ASPOCOMP GROUP OYJ Quarterly report August 9, 2007 at 8:00 am

ASPOCOMP'S INTERIM REPORT JANUARY 1 – JUNE 30, 2007

- Net sales: EUR 51.6 million (EUR 72.9 million in 1-6/2006). The reference quarter figure includes the Chinese lower technology plant that was divested in April. Eliminating the effect of the divestiture, comparable net sales declined by 17.6 percent (EUR 62.6 million in 1-6/2006). Net sales of the Salo plant waned due to a limited number of products and production ramp-down. Global overstocking of the handset market in the first quarter of the year still affected demand at the Chinese plant. Its sales picked up towards the end of the period. Lower technology products of the Thai plant were under heavy price pressure, which affected its sales volumes. Net sales at the Oulu plant continued to strengthen.

- Operating profit: EUR –40.9 million (-8.9). The decline was mostly attributable to write-offs amounting to EUR 20.4 million at the Salo plant and compensation of EUR 10.1 million to the former employees of Aspocomp S.A.S. The plants in Oulu and China continued to turn a profit.

- Earnings per share from continuing operations: EUR –0.96 (-0.23).

- Cash flow from operations: EUR –2.1 million (-2.3).

- Investments: EUR 48.7 million (10.4). Investments consisted mostly of the purchase of a minority share in the Chinese subsidiary.

- Per-share cash flow after investments: EUR –0.93 (-0.25).

- A decision to close down the Salo plant was made in June. The plant was closed in July.

The report and reference period figures do not include the Modules division divested in August 2006. Unless otherwise stated, the reference period figures include the Chinese lower technology plant.

THE APRIL-JUNE PERIOD IN BRIEF
(Reference figures are for 4–6/2006)

Net sales and operating profit, EUR million

	4-6/2007	change, %	4-6/2006
Net sales	24.1	-33.0	35.9
Operating profit	-34.4		-5.3

The Aspocomp Group’s net sales for the April-June period were EUR 24.1 million (35.9). The Group's comparable net sales for the period were EUR 30.9 million, excluding net sales of the Chinese lower technology plant sold in April. It fell by 22.2 percent and in China, by 9.8 percent on the reference quarter. Net sales of the Salo plant waned due to a limited number of products and production ramp-down. Global overstocking during the first quarter of the year still affected demand at the Chinese plant. Lower technology products of the Thai plant were under heavy price pressure, which affected its sales volumes.

Net sales of the Oulu plant improved slightly on the reference period. However, the total net sales of the Finnish Salo and Oulu plants declined by 15.3 percent due to the Salo plant.

Comparable net sales of the Asian plants in China and Thailand, eliminating the effect of the lower technology plant sold in China, declined by 24.9 percent. Sales of the Thai plant waned markedly on the reference quarter. Despite weaker overall demand, sales in China picked up 20.2 percent on the first quarter of the year.

The Group's net sales per plant were as follows:
- the Finnish plants, 44 percent (36%)
- the Asian plants, 56 percent (64%)

The Group's net sales by market area were as follows:
- Europe, 59 percent (54%)
- Asia, 21 percent (31%)
- the Americas, 20 percent (15%)

The Group's net sales per product area were as follows:
- handheld devices and telecom networks, 83 percent (67%)
- automotive, industrial and consumer electronics, 17 percent (33%)

Operating profit was EUR –34.4 million (-5.3), or –143 percent (-17%) of net sales. The severe decline in operating profit was mostly attributable to write-offs amounting to EUR 20.4 million at the Salo plant, of which the plant building accounted for EUR 11 million, and compensation of EUR 10.1 million to the former employees of Aspocomp S.A.S. Salo write-offs, both building and machinery, include uncertainties and the final outcome may differ from current amounts.

Profit of the Thai plant waned noticeably on the reference quarter. The plant's lower technology products were under heavy price pressure, which shrank its sales volumes and pressed profits. Although the profit posted by the Chinese plant fell visibly on the reference quarter due to lower sales volumes, resulting from global overstocking in the handset market, and unfavorable product mix, its profitability remained good. Profit of both Asian plants improved in the second quarter compared to the previous quarter. Profit of the Oulu plant improved on both the reference quarter and the January-March period.

The Group's net financial expenses were EUR –3.6 million (-0.3) and the profit for the period was EUR –40.2 million (-5.7). Financial expenses included EUR 2.1 million in Aspocomp S.A.S litigation interest. Earnings per share were EUR -0.79 (-0.14).

Taxes include an avoir fiscal tax asset write-off of EUR 2.2 million. After the closing of the Salo plant, it is unlikely that the tax asset can be utilized in the near future.

Cash flow from operations was EUR 1.3 million (-4.0).

OUTLOOK FOR THE FUTURE

Aspocomp’s main priority in 2007 is to focus the company's resources on developing its market position and competitiveness, serving the main global customers, increasing cost-effectiveness as well as securing the liquidity and financing of the Aspocomp Group. These are subject to successful partnership negotiations or financial arrangements.

The full-year net sales of the Aspocomp Group from continuing operations and excluding the sold plant in China are forecast to decrease compared to the previous year. Profitability, excluding one-off items, is anticipated to improve on 2006; however, the full-year 2007 result is expected to be markedly unprofitable. Aspocomp Group Oyj's liquidity will remain weak.

The Aspocomp Group's consolidated cash flow from continuing operations is estimated to improve and to reach break-even during the fourth quarter of 2007. However, liquidity of Aspocomp Group Oyj will still remain weak.

MAIJA-LIISA FRIMAN, PRESIDENT AND CEO:

"The first half of the year was a challenging period in the PCB market due to the overstocked global sales channels. In addition, certain products at the Salo plant were terminated and subsequent to the minority share acquisition in China, the Suzhou plant underwent a significant transition period. The Salo plant was closed down in July. The major overhauls have now been completed and there are signs of an improvement. The Group's cash flow from operations is starting to turn and we expect it to improve in the third quarter of the year.

Closing down the Salo plant is expected to yield annual savings in excess of EUR 10 million and reduce loss before non-recurring items by about EUR 3 million.

After a weaker start of the year, the transition period following the minority share purchase in the Chinese subsidiary was completed. Experienced Chinese management has replaced the Taiwanese and the unit has been integrated into the Group. The benefits of the operational takeover will be visible starting the third quarter and come into full effect in the fourth quarter of the year. We are now well-poised for taking full advantage of the growing market.

Lower technology products from Thailand have been under heavy price pressure this year, which has affected the sales volumes. Actions taken to improve the plant’s operative performance, including labor cost cuts and better control of raw material usage, have started to bear fruit. The Oulu plant, in contrast, continues to excel.

The decision of the French Supreme Court on June 19, 2007, was the least expected outcome. According to the decision, Aspocomp has to pay EUR 10.1 million plus interest to the former employees of Aspocomp S.A.S. The related counter obligation of Aspocomp to Nordea has been converted into a bank loan; therefore, the decision will not essentially weaken Aspocomp's immediate liquidity.

In order to better serve our globally growing customers, we are actively continuing partnership and financing negotiations. A partnership enables our growth in Asia and helps finance our planned investment program. The possible choice for strategic partnership will also affect the timing of investments and plant start-up in India.

Aspocomp's volume production is now located entirely in Asia. The closing down of the Salo plant went well. Consequently, we expect to see a better performance starting from the third quarter of the year."

PRINTED CIRCUIT BOARD MARKET

The overbuilt global inventory that was carried over from the last quarter of 2006 began to clear during the second quarter of 2007, particularly in the largest and fastest growing market, Asia Pacific. Consequently, HDI PCB manufacturing started to pick up. Material costs remained unfavorable.

According to market estimates, global HDI PCB production in the April-June period grew by over 5 percent compared to the previous quarter. In Asia HDI PCB production grew at the same rate.

In 2007, the production value of technologically complex HDI PCBs is forecast to amount to almost USD 6 billion (over EUR 4 billion) globally. Market researchers expect the value of global HDI PCB production to grow by nearly 6 percent annually between 2007 and 2011. Annual growth of almost 7 percent is forecast for Asia, with growth in China exceeding this figure somewhat. It is expected that by 2010, about 90 percent of the world's HDI PCB revenue will be generated in Asia.

Aspocomp's customers in the handheld devices segment reported strong performance in the April-June period. In the telecom infrastructure market, the Group's customers experienced mostly flat or falling sales. The automotive electronics market appeared to be stable during the review period.

CONSOLIDATED NET SALES AND OPERATING PROFIT, JANUARY-JUNE
(Reference figures are for 1–6/2006)

Net sales and operating profit, EUR million

	1-6/2007	change, %	1-6/2006
Net sales	51.6	-29.2	72.9
Operating profit	-40.9		-8.9

The Aspocomp Group’s net sales for the review period were EUR 51.6 million (72.9). Comparable net sales that takes into account the Chinese lower technology plant sold in April was EUR 62.6 million, declining by 17.6 percent. This was mainly due to weak sales at the Salo and China plants. Weak sales were mostly attributable to overbuilt global inventory that began in the last quarter of 2006 and slowed down PCB demand.

Net sales of the Suzhou, China plant was down 13 percent from the reference period to EUR 17.5 million due to overstocking of global handsets and the effects of the transition period. Despite weaker overall demand, sales in China picked up towards the end of the review period. Net sales of the Thai plant fell by 29 percent to EUR 10.2 million due to weak demand for lower technology products.

Net sales of the Salo plant declined by 26 percent to EUR 14.3 million as a consequence of a limited number of products and production ramp-down. Net sales posted by the Oulu plant were up 11 percent from the corresponding period last year, amounting to EUR 10.5 million.

The Group’s comparable net sales per plant were as follows:
- the Finnish plants, 46 percent (38%)
- the Asian plants, 54 percent (62%)

The Group’s comparable net sales by market area were as follows:
- Europe, 63 percent (54%)
- Asia, 21 percent (31%)

- the Americas, 16 percent (15%)

The Group's comparable net sales per product area were as follows:
- handheld devices and telecom networks, 83 percent (67%)
- automotive, industrial and consumer electronics, 17 percent (33%)

During the review period, the share of Aspocomp's overall PCB production accounted for by HDI PCBs totaled 68 percent.

Aspocomp's five largest customers during the period were Continental Automotive Systems, Elcoteq, Nokia, Philips and Wabco. The five largest customers accounted for 72 percent of net sales (49%).

Operating profit was EUR –40.9 million (-8.9), or –79.3 percent (14.2%) of net sales.

The heavy losses of the Salo plant in particular cut into the Group’s profitability during the review period. The plant was closed down in July.

Losses of the Thai plant mounted on the reference period due to weaker sales; however, its result improved somewhat in the second quarter compared to the first quarter. Although the profit posted by the Chinese plant declined due to global overstocking in the handset market and unfavorable product mix, its profitability remained good and picked up in the second quarter. Profit at the Oulu plant remained on a par with the reference period and was clearly in the black.

The Group’s net financial expenses were EUR –4.7 million (-0.5). The profit for the period was EUR –48.0 million (-9.6) and earnings per share from continuing operations were EUR –0.96 (-0.23).

FINANCING, INVESTMENTS AND EQUITY RATIO

The Aspocomp Group’s consolidated cash flow from operations during the review period was negative, totaling EUR –2.1 million. The Group’s consolidated net liquid assets at the end of the period amounted to EUR 17.3 million (17.3). Aspocomp Group Oyj’s liquid funds, including unused limits, were EUR 4.3 million (4.1).

Interest-bearing net debt rose to EUR 74.9 million (38.8). The figure contains EUR 20.0 million (21.6) in financial lease liabilities. Gearing was 341 percent (41.4%), rising due to poor performance, write-offs, the Aspocomp S.A.S litigation settlement and the higher debt level. Non-interest-bearing liabilities amounted to EUR 54.4 million (37.9).

Cash flow from operations amounted to EUR -2.1 million (-2.3) and investments to EUR 48.7 million (10.4). Per-share cash flow after investments was EUR –0.93 (-0.25).

Investments primarily consisted of the minority share purchase in the Chinese subsidiary. Capital expenditures were EUR 46.6 million (4.5) in Asia and EUR 2.1 million (5.9) in Europe. Net financial expenses were 9.1 percent (0.1%) of net sales.

The Group’s equity ratio at the end of June stood at 13.0 percent (49.9%).

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

RESEARCH AND DEVELOPMENT

The Group's research and development expenditure amounted to EUR 1.2 million (2.2), or 2.4 percent (3.0%) of net sales.

After the statutory codetermination negotiations in Finland, the Group announced that part of its research and development will remain in Finland to serve the company's global customers. The Group will also start product development in the premises of its Chinese plant this year.

During the review period, the main focus of technology development was on HDI semi-flex PCBs. The industrialization of two flex layer HDI semi-flex PCBs was finalized and ready for production with one material build-up. Technology was developed further with a view to finding a greater number of cost-effective and reliable materials for both semi-flex applications. Design guidelines were updated accordingly.

During the review period, a market study for Any Layer Microvia type PCBs was continued, including the customers' build-up and design requirements.

Research related to optoelectronics was carried out throughout the review period and evaluations seeking to identify flexible optical material options continued.

Research progressed on the HDI rigid-flex concept for the dynamic application of hinge solutions for handheld devices. It included the technical evaluation of the processing requirements of this type of product.

SHARES AND SHARE CAPITAL

The total number of Aspocomp's shares at June 30, 2007, was 49,905,130 and the share capital stood at EUR 49,905,130. Of the total shares outstanding, the company held 200,000 treasury shares, representing 0.4 percent of the aggregate votes conferred by all the shares. The number of shares adjusted for the treasury shares was 49,705,130.

A total of 34,726,893 Aspocomp Group Oyj shares were traded on the Helsinki Stock Exchange during the period from January 1 to June 30, 2007. The aggregate value of the shares exchanged was EUR 26,176,055. The shares traded at a low of EUR 0.36 (June 26 and 27, 2007) and a high of EUR 2.20 (January 29, 2007). The average share price was EUR 0.99. The closing price at June 29, 2007, was EUR 0.40. At the end of the period, nominee-registered shares accounted for 7.3 percent of the total shares and 2.4 percent were directly held by non-Finnish owners.

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

Standard Chartered Bank (Hong Kong) Limited notified Aspocomp on April 20, 2007 that, following the completion of the share offering, if it uses its right to subscribe for the 4,000,000 shares in full, its proportion of shares and votes of the new number of Aspocomp shares would amount to 7.42 percent and the proportion of shares and votes of the currently registered 49,905,130 shares would amount to 8.02 percent.

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

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

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

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

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

RIGHTS OFFERING

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

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

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

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

STOCK OPTIONS AND CONVERTIBLE DEBENTURE LOAN

As part of the financing arrangement for the minority share acquisition in China, and on the basis of the authorization from the Extraordinary General Meeting of January 19, 2007, the Board of Directors of Aspocomp resolved on March 21, 2007 to issue 4,000,000 warrants to Standard Chartered Bank (Hong Kong) Limited in deviation from shareholders' pre-emptive subscription rights. Each warrant entitles its holder to subscribe for one share in the company. As a result, the total number of the company's shares can increase by a maximum of 4,000,000 shares. The warrants may be exercised from October 3, 2008 (or earlier if a person or entity will acquire over 30 percent of the company's shares) until March 31, 2010. Following the share offering described above, the Board of Directors noted on April 18, 2007, that the share subscription price on the basis of the warrants granted to Standard Chartered Bank (Hong Kong) Limited will be approximately EUR 1.13 per share.

Aspocomp also made a commitment to Standard Chartered Bank not to issue, without its consent, more than 40,000,000 shares on the basis of the authorization from the Extraordinary General Meeting of January 19, 2007. In addition, Aspocomp undertook to reserve 10,000,000 shares of the authorization for a possible share issue on commercially acceptable terms. The issue would take place in the event Standard Chartered Bank requests it within 120 days prior to the repayment of the loan granted for the minority acquisition in China, scheduled for September 2008. The schedule for the possible issue may change if the term of the loan is extended.

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

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

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

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

The Board of Directors also decided on a separate share-based incentive scheme covering about 10 senior executives. Benefits, if any, will be paid in January 2008 at the latest.

PERSONNEL

During the review period, the Aspocomp Group had an average of 2,472 employees (3,328). The personnel count on June 30, 2007 was 2,406 (3,397). Of them, 1,609 (2,372) were non-salaried and 797 (956) salaried employees. 2,381 (2,348) personnel worked in PCB production and 25 (24) in Group administration.

Personnel by region, average

	1-6/2007	change, %	1-6/2006
Europe	575	-18.0	701
Asia	1,897	-27.8	2,627
Total	2,472	-25.7	3,328

The personnel reduction in Asia was mainly attributable to the sale of the older technology plant in China. The Group continued to implement the HR development process, adopted last year, to achieve consistency in operating methods and documentation in different countries.

Management was restructured in Thailand and new management was appointed for the Chinese plant due to the new focus on HDI PCB production. In addition, the Group-wide recruiting process was honed.

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

BOARD OF DIRECTORS AND AUDITORS

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

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

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

GROUP RESTRUCTURINGS

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

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

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

The Board of Directors of Aspocomp Group Oyj decided on May 10, 2007 to merge the subsidiary Aspocomp Oy with its parent company. The merger plan was entered into the Finnish Trade Register on June 5, 2007 and the planned registration date for the implementation of the merger is September 30, 2007. The merger will have no effect on the Aspocomp Group's financial statement figures.

EXPANSION IN ASIA

On February 15, 2007, Aspocomp announced that the total investment in the minority acquisition and product capacity expansion related to the Chinese subsidiary as well as in the India plant project is currently estimated to amount to about EUR 170 million. According to the estimates released on March 15, 2007, the investment in India will amount to about EUR 100 million, of which about EUR 80 million is earmarked for building and machinery and EUR 20 million for working capital, interest and start-up costs.

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

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

Aspocomp has previously announced that it will be active in the industry's consolidation trend. On June 15, 2007 the company declared that it is negotiating on potential cooperation with strategic partners in order to enable its growth in Asia and to finance its planned investment program. A possible choice for strategic partnership will also affect the timing of plant start-up in India. The Group will also continue negotiations with alternative plant project financiers. The duration of the partnership and financing negotiations cannot be estimated and the company cannot guarantee their outcome.

ASPOCOMP S.A.S.

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

According to the decisions of the Rouen appellate court, Aspocomp Group Oyj was ordered to pay EUR 10.1 million, plus by annual interest of about 7 per cent, to 388 former employees of Aspocomp S.A.S. To date, the interest amounts to approximately EUR 2.1 million.

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

The counter obligation of Aspocomp to Nordea has been converted into a bank loan. The interest rate of the loan is based on the monthly Euribor interest rate and will initially be 6.2 percent annually. The decision of the French Supreme Court will thus not essentially weaken Aspocomp's immediate liquidity.

NEGATIVE SHARE CAPITAL OF ASPOCOMP GROUP OYJ'S SUBSIDIARY ASPOCOMP OY

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

The merger of Aspocomp Oy into Aspocomp Group Oyj is expected to come into force on September 30, 2007. Due to the merger, the shareholders' equity of Aspocomp Group Oyj is estimated to amount to EUR 35.3 million.

AMENDMENTS TO THE ARTICLES OF ASSOCIATION

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

DIVIDEND POLICY

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

OUTLOOK FOR THE FUTURE

Aspocomp's main priority in 2007 is to focus the company's resources on developing its market position and competitiveness, serving the main global customers, increasing cost-effectiveness as well as securing the liquidity and financing of the Aspocomp Group. These are subject to successful partnership negotiations or financial arrangements.

The Group is currently negotiating on potential cooperation with strategic and financial partners in order to enable its growth in Asia and to finance its planned investment program. Successful completion of these negotiations is vital to the future operation of the company. The duration of the on-going partnership and financing negotiations cannot be estimated and the company cannot guarantee their outcome.

The Chinese plant facility to be vacated in 2007 by the former minority shareholder is currently planned to be upgraded into an HDI PCB plant during 2008. The possible outcome of the strategic partnership or financing negotiations will affect the timing of plant start-up in India and the upgrade of the Chinese plant.

The planned expansion of HDI PCB production capacity in India and China is forecast to have a visible positive effect on the company's net sales starting 2008, provided Aspocomp obtains financing and provided the investments are completed on schedule. The investments required for the expansion are estimated to result in a significant increase in the company's indebtedness and markedly higher financing costs.

The full-year net sales of the Aspocomp Group from continuing operations and excluding the sold plant in China are forecast to decrease compared to the previous year. Profitability, excluding one-off items, is anticipated to improve on 2006; however, the full-year 2007 result is expected to be markedly unprofitable. Aspocomp Group Oyj's liquidity will remain weak.

The Aspocomp Group's consolidated cash flow from continuing operations is estimated to improve and to reach break-even during the fourth quarter of 2007. However, liquidity of Aspocomp Group Oyj will still remain weak.

RISKS AND UNCERTAINTIES RELATED TO THE BUSINESS OF ASPOCOMP

In addition to the normal business risks as well as the risks announced in the annual report 2006 and the offering memorandum of the rights issue of March 2007, the company's short-term risks are mainly related to Aspocomp Group Oyj's financing and liquidity. Securing the liquidity and financing of the Aspocomp Group depends on the success of partnership negotiations or financial arrangements. Successful completion of these negotiations is vital to the future operation of the company. The duration of the on-going partnership and financing negotiations cannot be estimated and the company cannot guarantee their outcome.

ACCOUNTING POLICIES

This interim report has been prepared in accordance with IAS 34.

INCOME STATEMENT, APRIL-JUNE	4-6/07		4-6/06	
	MEUR	%	MEUR	%
NET SALES	24.1	100.0	35.9	100.0
Other operating income	0.6	2.5	0.6	1.7
Materials and services	-10.8	-44.8	-19.4	-54.0
Personnel expenses	-8.8	-36.5	-9.3	-25.9
Other operating expenses	-19.3	-80.1	-8.9	-24.9
Depreciation and amortization	-20.1	-83.4	-4.1	-11.5
OPERATING PROFIT	-34.3	-142.3	-5.3	-14.6
Financial income and expenses	-3.6	-13.3	-0.3	-0.8
PROFIT ON CONTINUING OPERATIONS BEFORE TAX	-37.9	-155.6	-5.6	-15.5
Taxes	-2.3	-9.5	0.0	0.0
PROFIT ON CONTINUING OPERATIONS	-40.2	-165.1	-5.6	-15.5
Profit on discontinuing operations	0.0	0.0	0.0	0.0
PROFIT FOR THE PERIOD	-40.2	-165.1	-5.6	-15.5
Profit attributable to				
minority interests	-0.1	0.0	1.1	3.1
equity shareholders	-40.1	-88.7	-6.4	-17.8

INCOME STATEMENT, JANUARY-JUNE	1-6/07		1-6/06		1-12/06	
	MEUR	%	MEUR	%	MEUR	%

NET SALES	51.6	100.0	72.9	100.0	148.9	100.0
Other operating income	1.3	2.6	1.1	1.5	3.3	2.2
Materials and services	-26.2	-50.8	-38.0	-51.2	-80.0	-53.8
Personnel expenses	-16.1	-31.1	-18.1	-24.8	-36.5	-24.5
Other operating expenses	-27.1	-52.0	-18.0	-24.7	-41.0	-27.6
Depreciation and amortization	-24.3	-47.1	-8.5	-11.7	-18.1	-12.1
OPERATING PROFIT	-40.9	-79.3	-8.6	-11.8	-23.3	-15.7
Financial income and expenses	-4.7	-8.3	-0.5	-0.7	-1.9	-1.3
PROFIT ON CONTINUING OPERATIONS BEFORE TAX	-45.6	-87.6	-9.2	-12.6	-25.2	-16.9
Taxes	-2.4	-0.3	0.0	0.0	-2.2	-1.5
PROFIT ON CONTINUING OPERATIONS	-48.0	-28.2	-9.2	-12.6	-27.4	-18.4
Profit on discontinuing operations	0.0	0.0	-0.2	0.2	0.2	0.1
PROFIT FOR THE PERIOD	-48.0	-88.0	-9.4	-12.9	-27.2	-18.3
Profit attributable to						
minority interests	-0.3	0.8	1.9	2.7	4.1	2.8
equity shareholders	-47.7	-88.7	-11.4	-15.6	-31.3	-21.0

CONSOLIDATED BALANCE SHEET

ASSETS	6/07 MEUR	6/06 MEUR	Change %	12/06 MEUR
NON-CURRENT ASSETS				
Intangible assets	24.9	4.9	408.2	4.5
Tangible assets	73.4	94.2	-22.1	95.0
Investments in associated companies	0.1	0.0		0.2
Investment property	2.8	2.6	7.7	3.4
Available for sale investments	0.5	0.3	66.7	0.3

Deferred income tax assets	1.1	0.3	266.7	1.3
Other long-term receivables	4.2	7.9	-46.8	6.5
TOTAL NON-CURRENT ASSETS	107.0	110.7	-3.3	114.9
CURRENT ASSETS				
Inventories	17.0	21.9	-22.4	20.9
Short-term receivables	15.0	37.8	-60.3	30.0
Available for sale investments	0.0	0.0	0.0	0.0
Restricted cash	12.3			
Cash and bank deposits	17.3	17.3	0.0	22.7
TOTAL CURRENT ASSETS	61.6	77.0	-20.0	73.6
TOTAL ASSETS	168.6	187.7	-10.2	184.8
SHAREHOLDERS' EQUITY AND LIABILITIES				
Share capital	20.1	20.1	0.0	20.1
Share premium fund	27.9	27.9	0.0	27.9
Treasury shares	-0.8	-0.8	0.0	-0.8
Special reserve fund	46.0	46.0	0.0	46.0
Revaluation and other funds	0.1	0.1		0.0
Funds for investments for non-restricted equity	27.3	1.9		
Retained earnings	-98.6	-30.3	225.1	-48.6
Equity attributable to shareholders	22.0	63.0	-70.5	44.6
Minority interest	0.0	30.7	-100.0	23.7
TOTAL EQUITY	22.0	93.7	-80.1	68.3
Long-term borrowings	59.5	19.1	229.3	29.7
Provisions	0.6	1.5	-60.0	1.1
Short-term borrowings	32.7	37.0	-11.6	43.9
Trade and other payables	53.8	36.4	47.8	41.8
TOTAL LIABILITIES	146.6	94.0	59.6	116.5
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	168.6	187.7	-10.2	184.8

CONSOLIDATED CHANGES IN EQUITY,
JANUARY-JUNE

Funds
for
in-

	Share capital	Share premium fund	Special reserve fund	Revaluation and other funds	vestments of non-restricted equity	Treasury shares	Translation differences	Retained earnings	Minority interests	Total equity
Balance at 31.12.06	20.1	27.9	46.0	0.0	1.9	-0.8	-4.8	-45.7	23.7	68.3
Share issue					22.0					22.0
Translation differences							0.5			0.5
Net profit								-48.0		-48.0
Other items				0.1	3.4			-0.6		2.9
Purchase of minority interest									-23.7	-23.7
Balance at 30.6.07	20.1	27.9	46.0	0.1	27.3	-0.8	-4.3	-94.3	0.0	22.0

CONSOLIDATED CHANGES IN EQUITY,
JANUARY-JUNE 2006

Re-

	Share capital	Share premium fund	Special reserve fund	Valuation and other funds	Treasury shares	Translation differences	Retained earnings	Minority interests	Total equity
Balance at 31.12.05	20.1	27.9	46.0	0.1	-0.8	-2.2	-14.8	30.9	107.2
Translation differences						-2.4	0.0	-2.1	-4.5
Net profit							-11.4	1.9	-9.4
Other items							0.4	0.0	0.4
Balance at 30.6.06	20.1	27.9	46.0	0.1	-0.8	-4.6	-25.8	30.8	93.7

CONSOLIDATED CASH FLOW STATEMENT, JANUARY-JUNE	1-6/07 MEUR	1-6/06 MEUR	1-12/06 MEUR
Cash flow from operations	-2.1	-2.3	1.9
Cash flow from investments	-44.1	-10.4	-20.1
Cash flow before financial items	-46.2	-12.7	-18.3
Change in long-term and short-term financing	31.1	14.8	34.3
Share issue	22.0		0.0
Return of subsidiary equity to minority	0.0		-8.7
Cash flow from financing	53.1	14.8	25.7
Change in cash and cash equivalents	6.9	1.2	7.4
Cash and cash equivalents at the end of period	29.6	17.3	22.7

CONSOLIDATED CASH FLOW STATEMENT, APRIL-JUNE	4-6/07 MEUR	4-6/06 MEUR
Cash flow from operations	1.3	-4.0
Cash flow from investments	-1.1	-4.7
Cash flow before financial items	0.2	-8.7
Change in long-term and short-term financing	-7.5	9.5
Share issue	22.0	0.0
Cash flow from financing	14.5	9.5
Change in cash and cash equivalents	14.7	0.1
Cash and cash equivalents at the end of period	29.6	17.3

KEY FINANCIAL INDICATORS	3/07	3/06
Return on investment (ROI), %	-43.8	-11.9
Return on equity (ROE), %	-196.5	-18.7
Equity per share, EUR	0.44	3.17
Equity ratio, %	13.0	49.9
Gearing, %	340.8	41.4
Gross investments, MEUR	48.7	10.4
Average number of personnel	2 720	3 328

CONTINGENT LIABILITIES	3/07 MEUR	12/06 MEUR
Mortgages given for security for liabilities	10.0	11.8
Operating lease liabilities	0.1	0.1
Other liabilities	1.0	12.0
Total	11.1	23.9

All figures are unaudited.

Helsinki, August 9, 2007

ASPOCOMP GROUP OYJ

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