2007

ANNUAL REPORT

ASPOCOMP

NOTICE TO THE SHAREHOLDERS

Financial information

Aspocomp Group Oyj will publish the interim reports in 2008 as follows:

- Interim Report January-March on Thursday, May 15
- Interim Report January-June on Thursday, August 14
- Interim Report January-September on Thursday, November 13

The silent period starts two weeks prior to the publication of interim results and three weeks prior to the publication of Financial Statements.

The financial reports are published in Finnish and in English. The reports and this Annual Report are published only electronically. Financial reports, Annual Reports and stock exchange releases are available at www.aspocomp.com. Printed reports and stock exchange releases can be ordered from tel. +358 9 59 181.

Annual General Meeting

The Annual General Meeting of Aspocomp Group Oyj will be held on Wednesday, April 23, 2008.

Dividend policy

Aspocomp aims to pay dividends amounting to no less than 30 percent of the profit for each financial year once the company's profitability has been restored and it has reached its gearing and equity ratio goals. It is likely that the Board will not propose dividend payments for the next few years.

Payment of dividends

The Board of Directors will propose to the Annual General Meeting that no dividends be paid for 2007.

Changes in owners' contact details

We kindly request that you contact directly the bank holding your book-entry account for any possible changes to your address or other such details.

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ASPOCOMP IN BRIEF

Major restructuring at year's end

The Aspocomp Group offers design and manufacture of printed circuit boards (PCBs) as well as services that support customers' product design and production start-up. Aspocomp's products are used in the electronics industry: in telecom networks, cars, consumer electronics, and other applications. PCBs and services for telecom networks account for about 51 percent of sales.

Aspocomp has production plants in Oulu, Finland and Sriracha, Thailand. At the end of the year, the Group's parent company sold its plants in China and its planned plant in India to the joint venture Meadville Aspocomp Holdings. In addition, Aspocomp sold 10 percent of its Oulu subsidiary to its joint venture partner.

After the transaction, the Group owns 20 percent of Meadville Aspocomp Holdings, 90 percent of Aspocomp Oulu Oy, about 88 percent of its Thai subsidiary, approximately 15 percent of Imbera Inc, and properties in Salo and Oulu. Full-year consolidated net sales after restructuring amounted to EUR 42.4 million.

The primary task of the parent company Aspocomp Group Oyj is to conclude the restructuring, attend to its debt servicing and fulfill public company obligations.

Printed circuit board (PCB)

A PCB is the subassembly in virtually all electronics products. It serves as an interconnection and circuit layout platform for the components installed on the board and electrical signals traveling between them. A typical PCB contains several stacked layers. The signals between the components travel through copper-plated holes that are drilled to connect the layers. PCBs are always designed to meet the specific requirements of each customer application.

Consolidated key figures

	2007	2006
Net sales, EUR million	42.4	48.6
EBIT, EUR million	- 15.8	- 6.7
Earnings per share from continuing operations, EUR	- 0.54	- 0.43
Equity ratio, %	7.8	37.0
Gearing, %	724.2	74.5
Personnel, Dec. 31	1,120	1,931

YEAR 2007 IN BRIEF: STRATEGIC CHANGES

Objectives

The Aspocomp Group's strategic objective has been to grow by stepping up its investments in the rapidly growing HDI PCB market in Asia and participating in the industry's consolidation trend.

Investments in China

Aspocomp increased its holding in its joint venture in Suzhou, China to 100 percent by acquiring the 49 percent minority interest in the company on April 4, 2007. The transaction was carried out to improve customer service and benefit more fully from the profitability of the plant. It was financed with a EUR 40 million loan from Standard Chartered Bank Hong Kong. Early in the year, Aspocomp also continued its HDI PCB plant design project in Chennai, India; the investments were estimated to amount to about EUR 100 million.

Closing of the Salo plant

The unprofitable Salo plant was closed in July.

Joint venture in Asia to handle high-volume production

In June, Aspocomp announced that it would negotiate on cooperation with possible strategic partners in order to accelerate its growth in Asia and finance its planned investment program. The plant project in India was put on hold until the potential partner had been chosen. After negotiations, an agreement was signed on November 8, 2007, whereby Aspocomp sold its holdings in its subsidiaries in China and India as well as equipment from the Salo plant to a new holding company. Eighty percent of the company's shares were sold to Meadville Holdings Limited, the Hong Kong-listed parent company of the Meadville Group. Aspocomp stayed on as a minority shareholder with a 20 percent stake. Meadville holds primary responsibility for the business operations of the joint venture.

The arrangement aims to ensure the high-volume production of HDI PCBs for mobile phones and other demanding applications in Asia. The parties have agreed that they may either list the joint venture in 2012 at the earliest, or alternatively they may exercise mutual put and call option rights concerning Aspocomp's 20 percent shareholding in 2013 at the earliest.

Parent company attends to debt servicing – production in Finland and Thailand

Meadville paid about EUR 61 million for its holding in the joint venture. Aspocomp used about EUR 40 million of this sum to repay its loan from Standard Chartered Bank and about EUR 8 million to repay the working capital facilities of its Chinese subsidiary. The balance of the consideration was used to partially repay Aspocomp's interest-bearing liabilities in Finland and to improve its liquidity.

On November 23, 2007, Aspocomp signed an agreement on the restructuring of about EUR 35 million in debts with its Finnish bank creditors, under which the installments on the loans will be postponed and an annual interest of 2.5 percent will be added to the capital.

After the transactions and the agreed repayment of loans, the total nominal amount of the Aspocomp Group's interest-bearing liabilities was EUR 48.7 million. It still exceeded the book value of non-current assets (fixed assets).

The parent company's wholly owned plants in Thailand and Finland manufacture PCBs for telecom networks, the automotive industry and consumer electronics.

BULLETINS IN 2007

28.12.2007: Reduction in size of Aspocomp's Executive Committee

18.12.2007: Aspocomp Group Oyj's financial information in 2008

14.12.2007: The restructuring agreement between Aspocomp and Meadville has been completed

04.12.2007: Aspocomp's co-determination negotiations have been concluded

26.11.2007: Aspocomp's Extraordinary General Meeting approved the partnership agreement

23.11.2007: Aspocomp and banks have reached an agreement on debt restructuring

16.11.2007: The announcement of Meadville Holdings Limited regarding the partneship agreement between Aspocomp and Meadville

15.11.2007: Correction to a formula concerning the Meadville agreement on 8 November

15.11.2007: Aspocomp's Interim Report January 1 - September 30, 2007

15.11.2007: The financial effects of the partnership agreement concluded between Aspocomp Group Oyj and Meadville Holdings Limited

09.11.2007: Aspocomp postponed the release of information concerning the summons against its Chinese subsidiary

09.11.2007: Aspocomp's Chief Executive Officer to change

08.11.2007: Invitation to Extraordinary Shareholders' Meeting of Aspocomp Group Oyj

08.11.2007: Aspocomp's Chinese and Indian subsidiaries into a new joint venture established with Meadville

31.10.2007: CFO change at Aspocomp

30.10.2007: Aspocomp's Interim Report for January-September rescheduled

23.10.2007: Aspocomp starts co-determination negotiations in the parent company and Aspocomp Oy

05.10.2007: Aspocomp has agreed on a standstill arrangement with its Finnish bank creditors

02.10.2007: Aspocomp's consolidated cash flow for the October-December period not likely to reach break-even

19.09.2007: Sampo Bank opposes the merger of Aspocomp Oy with the parent company

22.08.2007: Announcement pursuant to Securities Act Chapter 2, Section 9 regarding change in holdings

20.08.2007: Tapio Hintikka resigned from Aspocomp Board

09.08.2007: Aspocomp's Interim Report January 1 - June 30, 2007

03.07.2007: Aspocomp's payment liability resulting from the French court decision has been converted into a loan

26.06.2007: Changes in Aspocomp's Executive Committee

21.06.2007: Announcement pursuant to Securities Act Chapter 2, Section 9 regarding change in holdings

20.06.2007: Aspocomp S.A.S.: The French Supreme Court sustained the previous decision

15.06.2007: Apocomp's co-determination negotiations: Salo plant to close - partnership talks in Asia, start-up of the plant in India delayed

28.05.2007: Announcement pursuant to Securities Act Chapter 2, Section 9 regarding change in holdings

11.05.2007: Kaupthing Bank discontinues Market Making in Aspocomp shares until further notice

10.05.2007: Aspocomp's Board: Stock options as part of the incentive scheme for management

10.05.2007: Merger of Aspocomp's subsidiary Aspocomp Oy with the parent company

10.05.2007: Organization of the Board of Aspocomp Group Oyj

10.05.2007: Aspocomp's Annual General Meeting authorized the Board to issue shares

07.05.2007: Aspocomp S.A.S.: The French Supreme Court will render its decision in the summer of 2007

04.05.2007: Aspocomp starts co-determination negotiations in Finland

04.05.2007: Aspocomp's Interim Report January 1 - March 31, 2007

30.04.2007: Aspocomp's Annual Report has been published

20.04.2007: Announcements pursuant to Securities Act Chapter 2, Section 9 regarding change in holdings

19.04.2007: Announcement pursuant to Securities Act Chapter 2, Section 9 regarding change in holdings

18.04.2007: Final result of the Rights Offering of Aspocomp Group Oyj and amendment to the share subscription price of the convertible loan and warrants

18.04.2007: Invitation to Annual General Meeting of Aspocomp Group Oyj

17.04.2007: Imbera reaches new development phase - Aspocomp reduces its holding in the company

16.04.2007: Preliminary result of Aspocomp's Rights Offering

04.04.2007: Aspocomp has acquired the minority share in its Chinese joint venture

30.03.2007: Notification relating to transaction that will upon its completion lead to change of ownership

23.03.2007: Offering Circular on Aspocomp's Rights Offering to be published on March 26, 2007

22.03.2007: Aspocomp's Financial Statements have been published

21.03.2007: Eur 40 Million loan for Aspocomp from Standard Chartered Bank has been signed

16.03.2007: The Board of Directors of Aspocomp has decided on a Rights Issue

16.03.2007: Aspocomp has entered into an agreement to acquire its Chinese joint venture

15.03.2007: New dividend policy for Aspocomp

15.03.2007: Aspocomp to acquire its Chinese joint venture; investment and schedule in India adjusted

01.03.2007: The Annual General Meeting of Aspocomp rescheduled

15.02.2007: Financing of Aspocomp's growth in India and China

15.02.2007: Aspocomp's Financial Statements Bulletin 2006

19.01.2007: Aspocomp's Extraordinary General Meeting: Authorization for share issue, new Board Composition

16.01.2007: Proposals for the Shareholders' Meeting regarding the Board composition

LETTER FROM THE CEO

The most significant structural changes in Aspocomp's history were carried out in 2007. The Salo plant was shut down in July. At the end of November, the company's subsidiaries in China and India, along with production machinery from the closed plant in Salo, were transferred to a new holding company, Meadville Aspocomp Holdings Limited, in which Aspocomp is a minority shareholder with a 20 percent stake. The main owner of the joint venture is the Hong Kong-listed Meadville Holdings Limited, the parent company of the PCB manufacturer Meadville Group. Aspocomp also transferred its centralized sales and marketing organization to the joint venture. The centralized R&D organization was transferred directly to the Meadville Group.

Thanks to the restructuring, strategic investments in Asia can proceed in line with Aspocomp's long-term plans. The parties to the joint venture have agreed that they may either list the joint venture in 2012 at the earliest, or alternatively the parties may exercise mutual put and call option rights concerning Aspocomp's 20 percent shareholding in 2013 at the earliest.

Following the transactions, the Aspocomp Group has production plants in Oulu and Sriracha, Thailand. The operations of the Oulu plant are on a healthy footing. The plant focuses on the manufacture of PCBs for the telecom industry and there is constant market potential for its flexible prototype, pilot series and express deliveries. The Thailand plant's deep loss has been turned around and the plant's capacity utilization is now at the planned level. The plant serves Aspocomp's customers in the automotive, industrial electronics and telecom sectors.

On December 14, 2007, Aspocomp agreed on debt restructuring with its Finnish bank creditors. According to the agreement, the installments on the loans will be postponed. Payment of installments is scheduled for 2007-2013 such that they are concentrated on 2013, the year when the put and call option rights related to the transactions would be exercised. In addition, the annual interest on the loans was set at 2.5 percent, with interest being added to the capital.

After the restructuring and the repayment of the agreed loans, the total nominal value of the Aspocomp Group's interest-bearing debt stood at about EUR 49 million at year's end, of which interest-bearing debt in Finland amounted to around EUR 33 million. The Salo plant property was sold on February 27, 2008, after which interest-bearing debt in Finland was about EUR 27 million.

The cost structure of the Group has been strongly adapted to meet the new structure. The downscaling actions have for the most part been completed and the Group's central administration currently has four employees, as planned.

A wide-ranging assessment of business risks was carried out in the Group after the turn of the year. For an overview of future uncertainties, see pages 11-13 of the report of the Board of Directors.

Aspocomp's task during the present year is to not only complete the structural overhaul, manage its debts and fulfill its obligations as a listed company, but also to ensure its operational viability in the years ahead.

Isto Hantila

President and CEO

REPORT OF THE BOARD OF DIRECTORS

Operations in brief

The parent company of the Aspocomp Group is Aspocomp Group Oyj. The Group's production plants in Finland (Aspocomp Oulu Oy) and Thailand (Aspocomp Thailand Co. Ltd.), design and manufacture demanding printed circuit boards and offer related services. The customers of the Group's subsidiaries are mainly located in Europe and Asia and manufacture telecom networks, auto electronics and other industrial applications. The parent company owns 90 percent of Aspocomp Oulu Oy and 88 percent of Aspocomp (Thailand) Co. Ltd. The parent company has an indirect holding of 20 percent in Aspocomp Asia Limited. Aspocomp's prior holdings in the Chinese and Indian subsidiaries as well as production equipment from Aspocomp's Salo plant that was shut down in summer 2007 were transferred to Aspocomp Asia Limited in the reorganization carried out in November 2007. Aspocomp sold an 80 percent stake in Aspocomp Asia Limited to Meadville Holdings Limited *(see "Changes in the Group's strategy and structure" below)*. In addition, the parent company has a 15 percent holding in Imbera Electronics Oy.

Changes in the Group's strategy and structure

In June 2007, Aspocomp decided to shut down production at the Group's unprofitable Salo plant by mid-July. The goal of the redundancies and the closure of the Salo plant was to achieve annual savings in excess of EUR 10 million. Non-recurring items due to write-offs and redundancies amounted to about EUR 20 million, of which the write-off of the plant building and other related long-term expenses accounted for approximately EUR 11 million.

On November 8, 2007, Aspocomp signed an agreement to transfer its shareholdings in its subsidiaries in China and India as well as certain equipment from its Salo plant to a new holding company, Aspocomp Asia Limited. 80 percent of the shares of the holding company were sold to Meadville Holdings Limited, the Hong Kong listed parent company of the Meadville Group. Aspocomp remains a minority owner with 20 percent ownership.

Aspocomp transferred assets valued at about EUR 77 million in total to the joint venture. Meadville paid about EUR 61 million for its 80 percent holding in the joint venture. Aspocomp used about EUR 40 million of this consideration to repay its loan to Standard Chartered Bank in full and about EUR 8 million to repay the working capital facilities of its Chinese subsidiary. The balance of the consideration was used to partially repay Aspocomp's interest-bearing debt in Finland and to improve its liquidity.

The parties had agreed that they may either list the joint venture in 2012 at the earliest, or alternatively the parties may exercise mutual put and call option rights concerning Aspocomp's 20 percent shareholding in 2013 at the earliest. In addition, the parties have agreed on the pricing principles to be used to value the put and call option rights for Aspocomp's 20 percent holding. The pricing will be based on the highest of the following figures: either 5.5 times EBITDA less net debt, or the net asset value of the joint venture, or the agreed minimum price, EUR 15.38 million plus 2.5 percent annual interest until the option rights are exercised. The agreed minimum price is the initial value of Aspocomp's 20 percent holding in the joint venture.

As part of the agreement, Meadville acquired a 10 percent stake in Aspocomp Oulu Oy, Aspocomp's subsidiary in Oulu, Finland. The transaction price was about EUR 1.8 million. Aspocomp's holding in its Thai subsidiary remained unchanged. In addition, equipment valued at about EUR 1.6 million from the Salo plant was sold to Meadville under a separate agreement.

As the majority shareholder in the joint venture, Meadville Holdings Limited will have primary responsibility for running its business operations. The aim is to develop and rationalize the business operations of the joint venture and its subsidiaries. In connection with the reorganization, Aspocomp transferred its patent rights, unregistered technologies and trademarks to Meadville and the joint venture. *(Meadville Holdings Limited's stock exchange release on the partnership agreement was also published as an Aspocomp bulletin on November 16, 2007.)*

The Extraordinary General Meeting of Aspocomp Group Oyj held on November 26, 2007 approved the agreement concerning the business arrangement with Meadville Holdings Limited. The agreement came into force on November 30, 2007.

On November 23, 2007, Aspocomp Group Oyj, Aspocomp Oy, Aspocomp Oulu Oy and Aspocomp Holdings PTE signed an agreement on debt restructuring with their Finnish bank creditors. The agreement came into force on December 14, 2007.

The agreement on debt restructuring postponed the installments of Aspocomp's loans, with payment of the installments starting from 2007 and ending in the year of the execution of the put and call options related to the transactions, concentrated in the last year of the period. Once the agreement has become effective, annual interest of 2.5 percent will incur on the loans. It will be added to the capital and paid on the year of the execution of the put and call options, no earlier than in 2013.

After the reorganization and the agreed repayment of loans, the total nominal value of the Aspocomp Group's interest-bearing liabilities on December 31, 2007 amounted to about EUR 50.9 million, of which Finnish interest-bearing liabilities amounted to approximately EUR 33 million. The total sum of the Aspocomp Group's interest-bearing liabilities still exceeded the carrying amount of the Group's non-current assets (property, plant and equipment).

Printed circuit board market

Aspocomp Oulu Oy supplies PCBs for the needs of the telecom, automotive and industrial electronics industries and provides PCB prototyping, ramp up and small series. Its service portfolio includes express deliveries, fulfilling urgent PCB needs (also in high-volume deliveries), testing and commercializing new technologies, carrying out material reports as well as close cooperation with high-volume manufacturers. Aspocomp Oulu Oy's primary PCB technologies are HDI (High Density Interconnection), multilayer (up to 28 layers), Heat Sink (mainly for the automotive industry) and Teflon- or ceramic-based PCBs.

Aspocomp Thailand manufactures double-sided and multilayer PCBs for applications in industrial and telecom electronics and the automotive industry. The bulk of production comprises four- and six-layer PCBs. The highest number of layers is 12. In addition, the plant manufactures semi-flex PCBs, which feature both a rigid and flexible section. Semi-flex PCBs are made for use in the automotive industry and industrial electronics. These PCBs provide a cost-effective alternative when the shape of the final assembly requires the stacking of the assembled PCB or PCBs. Components can be assembled on a semi-flex PCB on a planar surface and in a single phase. After assembly, the flexible section makes it possible to bend the semi-flex PCB into its final shape. Thanks to this solution, no PCB connectors are required.

Industrial electronics comprise the most diverse application area in terms of both the product range and volume. Aspocomp Thailand focuses on small and medium volumes and on products that have certain special characteristics. Products can thus be priced slightly higher than the very low average prices per square foot offered in China.

Net sales and earnings

Net sales and operating profit from continuing operations, EUR million

	2007	change, %	2006
Net sales	42.4	-13	48.6
Operating loss	-15.8		-6.7
Operating loss, %	-37.3		-13.7

The net sales for 2005 was EUR 135.4 million and operating loss was EUR -17.8 million. Operating loss was -13.1 percent of net sales, including discontinued operations.

The Group's net sales per plant were as follows:

- Aspocomp Oulu, 53 percent (50%)
- Aspocomp Thailand, 47 percent (50%)

The Group's net sales by market area were as follows:

- Europe, 79 percent (68%)
- Asia, 12 percent (15%)
- The Americans, 9 percent (17%)

The Group's net sales per product area were as follows:

- Telecom, 51 percent (43%)
- Automotive, industrial and consumer electronics, 49 percent (57%)

During the review period, the share of Aspocomp's HDI PCB production of overall PCB production accounted for 20 percent (11 %).

Aspocomp Oulu's five largest customers accounted for 69 percent of its net sales during the review period; they were Elcoteq, Incap, Nokia Siemens Networks, Scanfil and Wabco. The five largest customers of Aspocomp Thailand accounted for about 87 percent of its sales; they were Continental Automotive Systems, Honeywell, Leopold Kostal, Nokia Siemens Networks and Wabco.

Operating profit before depreciation amounted to EUR -12.2 million (-3.6).

The Group's net financial expenses were EUR -5.2 million (-2.0). Net financial items include the positive impact of debt re-structuring amounting to EUR 2 million. The loss (including discontinued operations) for the period was EUR -64.9 million (-27.2).

Earnings per share from continuing operations were EUR -0.54 (-0.43).

Financing, investments and equity ratio

Aspocomp Group's consolidated cash flow from the operations during the financial year was EUR -25.7 million (1.9). The Group's consolidated net liquid assets at the end of the period amounted to EUR 8.4 million (22.7).

Interest-bearing net debt was EUR 47.3 million (73.6). The figure contains EUR 1.4 million (23.7) in financial lease liabilities. Gearing increased to 724.2 percent (74.5) mainly due to operational losses. Non-interest bearing liabilities amounted to EUR 16.2 million (42.9).

Cash flow from operations amounted to EUR -26.1 million (1.9) and investments to EUR 0.5 million (3.7).

The Group's equity ratio at the end of the year stood at 7.8 percent (37%). The equity ratio in 2005 was 57.6 percent. Return on equity was -63.1 percent (-13.3%). Return on equity in 2005 was -19.9 percent. Total equity of the parent company is less than half of its share capital.

The major part of the net proceeds obtained from the rights offering issued in March was used to fund the company's working capital requirements.

Assessment of business risks

The main principle in the Aspocomp Group's risk management has been to determine the scope of risks as accurately as possible and keep track of their development in relation to predefined risk limits. The Board of Directors is responsible for the Group's risk management policy and oversees its implementation. The President and CEO is responsible for the proper arrangement of risk management. The major strategic, operational, financial and damage, casualty and loss risks which may, if realized, compromise achieving the set objectives are described below. In addition, other specified risks are mentioned; these are described in greater detail in the section on risks in the financial statements.

Strategic and operational risks related to business operations

The company seeks to prevent or limit the probability of the occurrence of all the risks described by means of its own strategic choices. These choices are based on the best information and knowledge available at the time of decision-making.

Key elements in the management of operational risks are understanding the international business environment and adapting the company's own operations to the prevailing conditions. In addition, the production plants minimize risks through training, honing of technological expertise and the development of information systems.

Dependence on customer markets

In 2007, Aspocomp's subsidiaries in Oulu and Thailand manufactured products for a number of global strategic customers – and for many more local customers. During the year, Aspocomp Oulu Oy's five largest customers – Elcoteq, Scanfil, Incap, Nokia Siemens Networks and Wabco – accounted for approximately 69 percent of the total net sales of the company. Aspocomp Thailand Ltd's five largest customers – Continental Automotive Systems, Nokia Siemens Networks, Wabco, Leopold Kostal and Honeywell – accounted for about 87 percent of the company's sales.

Conversion of the Salo plant in Finland

The Salo plant conversion project was started up in 2005. The project aimed to convert the plant into a manufacturer of new and technologically demanding HDI PCBs that are at the early phase of their life cycle, with a view to improving the efficiency of its operations and seeking to ensure that operations would continue in Finland. This objective was not achieved and a decision was made to close the plant in July 2007. As a result of the plant shutdown, about EUR 20 million in shutdown costs were booked and all the employees of the plant were made redundant.

Investment projects in India and China

Aspocomp planned to invest about EUR 170 million in 2007-2008 into the construction of an HDI PCB plant in India and, after the acquisition of the minority interest in its joint venture, the expansion of HDI production capacity at the Suzhou, China plant. Securing financing for the planned investments turned out to be challenging in the prevailing environment; this was one of the reasons why Aspocomp initiated cooperation negotiations to bring a partner on board the project. As a result of the negotiations, the holdings in the Chinese and Indian plants were transferred to a new company. An 80 percent stake in this new company was sold to Meadville Holdings Limited.

Competition

The competitiveness and risk profile of the Aspocomp Group changed significantly as a result of the transactions carried out in November 2007.

High-volume products for the electronics industry are manufactured mainly in Asia. Electronics products will continue to be designed in Europe, and demand will increasingly be skewed towards the manufacture of R&D PCBs and small-series PCBs. At the same time, the level of difficulty involved in PCB production is increasing, as the contribution of HDI technology rises and the number of layers increase.

According to market surveys, the demand for more complex HDI PCBs, following development in component technology, will increase substantially faster than the global markets in the near future. The competitiveness of Aspocomp Oulu Oy in the current customer segments is good, and its position as a fast supplier of complex PCBs in Europe will remain solid. In future, the company will face growing competition from Asian prototype suppliers. In addition to upcoming competition from Asia, structural changes in the telecommunications sector constitute risk factors for the company's future. These may lead to a decline in research and development in Europe, in which case the company's competitiveness would weaken and the R&D PCB markets would shrink in the neighboring countries.

Aspocomp Thailand's main application area, auto electronics, has enjoyed steady growth throughout 2007. This will continue because electronics are increasing both in private and commercial vehicles. Nevertheless, competition in the sector is intensifying because, like consumer and telecom electronics, the industry is moving increasingly to low-cost countries.

Competition in the telecom sector will continue to remain tough in China and Southeast Asian countries. Competition in industrial electronics will remain intense, as increasing numbers of Chinese manufacturers accept extremely small orders, both in terms of quantity and value. On the other hand, there was already a trend in 2007 for risk-balancing PCB buyers to seek an alternative to China, typically in a Southeast Asian country such as Thailand.

Operations in emerging markets

Due to the transactions, the Thai plant is the only subsidiary operating in emerging markets. Emerging markets are subject to greater political, economic, and social uncertainties than operations in countries with more developed structures and systems. Consequently, the risk of losses resulting from changes in the legal, economic, social or political situation and upheaval may be substantial.

Lack of long-term customer order commitments

As is customary in the PCB industry, customers do not generally commit to long-term binding orders. Because of this, the plants' load varies substantially over the short term, effecting significant fluctuation in both net sales and operating profit.

Financial risks in Aspocomp's business operations

The PCB industry is capital intensive and its technology evolves at a rapid pace. Sufficient financing must be ensured in order to maintain capacity in terms of both quantity and quality. Investments must be managed either by means of cash flow from operations or local loans. If Aspocomp's operative subsidiaries are unable to acquire the necessary financing for their investments, their business operations may decline substantially.

Significant indebtedness

Aspocomp's indebtedness rose significantly in 2007. The Group's interest-bearing debt at December 31, 2007 amounted to a total of approximately EUR 49 million, which included a convertible bond loan of EUR 10.3 million. The agreement on debt restructuring entered into with Finnish bank creditors does not, however, include holders of the convertible bond issued in 2006. Aspocomp Group Oyj had in 2005 given a parent company guarantee of TBH 212 million to the Bangkok Bank as collateral for the loans it had granted to Aspocomp Thailand Ltd. The debt restructuring agreed with the Finnish banks restricts management of the Group's centralized financing exclusively to Finland, which means that the Thai plant will have to arrange its financing independently. Furthermore, the agreement on debt restructuring limits the Group's investment opportunities in Finland. The debt restructuring agreement facilitates the management of interest-bearing debt in such a way that regular repayments are not required, and interest at an annual rate of 2.5 percent is added to the principal. If Aspocomp Group Oyj does not obtain agreements on debt restructuring with the holders of the convertible bond and the Bangkok Bank, the operational stability of Aspocomp will weaken significantly.

Liquidity and financial risks

Because of the agreement on debt restructuring, management of the liquidity risk of the operations in Finland is based on the cash assets of the parent company and the cash flow generated by the Oulu plant. The possibilities of the Thai plant to manage its liquidity risk are rather limited, which occasionally has a highly significant impact on the company's operations. If Aspocomp does not obtain financing from Aspocomp Oulu Oy, or its associated company Meadville Aspocomp Holdings in the form of dividends or other income, or other ways of financing, to cover its expenses by 2013, the company may ultimately become insolvent.

Currency exchange rate risks

The Group carries out production in Finland and Thailand. The Group also has subsidiaries in Europe, Hong Kong and Singapore. The main currencies of the Group are the euro, the baht and the US dollar. The translation risk relating to variations in the subsidiaries' shareholders' equity is based on the exchange rate fluctuations of the Asian currencies.

Interest rate risks

In Finland, the interest rate risk of interest-bearing debt agreed through a debt restructuring agreement is under control until 2013 – the annual interest rate standing at 2.5 percent. With respect to the company in Thailand, changes in interest rates will affect the market pricing of both short-term and long-term financing and thus also have a bearing on the Group's financial expenses.

Credit and counterparty risks

The company limits its credit risk by monitoring the creditworthiness of customers. Liquid assets are invested in banks that are highly creditworthy.

Litigations

With its decisions of June 19, 2007, the French Supreme Court upheld the former decisions of the Rouen appellate court, announced in March 2005, in the legal case initiated by Aspocomp S.A.S's former employees against Aspocomp Group Oyj, and ordered it to pay a total of approximately EUR 11 million, including annual interest of about 7 percent, to 388 former employees of Aspocomp S.A.S. In addition to these employees, 21 former employees of Aspocomp S.A.S. have brought a suit against Aspocomp Group Oyj, and there is a risk that the remaining approximately 100 employees may also institute proceedings. In France, the statute of limitations for filing a suit is 30 years.

Damage, casualty and loss risks

Most of the Group's capital is tied to its production plants. Various accidents occurring at the plants such as fires, major machinery breakdowns or other similar incidents therefore cause damage to assets or loss of profits. The Group seeks to protect itself against the occurrence of the aforementioned risks by means of evaluations pertaining to risk management. Insurance coverage is reviewed annually as part of overall risk management. The aim through insurance policies is to cover the risks that it is prudent to insure for business or other reasons. Other specified risks are rapid technological change, the sufficiency of manufacturing capacity, management of growth, ability to meet customers' product standards and specifications, capacity utilization rates, dependence on senior management, litigation, price fluctuations of raw materials and dependence on key suppliers, product liability, environmental risks and intellectual property. To the best of the company's knowledge, the risks that might affect business operations in the future have been described above. The list of risks is not all-inclusive, but rather presented by way of example. The descriptions of risks do not account for the probability of the occurrence of the risks or their scale.

Research and development

In connection with the transfer of business operations, Aspocomp transferred its technologies and R&D to Meadville and the joint venture.

Aspocomp Oulu Oy engages in R&D primarily through cooperation with its customers and suppliers. Each year, its main customers report their views on their future technology choices. Research is targeted on the basis of these reports. Correct timing of investments is vital for maintaining efficiency and technological viability. Research and product development costs are recognized in plant overhead.

Aspocomp Thailand's product development in 2007 focused on optimizing the reliability and manufacturability of high Tg laminates that are used in PCBs soldered with lead-free tin in higher-than-usual temperatures. In addition, the plant continued to develop the semi-flex PCB production process to increase the number of layers. All development costs have been recognized in production and technology overhead.

Shares and share capital

The total number of Aspocomp's shares at December 31, 2007, was 49,905,130 and the share capital stood at EUR 20,082,052. Of the total shares outstanding, the company held 200,000 treasury shares, representing 0.4 percent of the aggregate votes conferred by all the shares. The number of shares adjusted for the treasury shares was 49,705,130.

A total of 88,428,810 Aspocomp Group Oyj shares were traded on OMX Helsinki Stock Exchange during the period from January 1 to December 31, 2007. The aggregate value of the shares exchanged was EUR 38,947,567. The shares traded at a low of EUR 0.10 (December 21, 2007) and a high of EUR 2.20 (January 29, 2007). The average share price was EUR 0.44. The closing price at December 31, 2007, was EUR 0.11 and the market value of the company was about EUR 5,5 million. At the end of the period, nominee-registered shares accounted for 6.8 percent of the total shares and 0.4 percent were directly held by non-Finnish owners.

Following the rights issue in April 2007, Aspocomp was notified on April 19, 2007 that the stake of Erkki Etola and companies managed by him in Aspocomp Group Oyj's shares and votes had decreased below the 5 percent threshold. The total amount of the shares is 2,398,000 and they represent 4.80 percent of Aspocomp's shares and votes.

On May 25, 2007, the stake of Varma Mutual Pension Insurance Company in Aspocomp Group Oyj's shares and votes decreased below the 5 percent threshold to 3.79 percent. The amount of shares and votes held by Varma was 1,890,607.

On June 20, 2007, the stake of Sampo Life Insurance Company Limited in the company's shares and votes decreased below the 10 percent threshold to 9.24 percent, or 4,611,372 shares and votes. On August 22, 2007, it decreased below the 5 percent threshold to 3.89 percent, or 1,939,000 shares and votes.

The Extraordinary General Meeting of January 19, 2007, authorized the Board of Directors to decide on issuing 50,000,000 new shares and conveying the 200,000 Aspocomp shares held by the company. The authorization is valid for two years from the date of the decision of the meeting. Based on the authorization, a total of 29,823,078 new shares were subscribed for in a rights issue that ended in April 2007, increasing the total amount of company shares to 49,905,130. Trading with the new shares commenced on OMX Helsinki Stock Exchange on April 20, 2007.

Aspocomp Group Oyj's Annual General Meeting of May 10, 2007 authorized the Board to issue a maximum of 40,000,000 new shares and to convey and/or receive on the basis of special rights a maximum of 200,000 Aspocomp shares held by the company. The new shares can be issued and the company's own shares conveyed either against payment (rights issue) or for free (bonus issue) to the company's shareholders in proportion to their holding, or by means of a directed issue, waiving the pre-emptive subscription right of shareholders, if there is a weighty financial reason for the company to do so. The authorization also includes the right to grant special rights, as specified in Article 1 of Chapter 10 of the Companies Act, to receive new shares in the company or Aspocomp shares held by the company against payment such that either the share subscription price will be paid in cash or the subscriber's receivables will be offset against the subscription price. In addition, the authorization includes the right to decide on a bonus issue to the company itself such that the number of shares issued to the company can amount to no more than one-tenth (1/10) of all the company's shares. The Board of Directors has the right to decide on other particulars of the share issues and the granting of special rights. The authorizations are valid for two years from the date of the decision of the Annual General Meeting. They do not cancel previous unexercised share issue authorizations.

Kaupthing Bank Oyj, which has been a market maker in Aspocomp shares, discontinued market making in Aspocomp shares until further notice on May 11, 2007. Kaupthing Bank has provided bids and offers for Aspocomp shares such that the maximum difference between a bid and offer price is 2 percent of the bid. Bids or offers include at least 1,000 shares. Since Aspocomp shares trade below 0.50 euros and the minimum tick size is 1 cent, it is not possible to provide bids and offers at less than 2 percent of the share price.

Rights offering

On March 16, 2007, the Board of Aspocomp Group Oyj decided on a rights issue whereby the shareholders of Aspocomp were entitled to subscribe for three new shares for every two old shares. A total of 29,823,078 new shares were offered for subscription at a subscription price of EUR 0.84 per share. The offer shares represented approximately 150 percent of the total shares and voting rights of the company prior to the offering and 60 percent after the offering. The share issue was based on the authorization granted by the Extraordinary General Meeting of January 19, 2007.

In the secondary subscription any investor could subscribe for any offer shares that had been left unsubscribed for on the basis of the subscription rights. The company received an underwriting commitment for the full amount of the offering from a group of investors comprising 2M Ventures Oy, Ajanta Oy, Avenir Rahastoyhtiö Oy, E. Öhman J:or Fondkommission AB, Oy Hammaren & Co Ab, Varma Mutual Pension Insurance Company Ltd, Oy Finvestock Ab, Ramsay & Tuutti Oy Ab and Sampo Life Insurance Company.

The subscription period commenced on March 26, 2007. It expired on April 12, 2007 with respect to the subscription rights, and on April 13, 2007 with respect to the secondary subscription. A total of 27,221,343 shares were subscribed for in the primary subscription and a total of 2,601,735 shares in the secondary subscription. New equity raised by the offering was approximately EUR 25 million prior to the deduction of fees and expenses. The total number of Aspocomp's shares increased to 49,905,130 shares and trading with all shares commenced on OMX Helsinki Stock Exchange on April 20, 2007.

Evli Bank Plc, Corporate Finance acted as the Manager of the share issue.

Stock options and convertible debenture loan

As part of the financing arrangement for the minority share acquisition in China, and on the basis of the authorization from the Extraordinary General Meeting, the Board of Directors of Aspocomp resolved on March 21, 2007 to issue 4,000,000 warrants to Standard Chartered Bank (Hong Kong) Limited in deviation from shareholders' pre-emptive subscription rights. Each warrant entitles its holder to subscribe for one share in the company. As a result, the total number of the company's shares can increase by a maximum of 4,000,000 shares. The warrants could have been exercised from October 3, 2008 (or earlier if a person or entity would acquire over 30 percent of the company's shares) until March 31, 2010. Following the share offering described above, the Board of Directors noted on April 18, 2007, that the share subscription price on the basis of the warrants granted to Standard Chartered Bank (Hong Kong) Limited would be approximately EUR 1.13 per share. Standard Chartered Bank (Hong Kong) Limited relinquished its right to subscribe for shares when the principal of the loan was repaid in connection with the reorganization in November 2007.

Aspocomp also made a commitment to Standard Chartered Bank not to issue, without its consent, more than 40,000,000 shares on the basis of the authorization from the Extraordinary General Meeting of January 19, 2007. In addition, Aspocomp undertook to reserve 10,000,000 shares of the authorization for a possible share issue on commercially acceptable terms. The issue would have taken place in the event Standard Chartered Bank had requested it within 120 days prior to the repayment of the loan granted for the minority acquisition in China, scheduled for September 2008. Standard Chartered Bank (Hong Kong) Limited relinquished this right when Aspocomp repaid the principal of the loan, EUR 40 million, in connection with the reorganization in November 2007.

Following the share offering described above, the Board of Directors resolved on April 18, 2007 to amend the subscription prices of the convertible debenture loan I/2006 and the stock options issued by Aspocomp. The subscription price of convertible debenture loan I/2006 was reduced by EUR 0.43 to EUR 2.1407 per share. In order to reduce the subscription price, the Board resolved to entitle the holders of the loan to subscribe for a total of 804,810 new shares of the company. As a result of the amendment, each book-entry issued for the loan entitles the holder to convert the book-entry into 467 shares of the company instead of the current 389 shares of the company.

As part of the incentive scheme for Aspocomp's management, the Board of Directors decided on May 10, 2007 to distribute stock options – which were issued by the Annual General Meeting held on April 10, 2006 – to the Group's key personnel.

The Board of Directors distributed a total of 310,000 stock options 2006B and 25,000 stock options 2006A to key personnel of the Group. The beginning of the share subscription period for stock options 2006B is subject to attainment of the targets set for the Group's cash flow. The Board of Directors decided on the financial targets for stock options 2006A in the spring of 2006. The share subscription period with stock options 2006A is from May 1, 2008 to May 31, 2010 and with stock options 2006B from May 1, 2009 to May 31, 2011. As set out in the terms and conditions of the stock options, the Aspocomp key employees who left the company's employ returned their stock options 2006A and 2006B upon the ending of their employment or service relationship. Aspocomp's subsidiary Aspocomp Technology Oy holds 200,000 stock options 2006A and 195,000 stock options 2006B.

The share subscription price with stock options 2006B is EUR 0.84 (average share turnover-weighted price on the Helsinki Stock Exchange in April 2007). The subscription price with stock options 2006A changed due to the share issue carried out in March-April 2007 such that with stock options 2006A the subscription price of shares is EUR 2.47 and a total of 1.387 shares in the company can be subscribed for with one stock option. When shares are subscribed for, the total number of shares will be rounded down to a full number. The total subscription price will be calculated using the rounded number of shares. After this change, a maximum of 429,970 shares in the company can be subscribed for with stock options 2006A, instead of 310,000 shares, and the company's share capital can rise by a maximum of EUR 429,970, instead of EUR 310,000. Annual dividends paid are deducted from the subscription price.

Under the 2006 stock option scheme, the Board of Directors is authorized to distribute 310,000 stock options 2006C to key employees of the company. The share subscription price with the stock options will be the average share turnover-weighted price on the Helsinki Stock Exchange in April 2008.

Personnel

During the review period, the Aspocomp Group had an average of 1,445 employees (3,373). The personnel count on December 31, 2007 was 1,120 (1,931). Of them, 821 (1,479) were non-salaried and 299 (452) salaried employees.

The Group's salaries and other remuneration totaled EUR 11.9 million (11.3). Salaries and remuneration amounted to EUR 27.6 million in 2005.

Personnel by region, average

	2007	Change, %	2006	2005
Europe	457	-35.0	704	735
Asia	988	-24.0	1,317	2,481
Total	**1,445**	**-28.0**	**2,021**	**3,216**

On May 4, 2007, Aspocomp issued a notice on statutory labor co-determination negotiations in Finland. The negotiations concerned about 350 employees at Aspocomp Group Oyj and Aspocomp Oy, excluding personnel at the Oulu production unit. The negotiations were concluded on June 15, 2007. As a result, a total of 237 personnel, consisting of 183 non-salaried and 54 salaried employees, were made redundant. Production at the Group's Salo plant was closed down on July 14, 2007, and employment of its 215 personnel was terminated during 2007.

On October 23, 2007, Aspocomp announced that statutory labor co-determination negotiations would commence on November 30 at Aspocomp Group Oyj and Aspocomp Oy with a view to increasing cost-effectiveness. The planned measures concerned all the functions of the companies. The invitation to the negotiations stated that the implementation of the planned measures would lead to organizational rearrangements as well as redundancies of no more than 15 employees at Aspocomp Group Oyj and 15 employees at Aspocomp Oy. The negotiations did not affect Aspocomp Oulu Oy. The negotiations settled on 10 redundancies. The joint venture of Meadville and Aspocomp has offered employment to 11 personnel covered by the negotiations. They will continue in Aspocomp's employ for the time being. In addition, the Group's internal personnel transfers and resignations during the negotiation process reduced the need for personnel cuts by 7 persons. After the implementation of the notices and the transfer of the 11 personnel into the joint venture's employ, Aspocomp Group Oyj has a total of 12 permanent employees. Of these, 5 persons were on family leave when the release was published. It is estimated that the parent company will have 4 employees in the latter half of 2008.

At the beginning of 2007, the members of Aspocomp's Executive Committee were Maija-Liisa Friman, President and CEO, Rami Raulas, Senior Vice President, Sales and Marketing, Jari Ontronen, Senior Vice President, Operations, Europe, Harry Gilchrist, Senior Vice President, Operations, Asia, Tapio Engström, Chief Financial Officer, Maire Laitinen, General Counsel and Reijo Savolainen, Senior Vice President, Salo plant. Pertti Vuorinen started out as Chief Financial Officer on November 1, 2007 and Isto Hantila as President and CEO on November 9, 2007; they comprised the company's Executive Committee at the end of 2007 (for more on the change of President and CEO, see "Corporate Governance" below).

Environment

Aspocomp attends to its environmental responsibilities in accordance with the International Chamber of Commerce (ICC) Business Charter. All of the Group's plants have environmental systems in place to ensure environmental compliance. All the production plants are ISO 14001 certified.

In 2007, the Oulu plant prepared itself for meeting the emission norms set in its new environmental permit, effective as from the beginning of 2008. For this reason, a large-scale project was carried out to upgrade the wastewater treatment facility of the plant. External process experts were on board this project.

Aspocomp Oulu Oy has also tested and started using materials that are more suitable for use in the lead-free soldering processes of customers. Measures have been taken out at the plant in order to fulfill the requirements of the ATEX Directive.

The EU's new REACH Regulation (Registration, Evaluation and Authorization of Chemicals) entered into force on June 1, 2007. Aspocomp Oulu Oy has initiated measures in line with the regulation and actively monitors its implementation, taking the regulation into consideration in the planning of its future operations.

Material reports are offered to customers. These reports indicate the chemical elements contained in individual products. With the aid of the material report document, customers can determine recyclability at the end of the product lifecycle.

The amount of mixed waste generated at the plant has been reduced by boosting the efficiency of recycling and waste sorting. The amount of mixed waste relative to the production volume of the plant declined in 2007 compared with the previous year.

The 5S method deployed at the plant contributes to the prevention of environmental damage. Major outlays have recently been made on the implementation of this method and the plant intends to step up its use.

Aspocomp Thailand has an IS0 14001-certified environmental system. It steers environment-related operations at the plant. The environmental system is supported by the 5S system, which maintains efficiency, order and cleanliness at the plant.

In addition to the by-products processed at the plant's water treatment plant. a large share of the other wastes generated are sold or handed over to recycling companies for further processing. These materials include metals, packaging and auxiliary materials, and also products rejected during quality inspections.

Material reports are offered to customers. These reports indicate the chemical elements contained in individual products. With the aid of the material report document, customers can determine recyclability at the end of the product lifecycle.

As environmental regulations become increasingly stringent, customers have adopted – or are in the process of adopting – the use of a lead-free soldering process. Lead-free soldering takes place in a higher temperature and thus the PCB raw materials have to stand up to higher heat stresses. The plant is well-versed in the processing of such raw materials. The plant's environmentally friendly product palette is rounded out by numerous final surface finishing alternatives that are suitable for use with lead-free solder.

Aspocomp's plant in Thailand has a safety and environmental committee whose task is to minimize any environmental and employee risk factors. The company also has a wellbeing committee that serves as a link when settling matters between employees and the company.

Corporate Governance

The members of the Board Mr. Gustav Nyberg and Mr. Roberto Lencioni gave their notice with effect from January 19. Based on the preparations of the Nomination Committee, the Board proposed that the Extraordinary Shareholders' Meeting would elect Mr. Tapio Hintikka, Mr. Kari Vuorialho and Mr. Johan Hammarén as new members of the Board until the next Annual Shareholders' Meeting.

The Annual General Meeting of May 10, 2007 decided that the number of Board members is seven and re-elected Aimo Eloholma, Johan Hammarén, Tapio Hintikka, Tuomo Lähdesmäki, Yoshiki Sasaki, Anssi Soila and Kari Vuorialho as members of the Board. The meeting re-elected PricewaterhouseCoopers Oy as the company's auditor for the 2007 financial year.

In addition, the meeting decided that the remunerations of the members of the Board will remain the same as in 2006. An annual remuneration of EUR 35,000 will be paid to the Chairman of the Board, EUR 25,000 to the Vice Chairman and EUR 15,000 to the members. The annual remuneration will be paid such that 60 percent is paid in cash and the remaining 40 percent is, according to the authorization of the Annual General Meeting, used to buy shares in the company for conveyance to Board members after the release of the Group's second quarter results. EUR 1,500 per meeting will be paid to the Chairman and EUR 1,000 per meeting to the other members. EUR 1,500 per meeting will be paid to the members of the Board of Directors residing abroad. EUR 500 will be paid for each committee meeting. The members of the Board residing outside of the Greater Helsinki Area are reimbursed for reasonable travel and lodging costs. The auditor will be paid according to invoice.

At its organization meeting held on May 10, 2007, the Board of Directors of Aspocomp Group Oyj re-elected Tuomo Lähdesmäki as Chairman of the Board and Yoshiki Sasaki as Vice Chairman. The Board of Directors appointed Aimo Eloholma, Tapio Hintikka, Tuomo Lähdesmäki and Kari Vuorialho as members to the Compensation and Nomination Committees. Johan Hammarén, Yoshiki Sasaki and Anssi Soila were elected as members of the Audit Committee.

On August 20, 2007 Tapio Hintikka gave a notice of resignation from the Board. The resignation took effect immediately.

On November 9, 2007, Maija-Liisa Friman resigned from her position as the company's CEO. Isto Hantila (49), M.Sc. (Eng.), was appointed as the new CEO of Aspocomp Group Oyj with effect from November 9, 2007. Mr. Hantila is currently Chairman of the Board of Efore Plc and Selmic Oy. He has previously worked as the CEO of Perlos Corporation from 2004 to 2006, in various management roles at the Swiss company Ascom Group from 1991 to 2003, his latest role being a member of the Executive Management Team, and before this in several management roles at Fiskars Power System from 1983 to 1991. Under the agreements made with Meadville Holdings Limited, most of Aspocomp's business will be transferred to the joint venture owned by Aspocomp and Meadville, and thus Mr. Hantila's primary task will be to plan and complete the related structural changes in the Aspocomp Group.

Group restructurings

On February 15, 2007, Aspocomp announced that the estimated total investment needed for the acquisition of the minority interest in the Chinese subsidiary and the expansion of its production capacity as well as for carrying out the plant project in India amounted to about EUR 170 million. According to the estimate released on March 15, 2007, the total investment in the Indian plant would amount to about EUR 100 million, with about EUR 80 million earmarked for building and machinery and approximately EUR 20 million for working capital, interest and start-up costs.

On March 16, 2007, Aspocomp entered into an agreement to acquire the 49 percent minority interest in ACP Electronics Ltd, Aspocomp's Suzhou, China based joint venture, from the Group's Taiwanese partner Chin-Poon Holdings. The net purchase price was EUR 37.8 million. The gross transaction price of EUR 44.6 million was reduced by Chin-Poon's equipment purchase from ACP Electronics, valued at EUR 6.8 million. Since the equipment was not suitable for HDI technology production, Aspocomp was unable to use it. As the Group aimed to increase HDI printed circuit board production capacity in China, the plant facility – to be vacated by Chin-Poon by the year end at the latest – was scheduled to be upgraded into a HDI PCB plant during 2008.

On March 21, 2007, Aspocomp agreed on a EUR 40 million credit facility with Standard Chartered Bank (Hong Kong) Limited to purchase the 49 percent minority share in ACP Electronics Ltd, the joint venture of Aspocomp and the Taiwanese company Chin-Poon in Suzhou, China. The loan was drawn down in full in connection with the minority share purchase, finalized on April 4, 2007. The loan would have had an 18-month term with an option for the lender to extend it by another 18 months. The maximum effective annual interest of the loan, calculated at the reference interest rate of April 4, is 12.9 percent including interest, related structuring fee and a possible additional fee of up to EUR 2 million described below. As part of the arrangement, Aspocomp granted Standard Chartered Bank 4 million warrants that entitle the bank to subscribe for 4 million shares in Aspocomp. Depending on the Aspocomp share price, the company may have had an obligation at the end of the loan period to pay Standard Chartered Bank an additional fee of up to EUR 2 million. The principal of the loan was repaid in connection with the reorganization in November, and Standard Chartered Bank (Hong Kong) relinquished the other loan-related arrangements.

On April 17, 2007, Aspocomp announced that the technology development of Imbera Electronics Oy, the R&D joint venture of Aspocomp Group Oyj and Elcoteq SE, has reached the industrialization and commercialization stage. The companies signed and closed a transaction to broaden Imbera's ownership base, extend its exposure to the market and secure its financing. Imbera's new financiers and major owners are funds managed by Index Ventures, Northzone Ventures and Conor Venture Partners. The funds made investments in Imbera Electronics Inc, a new US-based parent company of Imbera Electronics Oy that was incorporated for this investment.

Aspocomp and Elcoteq remain Imbera's minority shareholders through a share exchange with Imbera Electronics Inc. After the arrangement, Aspocomp and Elcoteq each own approximately 15 percent of Imbera's share capital. Imbera's operative management remained unaffected and gained a minority holding in the company.

Aspocomp signed a 10-year worldwide manufacturing license agreement for the current Imbera technology. The ownership arrangement will have no impact on Aspocomp's financial result. Imbera Electronics Oy was set up jointly by Aspocomp Group Oyj and Elcoteq SE in 2002 to develop IMB (Integrated Module Board) assembly technology.

The Board of Directors of Aspocomp Group Oyj decided on May 10, 2007 to merge the subsidiary Aspocomp Oy with its parent company. The merger plan was entered into the Finnish Trade Register on June 5, 2007 and the planned registration date for the implementation of the merger was September 30, 2007. On September 19, 2007, Sampo Bank plc announced that it opposed the merger. Sampo Bank plc withdrew its objection in December and the merger was concluded on December 31, 2007.

On August 9, 2007, as required under the new Companies Act, the Board of Directors of Aspocomp Group Oyj confirmed the write-offs that resulted from the closing down of the Salo plant in the bookkeeping of Aspocomp Group Oyj's subsidiary Aspocomp Oy. As a result, the equity of Aspocomp Oy was estimated at EUR -18.1 million. A notice regarding the loss of equity was entered into the Finnish Trade Register.

On November 8, 2007, Aspocomp signed an agreement whereby it sold its shareholdings in its subsidiaries in China and India as well as certain equipment from its Salo plant to a new holding company. 80 percent of the shares of the holding company were sold to Meadville Holdings Limited. Aspocomp remained a minority owner with 20 percent ownership *(see "Changes in the Group's strategy and structure")*.

Aspocomp Group Oyj informed Financial Supervision and OMX Nordic Exchange Helsinki Oy on October 29, 2007 of its decision to postpone the release of certain information falling in the scope of its ongoing disclosure requirements. This information concerned the summons against Aspocomp Group Oyj's subsidiary, ACPE Electronics, in China. The plaintiff had applied for the attachment of the company's assets and made a claim for the repayment of USD 5 million with interest. The company's bank account and some other property were consequently frozen. The reason for the postponement of the release of said information was that it could have jeopardized the finalization of partnership negotiations intended to improve the company's long-term financial position. The injunction against ACPE Electronics in China was withdrawn per the Settlement Agreement signed on November 8, 2007. Aspocomp announced this information on November 9, 2007.

On November 23, 2007, Aspocomp Group Oyj, Aspocomp Oy, Aspocomp Oulu Oy and Aspocomp Holdings PTE signed an agreement on debt restructuring with their Finnish bank creditors. The agreement came into force on December 14, 2007 *(see "Changes in the Group's strategy and structure")*.

Legal proceedings

With its decisions of June 19, 2007, the French Supreme Court upheld the former decisions of the Rouen appellate court, announced in March 2005, in the legal case initiated by Aspocomp S.A.S's former employees against Aspocomp Group Oyj. The case relates to the closing of the heavily unprofitable Aspocomp S.A.S. in 2002 and the dismissals that ensued.

According to the decisions of the Rouen appellate court, Aspocomp Group Oyj was ordered to pay EUR 10.1 million, plus annual interest of about 7 percent, to 388 former employees of Aspocomp S.A.S. To date, the interest amounts to approximately EUR 2.3 million.

A French bank, Credit Industriel et Commercial, had earlier given a performance bond guarantee to the former employees for payment according to the decision of the Supreme Court. Nordea Bank Finland Plc had given the French bank an on-demand bank guarantee for the same sum, which sum Aspocomp had undertaken to indemnify.

The counter obligation of Aspocomp to Nordea was converted into a bank loan. The annual interest rate of the loan is based on the monthly Euribor interest rate and was 6.2 percent at the time of granting the loan. The decision of the French Supreme Court will thus not essentially weaken Aspocomp's immediate liquidity. Under the debt restructuring agreement, the interest on the loan is 2.5 percent and it shall be added to the principal. Depending on the liquidity of the Aspocomp Group, loan repayments may be made, but for the most part repayment of the loan will be scheduled for 2013 when the put and call options are to be executed, as set out in the debt restructuring agreement made with the banks.

Amendments to the Articles of Association

The Extraordinary General Meeting of January 19, 2007, decided to amend the Articles of Association such that Article 3, concerning the minimum and maximum share capital, Article 4, concerning the number of shares, and Article 16, concerning the redemption obligation, were deleted. In addition, the numbering of Articles 5, 9, 13 and 15 of the Articles of Association was changed. The Articles were amended as specified in the invitation to the company's Extraordinary General Meeting, published as a stock exchange release on December 22, 2006.

Dividend policy

The Board of Directors of Aspocomp Group Oyj defined a new long-term dividend policy for the company on March 15, 2007. According to the policy, Aspocomp aims to pay dividends amounting to no less than 30 percent of the profit for each financial year once the company's profitability has been restored and it has reached its gearing and equity ratio goals. It is likely that the Board will not propose dividend payments in the near future. The Annual General meeting of May 10, 2007, decided not to pay dividends for 2006.

Board of Directors' dividend proposal

The Board of Directors will propose to the 2008 Annual General Meeting that no dividend be paid to shareholders for 2007 (EUR 0.00 in 2006).

Events after the financial period

The head office was moved in January from the centre of Helsinki to Sinikalliontie in Espoo.

21 former employees of Aspocomp Group Oyj's French subsidiary Aspocomp S.A.S., who were not involved in the previous litigation in France, have raised claims against Aspocomp Group Oyj in a French court. The total amount of the claims is about EUR 750,000. The claims will be heard in winter and spring 2008.

The Örninkatu 15 plant property and its buildings in Salo, Finland, leased by Aspocomp under an operating lease, have been sold. The transaction price decreases Aspocomp's interest-bearing debts to Finnish bank creditors by about EUR 6 million. The total amount of the remaining interest-bearing debts to creditors in Finland after the sale is about EUR 27 million.

Outlook for the future

Aspocomp's main priority in 2008 is the restructuring of the Group and the finalizing of the transaction with Meadville Holdings Limited. The transaction strengthened the liquidity of the Aspocomp Group, but further actions are needed to secure liquidity.

The net sales of the Aspocomp Group in 2008 is estimated to be approximately EUR 40 million and EBITDA is estimated to be positive due to a leaner cost structure and more efficient operations.

CONSOLIDATED INCOME STATEMENT

		Year ended Dec. 31,	
EUR 1,000	Note	**2007**	**2006**
Net sales	**1**	**42,441**	**48,571**
Change in inventory of finished			
goods and work in progress +/-		559	1,063
Other operating income	3	1,587	921
Materials and services	4	-19,058	-26,758
Personnel expenses	2, 5	-13,339	-12,712
Depreciation, amortization and impairment charges		-3,662	-3,138
Other operating costs	6	-24,112	-14,626
Share of associated company loss		-230	
Operating loss		**-15,814**	**-6,678**
Financial income	8	2,806	125
Financial expenses	8	-8,034	-2,166
Loss on continuing operations before tax		**-21,042**	**-8,719**
Income tax expense	9	-2,200	-2,986
Loss on continuing operations		**-23,242**	**-11,705**
Loss on discontinued operations	10	-41,652	-15,497
Loss for the period		**-64,894**	**-27,202**
Attributable to:			
Minority interest		371	4,111
Equity holders of the parent		-65,265	-31,313
Total		**-64,894**	**-27,202**
Earnings per share from continuing operations			
Basic earnings per share		-0.54	-0.43
Diluted earnings per share		**-0.54**	**-0.43**
Earnings per share from discontinued operations			
Basic earnings per share		-0.95	-0.73
Diluted earnings per share		**-0.95**	**-0.73**

The notes are an integral part of these consolidated financial statements.

CONSOLIDATED BALANCE SHEET

EUR 1,000	Note	As at Dec. 31 2007	2006
Assets			
Non-current assets			
Intangible assets	11	3,425	4,492
Property, plant and equipment	12,13	20,274	94,957
Investments in associates	14	16,852	230
Investment property	15	2,878	3,367
Available-for-sale investments	16	57	254
Deferred income tax assets	17	0	1,108
Long-term receivables	18	0	5,338
Total non-current assets		**43,486**	**109,744**
Current assets			
Inventories	19	6,648	20,909
Trade and other receivables	20	10,466	31,450
Cash and cash equivalents	21	8,373	22,673
Total current assets		**25,486**	**75,033**
Total assets		**68,972**	**184,777**
Liabilities and shareholders' equity			
Shareholders' equity			
Share capital		20,082	20,082
Share premium account		27,918	27,918
Treasury shares		-758	-758
Special reserve fund		45,989	45,989
Invested non-restricted equity fund		23,885	1,868
Revaluation and other funds			29
Retained earnings		-112,420	-50,515
Equity attributable to shareholders of the parent company		4,696	44,613
Minority interest		742	23,721
Total shareholders' equity	**22**	**5,438**	**68,334**
Liabilities			
Non-current liabilities			
Interest-bearing liabilities	23	30,667	29,705
Provisions	26	1,544	1,083
Current liabilities			
Interest-bearing liabilities	23	16,699	43,882
Trade and other payables	25	14,624	41,773
Total equity and liabilities		**68,972**	**184,777**

The notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

EUR 1,000	Share capital	Share premium account	Special reserve fund	Revaluation and other funds	Invested non-restricted equity fund	Treasury shares	Translation differences	Retained earnings	Minority interest	Equity, total
Balance at Jan. 1, 2006	**20,082**	**27,918**	**45,989**	**71**	**0**	**-758**	**-2,242**	**-14,755**	**30,893**	**107,198**
Translation differences							-2,574		-2,558	-5,132
Loss for the period								-31,313	4,111	-27,202
Equity component of the convertible bond					1,868					1,868
Other items								369		369
Decrease in subsidiary equity									-8,725	-8,725
Fair value gains from available-for-sale investments				-42						-42
Balance at Dec. 31, 2006	**20,082**	**27,918**	**45,989**	**29**	**1,868**	**-758**	**-4,816**	**-45,699**	**23,721**	**68,334**
Balance at Jan. 1, 2007	**20,082**	**27,918**	**45,989**	**29**	**1,868**	**-758**	**-4,816**	**-45,699**	**23,721**	**68,334**
Translation differences							-701			-701
Translation differences recognized in the income statement at the sale of a subsidiary							4,633			4,633
Loss for the period								-65,264	371	-64,893
Redemption of minority interest									-24,128	-24,128
Share issue					22,016					22,016
Other items								-573		-573
Minority interest									778	778
Sale of available-for-sale investments				-29						-29
Balance at Dec. 31, 2007	**20,082**	**27,918**	**45,989**	**0**	**23,885**	**-758**	**-884**	**-111,535**	**742**	**5,438**

The notes are an integral part of these consolidated financial statements.

CONSOLIDATED CASH FLOW STATEMENT

EUR 1,000	Note	Year ended Dec. 31, 2007	2006
Operational cash flow			
Loss for the period		-65,265	-27,202
Adjustments:			
Adjustments to cash flow from operating activities	30	40,548	22,466
Change in working capital	30	6,165	8,518
Paid interest expenses		-8,423	-2,986
Received interest income		1,534	1,108
Paid taxes		-284	-51
Net operational cash flow		**-25,726**	**1,853**
Cash flow from investments			
Purchases of shares in associated companies		0	-870
Purchases of property, plant and equipment		-4,682	-23,455
Purchases of intangible assets		0	-424
Acquisition of minority interest		-44,670	
Sale of subsidiaries less cash and cash equivalents at time of sale	10	46,987	
Sale of minority interest		1,800	0
Sale of other shares		0	138
Proceeds from sale of property, plant and equipment		6,978	3,421
Proceeds from sale of property, plant and equipment of the Modules segment		0	1,068
Net cash flow from investments		**6,413**	**-20,122**
Net cash flow before financing		**-19,313**	**-18,269**
Cash flow from financing			
Share issue		21,987	
Loans drawn down		54,685	34,451
Loans repaid		-71,312	0
Minority interest in decrease in subsidiary equity		0	-8,765
Net cash flow from financing		**5,360**	**25,686**
Change in cash and cash equivalents		**-13,952**	**7,417**
Cash and cash equivalents at Jan. 1		22,673	16,122
Currency exchange differences		-348	-866
Cash and cash equivalents at Dec. 31		**8,373**	**22,673**

The notes are an integral part of these consolidated financial statements.

CONSOLIDATED ACCOUNTING PRINCIPLES

Company profile

The Aspocomp Group provides high-tech electronic components and services, such as the design and manufacture of PCBs and modules. Aspocomp's products are used in the electronics industry, such as in wireless devices, and in telecommunications networks, automobiles and other industrial applications.

The Group's parent company is Aspocomp Group Oyj. The parent company is domiciled in Helsinki and its registered address is Unioninkatu 18, 00131 Helsinki.

Copies of the Aspocomp Group's consolidated financial statements are available from the Internet at www.aspocomp.com or the headquarters of the Group's parent company at Unioninkatu 18, 00131 Helsinki.

At its meeting on February 14, 2007, the Board of Aspocomp Group Oyj approved these financial statements for publication. The Finnish Companies Act states that shareholders may approve or disapprove the financial statements at the Annual General Meeting held after their publication. The Annual General Meeting may also modify the financial statements.

Accounting policies

Basis of preparation

The financial statements for 2007 have been prepared in accordance with International Financial Reporting Standards (IFRS) and in conformity with the international accounting standards (IAS/IFRS) in force at December 31, 2007 as well as IFRIC interpretations. In the Finnish Accounting Act and the regulations based on it, International Financial Reporting Standards refer to the standards and the interpretations that are issued regarding them that have been approved for application within the EU in accordance with the procedure prescribed in EU regulation (EC) 1606/2002. The notes to the consolidated financial statements are also in accordance with Finnish accounting and company legislation. The Group does not apply hedge accounting as per IAS 39.

The consolidated financial statements have been drawn up on the basis of the original costs, with the exception of available-for-sale investments, financial assets and liabilities at fair value through profit or loss and derivative agreements. In the case of business combinations prior to 2004, goodwill matches the carrying amounts under the previous financial statement standards, which have been used as the deemed cost under IFRS. The figures in the financial statements are presented in thousands of euros.

Consolidation principles

The consolidated financial statements include the parent company and all the subsidiaries in which the parent company holds more than 50 percent of the votes either directly or indirectly. Acquired companies are included in the consolidated financial statements as from the date of acquisition and divested companies until the date of divesting. The financial statements of foreign subsidiaries have been adjusted to match the Group's accounting policy.

The consolidated financial statements are prepared using the acquisition cost method. The acquisition cost of subsidiaries has been eliminated against shareholders' equity at the moment of acquisition. Acquisition cost amounts in excess of the fair value of the net assets of the acquired company are treated as goodwill.

Associates have been consolidated in the financial statements using the equity method. Associates are companies in which the Group holds 20-50 percent of the votes or in which the Group exercises a significant influence but does not control.

Intra-Group transactions, internal receivables and payables, internal dividend payouts, and the unrealized profits on inventories have been eliminated. Margins related to internal sales of property, plant and equipment have been eliminated.

Minority interest is separated out from shareholders' equity and presented as an item in the balance sheet under shareholders' equity. The breakdown of earnings for the financial year attributable to the equity holders of the parent company and to minority interest is disclosed in the income statement.

Foreign currency transactions

The consolidated financial statements are presented in euros, the functional and presentation currency of the parent company. Foreign currency transactions are converted to euros using the exchange rates on the date of the transaction in question. Receivables and liabilities denominated in a foreign currency are converted to euros using the rates on the closing date. The resulting exchange differences are recorded in the income statement such that exchange differences on business transactions are included in operating profit in the income statement and exchange differences due to financial assets and liabilities are presented in financial items.

The income statements of units outside the euro area have been converted to euros at the average rate for the fiscal year and the balance sheets at the rate on the closing date. Translation differences due to the use of the average rate and the rate on the closing date are entered under the Group's shareholders' equity.

Non-current assets held for sale and discontinued operations

The Group classifies non-current assets (or disposal groups) and the assets and liabilities of discontinued operations as held for sale if their carrying amounts will be recovered principally through a sale transaction rather than through continuing use. For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable. For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset (or disposal group). In addition, the sale should be expected to qualify for recognition as a completed sale within one year from the date of classification.

When an asset (or disposal group) is classified as held for sale, the carrying amount of the asset (or the carrying amounts of all the assets and liabilities in the group) shall be measured in accordance with IFRS. From the day of their classification as available-for-sale, assets (or disposal groups) are recognized at the lower of the carrying amount or their fair value less costs to sell. Property, plant and equipment will no longer be depreciated. Non-current assets and liabilities in disposal groups that do not fall under the scope of the IFRS 5 standard are recognized in the same way as prior to their classification. A discontinued operation is a component of the Group that either has been disposed of, or is classified as held for sale, and

1. represents a separate major line of business or geographical area of operations,

2. is part of a single coordinated plan to dispose of a separate major line of business or geographical area of operations or

3. is a subsidiary acquired exclusively with a view to resale.

The result of discontinued operations is presented separately from continuing operations in the consolidated income statement. Available-for-sale assets, disposal groups, items related to available-for-sale assets which have been recorded directly in equity and liabilities included in disposal groups are presented separately from other assets and liabilities in the balance sheet.

Financial assets and financial liabilities

Financial assets

The Group's financial assets are classified in the following categories according to IAS 39 Financial Instruments: Recognition and Measurement: financial asset or financial liability at fair value through profit or loss, loans and receivables and available-for-sale financial assets. Initial recognition is performed on the basis of the usage of the financial assets at time of acquisition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than those that the entity intends to sell immediately or in the near term, which shall be classified as held for trading. Recognition is based on acquisition value. In the balance sheet they are included as non-current and current assets under sales receivables and other receivables on the basis of their maturity. Non-current assets fall due after a period exceeding 12 months.

Available-for-sale financial assets are those non-derivative financial assets that are designated as available for sale or are not classified in any other group. They are included in non-current assets, unless the intention is to keep them less than 12 months from the closing date; if that is the case, they are recognized as current assets. Available-for-sale investments are investments in listed and unlisted companies. Shares in listed companies are recognized in the balance sheet at their fair value, which is based on the day-end prices on the closing date. Unrealized gains and losses are recognized in the fair value reserve under shareholders' equity. Capital gains and losses realized at the date of sale are recognized in the income statement and the fair value change, previously recorded in the fair value reserve under shareholders' equity, is realized. Shares in unlisted companies are measured at acquisition cost.

Cash and cash equivalents

Cash and cash equivalents consist of cash, bank deposits drawn on demand and other current, very liquid investments. Cash and cash equivalents have a maximum maturity of 3 months from the date of acquisition.

Financial liabilities

Financial liabilities are recognized initially at their fair value. Transaction costs are included in financial liabilities' initial book value. Later all financial liabilities are recognized using the effective interest method, calculating the amortized cost of financial liabilities. Financial liabilities are included in non-current and current liabilities and they can be interest-bearing or non-interest-bearing. The fair value of convertible bonds is defined using the market rates of similar loans at the time of launch. The liability portion is recorded at the amortized acquisition price, until it has been fully amortized and converted to shares. The remaining amount – that is, the equity portion – is recorded, less taxes, in shareholders' equity as share options. The principles of fair value calculations are disclosed in note 23 to the financial statements.

Impairment of financial assets

The Group assesses at each balance sheet date whether there is any objective evidence that a financial asset or group of financial assets is impaired. A substantial and long impairment of share investments, in which their fair value declines below their acquisition cost, indicates the impairment of available-for-sale shares. If there is evidence of impairment, the loss accumulated in the fair value reserve is transferred into the income statement. Impairment losses on equity investments classified as available-for-sale financial assets are not reversed through profit or loss, while the subsequent reversal of impairment losses on interest instruments is recognized through profit or loss. The Group recognizes an impairment loss on trade receivables if there is objective evidence that the receivables cannot be collected in full. The major financial difficulties of the debtor, the probability of bankruptcy, delinquent payments or significant delays in payments constitute evidence of the impairment of trade receivables. The amount of the loss is measured as the difference between the carrying amount of the receivables and the present value of estimated future cash flows discounted at the effective interest rate. The amount of the loss shall be recognized in profit or loss. If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed. The amount of the reversal shall be recognized in profit or loss.

Use of estimates

When consolidated financial statements are prepared in accordance with IFRS, the management of the company must make estimates and assumptions. They have an effect on the amounts of assets and liabilities in the balance sheet, the presentation of contingent liabilities and assets, if any, in the financial statements, and the amounts of income and expenses reported for the fiscal period. The actual figures may deviate from these estimates. Estimates used in impairment testing are presented in note 32 to the financial statements.

Employee benefits

Pension liabilities

In the consolidated financial statements, pension schemes in different countries are classified as defined contribution or defined benefit schemes. All of the Group's pension schemes have been classified as defined contribution schemes and the payments have been recorded in the income statement for the period to which the payment pertains.

Long service rewards

Long service reward schemes at the Group's different units have been classified as defined benefit schemes and the related commitments recorded as liabilities in the balance sheet. When calculating liabilities deriving from the long service reward schemes, the following para¬meters have been used: average turnover of personnel, average increase in salaries and the average annual pay of personnel. This liability has been discounted to its present value.

Share-based payment

The Group has a share-option-based incentive arrangement and share-based incentive arrangement and they are paid out either as equity-settled share-based payment transactions or cash-settled share-based payment transactions. Equity-settled share-based payment transactions are remeasured at fair value when granted and recorded as expenses in the profit and loss account on a straight-line basis over the vesting period. Cash-settled share-based payment transactions are remeasured at the fair value of the liability at each closing date, with any changes in fair value recognized in profit or loss for the period. The liability measured at the time of granting the share options is based on the Group's estimate of the amount of share options that are available at the end of the vesting period. Fair value is calculated using the Black-Scholes-option valuation model. The effect of non-market based terms (like a certain profit target) is not included in the valuation, but is instead taken into account in the number of share options available at the end of the vesting period. The Group updates the estimate of the final number of share options available at each closing date. Changes in estimates are recorded in profit and loss. When share options are used the subscription proceeds are recorded in equity and paid-in capital.

Derivatives

Derivatives are recorded at cost in the balance sheet at the time of acquisition and later measured at fair value on each closing date. Fair value changes are recognized directly in financial income and expenses in the income statement. The Group does not apply hedge accounting in accordance with IAS 39. At the closing date, the Group had electricity derivatives and their fair value is based on the market price of these derivative contracts at the closing date.

Recognition policies

The sale of goods is recognized as income when the significant risks and rewards incident to ownership of the sold products are transferred to the buyer and the Group no longer has right of possession to the products or actual control over them. Revenue from services is recognized when the service has been rendered. In calculating net sales, sales revenue is adjusted for indirect taxes, discounts granted and exchange differences on sales denominated in foreign currency. Distribution costs invoiced from customers are included in net sales. Expensed distribution costs are recorded in operating expenses in the income statement.

Leasing

Lease agreements for tangible assets in which the risks and rewards incidental to ownership are substantially held by the Group are classified as finance lease agreements.

Property, plant and equipment acquired under finance lease agreements are recognized in the balance sheet at the lower of the fair value of the asset when the lease period begins or the present value of the minimum rents. Assets acquired under finance lease agreements are amortized over their useful life or the lease period, whichever is shorter.

Lease payments are split between the finance cost and a reduction in the liability over the lease period such that the interest rate on the liability outstanding for each financial period remains the same.

Lease agreements in which the risks and rewards incidental to ownership are retained by the lessor are treated as other lease agreements. Rents payable under other lease agreements are expensed in the income statement on a straight-line basis over the lease period.

Impairment

The Group assesses asset items annually for indications of impairment. If there are such indications, the recoverable amount of said asset item is estimated and then compared with the carrying amount of the asset item in question. In addition, the recoverable amounts of goodwill and intangible assets with an unlimited useful life are assessed annually. Impairment is examined at the level of cash flow-generating units – that is, at the lowest unit level that is primarily independent of other units and whose cash flows can be separated out from other cash flows.

An impairment loss is recognized if the carrying amount of the asset item is higher than its recoverable amount. An impairment loss on an item other than goodwill is reversed if the situation changes and the recoverable amount of the asset has changed since the date of impairment loss recognition. An impairment loss on goodwill is not reversed.

Income taxes

Taxes on the Group companies' financial results for the period, adjustments of taxes from previous periods and the change in deferred taxes are recorded as the Group's taxes. The deferred tax asset or liability is calculated on all temporary differences between carrying amounts and taxable values, applying the tax rates confirmed on the closing date. Deferred taxes are not recognized on the undistributed profits of subsidiaries to the extent that it is not probable that the differences will be reversed in the foreseeable future. Deferred tax assets are recognized to the extent that it is likely that future taxable income will be available against which the temporary difference can be utilized.

Intangible assets

Intangible assets with limited useful lives are recorded in the balance sheet at the original cost less accumulated depreciation and amortization and any impairment losses. Intangible assets with unlimited useful lives are not depreciated according to plan; rather, they are tested for impairment annually. At the closing date, the Group did not have any intangible assets with unlimited useful lives.

Goodwill

Goodwill represents the share of the acquisition cost exceeding the Group's share at the moment of acquisition of the fair value of net assets of a company acquired after January 1, 2004. Goodwill on prior business combinations matches the carrying amount under the earlier accounting standards, which has been used as the deemed cost. The accounting treatment of these acquisitions has not been adjusted when preparing the opening IFRS balance sheet. No depreciation according to plan is recorded on goodwill, but instead it is tested for impairment annually.

Research and development expenditure

Research expenditure is expensed in the income statement. Development expenditure is expensed in the period incurred, with the exception of certain product development expenditure that is capitalized when it is probable that the product development project will yield results and other criteria, such as the technical implementation of the product and its commercial feasibility, have been fulfilled.

Software

Purchased software is recorded in the balance sheet at the original cost less accumulated amortization and impairment, if any. The amortization period for software is 3 years.

Property, plant and equipment

Property, plant and equipment are measured at original cost less accumulated amortization and impairment. Property, plant and equipment subject to wear and tear are depreciated according to plan on a straight-line basis in accordance with the estimated useful life. The construction-stage interest on buildings developed by the Group is capitalized and recorded as depreciation in line with the period for depreciation according to plan of the investment in question.

The periods for depreciation according to plan are as follows:

Buildings and structures	15 – 30 years
Machinery and equipment	3 – 8 years
Other tangible assets	5 – 10 years

Land and water are not depreciated.

Expenditure on maintenance and repairs is generally expensed for the financial period. The exception to this is that large basic improvement expenditure is capitalized and depreciated over its period of economic effect if it will in all likelihood generate financial benefits for the company in excess of the original performance level of said asset. Capital gains and losses on the sale of property, plant and equipment are included in other operating income and expenses. In the consolidated financial statements, assets leased under finance lease agreements are presented as property, plant and equipment.

Investment properties

Investment properties are properties held by the Group in order to gain lease income or asset appreciation. Investment properties are measured at original cost less accumulated depreciation and impairment loss, if any. Investment properties are depreciated according to plan on a straight-line basis in accordance with their useful lives. Depreciation periods are 15-30 years.

Inventories

Inventories are measured at the lower of the acquisition cost or probable net realizable value. The acquisition cost is determined using the FIFO method. The value of finished and work in progress inventories includes variable costs and a share of the fixed costs of purchasing and manufacturing.

Held-for-sale investments

Held-for-trading investments include certificates of deposit and commercial paper issued by banks and companies that mature in 3-12 months as well as investments in fixed income funds.

Provisions

Provisions are recognized when the Group incurs, due to a previous event, a legal or constructive obligation whose settlement will probably require payment whose amount can be estimated reliably. Provisions are recognized at the present value of these obligations.

Applying new or amended IFRS standards and IFRIC interpretations

New and revised standards and interpretations applied by the Group in 2007:

- IFRS 7 revision of the Financial Instruments: Disclosures and IAS 1, Presentation of Financial Statements standards. The adoption of this standard and revision increases disclosures on financial instruments. The revision of IAS 1 requires disclosures about the level of an entity's capital and how it manages capital. Notes concerning the age profile of trade receivables, the contractual maturity of financial liabilities and capital management have been added to the consolidated financial statements.

New and revised standards and interpretations that came into force in 2007 but do not have a material effect on the consolidated financial statements:

- IFRIC 7 Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
- IFRIC 9 Reassessment of Embedded Derivatives
- IFRIC 8 Scope of IFRS 2
- IFRIC 10 Interim Financial Reporting and Impairment

Application of the below-listed standards and interpretations published by IASB will become mandatory in 2008 or later. The Group has decided not to apply these standards earlier and will adopt them in the coming financial years.

The following standards and interpretations that will become effective in 2008 will have no effect on the Group's financial statements:

- IFRIC 11 IFRS 2 Group and Treasury Share Transactions
- IFRIC 12 Service Concession Arrangements
- FRIC 14, IAS 19, The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

In 2009 and 2010, the Group will adopt the following standards published by IASB. The Group's management is currently evaluating its effect on the Group's financial statements:

- IAS 1 (amendment) Presentation of Financial Statements
- IAS 23 amends to the Borrowing Costs standard
- IFRS 8 Operating Segments
- IFRIC 13 Customer Loyalty Programmes. The IFRIC 13 interpretation has no effect on the Group's financial statements as the Group companies have no preferred customer programmes.
- IFRS 3 (Revised) Business combinations
- IAS 27 (Revised) Consolidated and separate financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. Segment information

Segment information is presented on the basis of the Group's business segments and geographical segments. Business segments are reported on as the primary segment. The business segments are based on the Group's internal organizational and reporting structure. Inter-segment transfers and transactions are entered into under normal commercial terms and conditions that would also be available to unrelated third parties.

Business segments

On August 8, 2006, Aspocomp signed an agreement to sell the Modules division and Modules-related research and development to Selmic Oy. The divested business generated about 10 percent of the Group's net sales. Due to the divestment, Aspocomp became a dedicated PCB company. As the company's only business segment following this transaction is Printed Circuit Boards, separate primary segment information is not presented.

On November 8, 2007, Aspocomp signed an agreement whereby it transferred its shareholdings in China and India, as well as certain equipment from the Salo plant, to a new holding company, Aspocomp Asia Limited. Eighty percent of the shares in the holding company were sold to Meadville Holdings Limited. After the transaction, the company has two PCB plants.

Aspocomp designs and manufactures high-tech printed circuit boards for telecom networks and automotive and industrial applications.

Geographical segments

The net sales of the geographical segments are allocated based on the country in which the customer is located and assets likewise on the basis of their location.

EUR 1,000	2007	2006
Net sales by geographical area		
Finland	16,428	18,139
USA	1,420	6,160
China	2,595	2,131
Sweden	1,331	1,327
Germany	9,253	8,728
Mexico	2,355	1,846
Other countries	9,059	9,928
Total	**42,441**	**48,259**
Assets by geographical area		
Finland	50,968	79,152
China		77,110
Thailand	17,761	23,172
India		4,899
Other countries	243	444
Total	**68,972**	**184,777**
Capital expenditures by geographical area		
Finland	329	2,976
Thailand	219	694
Total	**548**	**3,659**

EUR 1,000	2007	2006
2. Personnel expenses		
Wages and salaries	12,054	11,286
Other long-term employee benefits	-250	-323
Pension costs - defined contribution plans	543	1,023
Other personnel expenses	1,025	726
Total	**13,372**	**12,712**
Average personnel		
Printed Circuit Boards	1,433	1,998
Group Administration	12	23
Total	**1,445**	**2,021**
Average personnel		
Europe	457	704
Thailand	988	1,317
Total	**1,445**	**2,021**
3. Other operating income		
Gains on sale of fixed assets	90	14
Rental income	300	295
Outsourcing of PCB surfacing and sale of surplus boards	959	554
Other operating income	238	58
Total	**1,587**	**921**
4. Materials and services		
Purchase of materials and supplies	18,137	26,512
Change in inventories	613	-340
Total	**18,751**	**26,172**
Outsourced services	307	586
Total	**19,058**	**26,758**

5. **Employee benefits**

The Group has two long-term employee benefit plans covering all of its employees in Finland and Thailand. Both plans are by nature so called long service rewards, where an extra payment is made to employees after being employed by Aspocomp for a certain period.

EUR 1,000	**2007**	**2006**
Recognized in income statement		
Long service reward plan in Finland	-367	-173
Long service reward plan in Thailand	-161	
Total	**-528**	**-173**
Recognized as liabilities in the balance sheet		
Long service reward plan in Finland	329	696
Long service reward plan in Thailand	0	161
Total	**329**	**857**

6. **Other operating expenses**

Rental expenses	1,060	987
External services	135	2,211
Maintenance and repair costs	3,029	2,076
Energy costs	1,845	2,211
Water consumption and wastewater treatment	773	796
Other costs	6,445	6,346
Aspocomp S.A.S. compensation	10,824	
Total	**24,112**	**14,626**

7. **R&D costs**

With an agreement signed on November 8, 2007, Aspocomp sold not only its shareholdings in China and India as well as equipment from the Salo plant, but also the related technology and R&D. Costs related to maintaining the technological viability of the Oulu plant and operations in Thailand are recognized but not itemized in plant overhead and as part of production and technology overhead. The costs were not considered material in amount. R&D costs in 2006 amounted to EUR 3,947 thousand, including discontinued operations.

8. **Financial income and expenses**

Financial income		
Dividend income	27	78
Effect of debt restructuring	2,000	
Interest income	779	47
Total financial income	**2,806**	**125**
Financial expenses		
Currency losses	421	36
Interest expense on bank loans and overdrafts	7,576	2,130
Interest expense on financial lease agreements	37	
Total financial expenses	**8,034**	**2,166**
Total financial income and expenses	**-5,227**	**-2,041**

The interest rate agreed in the debt restructuring is 2.5%. Using the general interest rate of 5.5% as the going interest rate, the actuarial present value of the loans is about EUR 2 million lower. The interest rate differential is recognized as interest expenses over the maturity.

EUR 1,000	2007	2006
9. Income taxes		
Taxes for the period		
Impairment of avoir fiscal income	-2,200	-2,986
Total taxes for the period	**-2,200**	**-2,986**
Total income tax	**-2,200**	**-2,986**
A reconciliation of the income tax expense computed at the statutory rate (26% in 2007 and 26% in 2006) and income tax expense recorded in the income statement:		
Profit/loss before tax from continuing operations	-21,042	-25,225
Taxes at Finnish statutory tax rate of 26% (26% in 2006)	5,471	6,559
Effect of different tax rates in foreign subsidiaries	6	2,336
Unrecorded tax asset related to loss for the year 2006		-9,759
Unrecorded tax asset related to loss for the year 2007	-5,477	
Other items	0	13
Deferred tax asset relating to temporary differences	0	866
Impairment of avoir fiscal income	-2,200	-3,000
Total income tax	**-2,200**	**-2,986**

10. Discontinued operations

On November 8, 2007, Aspocomp signed an agreement to transfer its shareholdings in its subsidiaries in China and India as well as certain equipment from its Salo plant to a new holding company, Aspocomp Asia Limited. 80 percent of the shares of the holding company were sold to Meadville Holdings Limited. The subsidiaries in China and India and the Salo plant are presented as discontinued operations. With the exception of the general administration of the Group, all centralized Group functions are included in discontinued operations.

EUR 1,000	2007	2006
The results of the discontinued operations:		
Net sales	48,948	108,950
Change in inventory of finished goods and work in progress	-6,269	3,631
Other operating income	1,551	2,954
Materials and services	-25,468	-62,054
Personnel expenses	-15,358	-26,775
Depreciation, amortization and impairment charges	-21,564	-15,569
Other operating costs and expenses	-16,912	-27,599
Operating loss	**-35,072**	**-16,462**
Financial income and expenses	**-662**	**163**
Loss before taxes	**-35,734**	**-16,299**
Taxes	-289	802
Loss after taxes	-36,022	**-15,497**
Loss on divestment of business operations, before taxes	-5,630	
Taxes	0	
Loss on divestment of business operations, after taxes	-5,630	
Loss for the period on discontinued operations	-41,652	
Earnings per share on discontinued operations	**-0.95**	**-0.73**
Effect of the sale of business operations on the Group's financial position		
Intangible assets	145	
Property, plant and equipment	52,677	
Goodwill	17,952	
Other intangible assets	17	
Receivables	21,875	
Inventories	3,304	
Cash and cash equivalents	5,111	
Interest-bearing liabilities	7,622	
Trade and other payables	13,229	
Translation difference	5,792	
Total assets and liabilities	**86,022**	
Sold share 80%	**68,817**	
Total compensation	61,440	
Compensation paid in cash	52,098	
Cash and cash equivalents of divested unit	5,111	
Effect on cash flow	**46,987**	

11. Intangible assets

EUR 1,000	Intangible rights	Goodwill	Other intangible assets	Total
Acquisition cost, Jan. 1, 2007	3,795	6,824	2,107	12,726
Increase, Jan. 1 - Dec. 31, 2007	40	20,485	43	3,083
Decrease, Jan. 1 - Dec. 31, 2007	-1,778	-17,952	0	-19,730
Transfers between items	0	0	0	0
Translation difference	-18	0	0	-18
Acquisition cost, Dec. 31, 2007	**2,039**	**9,357**	**2,150**	**13,547**
Accumulated depreciation, Jan. 1, 2007	3,218	3,279	1738	8,235
Accumulated depreciation of decreases and transfers	-1,648	0	-3186	-4,834
Depreciation for the period	271	0	543	814
Impairment	0	3,078	2,837	5,915
Translation difference	-7	0	0	-7
Accumulated depreciation, Dec. 31, 2007	**1,833**	**6,357**	**1,931**	**10,122**
Carrying amount, Dec. 31, 2007	**206**	**3,000**	**219**	**3,425**
Acquisition cost, Jan. 1, 2006	3,676	6,824	2,106	12,606
Increase, Jan. 1 - Dec. 31, 2006	362	0	62	424
Decrease, Jan. 1 - Dec. 31, 2006	-271	0	-209	-480
Transfers between items	-163	0	163	0
Translation difference	191	0	-15	176
Acquisition cost, Dec. 31, 2006	**3,795**	**6,824**	**2,107**	**12,726**
Accumulated depreciation, Jan. 1, 2006	3,012	3,279	1,635	7,926
Accumulated depreciation of decreases and transfers	-164	0	-33	-197
Depreciation for the period	405	0	165	570
Translation difference	-35	0	-29	-64
Accumulated depreciation, Dec. 31, 2006	**3,218**	**3,279**	**1,738**	**8,235**
Carrying amount, Dec. 31, 2006	**577**	**3,545**	**370**	**4,492**

The principles of the impairment testing of the intangible rights are presented in note 33.

12. Property, plant and equipment

EUR 1,000	Land	Buildings	Machinery and equipment	Other tangible assets	Advances	Total
Acquisition cost, Jan. 1, 2007	1,022	41,428	217,550	2,360	9,695	272,056
Increase, Jan. 1 - Dec. 31, 2007	0	0	1,945	0	1,654	3,599
Decrease, Jan. 1 - Dec. 31, 2007	-64	-8769	-141,199	-2,238	-7,477	-159,747
Transfers between items	0	0	2,515	0	-2,515	0
Translation difference	193	-1214	-1,840	-29	-130	-3,020
Acquisition cost, Dec. 31, 2007	**1,151**	**31,445**	**78,972**	**93**	**1,227**	**112,888**
Accumulated depreciation, Jan. 1, 2007	0	20,448	155,125	1,525	0	177,098
Accumulated depreciation of decreases and transfers	0	-1,614	-97,581	-1,504	0	-100,698
Depreciation for the period	0	1,343	11,854	140	0	13,337
Impairment	0	4,222	0	0	0	4,222
Translation difference	0	-64	-1,201	-81	0	-1,345
Accumulated depreciation, Dec. 31, 2007	**0**	**24,335**	**68,198**	**80**	**0**	**92,613**
Carrying amount, Dec. 31, 2007	**1,151**	**7,110**	**10,774**	**12**	**1,227**	**20,274**
Acquisition cost, Jan. 1, 2006	1,302	44,553	200,745	2,162	7,539	256,301
Increase, Jan. 1 - Dec. 31, 2006	0	642	16,103	130	14,179	31,054
Decrease, Jan. 1 - Dec. 31, 2006	-280	-4,472	-4,845	-199	-942	-10,737
Transfers between items	0	758	9,491	426	-10,675	0
Translation difference	0	-52	-3,944	-159	-406	-4,562
Acquisition cost, Dec. 31, 2006	**1,022**	**41,428**	**217,550**	**2,360**	**9,695**	**272,056**
Accumulated depreciation, Jan. 1, 2006	0	19,063	140,497	1,498	0	161,059
Accumulated depreciation of decreases and transfers	0	-1,271	-477	-95	0	-1,843
Depreciation for the period	0	2,441	15,438	257	0	18,136
Impairment		319	1,747	0		2,066
Translation difference	0	-104	-2,080	-135	0	-2,319
Accumulated depreciation, Dec. 31, 2006	**0**	**20,448**	**155,125**	**1,525**	**0**	**177,098**
Carrying amount, Dec. 31, 2006	**1,022**	**20,980**	**62,425**	**835**	**9,695**	**94,957**

13. Financial lease agreements

EUR 1,000	Buildings	Machinery and equipment	Total
Acquisition cost, Jan. 1, 2007	21,075	14,181	35,256
Increase	0	0	0
Decrease	0	-3,883	-3,883
Acquisition cost, Dec. 31, 2007	**21,075**	**10,298**	**31,373**
Accumulated depreciation, Jan. 1, 2007	9,490	7,803	17,293
Accumulated depreciation of decreases	0	0	0
Impairment	4,222	0	4,222
Depreciation for the period	1,014	1,184	2,198
Accumulated depreciation, Dec. 31, 2007	**14,725**	**8,987**	**23,712**
Carrying amount, Dec. 31, 2007	**6,350**	**1,311**	**7,661**
Acquisition cost, Jan. 1, 2006	21,075	7,452	28,527
Increase	0	6,729	6,729
Decrease	0	0	0
Acquisition cost, Dec. 31, 2006	**21,075**	**14,181**	**35,256**
Accumulated depreciation, Jan. 1, 2006	8,525	6,551	15,076
Accumulated depreciation of decreases	0		0
Depreciation for the period	965	1,252	2,217
Accumulated depreciation, Dec. 31, 2006	**9,490**	**7,803**	**17,293**
Carrying amount, Dec. 31, 2006	**11,585**	**6,378**	**17,963**

14. Associated companies

EUR 1,000	2007	2006
Acquisition cost, Jan. 1	230	163
Increase	16,852	1,045
Decrease	-230	0
Share of losses	0	-978
Acquisition cost, Dec. 31	**16,852**	**230**

	Domicile	Assets	Liabilities	Net sales	Profit/loss for the period	Group interest
2007						
Meadville Aspocomp (BVI) Holdings Ltd.	Hong Kong	76,994	20,612	7,455	-1,255	20%
2006						
Imbera Oy	Espoo	788	342	139	-1,976	50 %

The parties had agreed that they may either list the joint venture in 2012 at the earliest, or alternatively the parties may exercise mutual put and call option rights concerning Aspocomp's 20 percent shareholding in 2013 at the earliest. In addition, the parties have agreed on the pricing principles to be used to value the put and call option rights for Aspocomp's 20 percent holding. The pricing will be based on the highest of the following figures: either 5.5 times EBITDA less net debt, or the net asset value of the joint venture, or the agreed minimum price, EUR 15.38 million plus 2.5 percent annual interest until the option rights are exercised. The agreed minimum price is the initial value of Aspocomp's 20 percent holding in the joint venture.

15. Investment properties

EUR 1,000	2007	2006
Acquisition cost, Jan. 1, 2007	7,247	4,422
Transfers from property, plant and equipment		7,247
Decrease	0	-4,422
Acquisition cost, Dec. 31, 2007	**7,247**	**7,247**
Accumulated depreciation, Jan. 1	3,880	1,491
Accumulated depreciation of transfers		3,203
Depreciation for the period	489	677
Accumulated depreciation of decreases		-1,491
Accumulated depreciation, Dec. 31	4,369	3,880
Carrying amount, Dec. 31	**2,878**	**3,367**
Investment properties		
Land	280	344
Buildings	2,598	3,023
Total	**2,878**	**3,367**

Rental income from investment properties during the fiscal year amounted to EUR 300 thousand. There were no significant maintenance or other costs during the said period. Aspocomp has a contractual obligation to pay for the ordinary repair and maintenance costs of the investment property. The carrying amounts of the investment properties approximate their fair value.

16. Available for sale investments

Breakdown of non-current available for sale investments		
Shares listed	57	59
Shares unlisted	0	195
Total	**57**	**254**
Non-current available for sale investments		
Beginning of the year	254	348
Decrease	-197	-137
Revaluation surplus transfer to equity	0	43
End of the year	**57**	**254**

17. Deferred income tax assets

EUR 1,000	As at Dec. 31, 2006	Recorded in income statement	Related to sold operations	As at Dec. 31, 2007
Confirmed tax losses	200	200		0
Employee benefits	0			0
Timing differences	908		908	0
Total	**1,108**	**200**	**908**	**0**

	As at Dec. 31, 2005	Recorded in income statement	Related to sold operations	As at Dec. 31, 2006
Confirmed tax losses	200			200
Employee benefits	0			0
Timing differences	42	866		908
Total	**242**	**866**		**1,108**

No deferred tax assets have been recorded on the losses. The total amount of confirmed losses is EUR 65,744 thousand. Losses in 2007 amounted to EUR 71,606 thousand. The distributable funds of foreign subsidiaries are not material in amount.

EUR 1,000	2007	2006
18. Long-term receivables		
Long-term loan receivables	0	47
Avoir fiscal tax receivables	0	2,200
Land use right	0	3,091
Total	**0**	**5,338**
19. Inventories		
Materials and supplies	2,668	6,730
Work in progress	1,526	5,592
Finished goods	2,454	6,675
Other inventories	0	1,912
Total	**6,648**	**20,909**

During the fiscal year, an expense of EUR 2.1 million was recorded to reduce the carrying amount of inventories to its net realizable value (EUR 0.6 million in 2006).

20. Trade and other receivables

EUR 1,000	2007	2006
Accounts receivable	7,979	26,427
Loan receivables	1,400	0
Prepayments and accrued income	908	3,577
Other receivables	178	1,446
Total	**10,466**	**31,450**

Age breakdown of accounts receivable and items recognized as credit losses

EUR 1,000	2007	Recognized as credit losses	Net 2007	2006	Recognized as credit losses	Net 2006
Not due	5,429		5,429	20,224		20,224
Overdue						
Under 30 days	1,521		1,521	2,989		
30-60 days	361		361	1,105		1,105
61-90 days	123		123	588		588
Over 90 days	683	-138	545	2,162	-321	1,521
Total	**8,117**	**-138**	**7,979**	**27,068**	**-321**	**26,427**

Accounts receivable by currency:

EUR 1,000	2007	2006
EURO	6,820	15,566
USD	928	3,772
THB	231	476
CNY	0	6,932
Total	**7,979**	**26,747**

Other receivables and prepayments and accrued income consist of normal trade receivables, none of which is individually significant. During 2007, the Group recorded credit losses of EUR 138 thousand.

Balance sheet values correspond best to the maximum monetary value of the credit risk, excluding the fair value of collateral, in cases where the other parties to the agreement are unable to fulfill their obligations in relation to financial instruments. Receivables do not involve significant credit risk concentrations.

21. Cash and cash equivalents

Cash in hand and at banks	8,373	22,673
Total	**8,373**	**22,673**

The effective interest rates on cash and cash equivalents ranged from 0.5% to 3.67% (from 0.5% to 3.63% in 2006) during the fiscal year. Cash and cash equivalents at the balance sheet date were EUR 7,785 thousand in Finland and EUR 588 thousand in other countries. Cash and cash equivalents at the balance sheet date were mainly invested in bank accounts.

22. Notes on shareholders' equity

On March 16, 2007, the Board of Aspocomp Group Oyj decided on a rights issue whereby the shareholders of Aspocomp were entitled to subscribe for three new shares for every two old shares. A total of 29,823,078 new shares were offered for subscription at a subscription price of EUR 0.84 per share. The offer shares represented approximately 150 percent of the total shares and voting rights of the company prior to the offering and 60 percent after the offering. The share issue was based on the authorization granted by the Extraordinary General Meeting of January 19, 2007.

The subscription period commenced on March 26, 2007. It expired on April 12, 2007 with respect to the subscription rights, and on April 13, 2007 with respect to the secondary subscription. A total of 27,221,343 shares were subscribed for in the primary subscription and a total of 2,601,735 shares in the secondary subscription. New equity raised by the offering was approximately EUR 25 million prior to the deduction of fees and expenses. The total number of Aspocomp's shares increased to 49,905,130 shares. Trading with all the shares commenced on OMX Helsinki Stock Exchange on April 20, 2007.

	Number of shares	Shareholders' equity	Share premium account	Treasury shares	Invested non-restricted equity fund	Total
Dec 31, 2005	20,082	20,082	27,918	-758	0	47,242
Equity portion of the convertible bond					1,868	1,868
Dec 31, 2006	**20,082**	**20,082**	**27,918**	**-758**	**1,868**	**49,110**
Dec 31, 2006	20,082	20,082	27,918	-758	1,868	49,110
Share issue	29,823				22,016	22,016
Dec 31, 2007	**49,905**	**20,082**	**27,918**	**-758**	**23,885**	**71,126**

The maximum number of shares is 49,905,130 (20,082,052), of which 200,000 were in the possession of the parent company. All shares issued have been fully paid.

Special reserve fund

The assets of the special reserve fund are transferred from the share premium account and they belong to non-restricted equity. The special reserve fund is administered by the General Meeting. The purpose of the special reserve fund is to balance out non-restricted equity and restricted equity at the Group level.

Invested non-restricted equity fund

The invested non-restricted equity fund includes other equity investments and share subscription prices insofar as they are not entered in share capital by an express decision. Payments received from share subscriptions under stock option schemes made after the entry into force (September 1, 2006) of the new Companies Act (July 21, 2006/624) are entered into the invested non-restricted equity fund in full.

Fair value and other funds

Fair value and other funds includes fair value gains from available for sale investments.

Treasury shares

Treasury shares consist of the shares owned by the parent company, measured at acquisition cost. The number of the treasury shares on December 31, 2007 was 200,000 (200,000 in 2006).

Dividends

The Board of Directors proposes that shareholders will not be paid a dividend for 2007 (EUR 0.0 in 2006).

23. Interest-bearing liabilities

EUR 1,000	2007	2006
Non-current		
Bank borrowings	10,416	388
Convertible debenture loan	8,785	8,460
Financial lease agreements	13,466	20,857
Effect of debt restructuring	-2,000	0
Total	**30,667**	**29,705**

On November 17, 2006, the Board of Directors of Aspocomp Group Oyj resolved to issue a convertible debenture loan as a private placement. The loan was offered for subscription to a limited number of institutional investors. The nominal amount of the loan was confirmed at EUR 10,300,000. The company has approved the subscriptions. The subscribed amount entitles the holders to subscribe for a maximum of 4,811,510 new shares in Aspocomp Group Oyj. The effective interest rate of the convertible debenture loan is 11.1 percent.

The loan will be paid a fixed annual coupon of 5.75 percent semi-annually. The loan was issued on December 1, 2006, and its date of maturity will be December 1, 2011. The share conversion rate (the subscription price) is EUR 2.1407. The share subscription period (the loan conversion period) began on February 1, 2007, and ends on October 31, 2011.

Convertible bonds are divided into equity and liabilities in the financial statements. The liability portion is recognized in the balance sheet at fair value on initial recognition, determined from the market interest of equivalent loans at the time of issue. The equity portion has been calculated on the basis of the difference between the cash proceeds from the issue and the fair value of the debt. The equity portion of the convertible bond - EUR 1,868 thousand - has been recognized in the invested non-restricted equity fund.

The effects of the debt restructuring are detailed in note 8.

Bank borrowings and the convertible debenture loan have a fixed interest rate. The financial lease agreements have a floating interest rate. The maturities of the financial lease agreements are presented in note 29.

	2007	2006
Current liabilities		
Bank borrowings	16,353	41,066
Financial lease agreements	346	2,816
Total	**16,699**	**43,882**

The carrying amounts of current and non-current borrowings approximate their fair value.

The maturity of long-term borrowings is as follows:

	2007	2006
Between one year and two years	346	2,987
After two years but not more than five years	675	26,718
After five years	29,646	0
Total	**30,667**	**29,705**

According to the agreement on debt restructuring, the installments on the loans will be postponed. Payment of installments is scheduled to begin in 2007 and end on the year of the execution of the put and call option rights related to the transactions, and will be concentrated on the last year of the period. Once the agreement has become effective, annual interest of 2.5 percent will incur on the loans and will be added to the capital and paid on the year of the execution of the put and call option rights, in 2013 at the earliest.

Weighted averages of the effective interest rates of interest-bearing debt:

	2007	2006
Convertible bond	11.10%	11,10%
Bank loans	9.31%	5,75%
Financial lease agreements	4.51%	4,38%

EUR 1,000	2007	2006
Breakdown of the Group's non-current borrowings by currency:		
Euro	30,528	29,317
USD	0	0
Baht	139	388
Rmb	0	0
Total	**30,667**	**29,705**
Breakdown of the Group's current interest-bearing borrowings by currency:		
Euro	347	18,816
USD		9,887
Baht	16,352	15,179
Total	**16,699**	**43,882**
The Group has the following undrawn borrowing facilities:		
Expiring within one year	0	13,308

24. Share-based payments

Share-based incentive plan

On April 10, 2006, Aspocomp's Annual General Meeting decided to issue 930,000 stock options 2006A, 2006B and 2006C to the key personnel of the Aspocomp Group as well as to the wholly owned subsidiary Aspocomp Oy.

As part of the incentive scheme for Aspocomp's management, the Board of Directors decided on May 10, 2007 to distribute stock options - which were issued by the Annual General Meeting held on April 10, 2006 - to the Group's key personnel.

As set out in the terms and conditions of the stock options, the Aspocomp key employees who left the company's employ returned their stock options 2006A and 2006B upon the ending of their employment or service relationship. Aspocomp's subsidiary Aspocomp Technology Oy holds 200,000 stock options 2006A and 195,000 stock options 2006B. 310,000 of each of these stock options have been issued.

The share subscription price with stock options 2006B is EUR 0.84 (average share turnover-weighted price on the Helsinki Stock Exchange in April 2007). The subscription price with stock options 2006A changed due to the share issue carried out in March-April 2007 such that with stock options 2006A the subscription price of shares is EUR 2.47 and a total of 1.387 shares in the company can be subscribed for with one stock option. When shares are subscribed for, the total number of shares will be rounded down to a full number. The total subscription price will be calculated using the rounded number of shares. After this change, a maximum of 429,970 shares in the company can be subscribed for with stock options 2006A, instead of 310,000 shares, and the company's share capital can rise by a maximum of EUR 429,970, instead of EUR 310,000. Annual dividends possibly paid are deducted from the subscription price.

Under the 2006 stock option scheme, the Board of Directors is authorized to distribute 310,000 stock options 2006C to key employees of the company. The share subscription price with the stock options will be the average share turnover-weighted price on the Helsinki Stock Exchange in April 2008.

The stock option plan is conditional. The main principles are presented in the table below:

Year of launch	Number of stock options	Number of participants	Stock option category	First vesting date	Last vesting date	Subscription price, EUR/share
2006	310,000	10	2006A	5/1/08	5/31/10	2.47
2006	310,000	10	2006B	5/1/09	5/31/11	0.84
2006	310,000	10	2006C	5/1/10	5/31/12	1/1-4/30/2008

The subscription period with stock options 2006A is subject to the Group's cumulative operating profit (EBIT) exceeding EUR 12 million. The subscription period is from May 1, 2008 to May 31, 2010.

The beginning of the share subscription period for stock options 2006B and 2006C is also subject to attainment of the criteria tied to financial targets and defined by the Board prior the distribution of the stock options. The share subscription period for stock options 2006B is May 1, 2009 – May 31, 2011, and for stock options 2006C, May 1, 2010 – May 31, 2012.

A total of 930,000 Aspocomp Group Oyj shares can be subscribed for with the 2006 stock options.

The share subscription price for stock options 2006A is EUR 2.47 per share (average share turnover-weighted price on the Helsinki Stock Exchange in April 2006). The basis for determination of the share subscription price for stock options 2006B is the average share turnover-weighted price in April 2007, and for stock options 2006C it is the average share turnover-weighted price in April 2008. The annual dividend will be deducted from the share subscription price.

A shareholding scheme is incorporated into the incentive plans for 2006. Key personnel included in the stock option plan are obliged to acquire shares in the company with 20 percent of the gross income gained from the realized stock options, as long as the shareholding of each key person corresponds to his/her gross salary for one year. The CEO of the company must own shares in the company to an amount equaling his/her gross salary for two years and the members of the Management Team to an amount equaling their gross salary for one year as long as they remain in the employ or service of the Group.

The expense derived from the fair value of the stock options is periodized over the vesting period. Fair value is measured using the Black-Scholes pricing model. No expense deriving from the stock option plan is recorded for the year 2007. In the company's current view, the earnings targets will not be reached.

The parameters used in the Black-Scholes model are presented below:

	2006A	**2006B**	**2006C**
The date of issue	4/10/06	4/10/06	4/10/06
Amount of stock options, EUR	310,000	310,000	310,000
Share price at the date of issue, EUR	3.43	3.43	3.43
Subscription price, EUR	2.47	0.84	The average share price for the period Jan. 1 - Apr. 30, 2008
Estimated volatility	26%	28%	31%
Estimated maturity	3 years 151 days	4 years 151 days	5 years 151 days
Risk-free interest rate	3.33%	3.44%	3.59%
Estimated dividends, EUR	0.3	0.6	0.9
Fair value at the date of issue, EUR	0.69	0.89	1.1

25. Trade and other payables

EUR 1,000	**2007**	**2006**
Accounts payable	6,236	30,674
Accrued expenses	8,388	11,099
Total	**14,624**	**41,773**

Restructuring costs primarily comprise the unemployment pension costs of closed and sold plants. The nature of long service reward plans is explained in note 5.

26. Provisions

EUR 1,000	2007	2006
Non-current provisions		
Restructuring costs	1,216	227
Long service reward plans	329	856
Total	**1,544**	**1,083**

	Restructuring costs	Long service reward plans
Dec. 31, 2006	227	856
Increase in provisions	989	0
Reversal of unused provisions	0	-527
Dec. 31, 2007	**1,216**	**329**

Restructuring costs primarily comprise the unemployment pension costs of closed and sold plants. The nature of long service reward plans is explained in note 5.

27. Foreign exchange gains/losses

The exchange differences charged/credited to the income statement are as follows:

Net sales	60	180
Purchase of materials and supplies	-100	86
Administration costs	0	0
Financial income and expenses	-149	153
Total	**-189**	**420**

28. Earnings per share

Basic earnings per share are calculated by dividing the profit or loss attributable to equity holders of the parent company by the weighted average number of shares during the year, excluding shares purchased by the company and held as treasury shares.

Profit or loss attributable to equity holders of the company	-65,265	-31,313
Weighted average number of shares (thousands)	44,032	19,882
Earnings per share from continuing operations (EUR/share)	-0.54	-0.43
Earnings per share from discontinued operations (EUR/share)	-0.95	-0.78

The company has issued a convertible debenture loan and stock options which may have a dilutive effect in the future, but had no such dilutive effect at the balance sheet date. Therefore the diluted and basic earnings per share are the same.

29. Contingencies and commitments

EUR 1,000	2007	2006
Lease agreements		
Future minimum rents payable under other lease agreements are as follows:		
Within one year	850	859
After one year but not more than five years	8	103
Total	**858**	**962**
Financial lease agreements		
Minimum rents payable under financial lease agreements:		
Within one year	6,930	3,397
After one year but not more than five years	1,021	21,600
After five years	6,721	0
Total	**14,672**	**24,997**
Future interest payable on financial lease agreements	-1,157	-1,323
Current value of financial lease agreements	13,515	23,674
Maturities of current value of financial lease agreements		
Within one year	6,867	2,816
After one year but not more than five years	1,074	20,858
After five years	**5,574**	**0**
Total	**13,515**	**23,674**

The financial lease liabilities of the Salo property, EUR 12,416 thousand, are included in the debt restructuring agreement that is presented in greater detail in note 23. The amount of minimum rents has been recalculated using the 2.5 percent annual interest set out in the agreement.

Capital commitments		
Capital expenditure contracted for at the balance sheet date but not incurred:		
Machinery and equipment	0	3,150
Total	**0**	**3,150**

Contingencies

The Aspocomp Group has the following contingent liabilities at Dec. 31, 2007:

Bank and other guarantees

- The Group has a bank guarantee counter obligation for Finnish Customs: EUR 400,000 (EUR 300,000 in 2006).

Mortgages

- The Group has guaranteed bank loans by giving mortgages for real estate and buildings to a maximum amount of EUR 1,450 thousand (EUR 1,450 thousand in 2006).
- The Group has guaranteed loans by giving machinery and equipment as security to a maximum amount of EUR 8,540 thousand (EUR 8,540 thousand in 2006).
- The amount of the loan covered by these securities is EUR 16.4 million.

EUR 15.4 million in shares have been pledged as collateral for bank loans. These loans have a nominal value of EUR 24 million.

30. Adjustments to cash flow from operating activities

EUR 1,000	2007	2006
Non-cash transactions		
Depreciation and impairment	25,225	18,708
Share of loss of associated companies	230	978
Interest income	-1,506	-1,108
Interest and other financial expenses	12,423	2,986
Effect of debt restructuring	-2,000	0
Taxes	2,488	0
Capital gains and losses on sale of subsidiaries	8,543	0
Change in provisions	132	0
Dividend income	-27	-78
Increase in tax assets	0	-866
Impairment of property, plant and equipment	0	2,100
Notice time salaries	0	900
Gains on sale of property, plant and equipment	-481	-496
Other items	-4,479	-658
Total	**40,548**	**22,466**
Change in net working capital		
Change in receivables	2,008	-4,368
Change in inventories	10,958	2,751
Change in trade and other payables	-6,801	-6,901
Total	**6,165**	**-8,518**

31. Related party disclosures

Group companies

	Domicile	Group interest, %	Parent company interest, %
Aspocomp Group Oyj, parent company	Finland		
Aspocomp Ab	Sweden	100.00	100.00
Aspocomp GmbH	Germany	100.00	100.00
Aspocomp (Thailand) Co., Ltd	Thailand	88.05	88.05
Aspocomp Oulu Oy	Finland	90.00	90.00
Aspocomp Technology Oy	Finland	100.00	100.00
Aspocomp Holding PTE	Singapore	100.00	100.00
Aspocomp Trading Shanghai Co., Ltd.	China	100.00	100.00
Aspocomp Hong Kong Ltd	Hong Kong	100.00	100.00
Associated companies			
Meadville Aspocomp (BVI) Holdings Ltd.	Hong Kong	20.00	20.00

Related party transactions:

EUR 1,000	2007	2006
Sales of goods		
To associated companies	0	262
Rental income		
From associated companies	0	23
Loan receivables from related parties		
Associated companies	0	0
Salaries and benefits of the Management Team		
Wages and salaries	1,649	945
Post-employment benefits	0	100
Total	**1,649**	**1,045**
President and CEO and his/her deputy		
Wages and salaries	570	422
Members of the Board		
Tuomo Lähdesmäki	98	51
Aimo Eloholma	56	25
Roberto Lenzioni	2	25
Gustav Nyberg	3	27
Anssi Soila	49	27
Yoshiki Sasaki	89	36
Kari Vuorialho	52	
Johan Hammaren	53	
Tapio Hintikka	32	

The deputy to the President and CEO has the option to retire at the age of 60.

The Board together with the President and CEO own a total of 388,959 shares, representing 0.8 percent of the total shares and 0.8 percent of the voting rights.

At December 31, 2007, management had 30,000 stock options. All the options were distributed during the year 2006.

32. Capital management

The Group's capital management is intended to maintain a strong position and ensure that business financing needs can be solved cost-effectively as required. The Group's capital structure is tracked and anticipated on a regular basis to ensure liquidity. For more on the liquidity risk and its management, see note 36. The key indicators that are tracked include the equity ratio and gearing. Capital employed in business operations comprises net working capital and fixed assets that have been financed with equity and net debt.

EUR 1,000	2007	2006
Capital employed in business operations:		
Goodwill and shares	19,909	4,002
Other tangible assets	23,577	105,742
Net working capital	-454	10,586
Total capital employed in business operations	**43,032**	**120,330**
Capital:		
Shareholders' equity	5,438	68,334
Net debt	37,593	51,996
Total capital	**43,032**	**120,330**
Equity ratio %	7.8	37.0
Gearing %	724.2	74.5

33. Impairment testing

Goodwill acquired through business combinations has been allocated to two individual cash-generating units for impairment testing as follows:

EUR 1,000	
Plants producing HDI printed circuit boards	3,000
Aspocomp (Thailand) Co., Ltd.	0
Total	**3,000**

After the Meadville transaction, the cash generating unit "Plants producing HDI printed circuit boards" comprises Aspocomp Oulu Oy. The primary PCB technologies of Aspocomp Oulu Oy are HDI (High Density Interconnection), multilayer (up to 28 layers), Heat Sink and Teflon- or ceramic-based PCBs. Aspocomp Thailand manufactures double-sided and multilayer PCBs, the bulk of production comprising four- and six-layer PCBs. In addition, the plant manufactures semi-flex PCBs.

EUR 21 million in goodwill related to the HDI business prior to the Meadville transaction has been allocated to the associated company and remaining HDI functions in proportion to fair value.

In impairment testing, the recoverable amount of both these cash generating units has been determined on the basis of a value in use calculation. Cash flow projections are made based on forecasts approved by senior management covering a five-year period. The discount rate before tax applied to cash flow projections is 11.2 percent. The discount rate before tax has been determined on the basis of the weighted average cost of capital (WACC). The cash flows beyond the five-year period are extrapolated using a 3 percent annual growth rate. The used growth rate does not exceed the long-term actual growth rates of the printed circuit board business in which the CGUs operate.

The key assumptions used in the testing of CGUs:

1. Budgeted net sales - Determined based on the actual level of net sales.

2. Budgeted operating profit - Determined based on the actual average operating profits. The level of operating profit is not assumed to exceed the prior actual level.

3. Budgeted capital expenditure - Determined based on the actual prior average level and the business plan of the Oulu plant's HDI line. The level of capital expenditure slightly exceeds the normal average level of capital expenditure in the printed circuit board business in which the CGU operates. The level of capital expenditure beyond the five-year period is assumed to be in line with the average level of capital expenditure in the printed circuit board business in which the CGU operates.

4. Discount rate - Determined based on the weighted average cost of capital (WACC), which describes the total cost of equity and liabilities, accounting for particular risks connected with asset items.

Goodwill allocated to Aspocomp (Thailand) Co., Ltd, EUR 3,078 thousand, has been expensed as an impairment loss during the fiscal year. The recognition of the impairment loss was due to the weaker forecast for the company's future cash flows.

Associated companies:

EUR 1,000	
Meadville Aspocomp (BVI) Holdings Ltd	3,590

Goodwill is included in the value of shares in associated companies in the consolidated balance sheet. The same discount rate, growth rate for cash flows beyond the five-year period and other factors as in the testing of the above CGUs have been used in the testing of associated company goodwill.

Sensitivity analyses of the impairment tests

Plants producing HDI printed circuit boards

Impairment testing did not indicate the need for goodwill impairment during the fiscal year. Reasonably assessed, changes in none of the key factors used would cause the recoverable amounts of the CGUs to decrease below their carrying amounts.

Aspocomp (Thailand) Co., Ltd.

Assuming the operating profit would be 1 percent lower during the entire five-year period, January 1, 2008 - December 31, 2012, than estimated by the management at the balance sheet date, an impairment loss of EUR 1.2 million should be recorded. Assuming the used discount rate before tax would be 1.0 percent higher than the rate used by management, an impairment loss of EUR 1.2 million should be recorded.

34. Derivative agreements

	As at Dec. 31,	
	2007	**2006**
Electricity forward contracts		
Fair value	45	-297
Value of underlying instrument	223	1,254

35. Events after the balance sheet date

Aspocomp's head office was moved in January from the center of Helsinki to Sinikalliontie in Espoo.

21 former employees of Aspocomp Group Oyj's French subsidiary Aspocomp S.A.S., who were not involved in the previous litigation in France, have raised claims against Aspocomp Group Oyj in a French court. The total amount of the claims is about EUR 750,000. The claims will be heard in winter and spring 2008.

The Örninkatu 15 plant property and its buildings in Salo, leased by Aspocomp under an operating lease, was sold in February 2008. The transaction price decreases Aspocomp's interest-bearing debts to Finnish bank creditors by about EUR 6 million. The write-off made in summer 2007 was reduced by EUR 3 million. The total amount of the remaining interest-bearing debts to creditors in Finland after the sale is about EUR 27 million.

36. Financial risk management

Liquidity and financial risks

Because of the agreement on debt restructuring, management of the liquidity risk of the operations in Finland is based on the cash assets of the parent company and the cash flow generated by the Oulu plant. The possibilities of the Thai plant to manage its liquidity risk are rather limited, which occasionally has a highly significant impact on the company's operations. If Aspocomp does not obtain financing from its subsidiary Aspocomp Oulu Oy, or its associated company Meadville Aspocomp Holdings in the form of dividends or other income, or other ways of financing, to cover its expenses by 2013, the company may ultimately become insolvent. The interest-bearing loans of the Thai plant, EUR 16,600 thousand, mature in a year. The financial lease liability of the Oulu plant, EUR 1,400 thousand, falls due in 3-5 years. The debts agreed with Finnish banks in the debt restructuring, EUR 23,882 thousand, are due no later than in 2013. The convertible debenture loan, which has a nominal value of EUR 10,300 thousand, matures in 2011.

Interest rate risks

In Finland, the interest rate risk of interest-bearing debt agreed through a debt restructuring agreement is under control until 2013 – with the annual nominal interest rate standing at 2.5 percent. With respect to the company in Thailand, changes in interest rates will affect the market pricing of both short-term and long-term financing and thus also have a bearing on the Group's financial expenses. The loans of the Thai company are short-term market-based loans.

Currency exchange rate risks

The Group carries out production in Finland and Thailand. The Group also has subsidiaries in Europe, Hong Kong and Singapore. The main currencies of the Group are the euro, the baht and the US dollar. The translation risk relating to variations in the subsidiaries' shareholders' equity is based on the exchange rate fluctuations of the baht. The currency breakdown of receivables and liabilities denominated in foreign currencies is presented in notes 20 and 23. At December 31, 2007, the shareholders' equity of the subsidiary Aspocomp (Thailand) Co. Ltd. was negative, -150 million baht (-81 million baht at December 31, 2006).

Credit risk

The Group trades only with recognized, creditworthy third parties. According to the credit policy agreed by the Board, all new customers are subject to credit verification procedures. The creditworthiness of existing customers is reviewed on a regular basis. Overdue receivables are reported to top management on a monthly basis and all the necessary actions are taken in order to collect the overdue receivables. The share of the net sales of the top five customers was 69 percent during the fiscal year. Credit losses of EUR 138 thousand were recognized in 2007 and EUR 321 thousand in 2006.

Commodity risk

The Group is exposed to the commodity risk which relates to the availability and pricing fluctuations of commodities. The Group's objective is to decrease these risks by signing purchase agreements with well-known suppliers, and signing certain forward agreements. The Group has hedged 52 percent of its electricity purchases for the next 12-month period. The Group does not apply hedge accounting as set out in IAS 39 to these forwards. Changes in the fair value of these electricity forwards are thus recorded in the income statement and are presented in other expenses. The market values of electricity forwards are presented in note 34.

PARENT COMPANY INCOME STATEMENT

		Year ended Dec. 31,	
EUR 1,000	Note	**2007**	**2006**
Other operating income	1.1	6,299	3,725
Personnel costs	1.2	-4,670	-2,631
Depreciation and write-downs	1.3	-193	-209
Other operating expenses	1.4	-20,135	-4,107
Operating loss		**-18,698**	**-3,222**
Financial income and expenses	1.5	-36,622	-42,247
Loss before extraordinary expenses		**-55,321**	**-45,469**
Extraordinary items +/-	1.6	-37,163	0
Loss before appropriations and taxes		**-92,484**	**-45,469**
Income tax expense	1.7	-2,200	-5,106
Loss for the year		**-94,684**	**-50,576**

PARENT COMPANY BALANCE SHEET

EUR 1,000	Note	As at Dec. 31, 2007	2006
Assets			
Non-current assets			
Intangible assets	2.1	126	79
Tangible assets	2.1	3,270	340
Investments	2.2	40,869	69,630
Total non-current assets		**44,265**	**70,049**
Current assets			
Inventories	2.3	433	0
Short-term receivables	2.4	7,074	19,959
Cash and cash equivalents		6,782	2,643
Total current assets		**14,289**	**22,602**
Total assets		**58,554**	**92,651**
Liabilities and shareholders' equity			
Shareholders' equity	**2.5**		
Share capital		20,082	20,082
Share premium fund		27,918	27,918
Special reserve fund		45,989	45,989
Fund for investments of non-restricted equity		22,016	0
Retained earnings		-20,850	29,726
Net profit or loss for the period		-94,684	-50,576
Total shareholders' equity		**471**	**73,139**
Appropriations	2.6	7,282	0
Liabilities			
Long-term liabilities	2.7	38,207	10,300
Short-term liabilities	2.8	12,594	9,212
Total liabilities		**50,801**	**19,512**
Total liabilities and shareholders' equity		**58,554**	**92,651**

PARENT COMPANY CASH FLOW STATEMENT

EUR 1,000	Year ended Dec. 31, 2007	2006
Cash flow from operations		
Operating loss	-18,698	-3,222
Adjustments to operating loss	-487	209
Change in net working capital	2,340	-1,285
Interest paid	-2,930	-247
Taxes paid		
Net cash flow from operations	**-19,776**	**-4,545**
Investments		
Purchases of tangible and intangible assets	-63	-261
Gains on the sale of tangible and intangible assets	22	290
Portfolio investments	-50,395	-31,321
Capital gains on investments	46,367	0
Decrease of loan receivables	0	14,605
Total cash flow from investments	**-4,069**	**-16,686**
Cash flow before financing	**-23,845**	**-21,232**
Financing		
Rights issue	22,016	
Change in long-term financing	10,248	10,300
Change in short-term financing	-8,000	3,674
Decrease of subsidiary equity	0	9,082
Total financing	**24,265**	**23,056**
Increase or decrease in liquid funds	420	1,824
Liquid funds as at Jan. 1	2,643	819
Liquid funds from merger	3,720	0
Liquid funds as at Dec. 31	**6,782**	**2,643**

PARENT COMPANY ACCOUNTING PRINCIPLES

The financial statements of the company have been prepared in accordance with the procedures laid out in the Finnish accounting law and other Finnish Accounting Standards (FAS). The figures from the previous year have been adjusted for comparability. The financials statements are presented in euros.

Tangible and intangible assets

Tangible and intangible assets have been recorded in the balance sheet at their acquisition cost net of planned depreciation. Planned depreciation has been calculated straight line over the entire economic lifetime of the asset from the point of acquisition.

The depreciation schedules for different asset classes are as follows:

Intangible assets	3 – 5 years
Other long-term assets	5 – 10 years
Buildings and structures	15 – 30 years
Machinery and equipment	3 – 8 years
Other fixed assets	5 – 10 years

Current assets

Cash and bank deposits include cash, bank deposits and over-night deposits. Marketable securities are valued at their acquisition cost or at a probable transfer price that is lower than the acquisition cost.

Net sales

Discounts, VAT and exchange rate differences of accounts receivable have been accounted for under adjustments to net sales.

Research and development costs

Research and development costs are fully expensed against the income statement during the fiscal year under review.

Extraordinary items

Extraordinary items include exceptional and significant events that are not related to the Group’s line operations.

Expense and loss provisions

Expenses that are unlikely to generate profits and the probable losses are deducted from the revenues as cost reserves.

These are presented in the balance sheet as mandatory reserves or accrued expenses.

Pension arrangements

Pension benefits have been organized using pension insurance.

Foreign currency

Liabilities and receivables denominated in foreign currencies have been recorded at the prevailing exchange rate on the date of transaction. Liabilities and receivables converted into euros in connection with the preparation of financial statements are converted using the average exchange rate on the closing date.

Foreign currency denominated advance is converted using the prevailing exchange rate on the date of payment.

Taxes

Taxes include the taxes for the period calculated on the basis of the net result for the period as well as assessed or returned taxes for the prior periods.

1. NOTES TO THE PARENT COMPANY INCOME STATEMENT

EUR 1,000	Year ended Dec 31, 2007	2006
1.1 Other operating income		
Gains on sale of tangible assets	1	52
Management fees	3,980	3,143
Capital gains on Indian shares	1,998	0
Other income	320	529
Total	**6,299**	**3,725**
1.2 Notes to the personnel		
Personnel costs		
Salaries and wages	3,175	2,075
Bonuses	685	39
Pension costs	544	383
Other personnel costs	265	135
Total	**4,670**	**2,631**
Management salaries and benefits		
President and CEO and Board Members (CEO's Deputy)	1,001	611
Personnel, Dec. 31, 2007		
Office employees	12	23
Total	**12**	**23**
Employees of the Group during the fiscal period		
Office employees	24	19
Total	**24**	**19**
Pension liabilities of President and CEO and Board Members		
Deputy to the President and CEO has the option to retire at the age of 60.		
1.3 Depreciation and write-downs		
Depreciation of tangible and intangible assets	193	209
Total	**193**	**209**

EUR 1,000	Year ended Dec 31, 2007	2006
1.4 Other operating expenses		
Rental expenses	234	176
Expenses from Meadville transaction	4,040	0
Aspocomp S.A.S. compensation	10,824	0
Other expenses	5,036	3,931
Total	**20,135**	**4,107**
1.5 Financial income and expenses		
Other interest and financial income		
Interest income from Group companies	451	388
Interest income from others	89	151
Total	**539**	**539**
Interest and other financial expenses		
To Group companies	76	302
To others	3,760	484
Impairment of shares in subsidiaries	33,326	42,000
Total	**-37,162**	**-42,786**
Total financial income and expenses	**-36,622**	**-42,247**
Interest and financial income includes currency gains (net)	-421	94
1.6 Extraordinary items		
Extraordinary expenses		
Merger loss	31,098	0
Provision for leasing liability of real estate in Salo	6,066	
Total	**37,163**	**0**
1.7 Income tax expense		
Impairment of the avoir fiscal receivable	-2,200	-5,106
Total	**-2,200**	**-5,106**

2. NOTES TO THE PARENT COMPANY BALANCE SHEET

2.1 Intangible and tangible assets

	Intangible assets				Tangible assets						
EUR 1,000	Intangible assets	Good-will	Other long-lived assets	Total	Land	Buildings	Machinery and equipment	Other tangible assets	Advance payments	Total	Total intangible and tangible assets
Tangible assets											
Acquisition cost Jan. 1, 2007	247	0	22	269	0	0	926	0	32	958	1,227
Increase	40		0	40	0	0	55	0	0	55	95
Increase from merger	68		0	68	280	2,598	171	12	0	3,061	3,128
Decrease	-59		0	-59	0	0	-249	0	-32	-281	-340
Acquisition cost Dec. 31, 2007	**295**	**0**	**22**	**317**	**280**	**2,598**	**903**	**12**	**0**	**3,793**	**4,110**
Accumulated depreciation Jan. 1, 2007	168	0	22	190	0	0	618	0	0	618	808
Accumulated depreciation of decreases and transfers	-59	0	0	0	0	0	-227	0	0	-227	-227
Depreciation of the year	61	0	0	61	0	0	131	0	0	131	193
Accumulated depreciation Dec. 31, 2007	**170**	**0**	**22**	**192**	**0**	**0**	**523**	**0**	**0**	**523**	**714**
Book value Dec. 31, 2007	**126**	**0**	**0**	**126**	**0**	**0**	**381**	**0**	**32**	**3,270**	**3,396**

2.2 Investments

EUR 1,000	Group shares and holdings	Shares in affiliated companies	Other shares	Receivables from Group companies	Total
Acquisition cost Jan. 1, 2007	66,080	0	3,550	0	69,630
Increase	45,961	12,492	125	14,455	73,033
Increase from merger	6,364	1,964	0	0	8,327
Decrease	-61,551	-14,455	0	0	-76,006
Write-down	-30,441	0	-3,675	0	-34,116
Book value Dec. 31, 2007	**26,413**	**0**	**0**	**14,455**	**40,869**

Group companies

	Group interest, %	Parent company interest, %	Parent company shares and holdings		
			Number of shares	Face value EUR 1,000	Book value EUR 1,000
Aspocomp GmbH, Germany	100.00	100.00	1,000	5	41
Aspocomp Ab, Sweden	100.00	100.00	500	6	61
Aspocomp (Thailand) Co., Ltd, Thailand	88.05	88.05	45,697,950	6,194	0
Aspocomp Technology Oy, Finland	100.00	100.00	320	0	0
Aspocomp Holding PTE. Ltd, Singapore	100.00	100.00	1	0	3,698
Aspocomp Trading Shanghai Co., Ltd., China	100.00	100.00	10	0	32
Aspocomp Hong Kong Limited	20.00	20.00	100,000	0	17,082
Aspocomp Oulu Oy	90.00	90.00	900	0	5,499
Total					**26,413**

EUR 1,000	As at Dec. 31, 2007	2006
2.3 Inventories		
Finished goods	433	0
2.4 Short-term receivables		
Short-term receivables from Group companies		
Accounts receivable	644	941
Loans receivable	1,804	16,428
Total	**2,448**	**17,369**
Receivables from others		
Loans receivable	1,400	0
Accounts receivable	2,405	0
Avoir fiscal receivable	0	2,200
Deferred receivables	821	390
Total	**4,626**	**2,590**
Total short-term liabilities	**7,074**	**19,959**
2.5 Shareholders' equity		
Share capital Jan. 1	20,082	20,082
Share capital Dec. 31	**20,082**	**20,082**
Share premium account Jan. 1	27,918	73,907
Transfer to Special reserve fund	0	-45,989
Share premium account Dec. 31	**27,918**	**27,918**
Special reserve fund Jan. 1	45,989	45,989
Transfer from share premium account	0	0
Special reserve fund Dec. 31	**45,989**	**45,989**
Invested unrestricted equity fund Jan. 1	0	0
Increase	22,016	0
Invested unrestricted equity fund Dec. 31	**22,016**	**0**
Retained earnings Jan. 1	-20,850	29,726
Dividends paid	0	0
Retained earnings Dec. 31	**-20,850**	**29,726**
Net loss for the period	**-94,684**	**-50,576**
Total shareholders' equity	**471**	**73,139**
Distributable unrestricted equity	**-47,529**	**25,139**

EUR 1,000	As at Dec. 31, 2007	2006
2.6 Appropriations		
Provision for leasing liability of real estate in Salo	6,066	
Provision for unemployment pension costs	1,216	
Total	**7,282**	
2.7 Long-term liabilities		
Loans from financial institutions		
Convertible debenture loan	10,300	10,300
Loans from financial institutions	10,248	0
Total	**20,548**	**10,300**
Liabilities to Group companies		
Other long-term liabilities	17,659	0
Total long-term liabilities	**38,207**	**10,300**
2.8 Short-term liabilities		
Short-term financial limits	0	8,000
Account payables	1,264	323
Deferred payables	6,498	619
Total	**7,762**	**8,942**
Material items in accrued expenses:		
Periodization of employee expenses	2,218	379
Aspocomp S.A.S. compensation	2,177	
Expenses of winding down the Salo plant	986	
Other	1,116	239
Total	**6,498**	**619**
Liabilities to Group companies		
Deferred payables	4,832	270
Total	**4,832**	**270**
Total short-term liabilities	**12,594**	**9,212**

3. OTHER NOTES

	As at Dec. 31,	
EUR 1,000	**2007**	**2006**
3.1 Securities, contingent liabilities and other liabilities		
Securities given on behalf of Group companies		
Guarantees for leasing liabilities	1,284	20,511
Directly enforceable guarantee	4,272	15,539
Total	**5,556**	**36,051**
Amounts payable under leasing agreements		
Total	**6,350**	**0**

GROUP FINANCIAL PERFORMANCE AND KEY FIGURES

	2007	2006	2005	2004	2003
Net sales, EUR million	42.4	48.6	135.4	184.8	182.3
Operating profit after depreciation, EUR million	-15.8	-6.7	-17.8	10.4	-5.3
share of net sales, %	-37.3	-13.7	-13.1	5.6	-2.9
Profit/loss on continuing operations before tax, EUR million	-21.0	-8.7	18.7	9.7	-6.6
share of net sales, %	-49.6	-18.0	13.8	5.2	-3.6
Profit on continuing operations, EUR million	-23.2	-11.7	-24.3	9.1	-6.6
share of net sales, %	-54.8	-24.1	-17.9	5.0	-3.6
Profit/loss for the period, EUR million	-64.9	-27.2	-23.4	9.2	-0.9
share of net sales, %	-152.9	-56.0	-17.3	5.0	-0.5
Return on equity (ROE), %	-63.1	-13.3	-19.9	7.5	-2.4
Return on investment (ROI), %	-13.4	-4.6	-9.9	6.9	-1.9
Equity ratio, %	7.8	37.0	57.8	63.1	57.1
Gearing, %	724.2	74.5	23.5	8.3	20.3
Gross investments in fixed assets, EUR million	0.5	3.7	25.9	15.7	13.8
share of net sales, %	1.2	7.6	19.2	8.5	7.6
Personnel, year end	1,120	1,931	3,387	3,377	3,426
Personnel, average	1,445	2,021	3,393	3,434	3,330
Earnings per share (EPS), EUR	-0.54	-0.43	-0.93	0.26	-0.03
Earnings per share (EPS), EUR (diluted)					
Equity per share, EUR	0.11	1.65	2.82	3.82	3.75
Nominal dividend per share, EUR (*Board's proposal)	0.00*	0.00	0.00	0.22	0.11
Dividend per earnings, %	0.00	0.00	0.00	85.71	-348.07
Effective dividend yield,%	0.00	0.00	0.00	6.17	2.59
Price/earnings ratio (P/E)	-0.2	-3.0	-3.0	13.9	-134.6
Share prices (adjusted)					
average, EUR	0.44	1.84	3.13	4.41	3.24
low, EUR	0.10	1.26	2.52	3.42	2.25
high, EUR	2.20	3.01	3.90	5.23	4.50
Closing share price at the end of period, EUR	0.11	1.31	2.76	3.57	4.26
Market value of total shares outstanding at the end of period, EUR million	5.5	35.4	74.6	96.6	115.3
Number of shares traded, thousand	88,428	22,522	11,672	14,145	6,699
Number of shares traded, % of total	177.2	83.3	43.2	52.3	24.8
Share trading volume, EUR million	38.9	39.2	36.7	62.4	21.7
Adjusted total number of shares, thousand					
registered at the end of period	49,905	27,312	27,312	27,312	27,312
outstanding at the end of period	49,705	27,040	27,040	27,040	27,040
average	44,032	27,040	27,040	27,040	27,040

FORMULAS FOR CALCULATION OF KEY FIGURES

Return on equity (ROE), % = $\frac{\text{Profit before taxes from continued operations} - \text{direct taxes}}{\text{Shareholders' equity} + \text{minority interest (average)}} \times 100$

Return on investment (ROI), % = $\frac{\text{Profit before taxes from continued operations} + \text{interest and other financial expenses}}{\text{Balance sheet total} - \text{non-interest bearing liabilities (average)}} \times 100$

Equity ratio, % = $\frac{\text{Shareholders' equity} + \text{minority interest}}{\text{Balance sheet total} - \text{advances received}} \times 100$

Gearing, % = $\frac{\text{Interest-bearing liabilities} - \text{cash, bank deposits and other investments}}{\text{Shareholders' equity} + \text{minority interest}} \times 100$

Personnel, average = Average number of personnel at end of each month

Earnings per share (EPS), EUR = $\frac{\text{Profit before taxes from continued operations} - \text{direct taxes} \pm \text{minority share}}{\text{Average number of shares outstanding during period}}$

Equity/share, EUR = $\frac{\text{Shareholders' equity}}{\text{Number of shares outstanding at end of period}}$

Dividend/share, EUR = Per share dividend distributed for the period

Dividend/earnings, % = $\frac{\text{Dividend per share}}{\text{Earnings per share}} \times 100$

Effective dividend yield, % = $\frac{\text{Dividend per share}}{\text{Share price at end of period}} \times 100$

Price/earnings ratio (P/E) = $\frac{\text{Share price at end of period}}{\text{Earnings per share}}$

Average share price = $\frac{\text{Total value of shares traded, EUR}}{\text{Number of shares traded during period}}$

Market capitalization = Total number of shares outstanding x share price at end of period

The effect of the shares held by the company has been eliminated from the calculation of key figures.

SHARES AND SHAREHOLDERS

Share trading and price

Aspocomp Group Oyj shares were listed on the Helsinki Stock Exchange on October 1, 1999, and since October 2, 2006, on the new OMX Nordic Exchange in Helsinki. The company's trading code is ACG1V. Each share is of the same share series, entitles its holder to one vote at a Shareholders' Meeting and confers an equal right to a dividend.

The total number of shares on December 31, 2007 was 49,905,130 and the share capital stood at EUR 20,082,052. Of the total shares outstanding, the company held 200,000 treasury shares.

A total of 88,428,810 of the company's shares were traded on the Helsinki Stock Exchange during the January 1 - December 31, 2007 period. The total value of share turnover was EUR 38,947,567. The shares traded at a low of EUR 0.10 (Dec. 21 and Dec. 27-28, 2007) and a high of EUR 2.20 (Jan. 29, 2007). The average share price was EUR 0.44. The closing price at December 28, 2007 was EUR 0.11 and the company had a market capitalization of EUR 5.5 million, adjusted for the number of treasury shares. At the end of the period, nominee-registered shares accounted for 6.8 percent of the total shares and 0.7 percent were directly held by non-Finnish owners.

Authorizations of the Board of Directors

The Extraordinary General Meeting of January 19, 2007, authorized the Board of Directors to decide on issuing 50,000,000 new shares and conveying the 200,000 Aspocomp shares held by the company. The authorization is valid for two years from the date of the decision of the meeting. Based on the authorization, a total of 29,823,078 new shares were subscribed for in a rights issue that ended in April 2007.

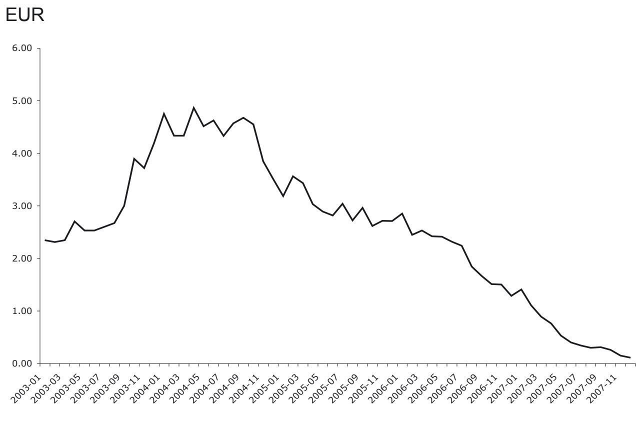
The Annual General Meeting of May 10, 2007 authorized the Board to decide on issuing and/or granting a maximum of 40,000,000 new shares and conveying and/or receiving a maximum of 200,000 Aspocomp shares held by the company. The authorizations are valid for two years from the date of the decision of the Annual General Meeting. They do not cancel previous unexercised share issue authorizations. For more information, turn to the company's stock exchange release published on May 10, 2007.

Rights offering

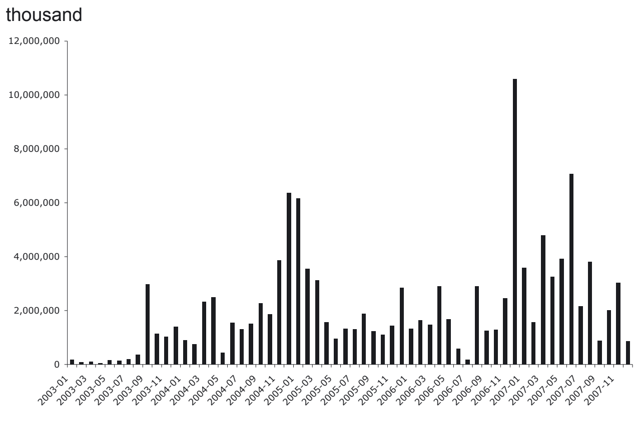
On March 16, 2007, based on the authorization granted by the Extraordinary General Meeting, the Board of Aspocomp Group Oyj decided on a rights issue whereby the shareholders of Aspocomp were entitled to subscribe for three new shares for every two old shares. A total of 29,823,078 new shares were offered for subscription at a subscription price of EUR 0.84 per share. The offer shares represented approximately 150 percent of the total shares and voting rights of the company prior to the offering and 60 percent after the offering.

The subscription period commenced on March 26, 2007. It expired on April 12, 2007 with respect to the subscription rights, and on April 13, 2007 with respect to the secondary subscription. A total of 27,221,343 shares were subscribed for in the primary subscription and a total of 2,601,735 shares in the secondary subscription. New equity raised by the offering was approximately EUR 25 million prior to the deduction of fees and expenses. The total number of Aspocomp's shares increased to 49,905,130 shares and trading with all shares commenced on the Helsinki Stock Exchange on April 20, 2007.

Share price development



Share turnover



Share price and turnover information have been adjusted for share issue

Stock options

On the basis of the authorization from the Extraordinary General Meeting and as part of the financing arrangement for the minority share acquisition in China, the Board of Directors of Aspocomp resolved on March 21, 2007 to issue 4,000,000 warrants to the financier of the acquisition, Standard Chartered Bank (Hong Kong) Limited. The warrants were scheduled to be exercised from October 3, 2008; however, the bank resolved to renounce the warrants in connection with the business restructuring agreed between Aspocomp and Meadville Holdings Limited at the end of the year.

As part of the incentive scheme for Aspocomp's management, the Board of Directors decided on May 10, 2007 to distribute stock options - which were issued by the Annual General Meeting held on April 10, 2006 - to the Group's key personnel. The subscription rights and the related shareholding scheme are linked to the Group's financial performance.

The Board of Directors distributed a total of 310,000 stock options 2006B and 25,000 stock options 2006A to key personnel of the Group. The beginning of the share subscription period for stock options 2006B is subject to attainment of the targets set for the Group's cash flow. The Board of Directors decided on the financial targets for stock options 2006A in the spring of 2006. The share subscription period with stock options 2006A is from May 1, 2008 to May 31, 2010 and with stock options 2006B from May 1, 2009 to May 31, 2011.

The share subscription price with stock options 2006B is EUR 0.84. The subscription price with stock options 2006A is EUR 2.47 and a total of 1.387 shares in the company can be subscribed for with one stock option. When shares are subscribed for, the total number of shares will be rounded down to a full number. The total subscription price will be calculated using the rounded number of shares. A maximum of 429,970 shares in the company can be subscribed for with stock options 2006A and the company's share capital can rise by a maximum of EUR 429,970. Annual dividends paid are deducted from the subscription price.

Convertible debenture loan

Following the share offering described above, the Board of Directors resolved on April 18, 2007 to amend the subscription prices of the convertible debenture loan I/2006 and the stock options issued by Aspocomp. The subscription price of convertible debenture loan I/2006 was reduced by EUR 0.43 to EUR 2.1407 per share. In order to reduce the subscription price, the Board resolved to entitle the holders of the loan to subscribe for a maximum total of 804,810 new shares of the company. As a result of the amendment, each book-entry issued for the loan entitles the holder to convert the book-entry into 467 shares of the company instead of the current 389 shares of the company.

Notices on ownership threshold

According to a notification Aspocomp received on April 19, 2007, the stake of Erkki Etola and companies managed by him in Aspocomp Group Oyj's shares and votes had decreased below the 5 percent threshold. The total amount of the shares was 2,398,000 and they represented 4.80 percent of Aspocomp's shares and votes.

On May 25, 2007, the stake of Varma Mutual Pension Insurance Company in Aspocomp Group Oyj's shares and votes decreased below the 5 percent threshold to 3.79 percent. The amount of shares and votes held by Varma was 1,890,607.

On June 20, 2007, the stake of Sampo Life Insurance Company Limited in the company's shares and votes decreased below the 10 percent threshold to 9.24 percent, or 4,611,372 shares and votes. On August 22, 2007, it decreased below the 5 percent threshold to 3.89 percent, or 1,939,000 shares and votes.

Market making was discontinued

Kaupthing Bank Oyj, which had been a market maker in Aspocomp shares, discontinued market making in Aspocomp shares until further notice on May 11, 2007. Kaupthing had provided bids and offers for Aspocomp shares such that the maximum difference between a bid and offer price was 2 percent of the bid. Bids or offers included at least 1,000 shares. Since Aspocomp shares traded below 0.50 euros and the minimum tick size is 1 cent, it was not possible to provide bids and offers at less than 2 percent of the share price.

Dividend policy

The Board of Directors of Aspocomp Group Oyj defined a long-term dividend policy for the company on March 15, 2007. According to the policy, Aspocomp aims to pay dividends amounting to no less than 30 percent of the profit for each financial year once the company's profitability has been restored and it has reached its gearing and equity ratio goals.

It is likely that the Board will not propose dividend payments for the next few years.

Major shareholders

Shareholder	Number of shares	Holdings and votes, %
1. Nordea Bank Finland Plc (nominee-registered)	2,145,625	4.30
2. Oy Selective Investor Ab	1,843,000	3.69
3. Finvestock Oy Ab	1,820,000	3.65
4. Oksanen Markku	1,721,518	3.45
5. Ailus Petri	1,627,727	3.26
6. Näkki Raimo	1,373,633	2.75
7. Tiiviste-Group Oy	1,100,000	2.20
8. Etra-Invest Oy Ab	1,098,000	2.20
9. Oy Fincorp Ab	1,075,850	2.16
10. Lassila Markus Kalervo	969,969	1.94
11. Pakarinen Janne	781,751	1.57
12. Possidentes Oy	600,000	1.20
13. Svenska Handelsbanken Ab (Publ), Filialvverksamheten i Finland (nominee-registered)	580,069	1.16
14. Nordea Bank Finland Plc	579,343	1.16
15. Evli Bank Plc	396,060	0.79
16. Haapakoski Valto Antero	330,000	0.66
17. Oy Hammaren & Co Ab	323,834	0.65
18. Svenska Handelsbanken Ab (Publ), Filialvverksamheten i Finland	300,000	0.60
19. HSS/Danske Bank, Helsinki Branch (nominee-registered)	297,775	0.60
20. Estlander Henrik	274,270	0.55

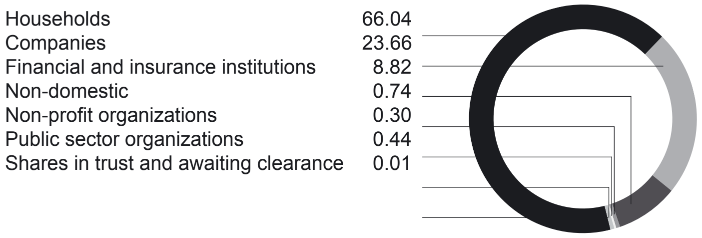
The total number of shares held by nominee-registered and non-domestic owners on December 31, 2007 was 3,701,462, corresponding 7.42 percent of the total holdings and votes.

Distribution of share ownership as at December 31, 2007

Number of shares	Number of shareholders	% of shareholders	Total number of shares	% of share capital
1 – 100	242	6.36	17,668	0.04
101 – 500	701	18.42	225,596	0.45
501 – 1 000	565	14.85	479,801	0.96
1001 – 5 000	1,257	33.04	3,418,732	6.85
5 001 – 10 000	445	11.70	3,617,345	7.25
10 001 – 50 000	472	12.41	11,015,450	22.07
50 001 – 100 000	59	1.55	4,253,663	8.52
100 001 – 500 000	51	1.34	9,148,214	18.33
500 001 –	13	0.34	17,725,685	35.52
Shares in trust and awaiting clearance			2,976	0
Total	**3,805**	**100**	**49,905,130**	**100**
of which nominee-registered shares	10		3,371,495	6.76

By shareholder categories	Total holdings, %	Total shares, %
Households	91.96	66.04
Companies	6.83	23.66
Financial and insurance institutions	0.39	8.82
Non-domestic	0.42	0.74
Non-profit organizations	0.34	0.30
Public sector organizations	0.05	0.44
Shares in trust and awaiting clearance		0.01
Total	**100**	**100**

Shareholding by shareholder category



PROPOSAL OF THE BOARD FOR THE DISTRIBUTION OF EARNINGS

The parent company has a total of EUR -47,528,681.38 in its unrestricted equity account. The Board proposes that:

- no dividend will be paid
- the loss will be transferred to the retained earnings account.

Espoo, March 14, 2008

Aspocomp Group Oyj's Board of Directors

Tuomo Lähdesmäki Chairman	Yoshiki Sasaki Vice Chairman	Aimo Eloholma
Johan Hammarén	Anssi Soila	Kari Vuorialho
Isto Hantila President and CEO		

AUDITOR'S REPORT

To the shareholders of Aspocomp Group Oyj

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Aspocomp Group Oyj for the period 1.1. – 31.12.2007. The Board of Directors and the Presi-dent and CEO have prepared the consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, as well as the report of the Board of Directors and the parent company's financial statements, prepared in accordance with prevailing regulations in Finland, contain-ing the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements. Based on our audit, we express an opinion on the consolidated financial statements, as well as on the report of the Board of Directors and the parent company's financial statements and administration.

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

Consolidated financial statements

In our opinion the consolidated financial statements, prepared in accordance with International Financial Re-porting Standards as adopted by the EU, give a true and fair view, as defined in those standards and in the Finnish Accounting Act, of the consolidated results of operations as well as of the financial position.

Parent company's financial statements, report of the Board of Directors and administration

In our opinion the parent company's financial statements have been prepared in accordance with the Finnish Accounting Act and other applicable Finnish rules and regulations. The parent company's financial statements give a true and fair view of the parent company's result of operations and of the financial position.

In our opinion the report of the Board of Directors has been prepared in accordance with the Finnish Account-ing Act and other applicable Finnish rules and regulations. The report of the Board of Directors is consistent with the consolidated financial statements and the parent company's financial statements and gives a true and fair view, as defined in the Finnish Accounting Act, of the result of operations and of the financial position.

The consolidated financial statements and the parent company's financial statements can be adopted and the members of the Board of Directors and the Presidents and CEOs of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the disposal of dis-tributable funds is in compliance with the Companies' Act.

Espoo, 11 April 2008

PricewaterhouseCoopers Oy
Authorised Public Accountants

Jouko Malinen
Authorised Public Accountant

CORPORATE GOVERNANCE

1. General

In its decision making and corporate governance, Aspocomp Group Oyj upholds the Finnish Companies Act, Securities Markets Act, as well as the instructions concerning the corporate governance of listed companies issued by the Helsinki Stock Exchange (the Corporate Governance recommendation). These corporate governance principles were adopted in March 2008 by the Board of Directors of Aspocomp Group Oyj.

By observing the laws in force in Finland, the Company's Articles of Association, and these rules, the Board of Directors believes it promotes the appreciation of the shareholders' holdings while protecting their interests and ensuring equal treatment of all shareholders.

2. Group Structure

The parent company of the Group is Aspocomp Group Oyj (hereinafter also referred to as "the Company"), with the General Meeting of Shareholders, the Board of Directors and the Chief Executive Officer (CEO) as its decision-making bodies.

The Company has subsidiaries in Finland and abroad. The parent company is responsible for the Group's administration and investor relations.

The parent company and its subsidiaries are separate legal entities in their respective countries. The legal administration, accounting and taxation of each company are executed in accordance with the laws and regulations in force in the company's country of domicile and in keeping with the corporate governance rules established by the Board of the company in question on the basis of these corporate governance principles.

3. General Meeting

The Annual General Meeting of the Company (AGM) is held annually before the end of June on a date set by the Board of Directors.

The Board of Directors shall see to it that before the Annual General Meeting, sufficient information on the matters to be dealt with at the meeting shall be made available to the shareholders. The main information shall be given in the Notice of Meeting and additional information may be provided in stock exchange releases. The Notice of Meeting shall be published in a daily newspaper. The Notice and the stock exchange releases are also posted on the Company's Internet site.

The General Meeting shall be organized in a place and at a time as well as otherwise in a manner that permits shareholders to effectively participate in the meeting.

The CEO, the Chairman of the Board and a sufficient number of members of the Board shall attend the General Meeting. A person proposed as a member of the Board of Directors for the first time shall participate in the General Meeting that decides on his/her election unless there is a well-founded reason for his/her absence.

The AGM is the Group's supreme decision-making body and it assembles once a year. The matters dealt with at the General Meeting are those stipulated in the Companies Act and the Articles of Association. The matters to be decided on by the General Meeting include the following:

- Amendments to the Articles of Association;
- Adoption of the financial statements;
- Payment of dividends;
- Election of members of the Board;
- Appointment of auditors;
- Remuneration of members of the Board and auditors.

An Extraordinary General Meeting shall be convened if the Board deems it necessary or if the Companies Act so requires.

4. Board of Directors

According to the Articles of Association, the Company's Board of Directors consists of four (4) to eight (8) members elected by the AGM for one year at a time.

The Board elects the Chairman and the Vice Chairman from among its members. The Board shall have a quorum when at least half of the members, including the Chairman or the Vice Chairman, are present at the meeting. The decisions are made by simple majority votes. In the event of a tie, the Chairman of the Board has the deciding vote.

The Board complies with Finnish laws and regulations, especially the Finnish Companies Act and Securities Markets Act and regulations based on those Acts. In addition, the Board must follow the rules and recommendations of the Stock Exchange.

The general task of the Board is to increase shareholder value in the long run as well as to attend to the interests of the Company and all its shareholders.

The Board shall assess its work and evaluate its effectiveness annually.

The Board has an Audit Committee, a Compensation Committee and a Nomination Committee, and elects members to these Committees each year after the AGM.

The Audit Committee consists of three (3) members who must be independent of the Company. The Board of Directors has ratified rules for the Audit Committee.

The Compensation Committee consists of three (3) members. The task of the Committee is to prepare for the Board's decision-making the remuneration and incentive schemes of the CEO and the members of the Executive Management Committee.

The Nomination Committee, which consists of three (3) members, prepares the proposals for nomination of Board members and their remuneration to be presented to the AGM.

The proposal regarding the nomination of Board members and their remuneration shall be published in the Notice of the AGM. The results of the Board's assessment shall be taken into account when the Nomination Committee prepares its proposal for the AGM.

In case the number of Board members is three (3), no Committees will be established.

The Board members shall be competent and the majority shall be independent of the Company. At least two of these independent members must be independent of the significant shareholders of the Company. Members must have knowledge of the Company's business, management of listed companies, accounting, risk management, international business, mergers and acquisitions, and corporate governance.

The Board has adopted written rules and procedures for its work.

5. CEO and Executive Management Committee

The Board shall appoint the Chief Executive Officer. The CEO's terms and conditions of service shall be specified in writing in his/her contract approved by the Board.

The responsibilities of the CEO are those defined in the Finnish Companies Act and other relevant legislation. The CEO shall manage and oversee the Group's business in accordance with the guidelines of the Board. The CEO's deputy shall exercise the CEO's powers when he/she is temporarily unable to perform his/her duties.

6. Compensation

The AGM decides the remuneration of the Board members. The Nomination Committee reviews annually the form and amount of compensation to Board members and prepares the proposal on their compensation for the AGM.

The Compensation Committee reviews the compensation, including incentive and bonus schemes, of the CEO and the deputy CEO and prepares the proposal on their compensation for the Board.

7. Auditors

According to the Articles of Association, the AGM shall elect one external auditor who must be a public accountant authorized by the Central Chamber of Commerce of Finland.

The proposal for the election of the external auditor is prepared by the Board and shall be disclosed in the Notice of the AGM. The remuneration of the auditor shall be decided by the AGM.

8. Auditing and Risk Management

The financial reports issued by the Group are based on the reports of Group companies. A regular audit is carried out every year in each Group company, including wholly owned subsidiaries and associated companies. Each company has an auditor appointed by the company's General Meeting of Shareholders. All auditors' reports and other information are at the disposal of the parent company's auditor. The auditors of associated companies work in close cooperation with the parent company's auditor.

The parent company's auditor and the Group management jointly prepare the annual auditing plan for the Group companies. The auditors provide the shareholders with the statutory auditors' report regarding the financial statements of the Group companies and the consolidated financial statements. They report to the CEO and Board at least twice a year. The auditor participates in the work of the Board's Audit Committee. The full Board and the auditor meet at least once a year.

Risk management has been included in the Group's business strategy and operational goal setting. The Board reviews both annual and longer-term plans. Identifying risks and hedging against them are part of the Group's management system.

The Company does not have a separate internal auditing organization. Internal auditing is partially outsourced to an audit firm. The main auditing themes are decided in connection with the annual auditing plan.

9. Insider Administration

The Company complies with legislation on insiders, the Financial Supervision Authority's standards and Stock Exchange recommendations.

The Board has ratified the Company's insider rules. According to the rules, the following persons shall be listed in the public insider register:

- the Members of the Board
- the CEO and her/his Deputy
- the auditors
- Executive Management Committee

The Company also keeps a permanent internal insider register of the following persons:

- the Managing Directors of the subsidiaries
- From the Finance Unit: the Group Financial Controller, Business Controller, Assistant Controller
- Communications Manager
- Executive assistants
- Other administrative or finance employees designated by the CEO

In addition, the Company maintains project-specific insider registers.

The Company supervises trading by insiders. The Company's insiders may not trade in shares when involved in insider projects and during the "silent period". The silent period begins two weeks before the publication of interim reports and three weeks before the financial statements. It ends on the day following the publication of the results.

CORPORATE GOVERNANCE IN THE FINANCIAL YEAR

Board of Directors and Committees

Board of Directors:

- Tuomo Lähdesmäki, Chairman
- Yoshiki Sasaki, Vice Chairman
- Aimo Eloholma
- Johan Hammarén (as from Jan. 19, 2007)
- Tapio Hintikka (Jan. 19-Aug. 19, 2007)
- Roberto Lencioni (until Jan. 19, 2007)
- Gustav Nyberg (until Jan. 19, 2007)
- Anssi Soila
- Kari Vuorialho (as from Jan. 19, 2007)

Audit Committee:

- Johan Hammarén, Chairman
- Yoshiki Sasaki
- Anssi Soila

Compensation Committee:

- Tuomo Lähdesmäki, Chairman
- Aimo Eloholma
- Tapio Hintikka (until Aug. 19, 2007)
- Kari Vuorialho

Nomination Committee:

- Tuomo Lähdesmäki, Chairman
- Aimo Eloholma
- Tapio Hintikka (until Aug. 19, 2007)
- Kari Vuorialho

The composition of the Board of Directors and Committees as well as the working order of the Board of Directors and the rules of the Audit Committee are available on Aspocomp's Internet site at www.aspocomp.com.

Meetings of the Board of Directors and Committees

The Board of Directors convened 47 times during the 2007 financial year. The participation rate of members in the meetings was 92.7 percent. The committees convened as follows:

- Audit Committee: 5 times
- Compensation Committee: 2 times
- Nomination Committee: 2 times

Board remuneration	Annual fee	Meeting fee
Chairman of the Board	35,000	1,500
Vice Chairman of the Board	25,000	1,000
Board member resident abroad	15,000	1,500
Other Board members	15,000	1,000
Committee members	-	500

The remuneration paid to the Board of Directors in 2007 totaled EUR 422,000 and the remuneration of the committees totaled EUR 10,500.

Auditor

The company's auditor during the financial year was PricewaterhouseCoopers Oy, Authorized Public Accountants, with Jouko Malinen as chief auditor. The fees paid to the accounting firm for the actual audit in 2007 totaled EUR 108,000. In addition, the firm was paid a total of EUR 123,000 for other services for the Group companies.

President and CEO

Maija-Liisa Friman served as Aspocomp Group Oyj's President and CEO until November 8, 2007. The President and CEO as from November 9, 2007 has been Isto Hantila.

The monthly salary agreed for the President and CEO in the employment contract is EUR 25,000 as from November 9, 2007. If the employment contract of the President is severed on the company's or CEO's initiative, the period of notice is one month. The salary, other remuneration, fringe benefits and bonuses paid to the President in 2007 totaled EUR 538,764, of which EUR 538,764 was accounted for by the salary and EUR 0.0 by other remuneration.

The Group's management

The Group's Executive Committee until December 31, 2007:

- Maija-Liisa Friman, President and Chief Executive Officer, Chairman (until November 8, 2007)
- Isto Hantila, President and Chief Executive Officer, Chairman (as from November 9, 2007)
- Maire Laitinen, General Counsel, Secretary
- Tapio Engström, Chief Financial Officer (until October 31, 2007)
- Pertti Vuorinen, Chief Financial Officer (as from November 1, 2007)
- Henry Gilchrist, Chief Operating Officer
- Rami Raulas, Senior Vice President, Sales and Marketing

The Group's Executive Committee as from January 1, 2008:

- Isto Hantila, President and Chief Executive Officer
- Pertti Vuorinen, Chief Financial Officer

The salaries, other remuneration and fringe benefits of the Group's Executive Committee totaled EUR 1,649,236 in 2007. For more information on the Group's management, see the company's Internet site at www.aspocomp.com.

Incentive plans

On May 5, 2006, the Board of Directors decided to distribute a total of 285,000 stock options 2006A to key personnel of the Group and 25,000 stock options 2006A to Aspocomp Oy for further distribution to present and future key personnel of the Group. The beginning of the share subscription period for stock options 2006A is subject to attainment of the targets for the Group's cumulative earnings before interest and taxes (EBIT). The share subscription period will be May 1, 2008 - May 31, 2010, and the subscription price will be EUR 2.47. A total of 1.387 shares in the company can be subscribed for with one stock option 2006A. When shares are subscribed for, the total number of shares will be rounded down to a full number. The total subscription price will be calculated using the rounded number of shares. A maximum of 429,970 shares in the company can be subscribed for with stock options 2006A and the company's share capital can rise by a maximum of EUR 429,970.

In addition, the Board of Directors decided on May 10, 2007 to distribute a total of 310,000 stock options 2006B and 25,000 stock options 2006A to key personnel of the Group. The beginning of the share subscription period for stock options 2006B is subject to attainment of the targets set for the Group's cash flow. The share subscription period with stock options 2006A is from May 1, 2008 to May 31, 2010 and with stock options 2006B from May 1, 2009 to May 31, 2011. The share subscription price with stock options 2006B is EUR 0.84.

Shares and stock options held by insiders on Jan. 1, 2008

Board of Directors	Shares	Option 2006A	Option 2006B
Tuomo Lähdesmäki	142,257	0	0
Yoshiki Sasaki	33,445	0	0
Aimo Eloholma	32,204	0	0
Johan Hammarén	138,090	0	0
Anssi Soila	24,873	0	0
Kari Vuorialho	18,090	0	0

Management and Chief Auditor	Shares	Option 2006A	Option 2006B
Isto Hantila	0	0	0
Pertti Vuorinen	25,200	30,000	0
Jouko Malinen	0	0	0

Up to date information on the holdings of the Group's insiders subject to the disclosure requirement is provided on Aspocomp's Internet site at www.aspocomp.com.

BUSINESS RISKS

Dependence on customer markets

In 2007, Aspocomp's subsidiaries in Oulu and Thailand manufactured products for a number of global strategic customers – and for many more local customers. During the year, Aspocomp Oulu Oy's five largest customers – Elcoteq, Incap, Nokia Siemens Networks, Scanfil and Wabco – accounted for approximately 69% of the total net sales of the company. Aspocomp Thailand Ltd's five largest customers – Continental Automotive Systems, Honeywell, Leopold Kostal, Nokia Siemens Networks and Wabco – accounted for about 87% of the company's sales.

Competition

The competitiveness and risk profile of the Aspocomp Group changed significantly as a result of the transactions carried out in November 2007.

High-volume products for the electronics industry are manufactured mainly in Asia. Electronics products will continue to be designed in Europe, and demand will increasingly be skewed towards the manufacture of R&D PCBs and small-series PCBs. At the same time, the level of difficulty involved in PCB production is increasing, as the contribution of HDI technology rises and the number of layers increase.

According to market surveys, the demand for more complex HDI PCBs, following development in component technology, will increase substantially faster than the global markets in the near future. The competitiveness of Aspocomp Oulu Oy in the current customer segments is good, and its position as a fast supplier of complex PCBs in Europe is estimated to remain solid. In future, the company will face growing competition from Asian prototype suppliers. In addition to upcoming competition from Asia, structural changes in the telecommunications sector constitute risk factors for the company's future. These may lead to a decline in research and development in Europe, in which case the company's competitiveness would weaken and the R&D PCB markets would shrink in the neighboring countries.

Aspocomp Thailand's main application area, auto electronics, has enjoyed steady growth throughout 2007. This will continue because electronics are increasing both in private and commercial vehicles. Nevertheless, competition in the sector is intensifying because, like consumer and telecom electronics, the industry is moving increasingly to low-cost countries. Competition in the telecom sector will continue to remain tough in China and the South-East Asian countries. Competition in industrial electronics will remain intense, as increasing numbers of Chinese manufacturers accept extremely small orders, both in terms of quantity and value. On the other hand, there was already a trend in 2007 for risk-balancing PCB users to seek an alternative to China, typically in a South-East Asian country such as Thailand.

Operations in emerging markets

Due to the transactions, the Thai plant is the only subsidiary operating in the emerging markets. Emerging markets are subject to greater political, economic, and social uncertainties than operations in countries with more developed structures and systems. Consequently, the risk of losses resulting from changes in the legal, economic, social or political situation, and upheaval may be substantial.

Lack of long-term customer order commitments

As is customary in the PCB industry, customers do not generally commit to long-term binding orders. Because of this, the plants' load varies substantially over the short term, effecting significant fluctuation in both net sales and operating profit.

Financial risks in Aspocomp's business operations

The PCB industry is capital intensive and its technology evolves at a rapid pace. Sufficient financing must be ensured in order to maintain capacity in terms of both quantity and quality. Investments must be managed either by means of cash flow from operations or local loans. If Aspocomp's operative subsidiaries are unable to acquire the necessary financing for their investments, their business operations may decline substantially.

Significant indebtedness

The company's indebtedness rose significantly in 2007. The Group's interest-bearing debt at December 31, 2007 amounted to a total of approximately EUR 49 million, which included a convertible bond loan of EUR 10.3 million. The agreement on debt restructuring entered into with Finnish bank creditors does not include holders of the convertible bond issued in 2006. Aspocomp Group Oyj had in 2005 given a parent company guarantee of TBH 212 million to the Bangkok Bank as collateral for the loans it had granted to Aspocomp Thailand Ltd. The debt restructuring agreed with the Finnish banks restricts management of the Group's centralized financing exclusively to Finland, which means that the Thai plant will have to arrange its financing independently. Furthermore, the agreement on debt restructuring limits the Group's investment opportunities in Finland. The debt restructuring agreement facilitates the management of interest-bearing debt in such a way that regular repayments are not required, and interest at an annual rate of 2.5% is added to the principal. If Aspocomp Group Oyj does not obtain agreements on debt restructuring with the holders of the convertible bond and the Bangkok Bank, the operational stability of Aspocomp will weaken.

Liquidity and financial risks

Because of the agreement on debt restructuring, management of the liquidity risk of operations in Finland is based on the cash assets of the parent company and the cash flow generated by the Oulu plant. It is very likely that the Thai plant will face liquidity crises, which from time to time has a highly significant impact on the company's operations. If Aspocomp does not obtain financing from Aspocomp Oulu Oy, or its associated company Meadville Aspocomp Holdings in the form of dividends or other income, or other ways of financing, to cover its expenses by 2013, the company may ultimately become insolvent.

Currency exchange rate risks

The Group carries out production in Finland and Thailand. The Group also has subsidiaries in Europe, Hong Kong and Singapore. The main currencies of the Group are the euro, the baht and the US dollar. The translation risk relating to variations in the subsidiaries' shareholders' equity is based on the exchange rate fluctuations of the Asian currencies.

Interest rate risks

In Finland, the interest rate risk of interest-bearing debt agreed through a debt restructuring agreement is under control until 2013, with the annual interest rate standing at 2.5%. With respect to the company in Thailand, changes in interest rates will affect the market pricing of both short-term and long-term financing and thus also have a bearing on the Group's financial expenses.

Credit and counterparty risks

The company limits its credit risk by monitoring the creditworthiness sof customers. Liquid assets are invested in banks that are highly creditworthy.

Litigations

With its decisions of June 19, 2007, the French Supreme Court upheld the former decisions of the Rouen appellate court, announced in March 2005, in the legal case initiated by Aspocomp S.A.S's former employees against Aspocomp Group Oyj, and ordered it to pay a total of approximately EUR 11 million, including annual interest of about 7%, to 388 former employees of Aspocomp S.A.S. In addition to these employees, 21 former employees of Aspocomp S.A.S. have brought a suit against Aspocomp Group Oyj, and there is a risk that the remaining approximately 100 employees may also institute proceedings. In France, the statute of limitations for filing a suit is 30 years.

Damage, casualty and loss risks

Most of the Group's capital is tied to its production plants. Various accidents occurring at the plants such as fires, major machinery breakdowns or other similar incidents therefore cause damage to assets or loss of profits. The Group seeks to protect itself against the occurrence of the aforementioned risks by means of evaluations pertaining to risk management. Insurance coverage is reviewed annually as part of overall risk management. The aim through insurance policies is to cover the risks that it is prudent to insure for business or other reasons. Other specified risks are rapid technological change, the sufficiency of manufacturing capacity, management of growth, ability to meet customers' product standards and specifications, capacity utilization rates, dependence on senior management, litigation, price fluctuations of raw materials and dependence on key suppliers, product liability, environmental risks and intellectual property. To the best of the company's knowledge, the risks that might affect business operations in the future have been described above. The list of risks is not all-inclusive, but rather presented by way of example. The descriptions of risks do not account for the probability of the occurrence of the risks or their scale.

BOARD OF DIRECTORS

Tuomo Lähdesmäki

- Born 1957, M.Sc. (Eng.), MBA
- Partner, Boardman Oy
- Chairman of the Board since 2003, independent Member of the Board since 2002, Chairman of the Board's Compensation and Nomination Committees
- Shareholdings in Aspocomp Group Oyj at year end: 142,257 shares. No holdings or option rights based on the company's share-related incentive plan.
- Positions of trust: Chairman of the Board, Turku University Foundation, Member of the Board, Amer Sports Corporation, Citycon Oyj, Metsä Tissue Oyj and Scanfil plc
- Primary work experience: President, Elcoteq Network Corporation, 1997-2001, CEO, Leiras Oy, 1991-97, various management positions, Swatch Group, 1990-91, and Nokia Corporation, 1983-89

Yoshiki Sasaki

- Born 1951, ME degree in Systems Engineering, BE in Mechanical Engineering
- Senior Managing Director and Chairman of Investment Committee for non-VC investment, Japan Asia Investment Co., Ltd.
- Independent Member and Vice Chairman of the Board since 2006, Member of the Board's Audit Committee
- Holdings in Aspocomp Group Oyj at year end: 33,445 shares. No holdings or option rights based on the company's share-related incentive plan.
- Positions of trust: Chairman of the Board in three companies, over a dozen directorships and memberships of investment committees for various funds and companies in Asia
- Primary work experience: Industry Consultant, SRI International, 1988-90, Assistant Manager of Export Sales and Engineer, Hitachi Ltd., 1976-88

Aimo Eloholma

- Born 1949, M.Sc. (Eng.)
- Head of International Business Support, TeliaSonera Eurasia
- Independent Member of the Board since 2000, Member of the Board's Compensation and Nomination Committees
- Holdings in Aspocomp Group Oyj at year end: 32,204 shares. No holdings or option rights based on the company's share-related incentive plan.
- Positions of trust: Chairman of the Board, OJSC Megafon (Russia), Member of the Board, Fintur Holdings B.V. (the Netherlands), Member of the Board, Turkcell A.S. (Turkey)
- Primary work experience: Deputy CEO, Sonera Corporation, 2001-03, Management and specialist positions, Sonera Corporation and its predecessors, 1973-2001

Johan Hammarén

- Born 1969, LL.M, B.Sc. (Econ.)
- Managing Director, Fondia Oy
- Independent Member of the Board since 2007, Chairman of the Board's Audit Committee
- Holdings in Aspocomp Group Oyj at year end: 138,090 shares. No holdings or option rights based on the company's share-related incentive plan.
- Positions of trust: Member of the Board, BENEQ Oy, Tecnomen Corporation and Imbera Electronics Inc.
- Primary work experience: Legal Director, Nokia Emerging Business Unit, 2006, Senior Legal Counsel, Nokia Customer and Market Operations, 2005-06, Legal Counsel, Multimedia business group, Nokia, 2003-04, Legal Counsel, Nokia Home Communications (Stockholm), 2001-03, Legal Counsel, Nokia Ventures Organization, 2000-01

Anssi Soila

- Born 1949, M.Sc. (Eng.), B.Sc. (Econ.)
- Independent Member of the Board since 2004, Member of the Board's Audit Committee
- Holdings in Aspocomp Group Oyj at year end: 24,873 shares. No holdings or option rights based on the company's share-related incentive plan.
- Positions of trust: Vice Chairman of the Board, Normet Oy, Member of the Board, Lindström Oy, Å&R Carton Ab, Outokumpu Technology Oyj and Attendo Ab
- Primary work experience: worked 25 years for Kone Oy, of which the last 5 years as Managing Director, Kone Oy, 1994-99

Kari Vuorialho

- Born 1952, B.Sc. (Electronics)
- Independent Member of the Board since 2007, Member of the Board's Compensation and Nomination Committees
- Holdings in Aspocomp Group Oyj at year end: 18,090 shares. No holdings or option rights based on the company's share-related incentive plan.
- Positions of trust: Vice Chairman of the Board, Salcomp Plc, Member of the Board, Mekajohtotiet Oy
- Primary work experience: President and CEO, Salcomp Oy, 1996-2005, Plant Manager, Salcomp Oy Kemijärvi plant, 1984-95, Product Group Manager, Salcomp Oy, 1980-83, Component Engineer, Salcomp Oy, 1977-79

EXECUTIVE COMMITTEE

Isto Hantila

- Born 1958, M.Sc. (Eng.)
- Chief Executive Officer (with effect from Nov. 9, 2007)
- Member of the Executive Committee since 2007
- Shareholdings and stock options in Aspocomp Group Oyj at year end: 0 shares and stock options
- Positions of trust: Chairman of the Board, Efore Plc and Selmic Oy
- Primary work experience: President and CEO, Perlos Corporation, 2004-2006, various management positions, Ascom Group (Switzerland), 1994-2003 and Ascom Energy Systems, 1991-1994, various management positions, Fiskars Power Systems, 1983-1990

Pertti Vuorinen

- Born 1949, B.Sc. (Econ.)
- Chief Financial Officer (with effect from Nov. 1, 2007)
- Shareholdings and stock options in Aspocomp Group Oyj at year end: 25,200 shares and 30,000 stock options 2006A. Stock options are part of the company's share-related incentive plan.
- Positions of trust: Member of the Board in Aspocomp Group companies
- Primary work experience: Chief Financial Officer, Aspo Group, 1990-1999, Chief Financial Officer, Huolintakeskus Ltd, 1989-1990, Chief Financial Officer, Mallasjuoma Ltd, 1986-1989, management positions in financing, Orion Group, 1979-1986

INVESTOR RELATIONS

The objective of Aspocomp is to serve all parties in the market equally and according to the Finnish Securities Market Act. The company's investor relations contact is:

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Aspocomp is not responsible for the statements presented by the above listed analysts.

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