diminished operating profit was due to lower sales and price level in Other business. Solid demand for sensor wafers and adjustment of fixed costs softened the impact of declined sales on operating profit and profitability. Profit for the period was 3.8 (5.1) million euro.

The reduction in the Finnish corporate tax rate in 2014 decreased the Group's deferred tax liabilities by 0.5 million euro, which had a positive impact on profit for the period. The Group's effective tax rate in 2013 was 12.7 percent. In addition to the reduction in the corporate tax rate in 2014, this was due to the additional tax depreciations utilized in full on the 2013 machinery and equipment investments and the additional tax deductions of R&D salary expenses.

Basic earnings per share was 0.23 (0.31) euro. Diluted earnings per share was 0.22 (0.30) euro.

FINANCING

The company's financial situation is solid. In 2013, net cash flow from operations amounted to 9.7 (9.4) million euro. The net cash generated from operating activities was especially good in the second half, totalling 8.4 (7.8) million euro. Cash flow from operations improved by 4.9 million euro in the second half of the year, as all items under working capital developed favourably. For the whole year 2013, working capital increased by 2.1 million euro.

On 31 December 2013, the company's interest-bearing liabilities amounted to 11.7 (5.6) million euro. In January 2013, Okmetic announced that it has signed a five-year loan agreement for 10 million euro. The loan is used for the earlier announced investments and general corporate purposes. At the end of the reporting period, the amount of the loan outstanding was 9 million euro.

At the end of 2013, cash and cash equivalents amounted to 5.2 (7.3) million euro. On 31 December 2013, the company's cash and cash equivalents totalled 6.5 million euro less than the interest-bearing liabilities (on 31 December 2012, cash and cash equivalents were 1.7 million euro higher than interest-bearing liabilities). The group has ensured liquidity with committed credit facilities of 6.0 million euro. On 31 December 2013, the committed credit facilities were unused.

Return on equity amounted to 6.4 (8.3) percent. At the end of the year, the company's equity ratio was 68.2 (72.2) percent. Equity per share was 3.43 (3.72) euro.

INVESTMENTS

In 2013, Okmetic's capital expenditure amounted to 7.6 (14.3) million euro. The investments were directed to debottlenecking and automation of wafer production lines as well as expansion of the Vantaa plant. The expansion increases capacity for SOI and 200mm wafers in Vantaa.

PRODUCT DEVELOPMENT

In 2013, the company expensed 2.8 (2.3) million euro in product development projects. Product development costs accounted for 4.1 (2.8) percent of net sales and were not capitalised.

Okmetic's wafer range kept growing in 2013. The company focused, in particular, on products used in the manufacture of MEMS sensors and power management circuits by expanding the SOI product family and by improving the capability in crystal growing to enable growing of crystals with higher and lower resistivity than earlier. In epi-production, progress was made especially in wafers with a thick epi layer.

In 2013, Okmetic continued its long-term research of silicon material with universities and research institutions in Finland and abroad, and participated in several national and EU-funded technology projects. The company collaborated, among others, with VTT Technical Research Centre of Finland, Aalto University, Institute of Microelectronics and Fraunhofer Institute, as well as participated in member events of sensor and semiconductor associations. In Finland, Okmetic worked actively in the MemsCat-cluster, in which the company is a founding member.

PERSONNEL

Competent, motivated and content personnel is a prerequisite for Okmetic's growth and success. This is described in the values as well as in the human resources and quality policies of the company.

On average, Okmetic employed 363 (368) people in 2013. At the end of the year, Okmetic employed 355 (364) people of which 310 worked in Finland, 39 in the US, five in Japan, and one in Hong Kong.

Women accounted for 26 (26) percent and men 74 (74) percent of the personnel. White-collar employees accounted for 38 (36) percent and blue-collar employees for 62 (64) percent of the personnel. The average age of Okmetic's employees was 44 (43) years and the average length of employment was 11.6 (10.9) years.

Throughout the organization, salaries and bonuses are based on the level of skills required in each position. In 2013, salaries and bonuses amounted to 20.3 (21.4) million euro including 0.2 (0.4) million euro expenses of the share reward schemes. 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. The possible production bonuses for blue-collar employees are paid monthly according to the achievement of set targets. White-collar employees are subject to a profit-sharing scheme, which is based on annual targets set by the Board of Directors relating to the group's profitability, financial situation, and operative performance.

ENVIRONMENTAL ISSUES

Okmetic recognises the environmental risks associated with its operations. The company devises both a universal risk management plan and plans for individual processes. Ecologically sustainable operations support Okmetic's competitiveness and profitability.

Measures devised for eliminating environmental risks are integrated to Okmetic's operational processes. Environmental considerations are factored into the development of products and operations in line with continuous improvement principles. Planning of preventive measures is a fundamental part of environmental risk management.

Okmetic follows the development of environmental legislation both in Finland and internationally, and adjusts its operations to meet the regulations.

In October 2012, Okmetic submitted an application for the renewal of the Vantaa plant's environmental permit, as scheduled. The environmental authority approved the application in June 2013.

Okmetic's environmental programme had two objectives in 2013: saving silicon material with the new wire saw in production and replacing chromium trioxide in the laboratory. The first objective was reached, while work with the second objective continues in 2014.

Okmetic follows the chemical regulations of the European Union (REACH) and all Okmetic's products meet the requirements set in the RoHS-directive.

Okmetic has ISO 9001:2008, TS 16949:2009, and ISO 14001:2004 certified quality and environmental systems both at Vantaa and Allen plants. Okmetic expects its most important subcontractors and suppliers to comply with the ISO 9001 and ISO 14001 certifications.

Okmetic had no major environmental non-conformities in 2013. Okmetic's environmental management methods were found to match the high requirement level of international customer companies. The company is not subject to emissions trading regulations.

The company has assessed its consumption of energy, use of polysilicon, amount of acid waste as well as consumption of water and chemicals to have a significant environmental impact. The development of these factors is monitored regularly.

The key figures related to environmental protection at the Vantaa plant in 2013 are as follows:

Energy consumption(GWh)	2013	2012
Electricity	28.5	31.9
District heating	5.1	2.5
Water consumption (tm3)		
Water	590	563
Waste water	496	473
Waste volumes (tn)		
Hazardous waste	254	346
Landfill waste	0	0
Recycled waste	368	314

BUSINESS RISKS

There have been no significant changes in the company's near future business risks and uncertainties.

Okmetic's business is confronted by risks, which can be derived from the company's operations or changes in its operating environment. The risks that can have an adverse effect on the company's business and valuation are described below.

Okmetic's silicon wafer sales are targeted at the sensor and semiconductor producers in the electronics industry. 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. The proliferation of sensors in consumer electronics applications may, however, increase the susceptibility of this market too to economic fluctuations. Other business sales have in recent years been mainly sales of solar materials to the solar cell industry. Okmetic has existing polysilicon purchasing obligations partly until 2015. Since the price level of the solar cell

market has dropped, the validity of long-term polysilicon contracts typical of the industry may cause a price risk.

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 company has considerable pricing power only with its own special products. The pricing of other wafers is mainly based on global market price.

Okmetic operates globally, and therefore the company's business is affected by risks due to exchange rate fluctuations, consisting of the cash flows of purchases and sales. A significant part of sales are conducted in US dollars. Despite hedging, the company remains exposed to exchange rate fluctuations.

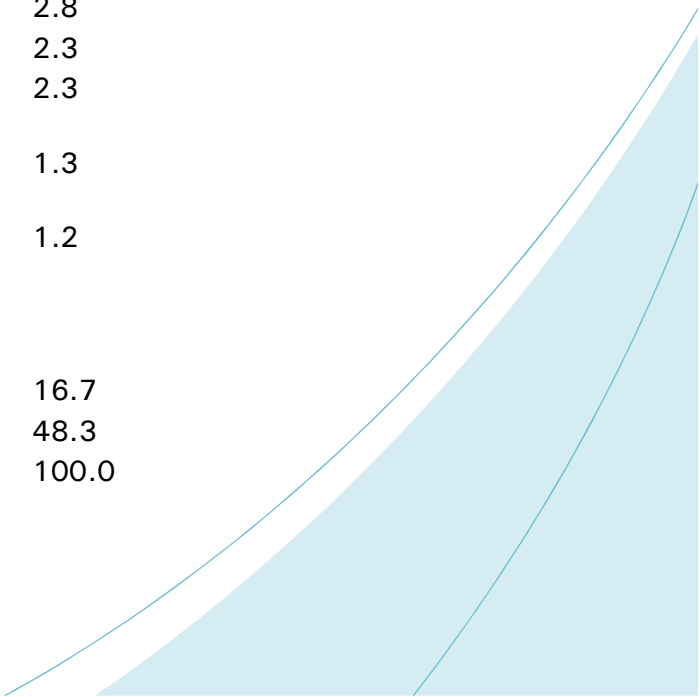
Substantial volumes of electricity are used in Okmetic's production. Despite hedging, the company is exposed to fluctuations in the price of electricity.

SHARES AND SHAREHOLDERS

On 31 December 2013, Okmetic Oyj's paid-up share capital, as entered in the Finnish Trade Register, was 11,821,250.00 euro. The number of shares was 17,287,500. 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 2013

	Shares, pcs	Share, %
Ilmarinen Mutual Pension Insurance Company	1,549,985	9.0
Oy Ingman Finance Ab	870,000	5.0
Mandatum Life Insurance Company Limited	800,000	4.6
The State Pension Fund Nordea Nordic Small Cap Fund	600,000	3.5
Varma Mutual Pension Insurance Company	477,175	2.8
Etra-Invest Oy Ab	400,000	2.3
Okmetic Management Oy	400,000	2.3
Taaleritehdas Arvo Markka Osake Fund	225,100	1.3
Kaleva Mutual Pension Insurance Company	212,700	1.2
Foreign investors and nominee accounts held by custodian banks	2,882,366	16.7
Others	8,341,364	48.3
Total	17,287,500	100.0



Shareholders by group
on 31 Dec 2013

	Shares, pcs	Share, %
Corporations	3,374,889	19.5
Financial and insurance institutions	1,811,506	10.5
Public organisations	2,627,160	15.2
Non-profit organisations	127,540	0.7
Households	6,464,039	37.4
Foreign investors and nominee accounts held by custodian banks	2,882,366	16.7
Total	17,287,500	100.0

Distribution of shareholdings
on 31 Dec 2013

Shares, pcs	Number of shareholders	% of shareholders	Shares, pcs	% of share capital
1-100	1,501	18.0	105,972	0.6
101-500	3,859	46.4	1,130,194	6.5
501-1,000	1,530	18.4	1,251,936	7.2
1,001-5,000	1,217	14.6	2,561,003	14.8
5,001-10,000	105	1.3	766,811	4.4
10,001-50,000	86	1.0	1,885,655	10.9
50,001-100,000	3	0.0	181,903	1.1
100,001-500,000	9	0.1	2,256,120	13.1
500,001-	6	0.1	7,147,906	41.3
Total	8,316	100.0	17,287,500	100.0

SHARE PRICE DEVELOPMENT AND TRADING

A total of 3.4 (3.3) million shares were traded between 1 January and 31 December 2013, representing 19.6 (19.3) percent of the weighted average of share total of 17.3 (17.3) million during the period. The lowest quotation of the reporting period was 4.25 (4.21) euro, and the highest 5.66 (6.01) euro, with the average being 4.92 (5.25) euro. The closing quotation for the period was 4.82 (5.02) euro. At the end of the period, the market capitalisation amounted to 83.3 (86.8) million euro.

Okmetic is listed on the Small Cap list of NASDAQ OMX Helsinki Ltd. under the trading code OKM1V. According to the International Classification Benchmark (ICB) of the exchange, Okmetic Oyj is listed under the Technology Industry.

DIVIDENDS PAID

In April 2013, the company distributed a dividend of 4.3 million euro for the year 2012 (including dividends distributed to Okmetic Management Oy, a total of 0.1 million euro). The dividend was 0.25 euro per share.

In December 2013, the company distributed an additional dividend of 3.2 million euro (including dividends distributed to Okmetic Management Oy, a total of 0.1 million euro). The dividend was 0.19 euro per share.

In April 2012, the company distributed a dividend of 4.8 million euro of the profit accrued in 2011 (including the 0.1 million euro dividend paid for Okmetic Management Oy). The dividend was 0.28 euro per share.

AUTHORISATION OF THE BOARD OF DIRECTORS TO DECIDE ON THE REPURCHASE AND/OR ACCEPTANCE AS PLEDGE OF THE COMPANY'S OWN SHARES

On 10 April 2013, the annual general meeting authorised the Board of directors to decide on the repurchase and/or acceptance as pledge of the company's own shares in one or more tranches. The aggregate number of shares repurchased and/or accepted as pledge shall not exceed 1,728,750 shares, which represents approximately 10 percent of all the shares of the company. The company and its subsidiaries together cannot at any time own and/or hold as pledge more than 10 percent of all the company's registered shares.

Only unrestricted 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 on the method of repurchasing and/or accepting as pledge of the company's own shares as well as the other terms and conditions. Shares can be repurchased otherwise than in the shareholders' proportional holding of shares (directed repurchase). The authorisation cancels the authorisation given by the annual general meeting on 12 April 2012 to the board of directors to decide on the repurchase and/or acceptance as a pledge of the company's own shares. The authorisation is effective until the next annual general meeting, however, no longer than until 10 October 2014.

AUTHORISATION OF THE BOARD OF DIRECTORS TO DECIDE ON THE ISSUANCE OF SHARES, THE TRANSFER OF THE COMPANY'S OWN SHARES AS WELL AS THE ISSUANCE OF SPECIAL RIGHTS ENTITLING TO SHARES

On 10 April 2013, the annual general meeting authorised the Board of directors to decide on the issuance of shares, the transfer of the company's own shares, and the issuance of special rights entitling to shares according to Chapter 10, Section 1 of the Finnish Companies Act in one or more tranches. The aggregate number of shares issued or transferred on the basis of the authorisation may not exceed 5,200,000 shares.

The Board of directors decides on all the terms and conditions of the issuance of shares, the transfer of the company's own shares, and the issuance of special rights entitling to shares according to Chapter 10, Section 1 of the Finnish Companies Act. The authorisation concerns both the issuance of new shares as well as the transfer of the company's own shares. The issuance of shares, the transfer of the company's own shares, and the issuance of special rights

entitling to shares according to Chapter 10, Section 1 of the Finnish Companies Act may be carried out in deviation from the shareholders' pre-emptive rights (directed issue).

The authorisation cancels the authorisation given by the annual general meeting on 12 April 2012 to the Board of directors to decide on the issuance of shares, the transfer of the company's own shares as well as the issuance of special rights entitling to shares. The authorisation is effective until the next annual general meeting, however, no longer than until 10 October 2014.

Board of directors decided on 17 December 2013 to grant stock options to the key managers of Okmetic. The conditions of the stock option programme are presented below under the title Stock option plans.

OWN SHARES AND DIRECTED SHARE ISSUES

On 12 February 2013, Okmetic's Board of Directors decided on a transfer of 18,540 own shares held by the company, as a part of the company's share-based incentive scheme for the executive management group, of which the company has given a stock exchange release on 18 February 2012. All the shares were issued to the members of the executive management group in deviation from the shareholders' pre-emptive rights (directed share issue). The rewards of the share reward programme were paid in Okmetic shares and in a monetary amount covering taxes.

In line with the decision of the annual general meeting, Okmetic Oyj transferred a total of 15,283 shares to the Board members as payment of the annual remuneration on 10 May 2013.

At the end of the year, the company held a total of 194,123 (227,946) own shares, which is approximately 1.1 (1.3) percent of Okmetic's all shares and votes.

OTHER EVENTS DURING THE FINANCIAL YEAR

Okmetic's board of directors decided on 11 February 2013 on the share reward program for the Executive management group for 2013 as a part of the company's incentive and commitment plan. The purpose of the program is to commit and encourage the Executive management group to grow the shareholder value in the long run. The possible rewards of the share reward program will be paid in Okmetic shares and in a monetary amount covering taxes in accordance with reaching the set targets. The amount of the rewards corresponds to a maximum of 150,000 shares. In addition, a monetary amount covering taxes will be paid.

On 27 November 2013, Atte Haapalinna, D. Sc. (Tech.), was appointed member of the Executive management group, customer support and new business development as areas of responsibility. Haapalinna assumed the role on 1 January 2014. He has worked for Okmetic since 1998 in several positions.

Senior Vice President, Research, Okmetic Fellow Markku Tilli left the Executive management group on 31 December 2013. Tilli continues in his role as head of research at Okmetic.

Under the authorisation given by the annual general meeting, the Board of Directors decided on 27 November 2013 to distribute an additional dividend of 0.19 euro per share (3,247,741.63 euro in total). The dividend was paid on 10 December 2013. No dividend was paid for Okmetic's own shares.

The extraordinary general meeting of Okmetic Oyj gathered on 19 December 2013. The general meeting decided, in accordance with the proposal of the Board of Directors, to distribute 0.07 euro per share to shareholders as a capital repayment from the invested unrestricted equity reserve. The payment was made on 31 December 2013. No repayment was made for shares held by Okmetic.

EVENTS AFTER THE END OF THE FINANCIAL YEAR

On 15 January 2014, the Board of Directors decided to dissolve the ownership arrangement of Okmetic Management Oy, owned by President Kai Seikku and Deputy to the President Mikko Montonen, with an arrangement in which Okmetic Oyj acquired the entire share capital of Okmetic Management Oy. Also 400,000 shares of Okmetic Oyj were transferred to the group via Okmetic Management Oy, as well as a loan receivable of Okmetic Oyj from Okmetic Management Oy. There were no shareholders of Okmetic Management Oy in the Board of Directors of Okmetic Oyj.

The value of the arrangement for the part of shares owned by Okmetic Management Oy was determined using the average trading price weighted by trading volume of the company's share in NASDAQ OMX Helsinki Oy on 16 January 2014, 4.9969 euro.

In a directed share issue on 16 January 2014, Okmetic Oyj transferred a total of 150,000 own shares held by the company to President Kai Seikku (140,000 shares) and Deputy to the President Mikko Montonen (10,000 shares). Subscription price per share was determined using the average trading price of the company's share weighted by trading volume in NASDAQ OMX Helsinki Oy on 16 January 2014, which was 4.9969 euro. Total value of the deal was 749,535 euro. The decision to transfer company's own shares is based on authorization of the Board of Directors given by the annual general meeting on 10 April 2013.

NOTIFICATION OF CHANGES IN HOLDINGS

Holding of Oy Ingman Finance Ab (Trade Register number 2241895-0) in Okmetic rose to 5.03 percent of the company's shares and votes on 12 March 2013.

STOCK OPTION PLANS

Okmetic Board of Directors decided on 17 December 2013 to grant stock options to the key managers of Okmetic. As a precondition for being eligible to receive the stock options, the key managers are required to invest in Okmetic shares. According to the investment requirement, the key managers are required to hold in the aggregate 262,600 Okmetic shares to be eligible to receive all of the stock options.

The maximum total number of stock options offered is 870,000, which entitle participants to subscribe for a maximum number of 870,000 Okmetic shares (4.8% of the company's shares on a fully diluted basis). Each stock option entitles participants to subscribe for one share. The shares subscribed with the stock options may either be new shares issued by the company or existing shares held by the company. Of the stock options, 320,000 shall be marked with the symbol 2013 A and 550,000 with the symbol 2013 B. The stock options shall be issued free of charge.

The share subscription price for the stock options 2013 A shall be euro 5.75 and for the stock options 2013 B euro 6.00. Future dividends and capital repayments from the invested

unrestricted equity reserve distributed before the share subscription shall be deducted from the share subscription price.

The share subscription period for 25 percent of the stock options 2013 A and 2013 B will commence on or about February 1, 2016 and for 75 percent of the stock options 2013 A and 2013 B on or about February 1, 2017. The share subscription period for all the stock options ends on March 31, 2018.

The stock options are intended to align the interests of the shareholders and the key managers and to form a part of the incentive and commitment program of the key managers. The purpose of the arrangement is to encourage the key managers to invest in the company's shares and to work on a long-term basis to increase the company's share value. The deliberation period for the selected key executives concerning participation in the option plan will expire in the end of February 2014.

No costs of the stock option plan are recorded in the financial statements for year 2013.

MANAGEMENT AND AUDITOR

In 2013, Okmetic's Board of Directors comprised Henri Österlund as the chairman, Tapani Järvinen as the vice chairman, and members of the Board Hannu Martola, Mervi Paulasto-Kröckel and Mikko Puolakka.

Kai Seikku acts as President of Okmetic Oyj and Mikko Montonen, Executive Vice President, Customers and Markets as Deputy to the President.

In addition to the president, the group's Executive management group includes Mikko Montonen, Executive Vice President, Customers and Markets and Deputy to the President; Petri Antola, Senior Vice President, Technology Projects and Solar Materials; Juha Jaatinen, Senior Vice President, Finance, IT, and Communications; Jaakko Montonen, Senior Vice President, Supply Chain; Markus Virtanen, Senior Vice President, Human Resources, Quality, and Environment; and Anna-Riikka Vuorikari-Antikainen, Senior Vice President, Products. Head of Research Markku Tilli was a member of the Executive management group until 31 December 2013.

The company's auditor is PricewaterhouseCoopers Oy, Authorised Public Accountants, with Mikko Nieminen, Authorised Public Accountant, acting as the principal auditor.

THE BOARD OF DIRECTORS' PROPOSAL REGARDING THE USE OF DISTRIBUTABLE FUNDS

According to the financial statements dated on 31 December 2013, the parent company's distributable earnings amount to 17,969,052.99 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 has decided to propose to the annual general meeting that no dividend shall be paid for the financial year 2013 and that the loss of the parent company for the financial year, -208,387.78 euro, shall be recorded to the company's retained earnings.

CONDENSED FINANCIAL STATEMENTS AND TABLES 1 JANUARY – 31 DECEMBER 2013

ACCOUNTING POLICIES

This financial statements release has been prepared in accordance with IAS 34, Interim Financial Reporting.

In preparing this financial statements release, Okmetic has followed the same accounting policies as in the financial statements for 2012 except for the effect of changes required by the adoption of the new or revised IFRS standards and IFRIC interpretations as of 1 January 2013. The adoption of the aforementioned standards and interpretations has not had an effect on the figures presented from the reporting period.

The financial statements presented in this report are derived from the audited financial statements of the company. The Auditor's report has been given on February 13, 2014.

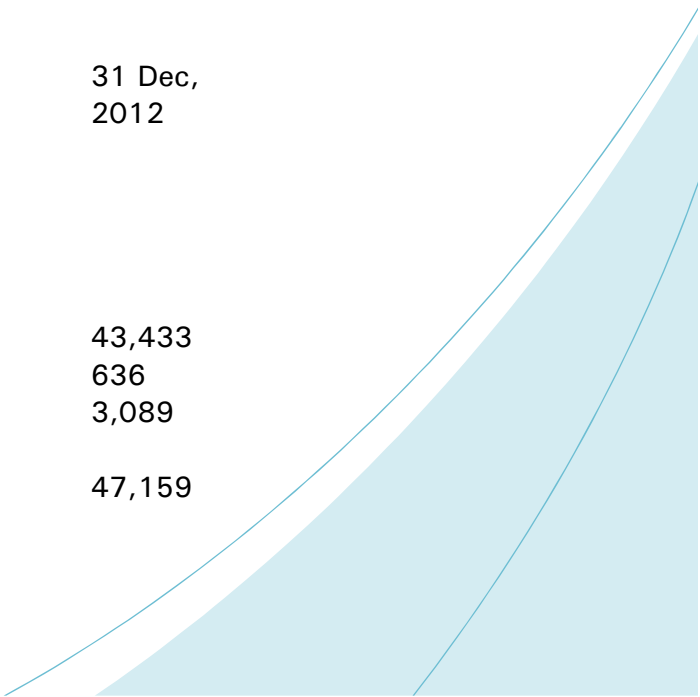
CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

1,000 euro	1 Oct- 31 Dec, 2013	1 Oct- 31 Dec, 2012	1 Jan- 31 Dec, 2013	1 Jan- 31 Dec, 2012
Net sales	16,837	20,685	68,516	83,074
Cost of sales	-14,382	-17,017	-54,918	-65,995
Gross profit	2,455	3,668	13,598	17,079
Other income and expenses	-2,191	-2,661	-8,567	-9,061
Operating profit	263	1,007	5,031	8,018
Financial income and expenses	-231	-245	-630	-418
Profit before tax	32	762	4,401	7,600
Income tax	415	-550	-559	-2,510
Profit for the period	447	211	3,842	5,089
Other comprehensive income: Items that may be reclassified to profit or loss in subsequent periods				
Cash flow hedges		8	-58	128
Translation differences	-41			
Other	-33	458	-60	76

comprehensive income for the period, net of tax	-74	467	-118	204
Total comprehensive income for the period	373	678	3,724	5,293
Profit for the period attributable to:				
Equity holders of the parent company	447	211	3,842	5,089
Total comprehensive income attributable to:				
Equity holders of the parent company	373	678	3 724	5 293
Basic earnings per share, euro	0.03	0.01	0.23	0.31
Diluted earnings per share, euro	0.03	0.01	0.22	0.30

CONDENSED CONSOLIDATED BALANCE SHEET

1,000 euro	31 Dec, 2013	31 Dec, 2012
Assets		
Non-current assets		
Property, plant and equipment	45,295	43,433
Intangible assets	897	636
Other receivables	1,419	3,089
Total non-current assets	47,611	47,159



Current assets		
Inventories	16,634	13,526
Receivables	14,572	17,796
Cash and cash equivalents	5,214	7,288
Total current assets	36,420	38,610
Total assets	84,031	85,769
Equity and liabilities		
Equity		
Equity attributable to equity holders of the parent company		
Share capital	11,821	11,821
Other equity	45,451	50,038
Total equity	57,273	61,860
Liabilities		
Non-current liabilities	10,533	5,314
Current liabilities	16,226	18,595
Total liabilities	26,759	23,909
Total equity and liabilities	84,031	85,769

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

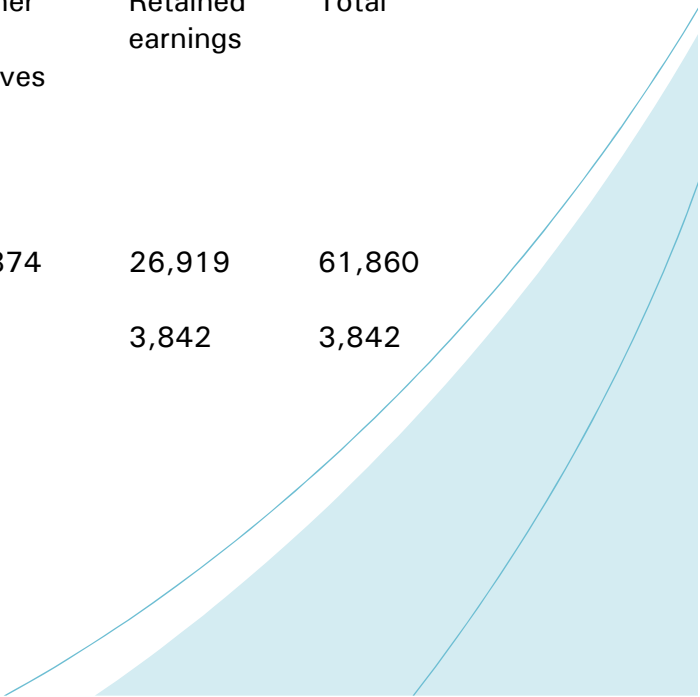
1,000 euro	1 Jan- 31 Dec, 2013	1 Jan- 31 Dec, 2012
Cash flows from operating activities:		
Profit before tax	4,401	7,600
Adjustments	6,566	6,482
Change in working capital	-2,091	-1,124
Financial items	-126	-47
Tax paid	976	-3,486
Net cash from operating activities	9,726	9,425
Cash flows from investing activities:		
Purchases of property, plant and equipment	-9,089	-10,983
Net cash used in		



investing activities	-9,089	-10,983
Cash flows from financing activities:		
Proceeds from long-term borrowings	10,000	-
Proceeds from short-term borrowings	1,024	3,043
Payments of long-term borrowings	-1,000	-
Payments of short-term borrowings	-4,043	-
Payments of finance lease liabilities	-478	-264
Other items	10	10
Dividends paid	-6,763	-4,862
Capital repayment	-1,169	-
Net cash used in financing activities	-2,419	-2,072
Increase (+) / decrease (-) in cash and cash equivalents	-1,782	-3,631
Exchange rate changes	-292	-338
Cash and cash equivalents at the beginning of the period	7,288	11,257
Cash and cash equivalents at the end of the period	5,214	7,288

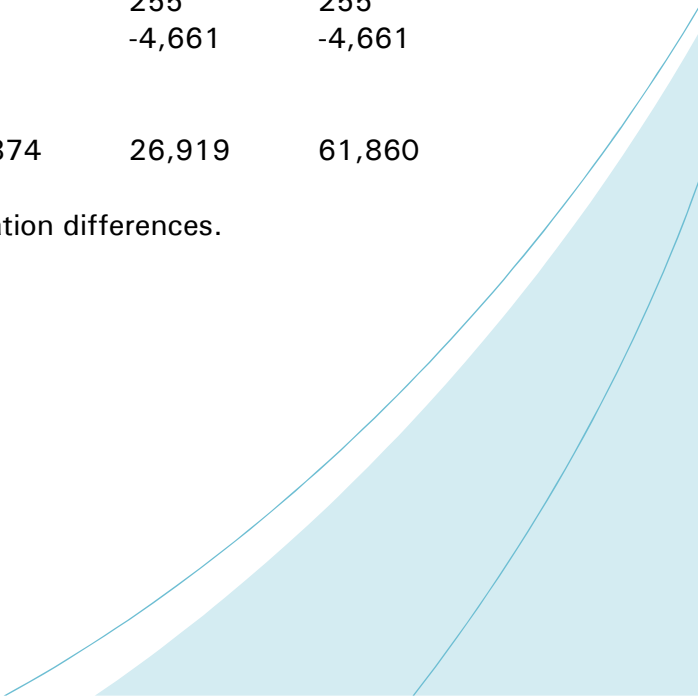
CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

1,000 euro	Equity attributable to equity holders of parent company					Total
	Share capital	Share premium	Reserve for invested unrestricted equity	Other reserves 1)	Retained earnings	
Balance at 31 Dec, 2012	11,821	20,045	1,200	1,874	26,919	61,860
Profit for the period					3,842	3,842
Other comprehensive income, net of tax:						



Cash flow hedges				-58		-58
Translation differences				-60		-60
Total comprehensive income for the period				-118	3,842	3,724
Share-based payments					199	199
Dividend distribution					-7,341	-7,341
Capital repayment			-1,197		28	-1,169
Balance at 31 Dec, 2013	11,821	20,045	3	1,756	23,647	57,273
Balance at 31 Dec, 2011	11,821	20,045	1,200	1,670	26,236	60,973
Profit for the period					5,089	5,089
Other comprehensive income, net of tax:						
Cash flow hedges				128		128
Translation differences				76		76
Total comprehensive income for the period				204	5,089	5,293
Share-based payments					255	255
Dividend distribution					-4,661	-4,661
Balance at 31 Dec, 2012	11,821	20,045	1,200	1,874	26,919	61,860

1) "Other reserves" contains hedge reserve and translation differences.

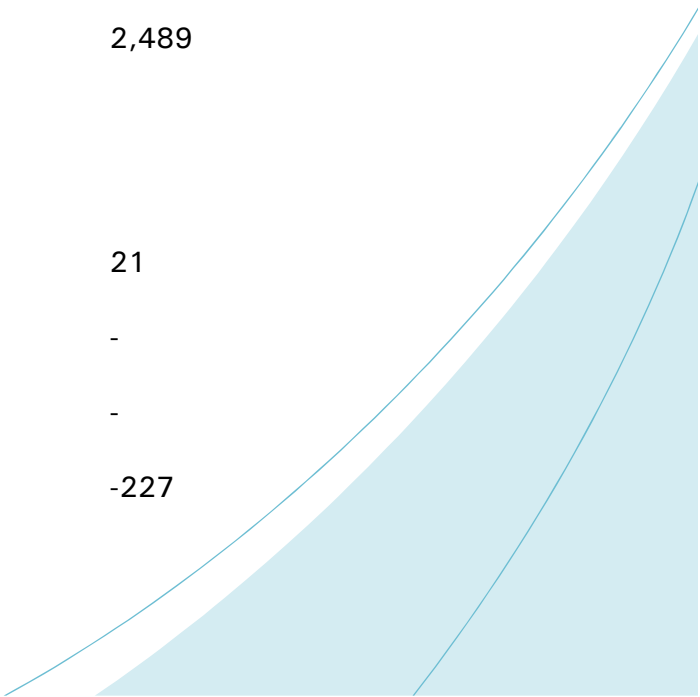


CHANGES IN PROPERTY, PLANT AND EQUIPMENT

1,000 euro	1 Jan- 31 Dec, 2013	1 Jan- 31 Dec, 2012
Carrying amount at the beginning of the period	43,433	34,887
Additions	7,648	14,342
Disposals	-9	-
Depreciation	-5,623	-5,739
Exchange differences	-154	-56
Carrying amount at the end of the period	45,295	43,433

COMMITMENTS AND CONTINGENCIES

1,000 euro	31 Dec, 2013	31 Dec, 2012
Loans, secured with collaterals	10,000	1,000
Collaterals	17,128	8,073
Off-balance sheet lease commitments	395	451
Capital commitments	1,910	5,499
Nominal values of derivative contracts		
Currency forward agreements	1,144	1,462
Currency options, call	948	-
Currency options, put	182	-
Electricity derivatives	1,847	2,489
Fair values of derivative contracts		
Currency forward agreements	20	21
Currency options, call	12	-
Currency options, put	-1	-
Electricity derivatives	-350	-227



The contract price of the derivatives has been used as the nominal value of the underlying asset.

HIERARCHY LEVELS OF DERIVATIVE CONTRACTS MEASURED AT FAIR VALUE

1,000 euro	30 Dec 2013			31 Dec 2012		
	Level	Level	Level	Level	Level	Level
	1	2	3	1	2	3
Financial assets						
Derivative financial instruments	-	122	-	-	67	-
Financial liabilities						
Derivative financial instruments	-	441	-	-	274	-

Fair value estimation

The group's financial instruments that are measured at fair value comprise derivatives used for hedging and held for trading, and they are classified on hierarchy level 2.

Fair values of level 2 instruments are based on other data than quoted prices in active markets, but on the data from which the asset is observable, either directly (i.e. price) or indirectly (i.e. derived from the prices).

Fair value determination

The fair values of currency derivatives are determined by using mark-to-market method at the reporting date.

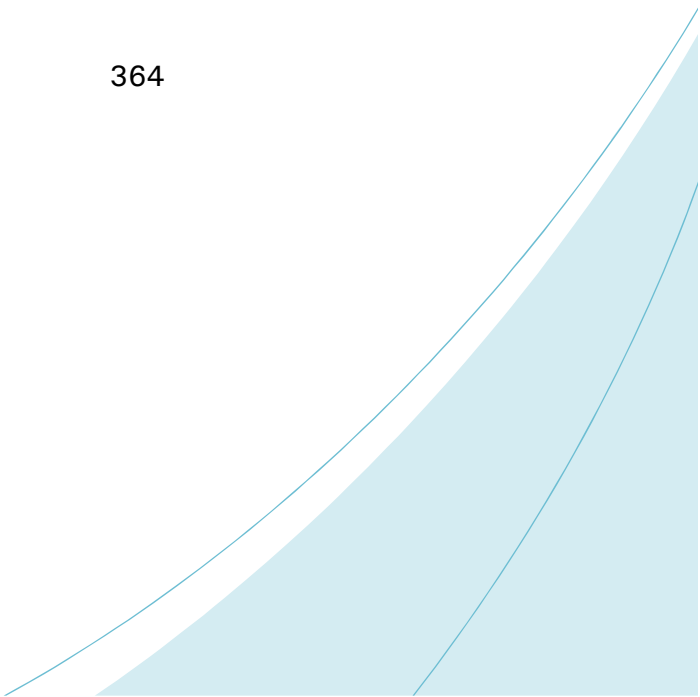
The fair values of electricity derivatives are determined on the basis of market quotations and contract prices of the instruments at the reporting date.

RELATED PARTY TRANSACTIONS

In January-December, the key management compensation of the executive management group and Board of directors amounted to 1,730,787 (1,915,939) euro. The compensation includes share-based payments and the Board of directors' remuneration paid as shares 310,559 (524,464) euro.

KEY FIGURES SHOWING FINANCIAL PERFORMANCE

1,000 euro	1 Jan- 31 Dec, 2013	1 Jan- 31 Dec, 2012
Net sales	68,516	83,074
Change in net sales compared to the previous year's period, %	-17.5	-0.1
Export and foreign operations share of net sales, %	91.8	94.4
Operating profit before depreciation (EBITDA)	10,905	13,864
% of net sales	15.9	16.7
Operating profit	5,031	8,018
% of net sales	7.3	9.7
Profit before tax	4,401	7,600
% of net sales	6.4	9.1
Return on equity, %	6.4	8.3
Return on investment, %	6.7	11.8
Non-interest-bearing liabilities	15,014	18,309
Net interest-bearing liabilities	6,530	-1,688
Net gearing ratio, %	11.4	-2.7
Equity ratio, %	68.2	72.2
Capital expenditure	7,648	14,342
% of net sales	11.2	17.3
Depreciation	5,874	5,846
Research and development expenditure	2,779	2,331
% of net sales	4.1	2.8
Average number of personnel during the period	363	368
Personnel at the end of the period	355	364



KEY FIGURES PER SHARE

When calculating equity per share, Okmetic's own shares and the Okmetic shares owned by Okmetic Management Oy are deducted from the total number of shares.

Euro	31 Dec, 2013	31 Dec, 2012
Basic earnings per share	0.23	0.31
Diluted earnings per share	0.22	0.30
Equity per share	3.43	3.72
Capital repayment per share	0.07	-
Dividend per share 1)	-	0.44
Dividends/earnings, %	-	141.9
Effective dividend yield, %	-	8.8
Price/earnings(P/E)	20.9	16.2
Share performance (1.1.-)		
Average trading price	4.92	5.25
Lowest trading price	4.25	4.21
Highest trading price	5.66	6.01
Trading price at the end of the period	4.82	5.02
Market capitalisation at the end of the period, 1,000 euro	83,326	86,783
Trading volume (1 Jan-)		
Trading volume, transactions, 1,000 pcs	3,382	3,330
In relation to weighted average number of shares, %	19.6	19.3
Trading volume, 1,000 euro	16,647	17,496
The weighted average number of shares during the period under review adjusted by the share issue, 1,000 pcs	17,288	17,288
The number of shares at the end of the period adjusted by the share issue, 1,000 pcs	17,288	17,288

1) For 2012 including the additional dividend of 0.19 euro per share distributed in December 2013.

QUARTERLY KEY FIGURES

1,000 euro	10-12/ 2013	7-9/ 2013	4-6/ 2013	1-3/ 2013
Net sales	16,837	18,242	17,035	16,403
Compared to previous quarter, %	-7.7	7.1	3.9	-20.7
Compared to corresponding period last year, %	-18.6	-13.2	-24.2	-13.2
Operating profit	263	1,423	1,971	1,373
% of net sales	1.6	7.8	11.6	8.4
Profit before tax	32	1,280	1,812	1,277
% of net sales	0.2	7.0	10.6	7.8
Net cash flow generated from:				
Operating activities	4,915	3,481	519	811
Investing activities	-1,304	-1,687	-1,966	-4,131
Financing activities	-3,892	-1,155	-7,276	9,904
Increase/decrease in cash and cash equivalents	-281	639	-8,724	6,585
Personnel at the end of the period				
1,000 euro	10-12/ 2012	7-9/ 2012	4-6/ 2012	1-3/ 2012
Net sales	20,685	21,017	22,469	18,902
Compared to previous quarter, %	-1.6	-6.5	18.9	4.2
Compared to corresponding period last year, %	14.1	-1.1	3.3	-14.3
Operating profit	1,007	2,970	2,506	1,535
% of net sales	4.9	14.1	11.2	8.1
Profit before tax	762	2,873	2,736	1,229
% of net sales	3.7	13.7	12.2	6.5
Net cash flow generated from:				
Operating activities	3,565	4,209	2,616	-966
Investing activities	-2,650	-3,057	-2,652	-2,624
Financing activities	-91	-288	-1,493	-201
Increase/decrease in cash and cash equivalents	825	864	-1,529	-3,791
Personnel at the end of the period				
	364	365	390	352

DEFINITIONS OF KEY FINANCIAL FIGURES

Operating profit before depreciation (EBITDA)	=	Operating profit + depreciation
Return on equity (ROE), %	=	$\frac{\text{Profit/loss for the period} \times 100}{\text{Equity(average for the period)}}$
Return on investment (ROI), %	=	$\frac{(\text{Profit/loss before tax} + \text{interest and other financial expenses}) \times 100}{\text{Balance sheet total} - \text{non-interest bearing liabilities(average for the period)}}$
Equity ratio, %	=	$\frac{\text{Equity} \times 100}{\text{Balance sheet total} - \text{advances received}}$
Net interest-bearing liabilities	=	Interest-bearing liabilities – cash and cash equivalents
Net gearing ratio, %	=	$\frac{(\text{Interest-bearing liabilities} - \text{cash and cash equivalents}) \times 100}{\text{Equity}}$
Earnings per share	=	$\frac{\text{Profit/loss for the period attributable to equity holders of the parent company}}{\text{Adjusted weighted average number of shares in issue during the period}}$
Equity per share	=	$\frac{\text{Equity attributable to equity holders of the parent company}}{\text{Adjusted number of shares at the end of the period}}$
Dividend per share	=	$\frac{\text{Dividend for the period}}{\text{Adjusted number of shares at the end of the period}}$
Effective dividend yield, %	=	$\frac{\text{Dividend per share} \times 100}{\text{Trading price at the end of the period}}$
Price/earnings ratio (P/E)	=	$\frac{\text{Last adjusted trading price at the end of the period}}{\text{Earnings per share}}$
Average trading price	=	$\frac{\text{Total traded amount in euro}}{\text{Adjusted number of shares traded during the period}}$

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/ <hr/> 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 future estimates and forecasts in this financial statements release are based on the company management's current knowledge. Actual events and results may differ from the estimates presented here.

NEWS CONFERENCE

A briefing for analysts, investors and media will take place on Thursday, 13 February 2014 at 2.00 p.m. in Helsinki Stock Exchange building, Fabianinkatu 14, Helsinki, (entrance via NASDAQ OMX's reception, 2nd floor). In the event, Okmetic's President Kai Seikku will present the group's performance in 2013 and prospects for 2014.

FINANCIAL REPORTING IN 2014

Okmetic will publish the financial statements, board of directors' report and auditor's report for 2013 as well as a separate corporate governance statement on its website www.okmetic.com on 18 March 2014 at the latest.

Interim report 1-3/2014 (Q1) 24 April 2014
Interim report 1-6/2014 (Q2) 24 July 2014
Interim report 1-9/2014 (Q3) 23 October 2014

Annual general meeting will be held on 9 April 2014.

OKMETIC OYJ

Board of directors

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NASDAQ OMX Helsinki
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OKMETIC IN BRIEF

Okmetic is a technology company which supplies tailor-made silicon wafers for sensor and semiconductor industries and sells its technological expertise. Okmetic provides its customers with solutions that boost their competitiveness and profitability.

Okmetic's silicon wafers are part of a further processing chain that produces end products that improve human interaction and quality of life. Okmetic's products are based on high-tech expertise that generates added value for customers, innovative product development and an extremely efficient production process.

Okmetic has a global customer base and sales network, production plants in Finland and the US and contract manufacturers in Japan and China. Okmetic's shares are listed on NASDAQ OMX Helsinki under the code OKM1V. For more information on the company, please visit our website at www.okmetic.com.

