

ASPOCOMP GROUP Oyj STOCK EXCHANGE BULLETIN May 2, 2000 at 08.30AM 1(6)

ASPOCOMP INTERIM REPORT JANUARY 1 - MARCH 31, 2000

Net sales for the first three months of the year increased 27 % totalling EUR 59.6 million (EUR 46.8 million), profit before extraordinary items and taxes increased 52 % totalling EUR 6.6 million (EUR 4.4 million) and earnings per share were EUR 0.53 (EUR 0.34). Earnings (after financial items) for the entire year are expected to increase compared to last year.

GROUP NET SALES AND PROFITS

Net sales totalled EUR 59.6 million for the period from January 1 to March 31, 2000, compared with EUR 46.8 million during the corresponding period the previous year. Other operating income totalled EUR 0.6 million (EUR 0.8 million). The share of net sales of the company's three biggest customers, Ericsson, Nokia and Philips, was 63 %. Direct export from Finland totalled EUR 5.8 million (EUR 4.8 million) and offshore net sales totalled EUR 17.7 million (EUR 13.8 million).

Operating profit for the period totalled EUR 7.0 million or 11.8 % of net sales (EUR 4.6 million; 9.9 %). Net financial costs totalled EUR 0.4 million (EUR 0.3 million).

Profit before extraordinary items and taxes was EUR 6.6 million (EUR 4.4 million). Profit before taxes was EUR 6.6 million (EUR 4.4 million) and net profit for the period was EUR 4.7 million (EUR 3.0 million). Earnings per share totalled EUR 0.53 (EUR 0.34).

FINANCING, INVESTMENTS AND EQUITY RATIO

The Group's liquidity was satisfactory although major investments were carried out. Gross investments for the period totalled EUR 12.9 million (EUR 6.4 million) or 21.6 % of net sales (13.7 %). During the period, the company negotiated expanded short-term credit limits in order to secure liquidity. Net financial costs as a percentage of net sales totalled 0.6 % (0.6 %). The equity ratio decreased from the year end figure of 43.9 % to 39.8 % at the period end (44.4 %).

SHARES AND SHARE CAPITAL

As of March 31 the company's share capital totalled EUR 8,770,416 with a total 8,770,416 shares outstanding.

During the period extending from January 1 to March 31 a total of 897,877 shares with a value of EUR 52,529,433.31 were traded on the Helsinki Stock Exchange. The non-domestic share in the ownership of the stock was 14.8 %, as of the end of the period. The share price reached a high of EUR 74.50 and a low of EUR 30.50 between January 1 and March 31, 2000. The average price was EUR 58.50. The closing price on March 31, 2000 was EUR 62.00.

On March 17, the Annual General Meeting authorized the Board to increase the share capital by one or several new issues and/or to issue one or several convertible bonds, so that in a new issue of

shares and/or in converting convertible bonds the share capital may be increased by an aggregate maximum amount of EUR 1,754,083 or less. The authorisation remains valid for one year from the date of the Annual General Meeting.

MAJOR SHAREHOLDERS AS OF APRIL 26, 2000

	Number of Shares	Holdings and Votes %
Sampo Group		
Sampo Life Insurance Company Limited	460 726	5.25
Sampo Enterprise Insurance Company Limited	300 000	3.42
Sampo Insurance Company Plc	314 000	3.58
Industrial Insurance Company Ltd	200 000	2.28
	1 274 726	14.53
Nyberg H.B.	820 000	9.35
Pohjola Group		
Pohjola Non-Life Insurance Company Limited	387 810	4.42
Suomi Mutual Life Assurance Company	185 900	2.12
Pohjola Life Assurance company Ltd	130 000	1.48
	703 710	8.02
Varma-Sampo Mutual Insurance Company	547 200	6.24
European Strategic Investors Holdings N.V.	456 000	5.20
Vehmas A.E.	398 456	4.54
Vehmas Tapio	374 146	4.27
Kaleva Mutual Insurance Company	370 000	4.22
Vehmas Liisa	333 130	3.80
Estlander Henrik	266 146	3.03
Nominee registered shares	766 455	8.74

PERSONNEL

The number of employees averaged 1,972 from January 1 to March 31, 2000, compared to 1,714 for the same period the previous year. Personnel averaged 1,886 for 1999.

PROSPECTS

The Aspocomp Group's net sales and earnings are expected to improve during the year 2000, compared to 1999. Favourable demand prospects and improved productivity are expected to outweigh the price competition in all areas of operation. In addition, the traditional volatility of the electronics industry makes forecasting challenging.

The above view is based upon the forecasts for the full year end performance as of the interim report publication date. The materialization of these forecasts is dependent on external factors such as domestic and in particular international macro-economic development and customer-related industry conditions and circumstances.

BUSINESS UNITS

MOBILE

The Mobile Business Unit (BU) provides Printed Circuit Board (PCB) - related high technology services for mobile phone customers. The Business Unit has production in Salo, Finland and Evreux, France. Its ongoing investment program includes new buildings and new machinery in both production facilities.

Net sales for the Business Unit were 43 % of Aspocomp's total during the period. The first phase of the expansion project at the Salo plant has been completed and the second phase will be completed by September 2000. The expansion project at the Evreux plant continued and the new mobile plant will be ready for production in the summer of 2001. Profits were good in spite of the ramping up of new investments. The company has committed to a very strong shift towards the new microvia-technology. Already over 70 % of the sales was generated from this leading edge High Density Interconnection (HDI) - technology, during the period. The shift to HDI is a trend that supports the company's strategic competitiveness. We expect strong volume growth to continue in the near future as well.

TELECOM

The Telecom Business Unit provides PCB-related services for telecom infrastructure customers producing e.g. base stations for mobile phone networks. The Unit has production in Finland (Oulu, Teuva, Padasjoki, Espoo) and in France (Evreux). Telecom has an investment program, which includes the expansion of the production sites in Padasjoki and Oulu and new machinery at all sites. These investments will increase the scope and quality of our technological capability. A new partnership agreement with the company Dynamic & Proto will enable Aspocomp to provide its North-American customers with prototypes locally. Net sales of the Telecom Business Unit comprised 24 % of Aspocomp's total net sales during the period. Earnings were unsatisfactory but in accordance with the forecast which includes the re-organization of the production during the first half of the year. The growth in market demand has been good. Demand for HDI-products is growing as the new applications come on line. As HDI-demand increases, the competitiveness of our services will rise. Prospects for the immediate future appear promising.

AUTO & INDUSTRY

The Auto & Industry Business Unit provides PCB-related services for automotive and industrial customers. The Unit has production in Finland (Teuva and Padasjoki) and in France (Evreux). Demand for HDI-products has not yet materialized in this area. Currently, products

in the Auto and Industry segment are mainly standard technology products. This makes them vulnerable to price competition, particularly from low-cost countries. During the period Aspocomp acquired a 12.5 % share of P.C.B. Center (Thailand) Co., Ltd., the second biggest PCB-producer in Thailand. As part of the agreement Aspocomp has a call option to acquire over 50 % of P.C.B. Center shares. Transferring the production of some products to Thailand has already started. This shift will continue and the standard technology products of Auto & Industry Business Unit will be produced at P.C.B. Center. However, we expect to gain a competitive advantage in Europe once the industry begins to switch over to HDI-technologies. The Unit currently benefits from the technology developed by the Mobile and Telecom Units. As a result it has been possible to transfer process-related best practices developed with our customers in the more established Auto and Industry sectors to the fast growing Mobile and Telecom Units. Auto & Industry net sales represented 14 % of Aspocomp's total. Market growth was moderate and earnings were unprofitable.

ELECTRONICS MANUFACTURING SERVICES (EMS)

The EMS Business Unit provides focused services in thick film hybrid circuits and mechanical assemblies mainly to the same customers as the Telecom and Mobile Units. EMS has production only in Finland; in Klaukkala and at two sites in Oulu. Our investment plan calls for an increase in capacity and the consolidation of all production into one facility in the Oulu area. Net sales represented 19 % of the Group total. Growth rate of the net sales was good and earnings were satisfactory. Prospects for the immediate future are good.

TECHNOLOGY

The key technology trends affecting Aspocomp's operating environment are:

Intensified technology evolution and shorter product life-cycles

Overall structure from vertical integration to networked production; rapid development cycles in product technologies have forced separate production development, to spread risks and capital spending along the supply chain

Modular manufacturing and assembly away from local suppliers towards global electronic manufacturing services (EMS) providers

The telecom industry, especially the mobile communication industry has become the driver of technological and structural change

The electronics industry has created new operational practices through evolution and transformation and has become a cutting edge industry in terms of product development, demand-supply chain management and organizational solutions. In the next two years we can expect even more diversity, and PCB producers must make strategic choices which will impact their capabilities two to three years from now without exact information on customer needs and requirements.

Therefore there are good reasons to establish collaborative research activities between suppliers, PCB-producers, customers and academic community. Aspocomp will be an active partner in this kind of collaboration ensuring that Aspocomp will benefit from newest production technologies.

ASPOCOMP GROUP INCOME STATEMENT

	1-3/00		Pro forma 1-3/99		Pro forma 1-12/99	
	MEUR	%	MEUR	%	MEUR	%
NET SALES	59.6	100.0	46.8	100.0	201.3	100.0
Other operating income	0.6	1.0	0.8	1.6	2.5	1.2
Depreciation and write-downs	5.8	9.7	4.6	9.8	19.8	9.8
OPERATING PROFIT AFTER DEPRECIATION	7.0	11.8	4.6	9.9	21.5	10.7
Financial income and expenses	-0.4	-0.6	-0.3	-0.6	-1.3	-0.7
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXES	6.6	11.1	4.4	9.3	20.1	10.0
Extraordinary income	0.0		0.0		0.0	
Extraordinary expenses	0.0		0.0		-0.7	-0.4
PROFIT BEFORE TAXES	6.6	11.1	4.4	9.3	19.4	9.6
PROFIT FOR THE PERIOD	4.7	7.9	3.0	6.4	13.7	6.8
EARNINGS/SHARE, EUR	0.53		0.34		1.64	

Figures are unaudited.

Accrued taxes for this interim period have been calculated in accordance with the corporate tax rate in force during the period under review and include taxes brought forward from earlier periods. The calculation of earnings/share excludes taxes on extraordinary items.

ASPOCOMP GROUP BALANCE SHEET

	3/00 MEUR	Pro forma		Pro forma 12/99 MEUR
		3/99 MEUR	Change %	
Fixed and other long- term assets	104.7	76.6	36.7	96.6
Inventories	26.0	19.0	36.9	23.4
Receivables	42.6	33.5	27.4	35.0
Cash and bank deposits	1.0	2.0	-50.3	2.3
TOTAL ASSETS	174.3	131.0	33.1	157.4

Shareholders' equity	69.3	58.2	19.0	69.0
Mandatory reserves	0.3	0.3	-	0.3
Long-term liabilities	40.0	22.7	75.8	38.0
Short-term liabilities	64.8	49.8	30.1	50.2
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	174.3	131.0	33.1	157.4
EQUITY / SHARE, EUR	7.90	6.64		7.87
EQUITY RATIO, %	39.8	44.4		43.9

Figures are unaudited.

Accumulated excess depreciation and voluntary reserves totalling EUR 14.0 million have been divided among shareholders' equity and nominal tax liabilities.

CONTINGENT LIABILITIES	3/00 MEUR	Pro forma 12/99 MEUR
Securities on Group liabilities	3.9	3.9
Operational leasing liabilities	0.5	0.5
TOTAL	4.4	4.4

The figures for the comparative year are pro forma. The calculation principles for the pro forma figures have been presented in the 1999 Aspocomp Group Annual Report.

Helsinki, May 2, 2000

ASPOCOMP GROUP Oyj

Board of Directors

For more information, please contact CEO Jarmo Niemi,
at +358 9 759 70711.

ASPOCOMP GROUP Oyj

Jarmo Niemi
President and CEO

DISTRIBUTION:
Helsinki Exchanges
Press and Media
www.aspocomp.com

