

## OKMETIC FOCUSES ON ITS CORE BUSINESS AND CLOSES DOWN ITS EPI PLANT IN THE UNITED STATES

Okmetic has decided to phase out of its epitaxial deposition business and close down its Allen plant located in the United States that is focused on epitaxial deposition of silicon wafers. The facility will be wound down gradually by the end of 2016. The closure of the unit, which has become unprofitable, will improve the company's operating profit and cash flow after the wind-down, and will also free up capital for other key strategic projects.

"In accordance with its strategy, the company focuses on high value-added silicon wafers, which it supplies for the manufacture of sensors, discrete semiconductors and analog circuits. The aim is to increase the company's relative and absolute profitability in the long run, and the decision to close the Allen production facility is in line with this aim", says President Kai Seikku.

The long phase-out period will ensure that we are able to support customers through this transition. Changing to a new epi supplier can take up to a year, during which time the company wants to secure the operation of customer supply chains. Okmetic will do its very best to ensure that the wind-down of the plant impacts the customers as little as possible. The company draws up customer specific plans for supporting their business and helps them find alternative suppliers.

In connection with the wind-down of the plant, 3.0 million euro will be entered as non-cash impairment loss and provisions in the final quarter of 2015. Okmetic's outlook and financial guidance for 2015 remain unchanged.

Okmetic acquired the Allen plant in 1999. It further processes the silicon wafers manufactured at the company's plant in Vantaa, Finland by making an epitaxial deposition on the surface of the wafers. In 2014, the net sales of the Allen facility amounted to 11.1 million euro. The closure of the plant will affect 39 employees. The company will support them with redundancy packages and help them find new employment. The closure will not affect the organisation of US sales and customer support, which will continue at its present strength. Okmetic will continue to invest strongly in its growth and presence in the North American market.

"I want to thank the personnel of the Allen facility for their hard work and commitment to the company's goals over the years. I would like to thank our customers for the trust they have shown in the company. The closure of the plant is unfortunate but necessary since the prerequisites for profitable business are no longer fulfilled. As a result of the Allen plant closure, the company will be able to serve its customers better than ever in its core business", says Kai Seikku.

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*Okmetic supplies tailored, high value-added silicon wafers to be used in the manufacture of sensors as well as discrete semiconductors and analog circuits. Okmetic's strategic objective is profitable growth driven by a product portfolio designed to meet customers' current and future technology needs. The core of the company's operations is being genuinely close to the customers and understanding their needs and processes.*

*Okmetic's global sales network, extensive portfolio of high value-added products, in-depth knowledge of crystal growing, long-term product development projects, as well as efficient and flexible production create prerequisites for achieving the strategic targets. The company's headquarters is located in Finland, where the majority of the company's silicon wafers is manufactured. In addition to in-house manufacture, Okmetic has contract manufacturing in Japan and China. Okmetic's shares are listed on Nasdaq Helsinki Ltd under the code OKM1V. For more information on the company, please visit our website at [www.okmetic.com](http://www.okmetic.com).*