

OKMETIC REVISES DOWNWARDS ITS GUIDANCE FOR 2016

During the early part of the year, the declining production volumes of smartphones and the inventory adjustments of components that have continued across the value chain have declined the demand for the advanced sensor wafers of Okmetic. According to the updated demand forecasts, the market will remain weak through the rest of the year. At the same time, there is tighter price competition to win orders.

After the difficult market situation in the beginning of the year, the company revises its guidance for 2016. In 2016, the net sales and operating profit without items affecting comparability (previously operating profit without non-recurring items) are estimated to decline from the levels of 2015. According to the earlier guidance, the net sales were estimated to decline from the level of the previous year and operating profit without non-recurring items was estimated to exceed the level of 2015.

Okmetic Oyj will publish the interim report for Q2 2016 on Friday 22 July 2016.

New ESMA (European Securities and Markets Authority) guidelines on Alternative Performance Measures (APMs) came into effect 3 July 2016. Okmetic presents APMs to reflect the underlying business performance and to enhance comparability between financial periods. APMs should not be considered as a substitute for measures of performance in accordance with the IFRS. As of Q2 2016, Okmetic relabels the previously referenced "without non-recurring items" with "without items affecting comparability" (IAC).

Exceptional transactions outside the normal business operations are treated as items affecting comparability. Such items, as defined by Okmetic, are income or expenses from discontinued operations and the restructuring of operations, impairment of assets, expenses related to the NSIG tender offer, and any other transactions management has excluded as non-operational.

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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.