Annual Report 2011

Information for shareholders

Financial information

Aspocomp Group Plc.'s financial information publication schedule for 2012 is:

- Interim report for January-March: Thursday, April 26, 2012
- Interim report for January-June: Thursday, July 26, 2012
- Interim report for January-September: Thursday, October 18, 2012.

Interim reports will be published at around 9:00 a.m. (EET).

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 English. The reports and Annual Reports are published only electronically. Financial reports, Annual Reports and stock exchange releases are available at www.aspocomp.com/reports. Printed reports and stock exchange releases can be ordered by telephone at +358 20 775 6860, by e-mail from ir@aspocomp.com or on the company's website at www.aspocomp.com/materials.

Annual general meeting

The Annual General Meeting of Aspocomp Group Plc. will be held on Thursday, April 26, 2012 at 13:00 (EET). The meeting will take place at the premises of Fondia Ltd., address Lönnrotinkatu 5, 4th floor, Helsinki, Finland. Shareholders who have been registered in the company's share register, maintained by Euroclear Finland Ltd., no later than April 16, 2012 are entitled to attend the Meeting.

Shareholders wishing to attend the Meeting are requested to notify the company by April 23, 2012 by 4:00 p.m. (EET). Further information about the agenda of the AGM and right to participate and registration can be found in the Notice of the AGM which is available on the company's website at www.aspocomp.com/agm.

Payment of dividends

The Board of Directors will propose to the Annual General Meeting that no dividends be paid for 2011.

Changes in owners' contact details

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

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Summary of Aspocomp's Stock Exchange releases in 2011

Aspocomp Group Plc.'s stock exchange releases and interim reports are available on the company's website at www.aspocomp.com/reports.

Date	Release
2011-12-29	REVERSE SPLIT OF ASPOCOMP GROUP PLC'S SHARES
2011-12-22	DIRECTED ISSUE OF TREASURY SHARES IN ASPOCOMP GROUP PLC TO ASPOCOMP OULU OY
2011-12-22	ASPOCOMP GROUP PLC'S NEW SHARES REGISTERED WITH THE TRADE REGISTER
2011-12-20	AMENDMENT OF THE TERMS OF ASPOCOMP GROUP PLC'S CONVERTIBLE DEBENTURE LOAN
2011-12-20	ASPOCOMP GROUP PLC'S SHARE ISSUE TO THE COMPANY ITSELF WITHOUT CONSIDERATION
2011-12-20	ASPOCOMP GROUP PLC'S EXTRAORDINARY GENERAL MEETINGS DECISIONS 2011
2011-12-19	ASPOCOMP HAS SIGNED A BUSINESS PURCHASE AGREEMENT IN RELATION TO PURCHASE OF THE BUSINESS OPERATIONS OF CIBO-PRINT OY'S FACTORY IN TEUVA
2011-12-15	CANCELING OF ASPOCOMP GROUP PLC'S OWN SHARES
2011-11-28	NOTICE TO THE EXTRAORDINARY GENERAL MEETING
2011-11-23	ASPOCOMP'S FINANCIAL INFORMATION IN 2012
2011-12-21	THE FRENCH COURT ORDERED ASPOCOMP TO PAY COMPENSATION TO FORMER EMPLOYEES OF ASPOCOMP S.A.S.
2011-11-04	ASPOCOMP HAS SIGNED A LETTER OF INTENT IN RELATION TO PURCHASE OF THE BUSINESS OPERATIONS OF CIBO-PRINT OY'S FACTORY IN TEUVA
2011-10-21	ASPOCOMP'S INTERIM REPORT JANUARY 1 - SEPTEMBER 30, 2011
2011-09-19	CHANGES IN ASPOCOMP'S MANAGEMENT TEAM
2011-09-14	ASPOCOMP REFINES ITS PROFIT FORECAST FOR 2011
2011-08-11	PAYING ASPOCOMP GROUP OYJ BOARD MEMBERS' FEES IN THE FORM OF SHARES HELD BY THE COMPANY
2011-07-22	ASPOCOMP'S INTERIM REPORT JANUARY 1 - JUNE 30, 2011
2011-06-28	FINAL RESULT OF CASH TENDER OFFER FOR ASPOCOMP GROUP PLC'S CONVERTIBLE BONDS
2011-06-23	PRELIMINARY RESULT OF CASH TENDER OFFER FOR ASPOCOMP GROUP PLC'S CONVERTIBLE BONDS
2011-06-13	PUBLICATION OF THE OFFERING CIRCULAR RELATING TO 12,274,355 NEW SHARES OF ASPOCOMP GROUP PLC
2011-06-09	ASPOCOMP: REGISTRATION OF 12,274,355 NEW SHARES AND COMMENCEMENT OF TRADING
2011-06-08	ANNOUNCEMENT PURSUANT TO SECURITIES ACT CHAPTER 2, SECTION 9 REGARDING CHANGE IN HOLDINGS
2011-06-08	ASPOCOMP ENTERS INTO AGREEMENTS WITH TTM TECHNOLOGIES, INC. AND DECIDES ON THE DIRECTED SHARE ISSUE
2011-05-31	CASH TENDER OFFER FOR ASPOCOMP GROUP PLC'S CONVERTIBLE BONDS BEGINS ON JUNE 1, 2011
2011-05-24	CASH TENDER OFFER FOR ASPOCOMP GROUP PLC'S CONVERTIBLE BONDS
2011-05-20	ASPOCOMP ESTIMATES YEAR 2011 RESULT TO BE ON 2010 LEVEL
2011-05-05	ANNOUNCEMENT PURSUANT TO CHAPTER 2, SECTION 10 OF THE SECURITIES MARKET ACT
2011-05-04	ASPOCOMP SIGNS LOI FOR THE EARLY PAYMENT OF RECEIVABLES FROM TTM, ENTERS INTO CONDITIONAL AGREEMENTS TO TERMINATE ITS DEBT RESTRUCTURING
2011-04-20	ORGANIZATION OF THE BOARD OF ASPOCOMP GROUP OYJ
2011-04-20	ASPOCOMP GROUP OYJ'S ANNUAL GENERAL MEETING'S DECISIONS 2011
2011-04-20	ASPOCOMP'S INTERIM REPORT JANUARY 1 - MARCH 31, 2011
2011-03-25	NOTICE OF ANNUAL GENERAL MEETING
2011-03-11	ASPOCOMP'S ANNUAL REPORT HAS BEEN PUBLISHED
2011-02-21	ASPOCOMP'S CORPORATE GOVERNANCE STATEMENT 2010 PUBLISHED
2011-02-18	CORRECTION: ASPOCOMP'S FINANCIAL STATEMENTS 2010
2011-02-18	ASPOCOMP'S FINANCIAL STATEMENTS 2010

CEO's review

"2011 was in all respects a successful year for Aspocomp. Our net sales grew by 26 percent to EUR 23.6 million, which boosted our operating result to EUR 4.1 million, representing more than 17 percent of net sales. Cash flow from operations after investments amounted to EUR 2.8 million.

Thanks to the corporate and debt restructuring completed in June, Aspocomp's financial position improved substantially. At the end of 2011, gearing was -17 percent, whereas a year earlier it had been 482 percent. During the restructuring, Aspocomp assumed full ownership of the Oulu plant, and our Asian partner TTM Technologies became the largest shareholder in Aspocomp with a holding of slightly less than 20 percent.

The Extraordinary General Meeting held in December resolved to cover losses from previous financial periods with funds from unrestricted equity and the share premium fund as well as by reducing the share capital. This simplified the structure of our shareholders' equity and increased the ratio of unrestricted equity to restricted equity. In addition, the General Meeting decided on a reverse split, whereby the number of shares declined to a tenth and, correspondingly, the share price increased tenfold.

Also in December, Aspocomp entered into a Business Purchase Agreement to acquire a PCB factory in Teuva. The transaction increases Aspocomp's capacity and expands both our product range and clientele.

In preparation for the amendment of the Waste Act in 2012, our focus on environmental compliance in 2011 zeroed in on boosting waste sorting and recycling at our plant. In spite of the growth in our production, we managed to further cut our volume of mixed wastes: in 2011, we generated 16.7 kg of mixed wastes per day.

Once again, Aspocomp employees have done sterling work. I would like to thank all of you for your efforts. Aspocomp also extends its thanks to all stakeholders for your support. As a result of the arrangements carried out in 2011 and our strong operating result, Aspocomp is confidently preparing for the next boom."

Espoo, March 15, 2012

Sami Holopainen
CEO

Report of the Board of Directors

2011 IN BRIEF

Aspocomp Group	2011	2010	Change
Net sales	23.6 M€	18.8 M€	+ 4.8 M€
EBITDA	5.4 M€	3.1 M€	+ 2.3 M€
Operating profit	4.1 M€	1.8 M€	+ 2.3 M€
% of net sales	*17.4* %	*9.8* %	+ 7.6 ppts
Earnings per share	1.23 €	0.07 €*	+ 1.16 €
Operative cash flow	4.0 M€	4.1 M€	+ -0.1 M€
Equity ratio	62.0 %	11.0 %	+ 51.0 ppts

*In the 2010 financial year, earnings per share were EUR 0.01. Due to the consolidation of shares (reverse split), the comparable figure is EUR 0.07.

CORPORATE AND DEBT RESTRUCTURING 2011

In April-June, Aspocomp carried out restructuring measures whereby:

- The company received early payment of its receivables related to Meadville Aspocomp (BVI) Holdings (MAH). The redemption price was EUR 14.5 million (the carrying amount of the receivables in March 2011 amounted to EUR 16.7 million).
- The company bought out a 10 percent minority holding in its subsidiary Aspocomp Oulu Oy. The payment was made by means of a directed share issue. The consideration amounted to 12,274,355 Aspocomp Group Plc. shares.
- The company repaid its bank loans, which had a carrying amount of EUR 12.2 million and a nominal value of EUR 12.9 million. The accrued interest on said loans, which in March 2011 totaled EUR 1.3 million, was forfeited.
- The company redeemed 94.9 percent of its convertible bonds, which had a nominal value of EUR 10.3 million. The consideration amounted to 66.7 percent of the nominal value of the bonds, or a total of EUR 6.5 million. The interest on the redeemed bonds, which totaled EUR 1.9 million in March 2011, was forfeited. After the redemption of the bonds, the nominal value of the convertible bonds still outstanding was about EUR 0.5 million.

The repayment of bank loans and the redemption of convertible bonds were financed with existing cash balances, proceeds from the MAH receivables, and a new bank loan of EUR 1 million.

As a result of the restructuring (situation in June 2011):

- The company owns 100 percent of Aspocomp Oulu Oy.

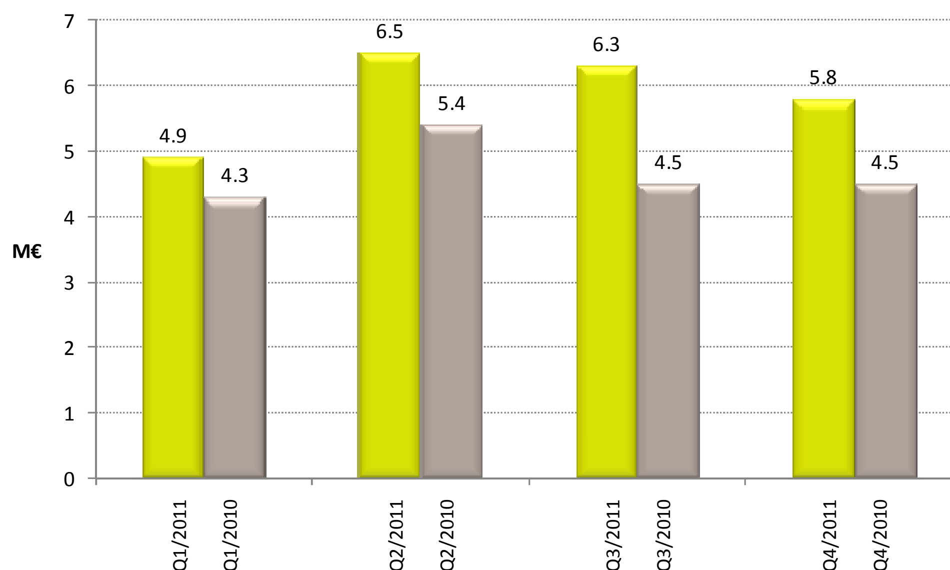
- The company's number of shares grew to 62,179,485 and TTM Technologies Inc. became the largest shareholder in the company with a stake of almost 20 percent.
- The nominal value of the Group's interest-bearing loans declined from EUR 23.5 million (March 2011) to EUR 1.9 million.
- The Group recognized non-recurring financial income of EUR 3.6 million.
- The Group's equity grew by EUR 2.9 million.

NET SALES AND EARNINGS

Financial year 2011

Net sales for 2011 amounted to EUR 23.6 million, up 26 percent on 2010. The quarterly trend in net sales was in line with 2010, with the exception of the third quarter, when demand was exceptionally strong in spite of the holiday season. The first quarter was the weakest season, as is typical, while the second and third were very good. Net sales growth was primarily generated by excellent sales in quick-turn deliveries and fulfillment of urgent needs. In the fourth quarter, sales declined as expected in line with the global market, but remained substantially greater than in the comparison period.

Fig. 1 Quarterly net sales 2011 and 2010 (M€)



The five largest customers accounted for 81 percent of net sales (77% 1-12/2010). Their share of total net sales has grown year-on-year, but is divided more evenly among them. In geographical terms, 92 percent of net sales were generated in Europe (95%) and 8 percent in Asia (5%).

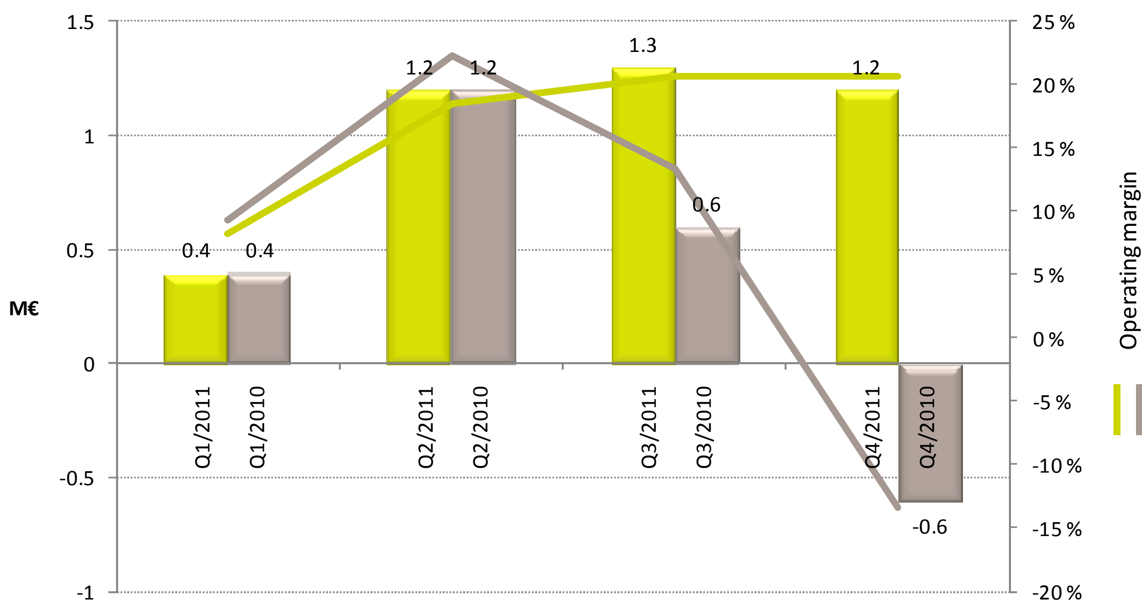
The operating result was EUR 4.1 million (EUR 1.8 million 1-12/2010), representing 17 percent of net sales. The company's excellent earnings trend was driven by uncommonly strong demand for quick-turn deliveries and fulfillment of urgent needs, thanks to which the capacity utilization ratio remained consistently high from the second quarter onwards.

In addition, other operating expenses remained under control during the entire financial year.

Following the abovementioned restructuring ("Corporate and debt restructuring 2011"), the Group's net financial income amounted to EUR 3.1 million (EUR -1.2 million).

Following the abovementioned restructuring ("Corporate and debt restructuring 2011"), the full-year result was EUR 7.2 million (EUR 0.7 million) and earnings per share amounted to EUR 1.23 (EUR 0.07; the comparison figure has been converted to account for the reverse split carried out on December 29, 2011; see the section "Shares and ownership structure").

Fig. 2 Quarterly operating result in 2011 and 2010 (M€, %)



Investments and R&D

Investments during the review period amounted to EUR 1.2 million (EUR 1.8 million 1-12/2010).

The majority of the investments were related to laser drilling, the implementation of a new image transfer process in the outer-layer process of PCB manufacturing and the development of solder mask deposition capabilities.

R&D costs comprise general production development costs. These costs do not fulfill the IAS 38 definition of either development or research and are therefore booked into plant overheads.

Financing

Thanks to the corporate and debt restructuring carried out in the second quarter and strong cash flow, the Group's financial position is now good. Cash assets amounted to EUR 2.9 million at the end of the period (EUR 4.7 million 12/2010).

Cash flow from operations during the period was EUR 4.0 million (EUR 4.1 million 1-12/2010).

The nominal value of interest-bearing liabilities was EUR 1.2 million (EUR 23.5 million 12/2010). Gearing was -17.0 percent (481.9%). Non-interest-bearing liabilities amounted to EUR 5.1 million (EUR 8.2 million).

At the end of the financial year, the Group's equity ratio rose to 61.6 percent (10.6%).

PERSONNEL

During the review period, the Group had an average of 104 employees (98 in 2010). The personnel count on December 31, 2011 was 104 (98). Of them, 72 (67) were non-salaried and 32 (31) salaried employees.

The Group's personnel expenses amounted to EUR 6.3 million (5.7 million € in 2010). In addition, the Group booked personnel service costs of EUR 0.1 million in 2011 (0.1 M€ 2010).

	2011	2010	2009
Permanent employees, average (no.)	104	98	101
Personnel expenses, permanent employees (M€)	5.9	5.3	5.5
Personnel expenses, part-time employees (M€)	0.4	0.4	0.1

ENVIRONMENT

Aspocomp complies with the environmental legislation and regulations that are in force as well as seeks to proactively boost the efficiency of its operations while taking environmental issues into consideration in all of its functions. The company is committed to continuously reducing its adverse environmental impacts, such as by cutting emissions, conserving natural resources, and using the best available and economically viable technologies.

In order to achieve these objectives, Aspocomp trains its employees and constantly works in cooperation with its customers, the authorities and other stakeholders. The environmental compliance of the Oulu plant – and the Teuva plant acquired at the beginning of 2012 – is managed with an ISO 14001-certified environmental system.

Aspocomp can provide its customers with detailed material reports that itemize the chemical elements and compounds used in each PCB. Customers can consult these reports to determine the recyclability of final product at the end of its life cycle.

Aspocomp is a pioneer in the processing of PCB materials used in PCBs suitable for lead-free soldering. The company is thus doing its part in enabling the electronics industry to switch over to lead-free or low-lead technologies.

Aspocomp identifies and assesses the environmental perspectives of its operations at least every other year. These reviews are performed by a working group assembled by the officer responsible for environmental issues. On the basis of the evaluation of environmental

perspectives in 2010, the following goals were set for the environmental program in 2011-2013:

- changing over from ordinary lights to more energy-efficient LED lights
- monitoring the amount of landfill waste
- raising the capacity of the wastewater treatment facility
- reducing water consumption
- recycling plastic

To address the objectives set for wastes and recycling in the environmental program, a waste review was carried out at the Oulu plant in 2011 in cooperation with a waste management organization. The review examined the waste processes of all waste fractions, all the way from the point of origin to either recycling or final disposal. The review noted a number of areas for improvement and the company decided to launch dedicated development projects to implement these improvements in 2012.

Every year, the company provides the national environmental protection information system with data on its use of energy and chemicals, production volumes, water consumption, wastes generated during operations, and the wastewater load discharged into bodies of water.

Decisions of General Meetings

Annual General Meeting

The Annual General Meeting of Aspocomp Group Plc. held on April 20, 2011 re-elected the current Board and decided that the remunerations of the members of the Board would remain the same as in 2010. The Meeting decided not to pay dividends for the 2010 financial year.

The Annual General Meeting decided to set the number of Board members at three (3) and re-elected Johan Hammarén, Tuomo Lähdesmäki, and Kari Vuorialho to the Board. The Meeting re-elected PricewaterhouseCoopers Oy as the company's auditor for the 2011 financial year.

In addition, the Annual General Meeting decided to terminate the stock option programs 2006A, 2006B and 2006C issued by the 2006 Annual General Meeting. These options have not been exercised and they have all been returned to the possession of the company.

Extraordinary General Meeting

The Extraordinary General Meeting of Aspocomp Group Plc. held on December 20, 2011 decided on the consolidation of shares and a related share redemption in a proportion other than shareholders' holdings (reverse split). The Extraordinary General Meeting also decided to cover the loss shown on the balance sheet with funds from unrestricted equity and by reducing the company's restricted equity. The outcomes of the decisions are explained in the sections "Shareholders' equity of the parent company" and "Shares and ownership structure".

The Extraordinary General Meeting also resolved to authorize the Board of Directors to issue shares as well as options and other special rights entitling their holders to shares. The purpose of this decision was to update the previous authorization to correspond with the smaller number of shares after the split. The authorization is explained in greater detail in the section “The Board of Directors and authorizations granted to the Board.”

The Extraordinary General Meeting also decided to terminate the CEO’s stock option program 2008. No stock options have been granted under said program.

The Board of Directors and authorizations given to the Board

In its organization meeting on April 20, 2011, the Board of Directors of Aspocomp Group Plc. re-elected Tuomo Lähdesmäki as chairman of the Board. As the Board only comprises three (3) members, Board committees were not established.

The Extraordinary General Meeting held on December 20, 2011 resolved to authorize the Board of Directors to decide on issuing new shares and conveying the Aspocomp shares held by the company in one or several tranches.

The share issue and the conveyance of own shares can be carried out against payment or without consideration to all shareholders in proportion to their shareholdings or by deviation from the shareholders’ pre-emptive subscription right through a directed share issue, provided that the company has a weighty financial reason for the deviation, such as use of the shares as payment in possible acquisitions, other arrangements pertaining to the business, financing of investments or use of the shares as a part of the company’s incentive schemes. A directed share issue may be carried out without consideration only provided that the company, taking into account the interests of all its shareholders, has a particularly weighty financial reason for doing so.

The authorization also includes the right to issue option rights and other special rights, in the meaning of Chapter 10, Section 1 of the Companies Act, which against consideration entitle to the company’s new shares or the company’s own shares held by the company either by payment of the subscription price in cash or by offsetting the subscription price with receivables payable to the subscriber.

A maximum of 4,272,564 new shares or own shares held by the company can be issued/conveyed in the share issue and/or on the basis of the option rights and/or the special rights. In addition, the authorization includes the right to decide on a share issue without consideration to the company itself such that the amount of own shares issued does not exceed one tenth (1/10) of all shares of the company. Pursuant to Chapter 15, Section 11, Subsection 1 of the Companies Act, all own shares held by the company and its subsidiaries are to be included in this amount.

The Board of Directors has the right to decide upon other matters relating to the share issues. The authorization is valid until April 23, 2013 and cancels prior authorizations.

CEO and Management Team

Sami Holopainen, Lic.Sc. (Tech.), has been the President and CEO as of June 21, 2009. Jari Isoaho was appointed as the deputy to the CEO on September 19, 2011. In addition to

Holopainen and Isoaho, the Management Team of the company includes Jouni Kinnunen, CFO, and Tero Päärni, VP, Sales.

SHAREHOLDERS' EQUITY OF THE PARENT COMPANY

Use of unrestricted equity to cover losses as well as the reduction of share capital

The Extraordinary General Meeting held on December 20, 2011 decided that the company shall cover the loss shown on its balance sheet by using its available unrestricted equity and share premium fund as well as reducing its share capital as follows:

- the profit of EUR 311,907.42 shown on the company's annual accounts of December 31, 2010, the company's reserve for invested unrestricted equity, EUR 22,016,328.27, and the company's special reserve, EUR 45,989,038.00, were used to cover losses from earlier financial periods, and
- the company's share premium fund, EUR 27,917,948.11, was used in full and the company's share capital was reduced by EUR 19,082,052.00 to cover losses from earlier financial periods.

After these measures, the company's share capital amounts to EUR 1,000,000.00 and the losses from earlier financial periods shown on the balance sheet to EUR -4,412,067.01.

The purpose of the aforementioned arrangements is to accelerate the company's dividend distribution prospects and to clarify its balance sheet structure. Due to the use of restricted equity to cover losses, the company may not distribute assets for three years, i.e., the company is not allowed to distribute its unrestricted equity during a period of three years from the registration of the reduction without complying with creditor protection procedures as set out in the Companies Act.

The shareholders' equity of the Aspocomp Group's parent company, Aspocomp Group Plc., amounted to EUR 7.6 million on December 31, 2011.

On May 14, 2008, the parent company notified the Trade Register of the loss of share capital in accordance with the requirements of the Companies Act. After the adoption of these financial statements, the shareholders' equity of the parent company is once again positive and amounts to more half of the share capital (EUR 1,000,000). Accordingly, the parent company will apply for the deletion of said entry regarding the loss of share capital from the Trade Register.

Share issue without consideration to the company itself and a directed issue to its subsidiary

On December 20, 2011, pursuant to the authorization granted by the Extraordinary General Meeting of Aspocomp Group Plc., the Board of Directors resolved on an issue of 1,305,410 shares to the company itself without consideration. After the issue, the company had a total of 63,484,890 shares, of which the company held 1,440,005 as treasury shares.

The company issued shares to itself in order to sell said shares to its subsidiary Aspocomp Oulu Oy for use as consideration for the acquisition of the business operations of Cibo-Print

Oy's Teuva plant in accordance with the terms and conditions of the Business Purchase Agreement made between Aspocomp Oulu Oy and Cibo-Print Oy.

The decision on a direct issue was made on December 22, 2011. The selling price, EUR 0.24 per share, corresponded to the closing price of the share on December 22, 2011. The price paid for the shares, EUR 345,601.20, was registered in its entirety in the invested unrestricted equity fund of Aspocomp Group Plc.

SHARES AND OWNERSHIP STRUCTURE

Number of shares

As a result of two directed share issues and the consolidation of shares (reverse split, see the section below), the number of shares varied during 2011, as shown in the table below.

Date	Event	Change	Number of shares
Jan. 1, 2011			49 905 130
June, 8, 2011	Directed share issue TTM Technologies Inc.	+12 274 355	62 179 485
Dec. 15, 2011	Cancellilng of own shares	-5	62 179 480
Dec. 20, 2011	Directed share issue Aspocomp Group Plc	+1 305 410	63 484 890
Dec. 29, 2011	Reverse share split	/10	6 348 489

At the end of 2011, the total number of shares was 6 348 489.

Consolidation of shares, or reverse split

The Extraordinary General Meeting held on December 20, 2011 decided that the number of the company's shares shall be decreased without reducing the share capital by consolidating ten (10) existing shares into one (1) new share for the purpose and in the manner set out in Chapter 15, Section 9 of the Companies Act. The purpose of this reverse split is to improve share trading conditions and price formation, and to increase the value of individual shares.

The reverse split was carried out on December 29, 2011 by redeeming from each shareholder a number of shares determined in accordance with a redemption ratio of 9/10, i.e., nine (9) out of every ten (10) shares were redeemed. The shares in excess of the nearest integer divisible by ten (10) were additionally redeemed from shareholders whose holding was not divisible by ten (rounding). The number of shares was evaluated separately for each book-entry account.

The redemption was carried out without compensation, with the exception of the payment based on rounding. Shares redeemed in connection with the reverse split were cancelled, with the exception of excess shares that were redeemed due to the rounding, which were combined with each other and sold on December 30, 2011 on behalf of said shareholders. The proceeds from the sale of the shares were paid to these shareholders on January 5, 2012 in proportion to the differences arrived at by subtracting from the number of shares redeemable from each shareholder the number of shares redeemable in the absence of rounding.

The arrangement did not require any measures on the part of shareholders.

Share turnover and price

Aspocomp Group Plc. shares have been listed on the main list of the Helsinki Stock Exchange since October 1, 1999 and on the new Nasdaq OMX Nordic's main list of Helsinki since October 2, 2006. The company's trading code is ACG1V. Each share is of the same share series and entitles its holder to one vote at a Shareholders' Meeting and to have an identical dividend right.

The total number of Aspocomp's shares at December 31, 2011 was 6,348,489 and the share capital stood at EUR 1,000,000. On the closing date, the parent company did not hold any treasury shares. The subsidiary Aspocomp Oulu Oy owned 144,000 shares in the parent company, representing 2.3 percent of the number of shares and the votes conferred by the shares. Nominee-registered shares accounted for 20.0 percent of the total shares.

A total of 10,776,815 Aspocomp Group Plc. shares were traded on Nasdaq OMX Helsinki during the period from January 1 to December 31, 2011. The aggregate value of the shares exchanged was EUR 27.7 million. The shares traded at a low of EUR 1.70 and a high of EUR 3.70. The average share price was EUR 2.58. The closing price at December 30, 2011 was EUR 2.46, which translates into market capitalization of EUR 15.6 million.

The figures for the number of shares and prices have been converted to account for the reverse split.

Share price development and share turnover per month

Ownership structure

Size of holding, Dec. 31, 2011	Number of Shareholders	% of shareholders	Total number of shares	% of share capital
1 – 100	1576	35.7	78 999	1.2
101 – 500	1461	33.1	417 992	6.6
501 – 1 000	581	13.2	477 717	7.5
1001 – 5 000	657	14.9	1 595 311	25.1
5 001 – 10 000	81	1.8	581 605	9.2
10 001 – 50 000	50	1.1	1 055 618	16.6
50 001 – 100 000	5	0.1	420 221	6.6
100 001 – 500 000	3	0.1	500 596	7.9
500 001 –	1	0.0	1 219 915	19.2
Shares in trust and awaiting clearance			515	0.0
Total	**4 415**	**100.0**	**6 348 489**	**100.0**
of which nominee registered	10		1 269 437	20.0

Type of shareholder, Dec. 31, 2011	Number of Shareholders	% of shareholders	Total number of shares	% of share capital
Household	4173	94.6	4 161 840	65.5
Companies	210	4.7	798 255	12.6
Financial and insurance institution	8	0.2	1 369 117	21.6
Non-domestic	16	0.3	16 702	0.2
Non-profit organizations	8	0.2	2 060	0.1
Public sector organizations	0	-	0	-
Shares in trust and awaiting clearance			515	0.0
Total	**4415**	**100**	**6 348 489**	**100**

Shareholders Dec. 31, 2011	Shares	Ownership, %
Nordea Pankki Suomi Oyj (Nominee reg.)	1 219 915	19.2
Oksanen Markku	246 596	3.9
Aspocomp Oulu Oy	144 000	2.3
Tiiviste-Group Oy	110 000	1.7
Mandatum Henkivakuutusosakeyhtiö	100 000	1.6
Kähkönen Jouko Juhani	83 000	1.3
Emutrade Ltd Oy	80 000	1.3
Kivinen Harri	80 000	1.3
Arentus Oy	77 221	1.2
Sijoitusrahasto Garp	49 386	0.8
Muhonen Reijo	40 000	0.6
Lähdesmäki Tuomo Juhani	39 889	0.6
Lusa Risto Armas	39 599	0.6
J & K Hämäläinen Oy	38 500	0.6
Kivistö Ari Jaakko	36 293	0.6
Malkavaara Kari	34 523	0.5
Keskitalo Markku	33 200	0.5
Schot Ari Willem	33 109	0.5
Haapakoski Valto Antero	33 000	0.5
Savolainen Arto	30 300	0.5
20 major shareholders total	**2 548 531**	40.1
Other shareholders	3 799 958	59.9
Total shares	**6 348 489**	100.0

Information on shareholders is based on Aspocomp Group Plc.'s shareholder list, which is maintained by Euroclear Finland Ltd.

EVENTS AFTER THE END OF THE FINANCIAL PERIOD

On January 2, 2012, the Aspocomp Group company Aspocomp Oulu Oy and Cibo-Print Oy completed a transaction whereby Aspocomp Oulu Oy acquired the business operations of Cibo-Print Oy's plant in Teuva, including the company's PCB trading operations. The final purchase price paid for the business operations comprised 144,000 Aspocomp Group Plc. shares and a cash consideration of approximately EUR 207,000.

ASPOCOMP'S BUSINESS OPERATIONS

Aspocomp sells and manufactures PCBs and offers related design and logistics services. The company's own manufacturing units in Oulu and Teuva comprise the core of its business operations. Both units focus on prototype and quick-turn deliveries and the commercialization of new PCB technologies in cooperation with customers' product design departments. In addition, Aspocomp provides high-volume PCB trading services, including added-value services.

Aspocomp's customers are companies that design and manufacture telecom systems and equipment, industrial and automotive electronics, and healthcare systems.

The Oulu plant manufactures HDI (*High Density Interconnection*), multilayer and special material PCBs. It is capable of very fast deliveries, even in the case of structurally complex

PCBs. Aspocomp's HDI product development and commercialization are centralized in Oulu. In addition, the Oulu plant develops technologies for heat management on PCB.

The Teuva plant manufactures two-layer, multilayer and special material PCBs. It also specializes in the production of short series and quick-turn deliveries. The Teuva plant develops and commercializes new material and structural solutions based on standard (not HDI) multilayer technology. It also develops heat management applications.

Electronics supply chains are occasionally hit by disturbances that result in urgent needs. For instance, PCB deliveries might be hindered by overdemand, accidents, natural catastrophes or holiday seasons. Furthermore, problems with deliveries of any of the components assembled on PCBs could lead to PCB layout changes. Fulfilling urgent needs due to such changes is difficult and cost-ineffective for high-volume PCB suppliers that manufacture long series. In such situations, Aspocomp's plants can step in to plug these urgent high-volume needs.

In addition to its in-house manufacture, Aspocomp also offers PCB trading services to its customers. These services include the selection of the most suitable high-volume manufacturer, provision of the technical specifications of the product, quality assurance and logistics services. These trading services round out Aspocomp's own manufacturing, enabling customers to cost-effectively buy their PCBs from a single provider over the entire life cycle of a product. Aspocomp's own production operations keep it up to date on developments in PCB technology – customers can thus rest assured that the company will provide them with the best knowledge and service.

OUTLOOK FOR THE FUTURE

As Aspocomp's business focuses on prototypes and quick-turn deliveries, it is difficult to forecast full-year net sales. It is estimated that net sales will rise substantially in 2012 thanks to the acquisition of the business operations of Teuva. The operating result is expected to be at a good level with respect to the industry sector, but to fall significantly short of 2011.

ASSESSMENT OF BUSINESS RISKS

Risk management is an integral element in the Group's business strategy and operational goal setting. When deciding on the company's strategy, the Board of Directors reviews the company's major risks and sets operative goals such that these risks are eliminated or minimized cost-effectively.

The company's major strategic, operative and financial risks are reviewed below.

Litigations

In 2007, the French Supreme Court ordered the company to pay approximately EUR 11 million to 388 former employees of Aspocomp S.A.S. The company made the payment in 2007.

In January 2009, the Labor Court of Evreux, France ruled that the company has to pay approximately EUR 530 thousand in compensation, with interest, to a further 13 former employees. Aspocomp appealed, but the Court of Appeal of Rouen confirmed the decision in

May 2010. The payment has not been made, but Aspocomp made a related provision in its 2007 financial statements.

In October 2010, six former employees reasserted their suspended claims in a French Court. In addition, one new claim was made. These hearings were held in May 2011. The company was informed of the ruling in November 2011. Aspocomp was obligated to pay about EUR 130 thousand to these seven (6+1) former employees of Aspocomp S.A.S. Aspocomp will appeal the ruling.

The aforementioned compensations and claims did not have a profit impact during the 2011 financial year, nor will they have an impact during the present year, because Aspocomp made an adequate provision in its 2007 financial statements. If the rulings are upheld and the related claims for compensation are enforced, their cash flow impact will be about EUR 0.7 million.

There is a risk that the remaining approximately 90 employees may also institute proceedings. Under legislation that came into effect in June 2008, the statute of limitations for filing a suit is five years after the law came into effect.

Market trends

Although Aspocomp is a marginal player in the global electronics market, major changes in global PCB demand also have an impact on the company's business. A prolonged downturn increases competition in quick-turn deliveries and short production series. Correspondingly, overdemand for PCBs increases the need for quick-turn deliveries and decreases competition in short series, as high-volume manufacturers seek to optimize their capacity utilization ratios. If the downturn that began in 2011 lengthens, this might significantly hinder demand for Aspocomp's offerings.

In the electronics industry, high-volume products – particularly consumer electronics –are primarily made in Asia. European production typically focuses on embedded electronics for non-consumer markets. That said, electronic products are still designed in Europe. In fact, the bulk of European demand is for PCBs made from special materials (electrical characteristics), PCBs for use in R&D, and small series. On the other hand, as component technology evolves, the geometries of PCBs become more challenging. The complexity of PCB structures is increasing and both conductor widths and spacing are becoming smaller.

Aspocomp responds to the challenges of the market and competition by focusing on quick-turn deliveries of technically demanding PCBs in Northern and Central Europe. In terms of customer segments, the company stays out of the consumer market. Aspocomp has a good competitive position in its current customer segments and estimates that it will retain a solid position as a quick-turn supplier of demanding PCBs in Europe. Competition is heating up due to Asian quick-turn suppliers and companies trading Asian PCBs. If the debt crisis that is shaking Europe weakens the operational viability of Aspocomp's customers or leads them to transfer their R&D out of Europe, demand for Aspocomp's offerings might weaken substantially.

Liquidity and financial risks

Aspocomp's liquidity is based on the Group's cash assets, the cash flow generated by business operations, and external financing. Due to its financial difficulties in recent years, the company might face problems in securing external financing in the scope and under the terms and conditions that its financial position would allow. In addition, due to the financing agreement signed on May 20, 2011, the company may not acquire more than a total of EUR 0.2 million in external financing without the prior consent of the financing bank. Furthermore, the company is liable to pay damages, which might also have a negative impact on its liquidity (see "Litigations" above).

If Aspocomp Group Plc. does not obtain financing from its operations, external providers of finance, or other sources of financing, the company may ultimately become insolvent. This could have a materially negative impact on the company's business operations, financial position and result of operations.

Accident risks

Most of the company's capital is tied to its Oulu plant. Any accidents at the plant – such as fires, major machinery breakdowns or other similar incidents – would therefore cause substantial damage to assets or loss of profits. The company has taken insurance to protect itself against these risks.

Other risks

Other specified risks are rapid technological change, the ability to meet customers' product requirements, dependence on key employees and 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.

DIVIDEND POLICY

The Board of Aspocomp Group Plc. has on February 15, 2012 updated the company's dividend policy to read as follows:

"In December 2011 the extraordinary general meeting of the company decided to decrease its share capital and to use its share premium fund, its special reserve and its reserve for invested unrestricted equity to cover losses shown on the balance sheet. As a consequence, the company is not allowed to distribute dividends during the following three years without complying with a procedure for creditor protection. As the company has open legal processes relating to its French subsidiary that was placed into bankruptcy in 2008, the company's understanding is that such procedure for creditor protection would prevent any dividend distribution. Consequently, the company may distribute dividends after December 29, 2014.

When dividend distribution becomes possible, the company aims to distribute as dividend half of the net operational cash flow deducted by operative investments."

Board of Directors' dividend proposal and Annual General Meeting

The Board of Directors will propose to the Annual General Meeting to be held on April 26, 2012, that no dividend be paid for the financial year January 1, 2011 – December 31, 2011.

Key indicators 2011-2007

Aspocomp	2011	2010	2009	2008	2007
Net sales, M€	23,6	18,8	13,2	20,7	25,9
Operating result before depreciation (EBITDA), M€	5,4	3,1	-0,5	2,2	-10,7
Operating profit/loss (EBIT), M€	4,1	1,8	-1,7	0,5	-12,1
Share of net sales, %	*17,4*	*9,8*	*-12,7*	*2,6*	*-46,7*
Pre-tax profit from continued operations, M€	7,2	0,7	-2,6	-2,4	-16,5
Share of net sales, %	*30,7*	*3,6*	*-20,1*	*-11,4*	*-63,8*
Net profit/loss for the period, M€	7,2	0,7	-2,5	0,3	-64,9
Share of net sales, %	*30,7*	*3,6*	*-19,0*	*1,6*	*-250,2*
Return on equity (ROE), %	105,8	11,4	-54,2	-42,4	-50,8
Return on investment (ROI), %	42,0	7,9	-4,2	-0,2	-10,0
Equity ratio, %	61,6	10,6	10,0	16,2	7,8
Gearing, %	-17,0	481,9	607,0	329,8	724,2
Investments, M€	1,2	1,8	0,8	1,2	0,5
Share of net sales, %	*5,0*	*9,3*	*6,2*	*5,8*	*1,9*
Personnel, year end	104	98	96	115	153
Personnel, average	104	98	105	140	169
Earnings/share (EPS), €*	1,23	0,7*	-0,5*	-0,6*	-4,3*
Equity/share, €*	1,59	0,6*	0,5*	1,0*	1,1*
Nominal dividend/share, €	0,00**	0,00	0,00	0,00	0,00
Dividend/earnings, %	0,00**	0,00	0,00	0,00	0,00
Effective dividend yield, %	0,00**	0,00	0,00	0,00	0,00
Price/earnings ratio (P/E)	2,0	2,6	-2,6	-1,0	-0,2
Share prices (adjusted), average, €*	2,58	1,6*	1,4*	0,8*	4,4*
low, €*	1,7	1,2*	0,5*	0,4*	1,0*
high, €*	3,6	2,1*	2,4*	1,3*	22,0*
Closing share price at the end of period, €*	2,46	1,8*	1,3*	0,6*	1,1*
Market value of total shares outstanding, Dec. 31, M€	15,6	9,0	6,5	3,0	5,5
Share turnover, 1 000 each	107 662	50 199	44 703	26 537	88 428
Share turnover, %	169,6	100,6	89,6	53,2	177,2
Total shares changing hands, M€	27,7	8,1	6,4	2,2	38,9
Adjusted total number of shares, 1 000 each, Dec. 31	6 348	49 905	49 905	49 905	49 905
Total number of shares, average, 1 000 each	5 670	49 905	49 905	49 905	44 032

*Due to reverse split carried through in 2011 the previous years are made comparable by multiplying by ten.

**Proposal of the Board of Directors

Formulas and definations		
EBITDA, € =	Earnings before interest, taxes, depreciations and	
Return on equity (ROE), % =	Profit for the period from continued operations / Equity + minority interest (average)	x 100
Return on investments (ROI), % =	Pre-tax profit from continued oper. + financial expenses / Total assets - non-interest-bearing debt (average)	x 100
Equity ratio, % =	Equity / Total assets - advances received	x 100
Gearing, % =	Net interest bearing liabilities / Total equity	x 100
Personnel, average =	Average of personnel in the end of each month of the period	
Earnings/share (EPS), € =	Profit attributable to equity shareholders / Adjusted weighted average number of shares outstanding	
Equity/share, € =	Equity attributable to shareholders / Number of shares at the end of period	
Divident/share, € =	Divident for the period	
Divident/earnings, % =	Divident/share / Earnings/share	x 100
Divident yield, % =	Divident/share / Share price in the end of the period	x 100
Price/earnings (P/E) =	Share price in the end of the period / Earnings/share	
Average share price, € =	Trade turnover during the period (in euros) / Number of shares traded during the period	
Market cap, € =	Number of outstanding shares x share price in the end of the	

Treasury shares are eliminated when calculating share based ratios.

Consolidated Income Statement (IFRS)

1 000 €	Note	1.1.-31.12.2011	1.1.-31.12.2010
Net sales	1	**23 613**	**18 785**
Change in inventory of finished goods and work in progress		43	-163
Other operating income	2	25	231
Materials and services	3	-7 369	-5 749
Personnel expenses	4, 5	-6 298	-5 750
Depreciation and impairment		-1 270	-1 265
Other operating expenses	6	-4 643	-4 250
Operating profit		**4 102**	**1 841**
Financial income	7	3 647	465
Financial expenses	7	-503	-1 632
Profit before tax		**7 246**	**673**
Income tax	8	-3	2
Profit for the period		**7 243**	**675**
Other comprehensive income for the period, net of tax			
Redemption of convertible bond		-680	0
Translation differences		1	15
Other comprehensive income for the period, net of tax		**-680**	**15**
Total comprehensive income		**6 563**	**690**
Profit for the period attributable to			
Non-controlling interest		0	293
Equity shareholders of the parent company		7 243	382
		7 243	675
Total comprehensive income attributable to			
Non-controlling interest		0	293
Equity shareholders of the parent company		6 563	397
		6 563	690
Earnings per share (EPS) attributable to equity shareholders of the parent company	9		
Basic EPS		1,23	0,07
Diluted EPS		1,23	0,07

Consolidated Balance Sheet (IFRS)

Assets 1000 €	Note	**12/31/2011**	**12/31/2010**
Non-current assets			
Intangible assets	10	3 000	3 000
Property, plant and equipment	11, 12	3 502	3 669
Available-for-sale investments	13	16	16
Other non-current receivables	15	0	16 601
Total non-current assets		**6 517**	**23 287**
Current assets			
Inventories	14	2 264	2 114
Short-term receivables	15	4 734	3 763
Cash and bank deposits	16	2 874	4 712
Total current assets		**9 872**	**10 589**
Total assets		**16 390**	**33 876**
Equity and liabilities			
Equity	28		
Share capital		1 000	20 082
Share premium		0	27 918
Treasury shares		-510	-758
Special reserve		0	45 989
Reserve for invested unrestricted equity		3 528	23 885
Retained earnings		6 080	-114 281
Equity attributable to shareholders of the parent company		10 098	2 835
Non-controlling interests		0	758
Total equity		**10 098**	**3 593**
Liabilities			
Non-current liabilities			
Long-term financing loans	17	674	20 522
Provisions	18	0	0
Employee benefits	5	188	215
Current liabilities			
Short-term financing loans	17	479	1 503
Trade and other payables	19	4 951	8 042
Total equity and liabilities		**16 390**	**33 876**

Consolidated Statements of Changes in Equity (IFRS)

1 000 €	Equity attributable to the shareholders of the parent company									
	Share capital	Share premium	Special reserve fund	Reserve for invested unrestricted equity	Treasury shares	Translation differences	Retained earnings	**Total**	Non-controlling interest	**Total equity**
Balance at Jan. 1, 2011	20 082	27 918	45 989	23 885	-758	6	-114 287	**2 835**	758	**3 593**
Comprehensive income										
Comprehensive income for the period							7 243	**7 243**		7 243
Other comprehensive income for the period, net of tax										
Translation differences						1		**1**		1
Redemption of convertible bond				-1 945			1 265	**-680**		-680
Total comprehensive income for the period				-1 945		1	8 508	**6 563**	0	**6 563**
Business transactions with owners										
Directed issue and redemtion of non-controlling interests				3 682			-2 924	**758**	-758	**0**
Reissurance of treasury shares					248		-229	**19**		**19**
Direct cost of issuing new shares				-78				**-78**		**-78**
Covering the loss	-19 082	-27 918	-45 989	-22 016			115 005			**0**
Business transactions with owners, total	-19 082	-27 918	-45 989	-18 412	248		111 852	**699**	-758	**-59**
Balance at Dec. 31, 2011	1 000	0	0	3 528	-510	6	6 074	**10 098**	0	**10 098**

	Equity attributable to the shareholders of the parent company									
	Share capital	Share premium	Special reserve fund	Reserve for invested unrestricted equity	Treasury shares	Translation differences	Retained earnings	**Total**	Non-controlling interest	**Total equity**
Balance at Jan. 1, 2010	20 082	27 918	45 989	23 885	-758	-9	-114 669	**2 438**	706	**3 143**
Comprehensive income										
Comprehensive income for the period							382	**382**	53	435
Other comprehensive income for the period, net of tax										
Translation differences						15		**15**		15
Total comprehensive income for the period						15	382	**397**	53	**450**
Balance at Dec. 31, 2010	20 082	27 918	45 989	23 885	-758	6	-114 287	**2 835**	758	**3 593**

Consolidated Cash Flow Statement (IFRS)

1 000 €	Note	1.1.-31.12.2011	1.1.-31.12.2010
Cash flow from operations			
Profit for the period		7 243	675
Adjustments			
Non-cash transactions	23	-2 319	475
Other adjustments	23	466	1 811
Change in working capital	23	-1 289	1 096
Interest expenses		-161	-6
Interest income		38	43
Taxes		-3	1
Net cash flow from operations		**3 975**	**4 095**
Cash flow from investments			
Investments in property, plant and equipment		-1 186	-1 754
Decrease in other investments		14 500	66
Proceeds from sale of property, plant and equipment		39	9
Net cash flow from investments		**13 353**	**-1 679**
Net cash flow before financing		**17 328**	**2 416**
Cash flow from financing			
Loans drawn down		1 000	0
Loans repaid		-20 088	-742
Direct cost of issuing new shares		-78	0
Net cash flow from financing		**-19 166**	**-742**
Change in cash and cash equivalents		**-1 838**	**1 674**
Cash and cash equivalents at the beginning of period	16	4 712	3 038
Cash and cash equivalents at the end of period	16	**2 874**	**4 712**

Notes to the Consolidated Financial Statements

COMPANY INFORMATION

The Aspocomp Group sells and manufactures PCBs. Aspocomp's products are used in the electronics industry, for instance, in telecommunications networks, automobiles and many types of industrial applications.

The Group's parent company is Aspocomp Group Plc. The parent company is domiciled in Helsinki and its registered address is Sinikalliontie 11, 02630 Espoo, Finland. The parent company will move to new premises at the end of April 2012, after which its new registered address will be Keilaranta 1, 01250 Espoo, Finland.

Copies of the consolidated financial statements are available on the company's Internet site at www.aspocomp.com/reports and from the parent company's head office.

On March 5, 2012, the Board of Directors of Aspocomp Group Plc. approved these financial statements for publication. Pursuant to the Finnish Companies Act, shareholders have the

right to either adopt or reject the financial statements at the General Meeting held after their publication. The General Meeting also has the right to revise the financial statements.

ACCOUNTING PRINCIPLES OF THE GROUP FINANCIAL STATEMENTS

Basis of preparation

The financial statements for 2011 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, 2011 as well as SIC and IFRS 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 Regulation (EC) 1606/2002. The notes to the consolidated financial statements are also in accordance with Finnish accounting and company legislation.

The consolidated financial statements have been drawn up on the basis of the original costs, with the exception of available-for-sale investments, which are measured at fair value. The figures in the financial statements are presented in thousands of euros.

The Group has applied the following new and revised standards and interpretations as from January 1, 2011:

IAS 24 (revised) Related Party Disclosures. The revised standard simplifies the disclosure requirements for government-related entities and clarifies the definition of a related party. The revised standard still requires disclosures that are important to users of financial statements but eliminates requirements to disclose information that is costly to gather and of less value to users. It achieves this balance by requiring disclosure about these transactions only if they are individually or collectively significant.

IAS 32 (amendment) Financial Instruments: Presentation – Classification of Rights Issues. The amendment addresses the accounting for rights issues (rights, options or warrants) that are denominated in a currency other than the functional currency of the issuer. Previously such rights issues were accounted for as derivative liabilities. However, the amendment requires that, provided certain conditions are met, such rights issues are classified as equity regardless of the currency in which the exercise price is denominated.

IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments. The interpretation clarifies the accounting when an entity renegotiates the terms of its debt with the result that the liability is extinguished by the debtor issuing its own equity instruments to the creditor. IFRIC 19 requires a gain or loss to be recognized in profit or loss when a liability is settled through the issuance of the entity’s own equity instruments. The amount of the gain or loss recognized in profit or loss will be the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

IFRIC 14 (amendment) Prepayments of a Minimum Funding Requirement. The amendment is aimed at correcting an unintended consequence of IFRIC 14. As a result of the interpretation, entities are in some circumstances not permitted to recognize some

prepayments for minimum funding contributions as an asset. The amendment remedies this unintended consequence by requiring prepayments in appropriate circumstances to be recognized as assets.

IASB published changes to seven standards or interpretations in July 2010 as part of the annual Improvements to IFRSs project, which were adopted by the Group in 2011.

- IFRS 3 (amendments) Measurement of non-controlling interests
- IFRS 7 (amendment) Financial instruments: Disclosures
- IAS 1 (amendment) Presentation of financial statements – statement of changes in equity
- IAS 27 (amendment) Consolidated and separate financial statements
- IAS 34 (amendment) Interim financial reporting.

The amendments are not expected to have a significant impact on the consolidated financial statements.

Accounting principles

Subsidiaries are all such companies (including units set up for a specific purpose) in which the Group has the right to determine the financial and operating policies, generally because the Group's shareholding in said entity confers more than half of the voting rights. The existence and effect of the Group's potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has the power to govern the financial and operating policies of another entity. Subsidiaries are consolidated in full as from the date when the Group gains controlling interest. Said entities are deconsolidated when the Group relinquishes its controlling interest.

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 at the time of acquisition are treated as goodwill.

Transactions between subsidiaries, internal receivables and payables, internal dividend payouts, and the unrealized profits on inventories have been eliminated. Margins related to internal sales of tangible assets have been eliminated. Unrealized losses are not eliminated when such losses are due to impairment.

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 period attributable to the equity holders of the parent company and to minority interest is disclosed in the income statement.

Segment reporting

Operating segments are reported in a manner consistent with internal reporting to the chief operative decision-maker. Aspocomp Group Plc.'s Board of Directors is the chief operative decision-maker responsible for the allocation of resources to the operating segments and the assessment of their results. The Aspocomp Group's business operations comprise a single operating segment. The Board of Directors monitors unadjusted net sales, operating result and profit/loss for the period in accordance with IFRS.

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. 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.

Interest income is recognized on a time-proportion basis using the effective interest method. When a receivable is impaired, its carrying amount is reduced to its recoverable amount, which is the estimated future cash flows discounted at the original effective interest of the instrument, and the unwinding of the discount is recognized as interest income. Interest income on impaired loan receivables is recognized using the original effective interest rate.

Dividend income is recognized when the right to receive the payment has vested.

Conversion of items denominated in currencies other than the euro

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 and exchange differences due to financial assets and liabilities are presented in financial items.

Conversion of the financial statements of foreign subsidiaries

The income statements of foreign subsidiaries have been converted to euros at the average rate for the financial period 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 recognized in the Group's shareholders' equity.

Translation differences arising from eliminations of the acquisition cost of foreign subsidiaries and the translation of equity items accumulated after acquisition are recognized in shareholders' equity. When a subsidiary is sold in full or in part, the accumulated translation differences are recognized in the income statement as capital gains or losses.

Operating profit/loss

The IAS 1 standard Presentation of Financial Statements does not include a definition of operating profit/loss. The Group has defined it as follows: operating profit/loss is the net sum remaining after other operating income is added to net sales, less purchasing costs (adjusted for the change in inventories of finished goods and work in progress and the expenses incurred from production for own use) and less expenses, depreciation and impairment losses caused by employee benefits and less other operating expenses. All other items are presented below operating profit/loss. Exchange rate differences are included in

operating profit/loss if they arise from business-related items; otherwise they are recognized in financial items.

Income taxes

Taxes on the subsidiaries' 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 from confirmed losses and the value of acquisition costs that have not been deducted in taxation are recognized only up to the full amount of deferred tax liabilities.

Financial assets and financial liabilities

Financial assets

The Group's financial assets are classified in the following categories according to IAS 39: "Loans and Other Receivables" and "Available-for-Sale Investments". Initial recognition is performed on the basis of the usage of the financial assets at the time of acquisition.

All purchases and sales of financial assets are booked on the transaction date. Financial assets are derecognized from the balance sheet when the Group has lost its contractual rights to their cash flows, or when the Group has substantially transferred the risks and rewards out of the Group.

Loans and Other Receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and which are not held for trading. Recognition is based on amortized cost. They are presented under Loans and Other Receivables in the balance sheet as non-current assets if they fall due after a period exceeding 12 months. Otherwise they are presented as current assets under "Short-term Receivables".

Available-for-Sale Investments 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 recognized in the balance sheet at their fair value, and changes in fair value are recorded in other items in comprehensive income, accounting for their tax effect, and presented in shareholders' equity. Changes in fair value are transferred to the income statement when the investment is sold or when its value has declined such that an impairment loss must be recorded. Available-for-Sale Investments during the disclosed periods only include investments in unquoted shares whose acquisition cost is substantially equal to their fair value (based on, for instance, recent transactions). The markets for said shares are inactive and the Group does not intend to divest itself of these shares in the near future.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and bank deposits. Cash and cash equivalents have a maximum maturity of three 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 carrying amount. Later all financial liabilities are recognized at amortized cost. The difference between the money received (less transaction costs) and the amount to be repaid is entered in the income statement using the effective interest method over the loan period. Financial liabilities are included in non-current and current liabilities.

A convertible bond is a hybrid instrument that includes both an equity and liability portion. The liability portion of a convertible bond is initially recognized at an amount equal to the fair value of a comparable non-convertible loan. The fair value of the liability portion is defined using the market rates of such loans at the time of issue. After initial recognition, the liability portion is recorded at amortized cost, until it has been fully extinguished and converted to shares. The remaining amount – that is, the equity portion – is recorded, less taxes, in shareholders' equity as share options. Direct transaction costs of the instrument are allocated to the equity and liability portions in proportion to their original carrying amounts.

All financial liabilities are booked in the balance sheet when the company becomes a contractual party in said financial liabilities. Financial liabilities are derecognized when the obligation specified in the contract has been discharged or cancelled or has expired.

When the terms of financial liabilities are renegotiated and the terms change substantially, the renegotiated liabilities are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The terms are considered to be substantially different if the present value of the discounted cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 percent different from the present value of the remaining discounted cash flows of the original financial liability. The difference between the carrying amount of the new financial liability and the original financial liability is recognized through profit or loss in financial income or expenses. If the change in the terms of the liability is not substantial, and said change is not accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability, then the carrying amount of the liability is adjusted with the resulting costs and fees, which are recognized as expenses over the remaining maturity of the liability whose terms have been revised.

Renegotiated liabilities are presented in note 17.

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 or long impairment of share investments, in which their value declines below their acquisition cost, indicates the impairment of an equity instrument classified as an available-for-sale financial asset. 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 accounts receivable 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 accounts receivable. The amount of the impairment loss recognized in the income statement 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. 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.

Employee benefits

Pension liabilities

In the consolidated financial statements, pension schemes in different countries are classified as defined contribution or defined benefit schemes. In defined contribution schemes, the Group makes fixed payments to a separate unit. The Group does not have a legal or constructive obligation to make additional payments if the recipient cannot pay the pension benefits in question. All such schemes that do not fulfill these conditions are considered to be defined benefit schemes. Payments for defined contribution schemes have been recorded in the income statement for the period to which the payment pertains.

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 as set out in IAS 19 and the related commitments have been recorded as liabilities in the balance sheet. When calculating liabilities deriving from the long service reward schemes, the following parameters have been used: turnover of personnel, average increase in salaries and the average annual pay of personnel. The liabilities have been discounted to their present value. Changes in the estimated values of the commitments are recognized in the income statement.

Lease agreements – The company as lessee

Lease agreements for tangible assets in which the risks and rewards incident 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 incident 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.

Intangible assets

Goodwill

Goodwill represents the share of the acquisition cost exceeding the Group's share at the moment of acquisition of the fair value of the itemizable net assets of an acquired subsidiary. Goodwill from the acquisition of subsidiaries is included in intangible assets. Goodwill is tested for impairment annually and is recognized in the balance sheet at acquisition cost less impairment losses. An impairment loss on goodwill is not reversed. The carrying amount of goodwill related to a sold company has an effect on the capital gains or losses.

For the purpose of impairment testing, goodwill is allocated to cash-generating units. Goodwill is allocated to those units or groups of units that are expected to benefit from the combination of business operations that have generated goodwill, defined in terms of operating segments.

Research and development expenditure

The company does not engage in actual product development. Research and development expenditure represents general development of the production process that cannot be directly allocated to any customer order, but which does not fulfill the capitalization criteria of IAS 38. The company no longer engages in PCB technology-related research and development that would be directly connected to customer projects and which would therefore be capable of independently generating income. The company cannot separate the research phase from the development phase, and it does not engage in actual product development, and thus treats all production process-related expenditure as expenditure on the research phase (IAS 38.53).

Software

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

Intangible rights

Intangible assets with limited useful lives are recorded in the balance sheet at the original cost less accumulated amortization and impairment, if any.

The estimated useful life of intangible assets is 3 years.

Property, plant and equipment

Property, plant and equipment are measured at original cost less accumulated depreciation and impairment. Property, plant and equipment are depreciated according to plan on a straight-line basis in accordance with the estimated useful life.

If the asset consists of several parts with different useful lives, each part is treated as a separate asset. In this case the costs arising from renewal of the part are capitalized and the remainder is expensed. Other costs are treated as property, plant and equipment only when the economical benefits relating to these assets are probable and when the acquisi-

tion cost can be defined reliably. Other repair and maintenance costs are recognized in the income statement as they arise.

The estimated useful life of property, plant and equipment is 3-10 years.

The residual value of the assets and their useful lives are reviewed at least at each balance sheet date and, if necessary, adjusted to reflect changes in their expected economic benefits.

Gains and losses resulting from derecognition of property, plant and equipment are entered under other operating income or expenses.

Impairment of tangible and intangible assets

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 are assessed annually. Impairment is examined at the level of cash-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.

The recoverable amount is the higher of the fair value of the asset less disposal costs or the value in use. The value in use is the estimated future cash flow of the asset or cash-generating unit discounted to its present value. The discount interest rate used is determined before taxes and describes the market outlook for the time value of money and the special risks associated with the asset item to be tested.

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.

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.

Shareholders' equity

Outstanding shares are presented as share capital. Costs related to issuing or acquiring own equity instruments are disclosed as items reducing shareholders' equity. The acquisition costs of equity instruments that have been bought back have been deducted from shareholders' equity.

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.

A provision for restructuring is recognized when the Group has prepared a detailed restructuring plan and restructuring has either commenced or the plan has been announced

in an appropriate manner. No provisions are recognized for the costs of the Group's continuing operations.

A provision is recognized for a loss-making contract when the expenditure required to meet the obligations exceeds the benefits received from the contract. Environmental provisions are recorded when the Group has a present obligation under environmental legislation or the Group's environmental responsibility principles related to the decommissioning of a production plant, environmental rehabilitation and restoration, or relocating equipment.

Accounting principles requiring judgments by management and key sources of estimation uncertainty

When preparing financial statements, estimates and assumptions about the future must be made, and actual results may differ from these estimates and assumptions. If the actual results differ from the estimates and assumptions, this may affect the carrying amounts of assets and liabilities as well as the income and expenses for the financial period. Management must also exercise judgment in the application of accounting principles.

Accounting estimates and assumptions

The estimates made when preparing the financial statements are based on the management's best assessment on the balance sheet date. The estimates are based on historical experiences and assumptions at the balance sheet date regarding matters such as the most probable future development of the Group's financial operating environment with respect to net sales and cost level. The Group regularly monitors the realization of the estimates and assumptions as well as changes in their underlying factors. Any changes in estimates and assumptions are recognized both in the financial period during which said estimates and assumptions are adjusted and in all subsequent financial periods.

Goodwill impairment testing

It has been estimated that any changes in assumptions and estimates will have the greatest impact on goodwill impairment testing.

The Group tests goodwill, incomplete intangible assets and intangible assets with an unlimited useful life for impairment on an annual basis. In addition, the Group evaluates tangible and intangible assets for indications of impairment as set out in the accounting principles above. If such indications exist, said assets are tested for impairment. The recoverable amounts from cash-generating units have been defined on the basis of value in use calculations. Estimates must be used when performing these calculations.

The estimates required in impairment testing are related to the key assumptions used in the calculations, which are the average growth rate of net sales and the sales margin during the period covered by the cash flow forecasts used in impairment test calculations, and the discount rate used in the calculations.

The impairment test calculations and related assumptions are presented in note 25.

Judgment exercised by management in the selection and application of accounting principles

In addition to estimates and assumptions concerning the future, management must also exercise judgment in the application of accounting principles. In particular, management must exercise judgment in the selection and application of accounting principles in cases

where the current IFRS standards provide for alternative methods of recognition, measurement and presentation.

The major areas involving the use of estimates and assumptions are the valuation of accounts receivable and inventories as well as provisions.

Accounts receivable

Accounts receivable are recognized at the original amount invoiced less impairment losses. Impairment losses are booked on a case-by-case basis and drawing on previous experience when there is objective evidence that the receivable cannot be collected in full, such as if the debtor has payment difficulties or is facing bankruptcy. Impairment losses may have to be recognized on accounts receivable due to changes in the financial position of the customer that impact on its ability to pay.

More information on accounts receivable is presented in note 15.

Inventories

The company assesses its inventories regularly to check whether the inventory amounts are larger than the actual figures, the inventory items include non-marketable assets or the market value of inventory items has fallen below their acquisition cost, and recognizes an allowance for such decreases. To this end, management must make estimates of future demand for products. Any changes in these estimates may lead to adjustments of the carrying amount of inventories in future financial periods.

More information on inventories is presented in note 14.

Provisions

Provisions are recorded when the Group has a legal or constructive obligation on the basis of a prior event and the materialization of the payment obligation is probable. A provision for restructuring is recognized when the Group has prepared a detailed restructuring plan and the plan has been announced. The provision reflects management's best estimate of the present value of future expenditure.

Application of new or revised IFRS and IAS standards

The following standards, interpretations and amendments will be adopted in 2012:

- IFRS 7 (amendment) Financial instruments: Disclosures – Derecognition
- IAS 12 (amendment) Income taxes – Deferred tax

Management is currently assessing the impact of these standards on the financial statements of the Group.

The following standards, interpretations and amendments will be adopted in 2013 or later:

- IFRS 10 Consolidated financial statements
- IFRS 11 Joint arrangements
- IFRS 12 Disclosures of interests in other entities
- IFRS 13 Fair value measurement
- IAS 27 (revised 2011) Separate financial statements

- IAS 28 (revised 2011) Associates and joint ventures
- IAS 1 (amendment) Presentation of financial statements – other comprehensive income
- IAS 19 (amendment) Employee benefits
- IFRS 9 Financial instruments
- IAS 32 (amendment) Offsetting Financial Assets and Financial Liabilities
- IFRS 7 (amendment) Financial instruments

The above standards, interpretations and amendments are still subject to EU endorsement. Management is currently assessing the impact of the standards on the financial statements of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1 000 €	2011		2010	
1. Segment information				

Aspocomp manufactures and provides high-tech PCB trading services for the electronics industry. Aspocomp's business is presented as one segment in the Financial Statements. Net sales are based on sales to customers that design and manufacture electronic systems and equipment.

Net sales				
Telecommunication electronics	18 807	80 %	15 010	80 %
Automotive electronics	2 787	12 %	1 727	9 %
Industrial applications	885	4 %	816	4 %
Other electronics	1 134	5 %	1 232	7 %
Total	**23 613**	**100 %**	**18 785**	**100 %**

Geographical segments

The net sales of the geographical areas are allocated based on the country in which the customer is located and assets are allocated based on the country in which assets are located.

Net sales by geographical area				
Finland	13 409	57 %	12 399	66 %
Europe	8 418	36 %	5 498	29 %
Asia	1 786	8 %	866	5 %
Others	0	0 %	22	0 %
Total	**23 613**	**100 %**	**18 785**	**100 %**
Assets				
Finland	16 175	99 %	17 047	50 %
Singapore	0	0 %	16 601	49 %
Others	214	1 %	228	1 %
Total	**16 390**	**100 %**	**33 876**	**100 %**
Net sales by largest customers				
Customer 1	10 765	46 %	9 490	51 %
Customer 2	2 793	12 %	2 136	11 %
Customer 3	2 629	11 %	955	5 %
Customer 4	2 413	10 %	1 228	7 %
Customer 5	493	2 %	520	3 %
Five (5) largest customers, total	**19 093**	**81 %**	**14 329**	**76 %**

	1 000 €	2011	2010
2.	**Other operating income**		
	Gains on sale	23	6
	Tekes grant	0	39
	ELY center grant	0	50
	Sales commissions	0	124
	Other operating income	2	12
	Total	**25**	**231**
3.	**Materials and services**		
	Purchase of materials and supplies	7 167	5 657
	Change in inventories	-107	-313
	Materials and services, total	**7 059**	**5 344**
	Outsourced services	310	406
	Total	**7 369**	**5 749**
4.	**Personnel expenses**		
	Wages and salaries	5 211	4 636
	Other long-term employee benefits	-37	-19
	Pension costs - defined contribution plans	774	838
	Other personnel expenses	350	295
	Total	**6 298**	**5 750**
	Personnel, average	**104**	**98**
	Personnel at Dec. 31, 2011		
	Non-salaried	72	67
	Salaried	32	31
	Total	**104**	**98**
5.	**Employee benefits**		
	Obligation at the beginning of the year	215	162
	Increases during the financial year	10	72
	Realized during the financial year	-37	-19
	Obligation at the end of the year	**188**	**215**

Aspocomp has a long-term employee benefit plan covering all of its employees in Finland. The plan is by nature a so-called long service reward, where an extra payment is made to employees after they have been in Aspocomp's employ for a certain period.

	1 000 €	2011	2010
6.	**Other operating expenses**		
	Rental expenses	660	666
	Maintenance costs	528	602
	Energy costs	490	385
	Water consumption and wastewater treatment	66	90
	Other variable expenses of production	413	399
	Voluntary social costs	137	148
	Real estate costs	346	412
	Insurance charges	100	94
	Travel costs	151	183
	IT costs	233	218
	External services	578	301
	Auditing fees	98	93
	Administration costs	578	315
	Other costs	265	344
	Total	**4 643**	**4 250**
	Auditors' fees		
	Auditing	37	73
	Tax consultation	1	0
	Other services	92	19
	Certificates and statements	2	1
	Total	**132**	**93**
7.	**Financial income and expenses**		
	Income		
	Dividend income from available-for-sale financial assets	0	3
	Effect of corporate and debt restructuring	3 609	0
	Interest income on loans and other receivables	38	462
	Total financial income	**3 647**	**465**
	Expenses		
	Interest expenses on bank loans and overdrafts	498	1 613
	Interest expenses on financial lease agreements	5	19
	Total financial expenses	**503**	**1 632**
	Total financial income and expenses	**3 144**	**-1 167**

	1 000 €	2011	2010
8.	**Income taxes**		
	Current income tax		
	Current income tax for the year	-3	2
	Current income tax for previous years	0	0
	Deferred income tax	0	0
	Total current income tax	**-2**	**2**
	A reconciliation of the income tax expense computed at statutory rates and income tax expense recorded in the profit & loss statement.		
	Profit before tax	7 246	673
	Taxes at Finnish statutory tax rate 26% (26% in 2010)	-1 884	-175
	Different tax rates of foreign subsidiaries	-3	2
	Depreciation of purchase costs that have not been deducted in taxes	0	377
	Increase in purchase costs that have not been deducted in taxes	-354	0
	Non-deductible expenses	-2	-5
	Use of loss carry forwards, not recorded earlier	2 898	30
	Unrecorded tax assets	-657	-227
	Taxes from the previous years	0	0
	Total income tax expense	**-2**	**2**

The total amount of confirmed tax losses is EUR 109,781. The losses will expire in 2012-2020. Taxable income for 2011 amounted to EUR 11,147 thousand. Foreign subsidiaries do not have substantial sums available for distribution.

Confirmed tax losses		**Losses**	**Expire in**
	for 2002	3 630	2012
	for 2003	821	2013
	for 2004	1 156	2014
	for 2005	20 409	2015
	for 2006	30 740	2016
	for 2007	43 032	2017
	for 2008	5 094	2018
	for 2009	4 135	2019
	for 2010	764	2020

Deferred income taxes		
Deferred income tax liabilities		
- Deferred income tax liabilities due after 12 months	8	709
- Deferred income tax liabilities due within the next 12 months	701	170
	709	**879**
Deferred income tax assets		
- Deferred income tax assets due after 12 months	-8	-709
- Deferred income tax assets due within the next 12 months	-701	-170
	-709	**-879**
Deferred income tax (net)	**0**	**0**

Deferred income tax assets and liabilities have been deducted from each other, as the temporary differences are related to items that are taxed by the same tax recipient in Finland and the company has the legal right to offset the items as set out in IAS 12.71-72. Deferred tax assets from confirmed losses and the value of purchase costs that have not been deducted in taxes are recognized only up to the full amount of deferred tax liabilities.

1 000 €

8. (continued)

Deferred tax assets and liabilities during the financial year are shown below without offsetting them against each other.

Deferred income tax liability	Financial leasing	Loan receivables	Convertible bond	Composition amount	Others	Total
Jan. 1, 2010	5	216	245	312	0	**779**
Recognized in net profit for the year	-2	100	-64	-104	0	**-70**
Recognized in comprehensive income for the year						**0**
Recognized directly in equity						**0**
Dec. 31, 2010	4	316	181	208	0	**709**
Recognized in net profit for the year	-2	-317	-174	-208	0	**-701**
Recognized in comprehensive income for the year						**0**
Recognized directly in equity						**0**
Dec. 31, 2011	**2**	**0**	**6**	**0**	**0**	**8**

Deferred income tax assets	From decelerated tax depreciation	Confirmed tax losses	Others	Total
Jan. 1, 2010	-1 178	-28 323	-357	**-29 858**
Recognized in net profit for the year	70			**70**
Recognized in comprehensive income for the year				**0**
Recognized directly in equity				**0**
Unrecognized portion of the change	307	-220	-19	**68**
Dec. 31, 2010	-801	-28 543	-376	**-29 721**
Recognized in net profit for the year	701			**701**
Recognized in comprehensive income for the year				**0**
Recognized directly in equity				**0**
Unrecognized portion of the change	-920	4 378	335	**3 793**
Dec. 31, 2011	**-1 020**	**-24 165**	**-42**	**-25 227**

	1 000 €	2011	2010

9. Earnings per share

(a) Basic earnings per share

Basic earnings per share are calculated by dividing the profit attributable to equity holders of the company by the weighted average number of shares during the year, excluding shares purchased by the company and held as treasury shares (see Note 28).

	2011	2010
Profit attributable to equity holders of the company	7 243	382
Weighted average number of shares (1,000)	5 870	5 437

The weighted average number of shares has been adjusted for the effect of the consolidation of shares (reverse split) in all the disclosed periods. The reverse split was carried out with a redemption ratio of 9/10, i.e., nine (9) out of every ten (10) shares were redeemed.

(a) Diluted earnings per share

Diluted earnings per share are calculated by adjusting the weighted average number of shares outstanding such that all dilutive potential shares are considered to be traded shares. The dilutive potential shares of the company are convertible bonds. The convertible bonds are treated as traded shares and profit is adjusted by reversing interest expenses, adjusted for the tax effect.

	2011	2010
Income		
Profit attributable to equity holders of the company	7 243	382
Interest expenses on convertible bonds (accounting for tax effect)	370	839
Earnings (adjusted for dilution) used in the calculation of earnings per share	7 613	1 222
Weighted average number of shares outstanding (1,000)	5 870	5 437
Corrections:		
- Expected conversion of convertible bonds (1,000)	183	399
Weighted average number of shares (adjusted for dilution) when calculating earnings per share (1,000)	6 053	5 836

Likewise, the weighted average number of potential shares has been adjusted for the effect of the consolidation of shares (reverse split) in all the disclosed periods.

The company has issued convertible bonds that may have a dilutive effect on earnings per share in the future. However, at the closing date, these instruments had a strengthening effect, and have thus not been included in earnings per share adjusted for dilution. For this reason, both diluted and undiluted earnings per share are the same. Information on convertible bonds is presented in note "17. Financing loans" and information on options in note "20. Share-based payments".

1 000 €			
10. Intangible assets	Intangible rights	Group goodwill	**Total**
Acquisition cost at Jan. 1, 2011	211	3 000	3 211
Increase	0	0	0
Decrease	0	0	0
Transfers between lines	0	0	0
Acquisition cost at Dec. 31, 2011	**211**	**3 000**	**3 211**
Total accumulated depreciation and impairment Jan. 1, 2011	211	0	211
Accumulated depreciation of decreases and transfers	0	0	0
Depreciation for the year	0	0	0
Total accumulated depreciation and impairment Jan. 1, 2011	**211**	**0**	**211**
Book value Dec. 31, 2011	**0**	**3 000**	**3 000**
Acquisition cost at Jan. 1, 2010	211	3 000	3 211
Increase	0	0	0
Decrease	0	0	0
Transfers between lines	0	0	0
Acquisition cost at Dec. 31, 2010	**211**	**3 000**	**3 211**
Total accumulated depreciation and impairment Jan. 1, 2010	211	0	211
Accumulated depreciation of decreases and transfers	0	0	0
Depreciation for the year	0	0	0
Total accumulated depreciation and impairment Jan. 1, 2010	**211**	**0**	**211**
Book value Dec. 31, 2010	**0**	**3 000**	**3 000**

The principles of the impairment testing of goodwill are presented in Note 25.

11. Property, plant and equipment	Machinery and equipment	Advances	**Total**
Acquisition cost at Jan. 1, 2011	9 516	297	**9 812**
Increase	1 064	77	**1 140**
Decrease	-80	0	**-80**
Transfers between lines	297	-297	**0**
Acquisition cost at Dec. 31, 2011	**10 796**	**77**	**10 873**
Total accumulated depreciation and impairment Jan. 1, 2011	6 144	0	**6 144**
Accumulated depreciation of decreases and transfers	-42	0	**-42**
Depreciation for the year	1 269	0	**1 269**
Total accumulated depreciation and impairment Dec. 1, 2011	**7 371**	**0**	**7 371**
Book value Dec. 31, 2011	**3 426**	**77**	**3 502**
Acquisition cost at Jan. 1, 2010	7 955	32	**7 987**
Increase	1 593	297	**1 890**
Decrease	-64	0	**-64**
Transfers between lines	32	-32	**0**
Acquisition cost at Dec. 31, 2010	**9 516**	**297**	**9 812**
Total accumulated depreciation and impairment Jan. 1, 2010	4 920	0	**4 920**
Accumulated depreciation of decreases and transfers	-41	0	**-41**
Depreciation for the year	1 264	0	**1 264**
Total accumulated depreciation and impairment Dec. 1, 2010	**6 144**	**0**	**6 144**
Book value Dec. 31, 2010	**3 372**	**297**	**3 669**

1 000 €

12. Financial lease agreements

Property, plant and equipment include financial leases as follows:

	Machinery and equipment	**Total**
Acquisition cost Jan. 1, 2011	1 444	1 444
Increase	0	0
Decrease	0	0
Acquisition cost Dec. 31, 2011	**1 444**	**1 444**
Total accumulated depreciation Jan. 1, 2011	1 139	1 139
Accumulated depreciation of decreases	0	0
Depreciation for the year	166	166
Accumulated depreciation Dec. 31, 2011	**1 305**	**1 305**
Book value Dec. 31, 2011	**139**	**139**
Acquisition cost Jan. 1, 2010	1 444	1 444
Increase	0	0
Decrease	0	0
Acquisition cost Dec. 31, 2010	**1 444**	**1 444**
Total accumulated depreciation Jan. 1, 2010	904	904
Accumulated depreciation of decreases	0	0
Depreciation for the year	235	235
Accumulated depreciation Dec. 31, 2010	1 139	1 139
Book value Dec. 31, 2010	**305**	**305**

1 000 €	2011	2010
13. Available-for-sale financial assets		
At the beginning of period	16	44
Deductions	0	-27
At the end of period	**16**	**16**

Available-for-sale financial assets include the Group's investments in unlisted shares whose acquisition cost substantially corresponds to their fair value, based on, inter alia, recent transactions.

1 000 €	2011	2010
14. Inventories		
Materials and supplies	1 632	1 524
Work in progress	209	511
Finished goods	423	78
Total	**2 264**	**2 114**
Write down of inventories	71	117
15. Loans and other receivables		
Long-term receivables		
Receivables related to sale of Meadville Aspocomp (BVI) Holdings Ltd.	0	16 601
Short-term receivables		
Accounts receivable	4 550	3 470
Accrued receivables	184	276
Other receivables	0	18
Total	**4 734**	**3 763**
Age distribution of accounts receivable		
Accounts receivable that not are impaired		
Receivables carried forward	4 059	3 219
Expired		
in less than 30 days	502	254
in 30-60 days	11	7
in 61-90 days	4	-2
over 90 days	-26	-9
Total	**4 550**	**3 470**
Accounts receivable that are expired and impaired:		
Expired		
over 90 days	0	0
Total	**0**	**0**
Total short-term receivables	**4 550**	**3 470**

1 000 €	2011	2010
15. (continues)		
The breakdown by currencies of short-term receivables		
EUR	4206	3425
USD	344	45
Total	**4 550**	**3 470**

Other receivables and accrued receivables consist mainly of normal trade receivables but no amounts which are individually significant.

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 with respect to the financial instruments. Receivables do not involve significant credit risk concentrations.

The fair values of short-term receivables are equivalent to their book values, as the effect of discounting them is not material, considering their maturities.

	2011	2010
Credit loss		
Outstanding credit losses	-122	-18
Credit losses for previous financial periods returned during the financial period	0	0
Net loan losses	-122	-18
16. Cash and cash equivalents		
Cash and bank accounts	2 874	4 712
Total	**2 874**	**4 712**

On the balance sheet date, cash and cash equivalents totaled EUR 2,745 thousand in Finland and EUR 129 thousand in other countries. Cash and cash equivalents were primarily held in bank accounts.

	1 000 €	2011		2010	
17.	**Financing loans**	Book value	Fair value	Book value	Fair value
	Long-term financing loans				
	Bank borrowings	500	464	11 102	11 102
	Financial leasing debts	0	0	146	143
	Convertible bonds	174	-	9 274	-
	Total	**674**		**20 522**	

The fair values of long-term loans are based on discounted cash flows. The discount rate is the interest that the Group would receive for an equivalent loan from an external party on the closing date. The total interest rate comprises risk-free interest and a company-specific risk premium. In financial leasing, fair values are estimated by discounting future cash flows with an interest rate corresponding to the interest on equivalent leasing agreements on the closing date. The fair values of convertible bonds have not been determined because this would not have been possible due to the company's debt restructuring agreements.

Discount rates used in determining fair values	2011	2010
Bank borrowings	5,8 %	-
Financial leasing debts	-	2,1 %

Short-term financing loans	2011	2010
Bank borrowings	333	1000
Financial leasing debts	146	173
Convertible bonds	0	330
Total	**479**	**1 503**

The fair values of short-term financing loans are equivalent to their book values, as discounting has no material effect in view of the maturities of the debts. The interest rates on financial leasing debts are variable.

Minimum rents payable under financial leasing agreements

	2011	2010
Within one year	148	176
After one year but no more than five years	0	147
After five years	0	0
Total	**148**	**324**
Future interest payable on financial leasing	-2	-5
Current value of financial leasing agreements	**146**	**319**

The maturity of financial leasing agreements' current value is as follows:

	2011	2010
Within one year	146	173
After one year but no more than five years	0	146
After five years	0	0
Total	**146**	**319**

17. Financing loans (continued)

Bank loans

In the financing arrangement carried out in 2011, Aspocomp repaid its outstanding bank loans and drew a new three-year loan of EUR 1 million, with an interest rate of 3.5 percent above the three-month Euribor rate. At the end of the financial year, the book value of the loan was about EUR 0.8 million and its fair value was EUR 0.8 million.

In addition, Aspocomp had a EUR 0.5 million credit facility costing 1.75 percent above the one-week Euribor rate. The interest on credit drawn down is 1.75 percent above the one-week Euribor rate. At the end of the financial year, no credit was in use.

Convertible bonds

On November 17, 2006, the Board of Directors of Aspocomp Group Plc. 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 amount subscribed for totaled EUR 10,300,000. The loan was issued on December 1, 2006. In accordance with the original terms, fixed interest of 5.75 percent was paid every half year and the loan matured on December 1, 2011. The share conversion price (subscription price) was EUR 2.1407. The share subscription period (conversion period) began on February 1, 2007 and ended on October 31, 2011. The amount subscribed entitled the holders to subscribe for a maximum of 4,811,510 new shares in Aspocomp Group Plc.

In March 2008, the meeting of Debenture Loan I/2006 bondholders decided upon amending the terms of the debenture loan in such a manner that the interest on the loan would fall due and payable in one installment on December 1, 2011. In addition, it was agreed with bondholders representing a total of 96.80 percent of the debenture loan principal that the terms of the loan be amended such that the principal and the interest accruing thereon shall fall due and payable in one installment on December 1, 2013. If the company is placed into corporate reorganization, the Board of Directors shall grant a maximum of 20,000,000 stock options to the bondholders who signed the amendment agreement. The subscription price for shares with the options is EUR 0.00001 per share. The subscription period of the stock options issued with the debenture loan also had to be extended until October 31, 2013.

In 2011, Aspocomp bought back 98.1 percent of the convertible bonds. In addition, the terms of the loan were amended due to the consolidation of shares (reverse split) such that each right valued at one thousand euros will entitle its holder to subscribe for 47 shares of the company instead of 467 shares and such that ten stock options (instead of one stock option) will entitle their holder to subscribe for one share in the aforementioned circumstances. At the end of the financial year, the principal of the outstanding bonds amounted to EUR 200,000. They entitle their holders to subscribe for a maximum of 9,400 shares and, in the abovementioned circumstances, to receive a maximum of 39,000 stock options.

The convertible bond is divided into equity and liabilities in the financial statements. The liability component is recognized at the fair value upon initial recognition, determined using the market interest rate on an equivalent loan at the time of issue. The equity component is calculated as the difference between the funds received from the issue of the loan and the fair value of the loan. The equity component of the convertible bond, EUR 26 thousand, is recognized in the reserve for invested unrestricted equity. The loan is measured at amortized cost using the effective interest method.

The effective interest rate on the convertible bond is 11.1%.

1 000 €

17. Financing loans (continued)

The breakdown of the maturity of payables

Dec. 31, 2011	**Balance sheet value**	**Cash flow**	**12 months**	**1-2 years**	**2-5 years**	**Over 5 years**
Bank borrowings						
Principal	833	833	333	333	167	0
Paid interest expenses		57	35	19	3	0
Convertible bonds						
Principal	174	200	0	200	0	0
Paid interest expenses		69	0	69	0	0
Financial leasing debts						
Principal	146	146	146	0	0	0
Paid interest expenses		2	2	0	0	0
Trade and other payables	4 951	4 951	4 951	0	0	0
Total	**6 104**	**6 258**	**5 467**	**621**	**170**	**0**

Dec. 31, 2010	**Balance sheet value**	**Cash flow**	**12 months**	**1-2 years**	**2-5 years**	**Over 5 years**
Bank borrowings						
Principal	12 102	12 902	1 000	0	11 902	0
Paid interest expenses		953	0	0	953	0
Convertible bonds						
Principal	9 604	10 300	330	0	9 970	0
Paid interest expenses		1 689	76	0	1 613	0
Financial leasing debts						
Principal	319	319	173	146	0	0
Paid interest expenses		5	4	1	0	0
Trade and other payables	8 042	8 042	5 066	0	2 976	0
Total	**30 067**	**34 210**	**6 649**	**147**	**27 414**	**0**

1 000 €	2011	2010
18. Provisions		
Non-current provisions		
Beginning of the year	0	157
Increase in provisions	0	124
Paid provisions	0	-219
Depreciation of provisions	0	-61
End of the year	**0**	**0**

Provisions consisted mainly of the unemployment pensions of a closed plant.

The provisions were related to a legislative amendment that took effect after the restructuring in 2006 and 2007 and which had a retroactive effect on the company. After certain conditions were met, the Unemployment Insurance Fund TVR invoiced the company for insurance deductibles in order to finance the additional days of the unemployment security of the redundant employees. The remaining provisions were dissolved in the 2010 financial statements once the employment obligations were fulfilled.

1 000 €	2011	2010
19. Trade and other payables		
The breakdown by currencies of accounts payable		
EUR	1 031	1 017
USD	469	155
Total	1 500	1 172
Accrued payables	3 451	6 871
Total trade and other payables	**4 951**	**8 042**
Accrued liabilities		
Personnel expenses	1 323	957
Accrued interest on loans	47	2 977
Closure costs	1 889	1 889
VAT liabilities	9	627
Others	183	421
Total	3 451	6 871

20. Share-based payments: Option-based incentive plans

Stock option program 2006

On April 10, 2006, Aspocomp's Annual General Meeting decided to issue 930,000 stock options to the key personnel of the Group as well as to the wholly owned subsidiary Aspocomp Oy. All of the stock options under this scheme were returned to the company in the 2009 financial year.

The Annual General Meeting 2011 decided to terminate the stock option plan. No expense entries have been made.

Stock option program 2008/ CEO

The Annual General Meeting 2008 authorized the Board of Directors to issue stock options to the present or future CEO of Aspocomp Group Plc. The maximum total number of stock options to be issued is 5,520,000.

The options were not granted and the Extraordinary General Meeting held on December 20, 2011 decided to terminate the program.

Stock option program 2008 / Debenture Loan I/2006

Pursuant to the 2013 Amendment Agreement of the Debenture Loan and on the basis of the authorization granted by the Annual General Meeting on May 10, 2007, the Board of Directors of the company will issue a maximum of 20,000,000 new stock options to those Debenture Loan I/2006 bondholders who have signed or will sign, by the date set by the Board of Directors, the 2013 Amendment Agreement. The stock option holders may use the options for share subscription only in the event that the company is placed in corporate reorganization pursuant to the Corporate Reorganization Act (47/1993, as amended), and the outstanding principal under the Debenture Loan is reduced in such reorganization proceedings.

The subscription for the shares subscribed on the basis of the stock options is EUR 0.00001 per share. The total aggregate subscription price payable by each stock option holder is rounded upwards to the nearest 10 cent. When determining the subscription price, the relationship between the stock options and the 2013 Amendment Agreement as well as the importance of the 2013 Amendment Agreement to the company's financial situation have been taken into account.

Following the consolidation of shares (reverse split) carried out in 2011, the company's Board of Directors resolved to amend the terms of Debenture Loan I/2006 such that ten stock options (instead of one stock option) will entitle their holder to subscribe for shares at a price of EUR 0.00001 per share in the aforementioned circumstances. If the resulting number of shares would be a fraction, the number of shares will be rounded up to the closest number of shares. As Aspocomp bought back 98.1 percent of the convertible bonds in 2011, no more than 390,000 of said stock options are in circulation. The maximum number of shares that can be granted on the basis of the stock options is thus 39,000.

	1 000 €	2011	2010
21.	**Net foreign exchange gains/losses**		
	The exchange differences charged/credited to the profit & loss statement		
	Net sales	0	4
	Purchase of materials and supplies	0	-22
	Other operating costs	-70	0
	Total	**-70**	**-18**
22.	**Contingencies and commitments**		
	Other rental payables		
	Minimum rents of other rent agreements that cannot be terminated		
	Within one year	666	670
	After one year but not more than five years	79	0
	After five years		
	Total	**745**	**670**
	Contingent liabilities at Dec. 31, 2011		
	Guarantees		
	Guaranteed contingent liability towards the Finnish Customs	30	100
	Mortages		
	A bank loan has been guaranteed with a corporate mortgage of EUR 4 million.		
23.	**Adjustments to cash flow from operating activities**		
	Non-cash transactions		
	Depreciation	1 270	1 265
	Effects of the corporate and debt restructuring	-3 609	-647
	Change in reserves	0	-157
	Others	20	15
	Non-cash transactions, total	**-2 319**	**475**
	Other adjustments		
	Financial income	-38	-465
	Financial expenses	503	2 279
	Sales profit	-1	-2
	Taxes	3	-2
	Other adjustments, total	**466**	**1 811**
	Change in net working capital		
	Change in receivables	-1 007	665
	Change in inventories	-150	-150
	Change in trade and other payables	-131	582
	Total	**-1 289**	**1 096**

1 000 €	2011	2010

24. Related-party disclosures

Aspocomp Group's related-party disclosures include subsidiaries, the members of the Board and the CEO.

Group companies	*Domicile*	*Group interest*	*Parent company interest*
Aspocomp Group Plc, parent company	Finland		
Aspocomp Ab	Sweden	100 %	0 %
Aspocomp GmbH	Germany	100 %	0 %
Aspocomp Holding PTE. Ltd.	Singapore	100 %	100 %
Aspocomp Oulu Oy	Finland	100 %	100 %
Aspocomp Trading Oy	Finland	100 %	100 %

Sales of goods and services with related parties are based on market prices and general market conditions.

Salaries and benefits of the management team	**2011**	**2010**
Salaries and fringe benefits of the CEO	297	227
Fees of members of the Board		
Mr. Tuomo Lähdesmäki, President of the Board	35	36
Mr. Johan Hammarén, Vice President of the Board	18	18
Mr. Kari Vuorialho	18	18
Total remunerations of the members of the Board	70	72
CEO's total employment benefits	**367**	**299**

Under the current legislation, the CEO's age of retirement and base for retirement is 63-68 years. If the contract of service of the CEO is terminated either by the CEO or by the company, the notice period is 3 months. In addition, 4 months' severance pay shall be paid. The CEO does not have any voluntary additional pension arrangements.

The CEO and Board members have not been granted any loans, nor have any guarantees or commitments been given on their behalf.

Aspocomp shareholdings (number of shares)	*31.12.2011*	*31.12.2010**
Members of the Board	81 171	74 631
CEO	3 810	3 810
Total shareholdings	84 981	78 441
Votes conferred by the shares	**1,3 %**	**1,6 %**

*Due to the reverse split carried out in 2011, the earlier reported figures for 2010 have been adjusted for comparability by multiplying them by ten.

	1 000 €	2011	2010

25. Impairment testing

Goodwill from the acquisition of a subsidiary is allocated to a cash-generating unit as follows:

	2011	2010
PCB manufacturing plant	**3 000**	**3 000**

The PCB manufacturing operations of the cash-generating unit Aspocomp Oulu Oy. The company primarily manufactures HDI (High Density Interconnection), multilayer and special material PCBs.

Impairment testing is carried out using the value-in-use method, in which the recoverable amount of the unit generating goodwill is determined and then compared with the book value of said unit.

According to the impairment test, the recoverable amount exceeded the book amount by EUR 25.7 million, and thus goodwill was not impaired in 2011.

Key variables and assumptions used in impairment testing	**2011**	**2010**
Annual growth in net sales is based on the budget approved by management for the years 2012-2015. Net sales in 2016 are expected to be at the same level as in 2015. The growth rate used exceeds the average long-term rate for the industry.	7,9 %	3,6 %
The sales margin is based on the average budgeted margin for the forecast period.	45 %	44 %
The discount rate is set using the weighted average cost of capital (WACC), which describes the total cost of equity and liabilities, accounting for the specific risks of asset items. The discount rate is determined before taxes.	10,4 %	11,3 %

Investments during the period under review are based on the strategic investment plan approved by management. The level of investments somewhat exceeds the ordinary level of investments in the industry. Investments after the end of the forecast period are expected to be in line with the industry average.

Sensitivity analysis of impairment testing

The following changes in the values of each of the key variables (if all the other variables remain unchanged) would mean that the book value of the unit would be the same as its recoverable amount.	**Zero limit of the sensitivity analysis**	**Compared with the assumed figure**
Annual growth in net sales	- 9,4 %	- 17,3 ppts
Average sales margin	16,6 %	- 28,3 ppts
Discount rate	30,6 %	+ 20,2 ppts

Assumptions concerning the discount rate	**2011**	**2010**
Risk-free market yield	2,3 %	3,2 %
Gearing target (average based on an industry analysis)	9,5 %	9,5 %
Equity market risk premium (EMRP)	5 %	5 %
Additional risk premium for small companies with no liquid assets	2 %	2 %
Loan margin	4 %	5 %
Weighted average cost of capital (WACC)	10,4 %	11,3 %

26. Financial risk management

Aspocomp is exposed to several financial risks, which are described in more detail below. Aspocomp's risk management objective is to minimize the adverse effects of the financial markets on the Group's results. The CEO and Group Treasury identify and evaluate financial risks and when necessary protect against the financial risks. They also ensure that the Board receives sufficient and reliable information about the company's financial position.

Liquidity risk

The corporate and debt restructuring completed at the end of June 2011 substantially improved the company's financial position. At the end of the year, the nominal value of interest-bearing liabilities was EUR 1.2 million. Gearing was -17.0 percent and equity ratio was 61.6 percent.

The company's liquidity is based on cash assets, the cash flow generated by business operations, and external financing. Due to its financial difficulties in recent years, the company might face problems in securing external financing in the scope and under the terms and conditions that its financial position would allow.

Maturities of financial liabilities are presented in Note 17.

Continuity of operations

The corporate and debt restructuring completed during 2011 substantially improved the company's financial position. Cash assets (EUR 2.9 million at the end of 2011), a lean cost structure and the outlook for operations enable the continuity of Aspocomp's operations.

Interest rate risk

The Group does not hedge against variations in interest rates as it has no net debt and thus does not consider interest rates to pose a significant financial risk.

Foreign currency risk

The Group's production activities are carried out in Finland. In addition, the Group has subsidiaries in Sweden, Germany and Singapore. The Group's main currency is the euro and over 90 percent of the Group's receivables are denominated in euros (at the end of year: 92%). The breakdown by currencies of the receivables is presented in Note 15. All the Group's long-term liabilities are denominated in euro. At the end of year 91 percent of the short-term debts were denominated in euros. The Group has not been significantly exposed to currency risk, and any changes in exchange rates on the balance sheet date would not have had an essential impact on net income nor any effect on the rest of the equity.

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 and the sales teams on a monthly basis and all the necessary actions are taken in order to collect the overdue receivables. On the reporting date, the maximum amount of financial assets exposed to credit risk was equal to their book value.

The five largest customers accounted for 81 percent of net sales (77% in 2010). During the financial year, EUR 122 thousand in new credit losses were recorded.

The age distribution of accounts receivable is presented in Note 15.

	1 000 €	2011	2010

27. Capital management

As equity, the company manages the shareholders' equity shown in the consolidated balance sheet. The objective is to ensure the continuity of the company's operations and ensure the appreciation of shareholder value. The capital structure of the Group is monitored and forecast regularly in order to ensure liquidity. For more information on the liquidity risk and its management, see Note 26.

In order to uphold or change its capital structure, the Group can change the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to repay its debts.

The key indicators monitored by the Group include the equity ratio and gearing.

	2011	2010
Shareholders' equity, total	10 098	3 593
Equity ratio	61,6 %	10,6 %
Gearing	-17,0 %	481,9 %

1 000 €

28. Notes to the consolidated changes in equity

	Number of shares (1,000)	Share capital	Share premium	Special reserve	Treasury shares	Reserve for invested unrestricted equity	**Total**
1.1.2010	49 905	20 082	27 918	45 989	-758	23 885	117 116
Translation differences							0
Share issue							0
12/31/2010	**49 905**	**20 082**	**27 918**	**45 989**	**-758**	**23 885**	**117 116**
1.1.2011	49 905	20 082	27 918	45 989	-758	23 885	117 116
Translation differences							0
To cover losses		-19 082	-27 918	-45 989		-22 016	-115 005
Redemption of convertible bond						-1 945	-1 945
Redemption of treasury shares					248		248
Share issue	13 580					3 604	3 604
Consolidation of shares	-57 136						
12/31/2011	**6 348**	**1 000**	**0**	**0**	**-510**	**3 528**	**4 017**

Share capital

Aspocomp Group Plc. has one share series. The maximum number of shares is 6,348,489 (49,905,130 shares in 2010), of which a subsidiary owned 144,000 shares. All issued shares are fully paid.

In 2011, the share capital was reduced by about EUR 19.1 million to cover the losses shown in the balance sheet.

Share premium

In 2011, the share premium fund was used in full to cover the losses shown in the balance sheet.

Special reserve

In 2011, the special reserve was used in full to cover the losses shown in the balance sheet.

Treasury shares

The treasury share fund includes the treasury shares owned by the parent company, measured at acquisition

On December 31, 2011, the number of treasury shares was 144,000 (200,000 in 2010).

Reserve for invested unrestricted equity

The reserve for invested unrestricted equity includes other equity investments and share subscription fees insofar as a decision has not been made to enter them into share capital. On the basis of the stock option programs launched after the new Companies Act (July 21, 2006/624) came into force (September 1, 2006), fees received from share subscriptions are recognized in full in the reserve for invested unrestricted equity.

In 2011, about EUR 22 million in funds from the reserve for invested unrestricted equity were used to cover the losses shown in the balance sheet. The redemption of convertible bonds decreased the reserve for invested unrestricted equity by about EUR 1.9 million, while share issues increased it by approximately EUR 3.6 million.

Payments of dividents

The Board of Directors will propose to the Annual General Meeting that no dividends be paid for 2011 (EUR 0.0 in 2010).

Parent company Income Statement (FAS)

€	Note	1.1.-31.12.2011	1.1.-31.12.2010
Net sales	1.1	**0,00**	**0,00**
Change in finished goods and work in progress		0,00	0,00
Other operating income	1.2	0,00	6 521,86
Personnel costs	1.3	-511 994,32	-418 569,68
Depreciation and write-downs	1.4	-19 677,18	-20 586,11
Other operating expenses	1.5	-980 119,55	-515 606,91
Operating loss		**-1 511 791,05**	**-948 240,84**
Financial income and expenses	1.6	4 802 703,71	-899 851,74
Loss before extraordinary items		**3 290 912,66**	**-1 848 092,58**
Extraordinary items +/-	1.7	6 738 870,63	2 160 000,00
Profit/loss before appropriations and taxes		**10 029 783,29**	**311 907,42**
Profit/loss for the year		**10 029 783,29**	**311 907,42**

Parent Company Balance Sheet (FAS)

Assets	Note	12/31/2011	12/31/2010
Non-current assets			
Intangible assets	2.1	0,00	0,00
Tangible assets	2.2	62 994,07	54 634,91
Investments	2.3	7 616 222,45	21 285 240,16
		7 679 216,52	**21 339 875,07**
Current assets			
Accounts receivable			
Short-term receivables	2.4	3 089 143,72	3 458 655,59
Cash and cash equivalents		714 134,19	265 946,66
		3 803 277,91	**3 724 602,25**
Total assets		**11 482 494,43**	**25 064 477,32**
Liabilities and shareholders' equity			
Shareholders' equity	2.5		
Share capital		1 000 000,00	20 082 052,00
Share premium fund		0,00	27 917 948,11
Special reserve fund		0,00	45 989 038,00
Reserve for invested unrestricted equity		2 354 222,34	22 016 328,27
Retained earnings		-4 392 867,01	-119 729 340,81
Net profit/loss for the period		10 029 783,29	311 907,42
Total shareholders' equity		**8 991 138,62**	**-3 412 067,01**
Liabilities			
Long-term liabilities	2.6	200 000,00	21 871 838,30
Short-term liabilities	2.7	2 291 355,81	6 604 706,03
		2 491 355,81	**28 476 544,33**
Total liabilities and shareholders' equity		**11 482 494,43**	**25 064 477,32**

Parent Company Cash Flow Statement (FAS)

€	1.1.-31.12.2011	1.1.-31.12.2010
Cash flow from operations		
Operating profit/loss	8 615 793,86	311 907,42
Adjustments		
Non-cash transactions	-4 804 348,25	757 412,79
Change in working capital	-287 538,44	-576 011,29
Paid interest expenses	-78 157,78	-0,45
Received interest income	27 941,06	28 001,36
Net cash flow from operations	**3 473 690,45**	**521 309,83**
Cash flow from investments		
Purchase of tangible and intangible assets	-57 259,34	-1 038,73
Proceeds from sale of tangible and intangible assets	25 015,72	9 000,00
Sale of other shares / receivables	14 500 387,06	65 664,00
Net cash flow from investments	**14 468 143,44**	**73 625,27**
Net cash flow before financing	**17 941 833,89**	**594 935,10**
Cash flow from financing		
Loans repaid	-19 748 428,35	-500 000,00
Share issue	-78 018,01	0,00
Received Group contributions	2 160 000,00	0,00
Payments of dividends	-172 800,00	0,00
Proceeds from sale of treasury shares	345 600,00	0,00
Net cash flow from financing	**-17 493 646,36**	**-500 000,00**
Change in cash and cash equivalents	**448 187,53**	**94 935,10**
Cash and cash equivalents at the beginning of period	265 946,66	171 011,56
Cash and cash equivalents at the end of period	**714 134,19**	**265 946,66**

Notes to the financial statements of the parent company

ACCOUNTING PRINCIPLES

The financial statements of the company have been prepared in accordance with the procedures laid out in the Finnish Accounting Act and other Finnish Accounting Standards (FAS). The figures from the previous year have been adjusted for comparability. The financial 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 on a straight-line basis over the entire useful life of the asset from the original acquisition cost.

The depreciation schedules for different asset classes are:

Intangible rights	3 – 5 years
Machinery and equipment	3 – 8 years

Current assets

Cash and cash equivalents include cash on hand and bank deposits. Marketable securities are valued at their acquisition cost or their probable transfer price, whichever is lower.

Net sales

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

Research and development expenditure

Research and development expenditure is fully expensed during the financial year in which it was incurred.

Extraordinary income and expenses

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

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

The pension benefits of the company’s employees have been organized using defined contribution scheme pension insurance.

Items denominated in foreign currencies

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

All exchange rate differences are recognized through profit or loss.

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.

NOTES TO THE PARENT COMPANY FINANCIAL STATEMENTS

	€	2011	2010
1.1	**Net sales**	0,00	0,00
	By market area		
	Europe	0,00	0,00
	Asia	0,00	0,00
	Total	**0,00**	**0,00**
1.2	**Other operating income**		
	Gains on sale of tangible assets	0,00	6 168,88
	Other income	0,00	352,98
	Total	**0,00**	**6 521,86**
1.3	**Notes on personnel and members of administrative bodies**		
	Personnel costs		
	Salaries and wages	413 077,11	303 959,63
	Fees	70 000,00	72 000,00
	Pension costs	13 588,93	67 706,51
	Other personnel costs	15 328,28	-25 096,46
	Total	**511 994,32**	**418 569,68**
	Management salaries and benefits		
	CEO and Board Members	367 220,00	299 460,00
	Personnel at the end of year		
	Salaried employees	3	3
	Total	**3**	**3**
	Personnel on average during the year		
	Salaried employees	3	3
	Total	**3**	**3**
1.4	**Depreciations and write-downs**		
	Depreciation of intangible rights	0,00	423,00
	Depreciation of machinery and equipment	19 677,18	20 163,11
	Total	**19 677,18**	**20 586,11**

	€	2011	2010
1.5	**Other operating expenses**		
	Rental expenses	30 710,22	52 841,14
	IT costs	30 516,87	29 727,84
	External services	426 972,28	103 955,82
	Loss on sale of fixed assets	4 207,38	0,00
	Other expenses	487 712,80	329 082,11
	Total	**980 119,55**	**515 606,91**
	Auditor's fees		
	1. Auditing	23 412,68	41 653,52
	2 Tax consultation	1 085,00	0,00
	3 Certificates and statements	1 620,00	0,00
	4. Other services	94 519,00	19 405,00
	Total	**120 636,68**	**61 058,52**
1.6	**Financial income and expenses**		
	Interest and other financial income		
	From others	6 534 350,57	66 205,23
	Total	**6 534 350,57**	**66 205,23**
	Interest and other financial expenses		
	To others	1 731 646,86	966 056,97
	Total	**1 731 646,86**	**966 056,97**
	Total financial income and expenses	**4 802 703,71**	**-899 851,74**
1.7	**Extraordinary items**		
	Extraordinary expenses and income		
	Group contributions	6 738 870,63	2 160 000,00
	Total	**6 738 870,63**	**2 160 000,00**

€

2.1 Intangible assets

	Intangible rights	Total
Acquisition cost Jan. 1, 2011	210 956,02	210 956,02
Increase	0,00	0,00
Decrease	0,00	0,00
Acquisition cost Dec. 31, 2011	**210 956,02**	**210 956,02**
Accumulated depreciation Jan. 1, 2011	**210 956,02**	**210 956,02**
Accumulated depreciation of decreases and transfers	0,00	0,00
Depreciation for the year	0,00	0,00
Accumulated depreciation Dec. 31, 2011	**210 956,02**	**210 956,02**
Book value Dec. 31, 2011	**0,00**	**0,00**
Acquisition cost Jan. 1, 2010	210 956,02	210 956,02
Increase	0,00	0,00
Decrease	0,00	0,00
Acquisition cost Dec. 31, 2010	**210 956,02**	**210 956,02**
Accumulated depreciation Jan. 1, 2010	**210 533,02**	**210 533,02**
Accumulated depreciation of decreases and transfers	0,00	0,00
Depreciation for the year	423,00	423,00
Accumulated depreciation Dec. 31, 2010	**210 956,02**	**210 956,02**
Book value Dec. 31, 2010	**0,00**	**0,00**

2.2 Tangible assets

	Machinery and equipment	Total
Acquisition cost Jan. 1, 2011	496 809,08	496 809,08
Increase	57 259,34	57 259,34
Decrease	-51 570,00	-51 570,00
Acquisition cost Dec. 31, 2011	**502 498,42**	**502 498,42**
Accumulated depreciation Jan. 1, 2011	**442 174,17**	**442 174,17**
Accumulated depreciation of decreases and transfers	-22 347,00	-22 347,00
Depreciation for the year	19 677,18	19 677,18
Accumulated depreciation Dec. 31, 2011	**439 504,35**	**439 504,35**
Book value Dec. 31, 2011	**62 994,07**	**62 994,07**
Acquisition cost Jan. 1, 2010	520 037,85	520 037,85
Increase	1 038,73	1 038,73
Decrease	-24 267,50	-24 267,50
Acquisition cost Dec. 31, 2010	**496 809,08**	**496 809,08**
Accumulated depreciation Jan. 1, 2010	**443 447,44**	**443 447,44**
Accumulated depreciation of decreases and transfers	-21 436,38	-21 436,38
Depreciation for the year	20 163,11	20 163,11
Accumulated depreciation Dec. 31, 2010	**442 174,17**	**442 174,17**
Book value Dec. 31, 2010	**54 634,91**	**54 634,91**

€					
2.3	**Investmens**	**Shares**		**Receivables**	**Total**
		Group companies	Others	Group companies	
	Book value Jan. 1, 2011	5 513 750,29	1 316 218,87	14 455 271,00	**21 285 240,16**
	Increases	2 086 640,35	-387,06	0,00	2 086 253,29
	Decreases	0,00	-1 300 000,00	-14 455 271,00	**-15 755 271,00**
	Book value Dec. 31, 2011	**7 600 390,64**	**15 831,81**	**0,00**	**7 616 222,45**
	Book value Jan. 1, 2010	5 513 750,29	1 343 679,00	14 455 271,00	**21 312 700,29**
	Increases	0,00	0,00	0,00	0,00
	Decreases	0,00	-27 460,13	0,00	**-27 460,13**
	Book value Dec. 31, 2010	**5 513 750,29**	**1 316 218,87**	**14 455 271,00**	**21 285 240,16**

Group companies	*Domicile*	*Group interest*	*Parent company interest*	*Parent company's ownership*	*Shares/participations owned by the parent company*	
		(%)	(%)	(no.)	nominal value	book value
Aspocomp Trading Oy	Finland	100,00	100,00	320	0,00	0,00
Aspocomp Oulu Oy	Finland	100,00	100,00	1 000	2,50	7 600 390,64
Total						**7 600 390,64**
Other shares and participations						
PCB Center Co., Ltd.	Thailand	13,23	13,23	8 000 000	1 667 152,92	0,00
Imbera Electronics Inc.	USA	5,34	5,34	10 000	250 000,00	0,00
Other shares						15 831,81
Total						**15 831,81**

2.4	**Short-term recievables**	**2011**	**2010**
	Receivables from Group companies		
	Accrued income	3 054 323,97	3 404 666,49
		3 054 323,97	**3 404 666,49**
	Receivables from others		
	Other receivables	0,00	17 802,97
	Other accrued income	34 819,75	36 186,13
		34 819,75	**53 989,10**
	Short-term receivables, total	**3 089 143,72**	**3 458 655,59**

	€	2011	2010
2.5	**Shareholders' equity**		
	Shareholders' equity Jan. 1	20 082 052,00	20 082 052,00
	Reduction in shareholders' equity to cover losses	-19 082 052,00	0,00
	Shareholders' equity Dec. 31	**1 000 000,00**	**20 082 052,00**
	Share premium fund Jan. 1	27 917 948,11	27 917 948,11
	Reduction of the share premium fund to cover losses	-27 917 948,11	0,00
	Share premium fund Dec. 31	**0,00**	**27 917 948,11**
	Special reserve fund Jan. 1	45 989 038,00	45 989 038,00
	Reduction of the special reserve fund to cover losses	-45 989 038,00	0,00
	Special reserve fund Dec. 31	**0,00**	**45 989 038,00**
	Reserve for invested unrestricted equity Jan. 1	22 016 328,27	22 016 328,27
	Reduction of the reserve for invested unrestricted equity	-22 016 328,27	0,00
	Increase	2 354 222,34	0,00
	Reserve for invested unrestricted equity Dec. 31	**2 354 222,34**	**22 016 328,27**
	Retained earnings Jan. 1	-119 398 233,39	-119 729 340,81
	Losses covered with changes in shareholders' equity	115 005 366,38	0,00
	Retained earnings Dec. 31	**-4 392 867,01**	**-119 729 340,81**
	Net profit/loss	**10 029 783,29**	**311 907,42**
	Total balance	**8 991 138,62**	**-3 412 067,01**
	Distributable funds in unrestricted equity	**7 991 138,62**	**-51 412 067,12**

	€	2011	2010
2.6	**Non-current liabilities**		
	Loans from financial institutions		
	Convertible bond	200 000,00	9 969 999,95
	Loans from financial institutions	0,00	11 901 838,35
	Non-current liabilities, total	**200 000,00**	**21 871 838,30**
2.7	**Current liabilities**		
	Loans from financial institutions		
	Bank loans	0,00	1 000 000,00
	Convertible bond	0,00	330 000,05
		0,00	**1 330 000,05**
	Accounts payable and accrued expenses		
	Accounts payable	83 711,37	19 450,38
	Accrued expenses	2 207 644,44	5 251 652,15
		2 291 355,81	**5 271 102,53**
	Material items in accrued expenses:		
	Periodization of personnel expenses	124 146,60	59 773,09
	Provisions for closure expenses	1 889 101,09	1 889 101,09
	Interest periodization of loans	46 906,33	2 976 630,42
	Other items	147 490,42	326 147,55
	Total	2 207 644,44	5 251 652,15
	Liabilities to Group companies		
	Accrued expenses	0,00	3 603,45
		0,00	**3 603,45**
	Current liabilities, total	**2 291 355,81**	**6 604 706,03**
3.1	**Securities, contingent liabilities and other liabilities**		
	Securities given on behalf of Group companies		
	Guarantees for leasing liabilities	147 694,10	323 575,78
	Directly enforceable guarantee for the loan commitments of a subsidiary	2 500 000,00	0,00
	Total	**2 647 694,10**	**323 575,78**
	Other contingent liabilities		
	Lease liabilities	113 432,00	78 240,60
	Total	**113 432,00**	**78 240,60**

Board signatures

Helsinki, March 5, 2012

Tuomo Lähdesmäki
Chairman

Johan Hammarén
Vice Chairman

Kari Vuorialho

Sami Holopainen
CEO

Auditor's Report

To the Annual General Meeting of Aspocomp Group Plc

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Aspocomp Group Plc for the year ended 31 December, 2011. The financial statements comprise the consolidated statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonable-

ness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the Consolidated Financial Statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the Company's Financial Statements and the Report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Espoo, 12 March 2012

PricewaterhouseCoopers Oy
Authorised Public Accountants

Markku Katajisto
Authorised Public Accountant

Corporate Governance Statement 2011

In its decision making and corporate governance, Aspocomp Group Plc. complies with the Finnish Companies Act, Securities Markets Act, as well as the instructions concerning the corporate governance of listed companies issued by the Securities Market Association (Finnish Corporate Governance Code 2010, available at www.cgfinland.fi).

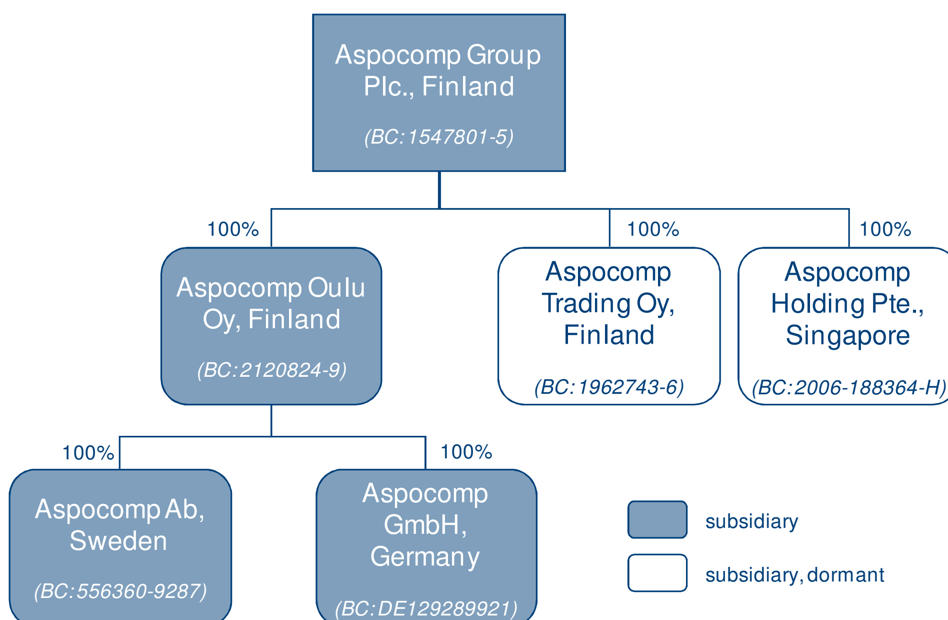
Aspocomp deviates from the Finnish Corporate Governance Code only with respect to Recommendation 9 in that both genders are currently not represented on the Board of Directors. However, the company's long-term goal is to comply with this recommendation.

Aspocomp's corporate governance is described on the company's Internet site under the Governance section (www.aspocomp.com/governance). Aspocomp's Corporate Governance Code can be downloaded as a pdf file from the front page of this section. The pages are available in both Finnish and English. The information presented below can also be found on the site and is updated on a quarterly basis.

This statement has been issued separately from the Report of the Board of Directors in accordance with Recommendation 54 of the Finnish Corporate Governance Code. The company's Board of Directors has reviewed the statement. In addition, the accounting firm PricewaterhouseCoopers Oy has verified that the statement has been issued and that the general description of the internal control and risk management systems related to the financial reporting process is consistent with the financial statements.

STRUCTURE OF THE COMPANY AND ITS ADMINISTRATIVE BODIES

The company comprises the parent company Aspocomp Group Plc. and the subsidiaries it owns either directly or indirectly in Finland and abroad. The legal structure of the Group is presented below.



General Meeting

In accordance with the Companies Act and the Articles of Association, Aspocomp's highest decision-making body is the General Meeting, where shareholders exercise their right to speak and vote.

2011	*General Meeting*
	Aspocomp's Annual General Meeting assembled on April 20 in Helsinki. 28 shareholders were present at the meeting in person or represented by proxy. They represented a total of 4,162,064 shares, or 8.3 percent of the votes. *All Board members, the CEO and the auditor were present at the meeting.* *Aspocomp held an Extraordinary General Meeting on December 20 in Helsinki. 20 shareholders were present at the meeting in person or represented by proxy. They represented a total of 14,948,305 shares, or 24.0 percent of the votes.* *All Board members and the CEO were present at the meeting.*

Board of Directors

Aspocomp's Board of Directors has authority in matters that have not been assigned to another administrative body in either legislation or the Articles of Association. The company's Board of Directors consists of three (3) 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 at its organization meeting.

Aspocomp's Board of Directors complies with a Working Order that is available in its entirety on the company's Internet site (www.aspocomp.com/governance, choose Board -> Working Order). As set out in the Working Order, the Board of Directors shall, among other duties:

- appoint and discharge the CEO and determine his or her remuneration
- approve the appointment of employees reporting to the CEO and decide on the terms and conditions of their employment and remuneration
- review, at least once a year, the company's major risks and issue the necessary instructions to manage those risks
- review and decide on the company's interim reports and annual financial reports
- approve the strategy of the company
- approve yearly, on the basis of the strategy, the business plan and budget and oversee their execution
- approve the investment plan and any individual investment of Aspocomp Group Plc. or its subsidiary over EUR 50,000
- decide on any credits over EUR 100,000
- resolve on the dividend policy and prepare a proposal for the AGM regarding payment of dividend

- monitor and manage any conflicts of interest between the company's management, Board members and shareholders
- assess on a yearly basis its own work, performance and competence.

The Board may have an Audit Committee, a Remuneration Committee and a Nomination Committee. The Board decides on whether to establish such committees and, if so, elects their members each year after the AGM. Should the Board only comprise three (3) members, no committees are established and the Board itself performs the tasks of the respective committees.

Specific duties have been assigned to the Audit Committee, including:

- the oversight of the reporting of the financial statements
- the oversight of the financial reporting
- the oversight of the effectiveness of the company's internal control and risk management systems
- the description, included in this corporate governance statement, regarding the main features of internal control and risk management, which are connected to the financial reporting procedure.

The tasks of the Audit Committee are specified in full on the company’s Internet site (www.aspocomp.com/governance, choose Board -> Committees).

The company does not have a Supervisory Board.

2011	Board of Directors

***Tuomo Lähdesmäki**, b. 1957, Chairman of the Board*

- *M.Sc. (Eng.), MBA*
- *Board member since 2002, Chairman of the Board since 2003*
- *Independent of the company and the company's main shareholders since 2002*
- *Partner, Boardman Oy*
- *Compensation 2011: total EUR 35,000*
- *Aspocomp shares Dec. 31, 2011: 39,889*

***Johan Hammarén**, b. 1969, Vice Chairman of the Board*

- *LL.M., B.Sc. (Econ.)*
- *Board member since 2007*
- *Independent of the company and its main shareholders since 2007*
- *Director and founding member, Fondia Oy*
- *Compensation 2011: total EUR 17,500*
- *Aspocomp shares Dec. 31, 2011: 26,641*

***Kari Vuorialho**, b. 1952*

- *B.Sc. in Electronics*
- *Board member since 2007*
- *Independent of the company and its main shareholders since 2007*
- *Compensation 2011: total EUR 17,500*
- *Aspocomp shares Dec. 31, 2011: 14,641*

The composition of the Board of Directors was not changed at the 2011 AGM.

The Board assembled 11 times and the overall meeting participation rate was 100%. No committees were established. Instead, the three-member Board attended to the duties of the Audit, Nomination and Remuneration Committees as set out in the company's Corporate Governance Code. The Board held a meeting to deal with Audit Committee matters, which was also attended by the company's auditor.

Based on the decisions of the AGM, 60% of the annual remuneration was paid in cash and 40% in company shares. The share-based proportion of the annual remuneration was paid by transferring Aspocomp shares. The amount paid was determined on the basis of the weighted average price of the company's share on the five trading days following the publication of the second-quarter results (EUR 0.29/share). The Chairman was granted 32,700 shares valued at EUR 9,600 and the other members 16,350 shares valued at EUR 4,800. In addition, the Chairman was paid an annual fee of EUR 14,400 and meeting fees amounting to EUR 11,000 in cash. The other members were paid an annual fee of EUR 7,200 and meeting fees of EUR 5,500 in cash.

CEO

The President and CEO is responsible for managing and supervising the business operations of the company, and for the day-to-day management of the company in line with the Companies Act and the guidelines given by the Board of Directors. The key terms and conditions of the CEO's service are set out in a written president's contract, which the Board of Directors has approved.

2011	***CEO***
	Sami Holopainen*, Lic.Sc. (Tech.), has been the President and CEO as of June 22, 2009 (b. 1972). Salary, other remuneration, fringe benefits and bonuses paid to him in 2011 amounted to EUR 297,220, of which his salary and fringe benefits accounted for EUR 199,720 and bonuses for EUR 97,500. At the end of 2011, he owned 3,810 Aspocomp shares.*

Auditing

The AGM elects 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 or by the Board's Audit Committee, if such a committee has been established, and shall be disclosed in the Notice of the AGM. The remuneration of the auditor shall be decided by the AGM.

2011	***Auditing***
	The AGM elected PricewaterhouseCoopers Oy as the company's auditor with Authorized Public Accountant ***Markku Katajisto*** *as the main auditor.* *The fees paid to the accounting firm for the actual audit totaled EUR 37,000 (EUR 73,000 in 2010). In addition, EUR 95,000 (EUR 20,000) was paid to PWC for other services.*

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEMS RELATED TO THE FINANCIAL REPORTING PROCESS

The Board is responsible for the proper and effective arrangement of internal control and risk management. The objective is to ensure that:

- the Board and management receive sufficient and reliable information about the company's financial position, risks impacting on the future performance and the implementation of strategy
- the company's external reports are essentially correct, comprehensive and timely
- laws and regulations are followed.

Risk management

Risk management is an integral element in the Group's business strategy and operational goal setting. When deciding on the company's strategy, the Board of Directors reviews the

company's major risks and sets operative goals such that these risks are eliminated or minimized cost-effectively. Risks are categorized into strategic, operative and financial risks. As part of internal control, the achievement of the operative goals set for risk management is assessed and monitored.

2011 Risk Management

In 2011, the company's risk profile changed significantly. At the end of the year, the major risks were related to court proceedings concerning claims made by former employees of Aspocomp S.A.S. (a French subsidiary that went bankrupt in 2002), dependence on key customers, trends in the global PCB market and liquidity.

Litigations

In May 2010, the Court of Appeal of Rouen, France, upheld the ruling rendered by the Labor Court of Evreux in January 2009, obligating the company to pay a total of about EUR 530 thousand in compensation, with interest, to 13 former employees of Aspocomp S.A.S. The company has not paid said compensation.

In October 2010, seven new claims were made. The company was informed of the ruling in November 2011. Aspocomp was obligated to pay about EUR 130 thousand to these seven former employees of Aspocomp S.A.S. Aspocomp will appeal the ruling.

In addition, there is a risk that the remaining approximately 90 employees may also institute proceedings. Under legislation that came into effect in June 2008, the statute of limitations for filing a suit is five years after the law came into effect.

Dependence on customers and market trends

The five largest customers account for 81 percent of net sales. The acquisition of the Teuva plant at year's end expands the company's customer base.

Although Aspocomp is a marginal player in the global electronics market, major changes in global PCB demand also have an impact on the company's business. A prolonged downturn would also increase competition in the company's field of specialist expertise, namely, quick-turn deliveries and short production series.

Liquidity

The corporate and debt restructuring completed at the end of June substantially improved the company's financial position. At the end of the year, the nominal value of interest-bearing liabilities was EUR 1.2 million. Gearing was -17.0 and the equity ratio 61.6 percent.

The company's liquidity is based on cash assets, the cash flow generated by business operations, and external financing. Due to its financial difficulties in recent years, the company might face problems in securing external financing in the scope and under the terms and conditions that its financial position would allow.

Internal control

The Board is responsible for organizing internal control. Furthermore, the Board is responsible for the proper arrangement of accounting and internal control of financial administration. The CEO takes care of the practical arrangement of the control and reports on it to the Board. The operational principles of internal control are:

- all significant tasks, transactions and meetings, including the decisions made, are documented
- IT and other support systems are used efficiently and appropriately
- security is arranged properly.

The actual internal control materializes in management processes – in everyday work – as personnel acts based on instructions to reach operative targets. The targets determine the necessary actions and related risks. Instructions are used to steer actions.

Instructions related to the internal control are gathered into two company confidential documents, the former intended for all and the latter for finance staff. The first document, Policies, defines the company's operating policies:

- representation and approval rights
- HR policies and approval of employee benefits
- pricing, payment term and credit policies
- approval procedures for expenses
- instructions for preparation and handling of agreements
- instructions for IT usage and IT security
- principles of risk management and insurance coverage.

The second document, Finance Manual, includes:

- accounting instructions
- principles and instructions for management reporting and external reporting
- definition of internal controls in bookkeeping and reporting processes including responsibilities.

Accounting and reporting of all Group companies is centralized into one ERP system, which supports the business processes. A shop floor level manufacturing execution system is integrated into ERP in real time.

Reports from the system are used in decision making and control in business and support processes. Several control points are defined in the different levels (subsidiaries, Group). These controls include approval procedures, reconciliations and analyses of financial information to ensure correctness of the information received from the system.

Management teams responsible for sales and manufacturing regularly follow all key performance indicators to also ensure the correctness of the financial information. The Board receives monthly a standard-format profit and loss report as well as a cash flow status report, including both actual and estimated figures. Quarterly the Board receives an IFRS-based report that includes the balance sheet, profit and loss, changes in equity, cash flow and selected financial indicators.

Due to its size, the company does not have a separate internal auditing organization or specific internal audit tasks.

2011	Internal control
	Internal control and management reporting routines were not revised in 2011. *Internal reporting focused on monitoring the trend in net sales and costs as well as cash flow.*

INSIDER ADMINISTRATION

Aspocomp's Board of Directors has ratified the company's insider guidelines, which comply with the regulations on the administration and handling of insider information laid down in the Guidelines for Insiders published by NASDAQ OMX Helsinki Ltd.

The insider guidelines prohibit permanent insiders, any persons in their custody and any companies, organizations or foundations over which they have control from trading in shares of the company for two weeks prior to the publication of interim reports and three weeks prior to the publication of financial statements (so-called silent period). The silent period ends on the day following the publication of the results. The company supervises the trading of insiders.

According to the guidelines, the company's permanent public insiders include the members of the Board, the CEO and her/his deputy, the auditors and their deputies, the main auditor and members of the Executive Management Committee.

A non-public permanent company-specific insider register includes the Managing Directors of the subsidiaries and other persons designated by the CEO who according to their title or duties regularly receive insider information.

In addition to this the company maintains a project-specific register of insiders if the company has an ongoing project that, if realized, is likely to have an effect on the value of the company's stock price. Insiders involved in insider projects may not trade in shares until the project is disclosed in a Company Announcement or the project ceases.

Aspocomp instructs and informs its permanent and project-specific insiders to ensure that they know the company's insider guidelines and their obligations.

The CEO supervises the guidance and monitoring of the company's insider guidelines. The company's head of administration maintains the company's permanent and project-specific registers of insiders. Aspocomp's public register of insiders is maintained by Euroclear Finland Ltd. Up-to-date details of public insiders' share holdings and trades are available for inspection at Euroclear Finland Ltd.'s premises in Helsinki, Finland at the address Urho Kekkosen katu 5 C and on the company's Internet site at www.aspocomp.com/governance.

2011	*Insider administration*
	Chief auditor Markku Katajisto was added to the company's register of public insiders on April 20, 2011. On September 19, 2011, the following persons were also added: Jari Isoaho, who was appointed as COO and deputy to the CEO, Jouni Kinnunen, who was appointed as CFO, and Tero Päärni, who was appointed as VP, Sales.

Board of Directors and Management Team

BOARD OF DIRECTORS

Tuomo Lähdesmäki, b. 1957, Chairman of the Board

- M.Sc. (Eng.), MBA
- Chairman of the Board since 2003, Board member since 2002
- Independent of the company or the company's main shareholders since 2002
- Partner, Boardman Oy
- Compensation 2011: total EUR 35,000
- Aspocomp shares December 31, 2011: 39,889
- No holdings or rights based on a share-related compensation system of the company
- Key positions of trust: Chairman of the Board Turku University Foundation, Member of the Board Metsä Tissue Corporation, Scanfil Plc and Sievi Capital Plc
- Primary work experience: President, Elcoteq Network Corporation, 1997-2001, CEO, Leiras Oy, 1991-97, various management positions, Swatch Group, 1990-91, Nokia Corporation, 1983-89.

Johan Hammaren, b. 1969, Vice Chairman of the Board

- LL.M, B.Sc. (Econ.)
- Board member since 2007
- Independent of the company or the company's main shareholders since 2007
- Director and Founder member, Fondia Oy
- Compensation 2011: total EUR 17,500
- Aspocomp shares December 31, 2011: 26,641
- No holdings or rights based on a share-related compensation system of the company
- Key positions of trust: Member of the Board, BENEQ Oy, Tecnotree Plc., Fondia Oy, and Life Annuity Institution Hereditas
- Primary work experience: Legal Director, Nokia Emerging Business Unit, 2006, Senior Legal Counsel, Nokia Customer and Market Operations, 2005-06, Legal Counsel, Multimedia Division, Nokia, 2003-04, Legal Counsel, Nokia Home Communications (Stockholm), 2001-03, Legal Counsel, Nokia Ventures Organization, 2000-01.

Kari Vuorialho, b. 1952

- B.Sc. in Electronics
- Board member since 2007
- Independent of the company or the company's main shareholders since 2007
- Compensation 2011: total EUR 17,500
- Aspocomp shares December 31, 2011: 14,641
- No holdings or rights based on a share-related compensation system of the company
- Key positions of trust: Vice Chairman of the Board, Salcomp Plc, Chairman of the Board, Meka Pro Oy

- Primary work experience: President and CEO, Salcomp Oy, 1996–2005, various management positions, Salcomp Oy, 1977–1996.

Management Team

Sami Holopainen, b. 1972

- Lic.Sc. (Tech.)
- Chief Executive Officer since June 22, 2009
- Member of the Management Team since 2009
- Aspocomp shares and stock-based rights Dec. 31, 2011: 3 810 shares and no stock-based rights
- Primary work experience: various management positions in Aspocomp Group Plc. since 2000, Member of the Group Executive Committee in 2000 – 2006, CFO and General Manager of Aspocomp (Thailand) Co., Ltd. in 2007–2009.

Jari Isoaho, b. 1960

- B.Sc. (Eng.)
- Chief Operational Officer since September 19, 2011
- Member of the Management Team since 2011
- Aspocomp shares and stock-based rights Dec. 31, 2011: 0 shares and no stock-based rights
- Primary work experience: various positions in Aspocomp Group Plc. since 1989.

Jouni Kinnunen, b. 1960

- Diploma in Business and Administration
- Chief Financial Officer since September 19, 2011
- Member of the Management Team since 2011
- Aspocomp shares and stock-based rights Dec. 31, 2011: 8 shares and no stock-based rights
- Primary work experience: various positions in Aspocomp Group Plc. since 1984.

Tero Päärni, b. 1974

- VP, Sales since September 19, 2011
- Member of the Management Team since 2011
- Aspocomp shares and stock-based rights Dec. 31, 2011: 0 shares and no stock-based rights
- Primary work experience: various positions in Aspocomp Group Plc. in 2002-2007 and since 2011.

Investor Relations

The objective of Aspocomp is to serve all parties in the market equally. The Group's investor relations contact is:

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