Aspocomp Group Plc., Interim Report, April 30, 2010 at 9:00 AM

ASPOCOMP'S INTERIM REPORT JANUARY 1 – MARCH 31, 2010

Key figures in brief

- Net sales: EUR 4.3 million (EUR 3.3 million 1-3/2009)
- Operating result before depreciation (EBITDA): EUR 0.7 million (0.0)
- Operating result (EBIT): EUR 0.4 million (-0.3)
- Profit for the period: EUR 0.1 million (-0.5)
- Earnings per share (EPS): EUR 0.00 (-0.01)
- Cash flow from operations: EUR 0.8 million (0.7)

Thanks to the improvement in demand, it is expected that net sales will grow and company aims at positive net result for full year 2010.

PRESIDENT AND CEO'S REVIEW

"Year 2010 has started with fair demand. The first quarter net sales grew significantly compared to the last year and also slightly compared to the previous quarter, which seasonally is the best quarter. Due to the improved sales and cost savings measures carried through in 2009, both operating and net results were positive.

The cash flow stayed on black although almost half of the planned investments for full year 2010 were made during the first quarter.

As there is presently no signs of weakening demand, Aspocomp aims at positive result for the period of 2010."

NET SALES AND EARNINGS IN JANUARY-MARCH

First-quarter net sales amounted to EUR 4.3 million, up 32 percent on 1-3/2009. The five largest customers accounted for 79 percent of net sales (74%). In geographical terms, 90 percent of net sales were generated in Europe (82%) and 10 percent in Asia (18%).

The operating result was EUR 0.4 million (-0.3). Earnings improved thanks to better demand and the cost structure adjustments implemented in 2009.

The Group's net financial expenses amounted to EUR -0.3 million (-0.2).

The result for the review period was EUR 0.1 million (-0.5) and earnings per share were EUR 0.00 (-0.01).

INVESTMENTS AND R&D

Investments amounted to EUR 0.7 million (EUR 0.1 million 1-3/2009).

Majority of the investments were related the implementation of new image transfer process on outer-layer process of PCB manufacturing.

R&D costs are recognized in overhead.

FINANCING

The Group’s financial position remained challenging, but stable. Cash assets amounted to EUR 3.1 million at the end of the period (EUR 4.8 million 3/2009).

Cash flow from operations during the period was EUR 0.8 million (EUR 0.7 million 1-3/2009).

The nominal value of interest-bearing liabilities was EUR 24.2 million (EUR 25.5 million). Gearing rose to 591.2 percent (350.3%). Non-interest-bearing liabilities amounted to EUR 6.5 million (6.1).

The Group’s equity ratio at the end of the period stood at 10.1 percent (15.2%).

GROUP STRUCTURE

Aspocomp Oulu Oy – in which Aspocomp has a 90 percent holding – manufactures and sells PCBs for telecom, industrial, and automotive electronics applications. Its service portfolio includes prototype and quick-turn deliveries, fulfillment of urgent PCB needs in high-volume operations as well as development and commercialization of new technologies. Aspocomp Oulu Oy’s primary technologies are HDI (High Density Interconnection), multilayer and special material PCBs.

Aspocomp has a 20 percent stake in Meadville Aspocomp (BVI) Holdings Limited (MAH). The company’s production facility in Suzhou, China is a volume manufacturer of HDI and multilayer PCBs.

Aspocomp’s 20 percent stake is booked into the balance sheet at its minimum value, which is based on the option agreement made in connection with the ownership arrangements in 2007. The minimum value is EUR 16.3 million at the end of the period, and it increases by 2.5 percent annually until the option is exercised. Details of the option agreement can be found in the press release of Meadville Holdings published on November 16, 2007: “Major transaction - acquisitions and resumption of trading, pages 8-9” (www.meadvillegroup.com/announcements.html).

As MAH-stake is related to the aforementioned option arrangement, it is categorized as other non-current receivables in the balance sheet.

As the stake is valued at the minimum value based on the option agreement, the financial performance of MAH does not impact on the value of the stake.

On November 16, 2009, Meadville announced that it will sell its PCB business to TTM Technologies, Inc., which is listed on the NASDAQ in the United States. The deal was completed on April 9, 2010. Meadville’s 80 percent stake in MAH and 10 percent holding in Aspocomp Oulu Oy are included in this deal. The parties have signed transfer agreements, in which Meadville’s rights and liabilities related to the MAH are transferred to TTM.

In addition, Aspocomp holds a 13.2 percent share in the Thai company PCB Center and a 5.3 percent share in Imbera Electronics.

SHAREHOLDERS’ EQUITY OF THE PARENT COMPANY

In accordance with the requirements of the Companies Act, the Trade Register has been notified of the loss of share capital on May 14, 2008. The shareholders' equity of Aspocomp Group's parent company, Aspocomp Group Plc., was EUR 4.2 million negative at the end of the first quarter. However, the shareholders' equity of Aspocomp Group was EUR 3.2 million positive.

SHARES AND SHARE CAPITAL

The total number of Aspocomp's shares at March 31, 2010 was 49 905 130 and the share capital stood at EUR 20 082 052. The company held 200 000 treasury shares, representing 0.4 percent of the aggregate votes conferred by all the shares.

A total of 12 603 863 Aspocomp Group Plc. shares were traded on NASDAQ OMX Helsinki during the period from January 1 to March 31, 2010. The aggregate value of the shares exchanged was EUR 1 816 676. The shares traded at a low of EUR 0.12 and a high of EUR 0.18. The average share price was EUR 0.14. The closing price at March 31, 2010 was EUR 0.15, which translates into market capitalization of EUR 7 485 770.

Nominee-registered shares accounted for 4.6 percent of the total shares.

PERSONNEL

During the period, Aspocomp had an average of 98 employees (112). The personnel count on March 31, 2010 was 97 (113). Of them, 67 (76) were non-salaried and 30 (37) salaried employees.

DECISIONS OF THE ANNUAL GENERAL MEETING

The Annual General Meeting of Aspocomp Group Plc. held on April 13, 2010 re-elected the current Board and decided that the remunerations of the members of the Board will remain the same as in 2009. The General Meeting also decided to amend the company's Articles of Association. Furthermore, the Meeting decided not to pay dividend for the period.

The Annual General Meeting decided to set the number of Board members at three (3) and re-elected the current members of the Board: Johan Hammarén, Tuomo Lähdesmäki, and Kari Vuorialho. The Meeting re-elected PricewaterhouseCoopers Oy as the company's auditor for the 2010 financial year.

Annual remuneration of EUR 24 000 will be paid to the chairman of the Board and EUR 12 000 to the other Board members. 60 percent of the annual remuneration will be paid in cash and 40 percent in company shares, which will be acquired and distributed to Board members. EUR 1 000 per meeting will be paid to the chairman and EUR 500 per meeting to the other members. The members of the Board residing outside of the Greater Helsinki Area are reimbursed for reasonable travel and lodging expenses. The auditor will be paid according to invoice.

The Annual General Meeting decided to amend the Articles of Association so that a following sentence was added at the end of the Article 10 (notice of meeting): "However, the notice to the Annual General Meeting must be conveyed no later than nine (9) days before the record date of the Annual General Meeting." The amendment is based on the recent amendment of Companies Act.

THE BOARD OF ASPOCOMP GROUP PLC., AUTHORIZATIONS GIVEN TO THE BOARD

In its organization meeting, 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 Annual General Meeting 2008 of Aspocomp Group Plc. authorized the Board to decide on issuing new shares and conveying the Aspocomp shares held by the company. A maximum of 55 000 000 new shares can be issued and/or granted on the basis of special rights. The authorization is valid five years from the respective Annual General Meeting.

The Annual General Meeting 2008 also decided about issuing stock options to the CEO. The Board of Directors has not granted the said stock options.

Details of the authorizations can be found on pages 10-11 of the Annual Report 2008 (www.aspocomp.com/linked/investor/ar_2008.pdf).

EVENTS AFTER THE FINANCIAL PERIOD

On April 7, 2010 Aspocomp, Meadville and TTM signed transfer agreements, where all Meadville's rights and liabilities related to the MAH company, including the option deed, are transferred from Meadville to TTM. The transfer is an implication of the deal, in which Meadville sold it PCB business to TTM. The Meadville-TTM deal was completed on April 9, 2010.

ASSESSMENT OF BUSINESS RISKS

Significant indebtedness

The Aspocomp Group's interest-bearing liabilities at March 31, 2010 had a nominal value of about EUR 24.2 million and amounted to about EUR 22.2 million under IFRS.

Liquidity and financial risks

Because of the agreement on debt restructuring, management of the Group's liquidity risk is based on the cash assets of the parent company and the cash flow generated by the Oulu plant. If Aspocomp Group Plc. does not obtain financing from Aspocomp Oulu Oy or other ways of financing, the company may ultimately become insolvent.

Litigations

In 2007, the French Supreme Court ordered the company to pay approximately EUR 11 million, including annual interest of about 7 percent, to 388 former employees of Aspocomp S.A.S. In January 2009, the Labor Court of Evreux, France ruled that the company has to pay approximately EUR 0.5 million in compensation, with interest, to a further 13 former employees. Aspocomp has appealed the January 2009 decision to the next instance in France. The aforementioned compensations do not have a profit impact during the financial year.

The claims are related to the notice time salaries of the closed, heavily loss-making Evreux plant. The closure took place in 2002.

There is a risk that the remaining approximately 100 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.

OUTLOOK FOR THE FUTURE

Aspocomp's financial position is satisfactory. The lean cost structure and the outlook for operations in Oulu enable the continuity of the Group's operations.

As operations focus on prototypes and quick-turn deliveries, it is very difficult to forecast full-year net sales. Thanks to the improvement in demand, it is expected that net sales will grow and company aims at positive net result for full year 2010.

In addition to developing the continuing operations of the company, the Board of Directors is looking into various structural development solutions, including carrying out company reorganization in the future.

TABLES AND ACCOUNTING POLICIES

The reported operations include Aspocomp Oulu Oy and the Group's parent company, Aspocomp Group Plc. These operations comprise a single business segment.

All figures are unaudited. The interim report has been prepared in accordance with IAS 34, Interim Financial Reporting. The accounting principles that were applied in the preparation of the financial statements of December 31, 2009 have been applied in the preparation of this report. However, as of January 1, 2010 the company has applied the following new or modified standards:

- IFRS 3 (revised), Business Combinations
- IAS 27 (revised), Consolidated and Separate Financial Statements

The application of the aforementioned standards did not have significant impact on the reported figures.

PROFIT & LOSS STATEMENT, JANUARY-MARCH	1-3/10		1-3/09		1-12/09	
	1000 e	%	1000 e	%	1000 e	%
NET SALES	4 348	100,0	3 304	100,0	13 161	100,0
Other operating income	65	1,5	52	1,6	238	1,8
Materials and services	-1 493	-34,3	-1 142	-34,6	-4 323	-32,8
Personnel expenses	-1 216	-28,0	-1 411	-42,7	-5 575	-42,4
Other operating costs	-1 000	-23,0	-784	-23,7	-4 026	-30,6
Depreciation and amortization	-316	-7,3	-282	-8,5	-1 145	-8,7

OPERATING PROFIT/LOSS	387	8,9	-263	-8,0	-1 670	-12,7
Financial income and expenses	-304	-7,0	-187	-5,7	-969	-7,4
PROFIT/LOSS BEFORE TAX	83	1,9	-450	-13,6	-2 639	-20,1
Income taxes	2	0,0	-1	0,0	136	1,0
PROFIT/LOSS FOR THE PERIOD	85	2,0	-451	-13,6	-2 503	-19,0
Other comprehensive income for the period, net of tax						
Translation differences	7	0,2	-4	-0,1	10	0,1
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	92	2,1	-455	-13,8	-2 493	-18,9
Profit/loss for the period attributable to:						
Non-controlling interests	63	1,4	2	0,0	12	0,1
Equity shareholders	22	0,5	-452	-13,7	-2 515	-19,1
Total comprehensive income attributable to:						
Non-controlling interests	63	1,4	2	0,0	12	0,1
Equity shareholders	29	0,7	-457	-13,8	-2 505	-19,0
Earnings per share						
Basic EPS		0,00		0,00		-0,05
Diluted EPS		0,00		-0,01		-0,05

CONSOLIDATED BALANCE SHEET	3/10 1000 e	3/09 1000 e	Change %	12/09 1000 e
ASSETS				
NON-CURRENT ASSETS				
Intangible assets	3 000	3 075	-2,4	3 000
Tangible assets	3 408	3 232	5,5	3 066
Available for sale investments	44	44	0,0	44
Other non-current receivables	16 313	15 925	2,4	16 217
TOTAL NON-CURRENT ASSETS	22 765	22 275	2,2	22 327
CURRENT ASSETS				
Inventories	1 816	2 024	-10,3	1 963
Short-term receivables	4 309	5 102	-15,5	4 058
Cash and bank deposits	3 056	4 765	-35,9	3 038
TOTAL CURRENT ASSETS	9 181	11 890	-22,8	9 059
TOTAL ASSETS	31 946	34 165	-6,5	31 386

SHAREHOLDERS' EQUITY AND LIABILITIES

Share capital	20 082	20 082	0,0	20 082
Share premium	27 918	27 918	0,0	27 918
Treasury shares	-758	-758	0,0	-758
Special reserve	45 989	45 989	0,0	45 989
Reserve for invested non-restricted equity	23 885	23 885	0,0	23 885
Retained earnings	-114 649	-112 630	1,8	-114 678
Equity attributable to shareholders	2 467	4 486	-45,0	2 438
Non-controlling interests	769	696	10,5	706
TOTAL EQUITY	3 236	5 182	-37,6	3 143
Long-term financing loans	21 996	22 641	-2,8	21 878
Provisions	319	176	81,1	319
Short-term financing loans	189	276	-31,6	242
Trade and other payables	6 205	5 890	5,4	5 804
TOTAL LIABILITIES	28 710	28 984	-0,9	28 243
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	31 946	34 165	-6,5	31 386

CONSOLIDATED CHANGES IN EQUITY, JANUARY-MARCH
1000 e

	Equity attributable to the shareholders of the parent company								
	Share capital	Share premium	Other reserve	Own shares	Translation differences	Retained earnings	Total	Non-controlling interests	Total equity
Balance at 1.1.10	20 082	27 918	69 874	-758	-9	-114 669	2 438	706	3 143
Comprehensive income for the period						22	22	63	85
Translation differences					7		7		7
Balance at 31.03.10	20 082	27 918	69 874	-758	-2	-114 647	2 467	769	3 236

	Equity attributable to the shareholders of the parent company								
	Share capital	Share premium	Other reserve	Own shares	Translation difference	Retained earnings	Total	Non-controlling inte	Total equity

					s			rest s	
Balance at 1.1.09	20 082	27 918	69 874	-758	-19	-112 154	4 943	694	5 637
Comprehensive income for the period						-452	-452	2	-450
Translation differences					-4		-4		-4
Balance at 31.03.09	20 082	27 918	69 874	-758	-23	-112 606	4 486	696	5 182

CONSOLIDATED CASH FLOW STATEMENT, JANUARY-MARCH

1000 e	1-3/10	1-3/09	1-12/09
Profit for the period	85	-450	-2 503
Adjustments	642	319	1 999
Change in working capital	78	807	1 404
Received interest income and dividends	1	15	17
Paid interest expenses	-2	-11	-37
Paid taxes	2	-1	-3
Operational cash flow	805	680	877
Investments	-691	-128	-819
Proceeds from sale of property, plant and equipment	0	49	99
Cash flow from investments	-691	-79	-720
Decrease in financing	-96	-91	-1 375
Increase in financing	0	0	0
Cash flow from financing	-96	-91	-1 375
Change in cash and cash equivalents	18	510	-1 217
Cash and cash equivalents at the beginning of period	3 038	4 255	4 255
Currency exchange differences	0	0	0
Cash and cash equivalents at the end of period	3 056	4 765	3 038

KEY FINANCIAL INDICATORS	3/10	3/09
Equity per share, EUR	0,05	0,09
Equity ratio, %	10,1	15,2
Gearing, %	591,2	350,3
Earnings per share (EPS)		

Basic and diluted EPS, EUR	0,00	-0,01

CONTINGENT LIABILITIES

1000 e	3/10	3/09	12/09
Mortgages given for security for liabilities	15 400	15 400	15 400
Operating lease liabilities	666	844	666
Other liabilities	100	100	100
Total	16 166	16 344	16 166

FORMULAS FOR CALCULATION OF KEY FIGURES

Equity/share, EUR = $\dfrac{\text{Equity attributable to shareholders}}{\text{Number of shares at the end of period}}$

Equity ratio, % = $\dfrac{\text{Total equity}}{\text{Balance sheet total - advances received}} \times 100$

Gearing, % = $\dfrac{\text{Net interest-bearing liabilities}}{\text{Total equity}} \times 100$

Earnings per share (EPS), EUR = $\dfrac{\text{Profit attributable to equity shareholders}}{\text{Adjusted weighted average number of shares outstanding}}$

All figures are unaudited.

Espoo, April 30, 2010

Aspocomp Group Plc.
Board of Directors

For further information, please contact Sami Holopainen, CEO, tel. +358 40 820 3352.

www.aspocomp.com

Some statements in this stock exchange release are forecasts and actual results may differ materially from those stated. Statements in this stock exchange release relating to matters that are not historical facts are forecasts. All forecasts involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performances or achievements of the Aspocomp Group to be materially different from any future results, performances or achievements expressed or implied by such forecasts. Such factors include general economic and business conditions, fluctuations in currency exchange rates, increases and changes in PCB industry capacity and competition, and the ability of the company to implement its investment program.