ASPOCOMP

ASPOCOMP'S INTERIM REPORT JANUARY 1 - JUNE 30, 2013

Key figures 4-6/2013 in brief

Aspocomp Group	4-6/2013	4-6/2012	Change
Net sales	4.8 M€	6.7 M€	-1.8 M€
EBITDA	0.7 M€	1.1 M€	-0.4 M€
Operating profit	0.3 M€	0.8 M€	-0.5 M€
% of net sales	*7 %*	*12 %*	*-5 ppts*
Earnings per share	0.05 €	0.12 €	-0.07 €

Key figures 1-6/2013 in brief

Aspocomp Group	1-6/2013	1-6/2012	Change
Net sales	9.8 M€	13.1 M€	-3.3 M€
EBITDA	0.3 M€	1.9 M€	-1.6 M€
Operating profit	-0.4 M€	1.2 M€	-1.6 M€
% of net sales	*-4 %*	*9 %*	*-14 ppts*
Earnings per share	-0.07 €	0.19 €	-0.26 €
Operative cash flow	0.0 M€	1.2 M€	-1.2 M€
Equity ratio	74 %	66 %	8 ppts

Outlook for the future

Net sales in 2013 are expected to amount to EUR 20-23 million and operating result to EUR -1.0-0.0 million.

CEO's review

"Demand has remained slack in 2013. Every time the situation improved, a weaker period followed, and the market softened as summer approached. The telecommunications sector remained down. Our net sales remained on a par with the previous quarter at EUR 4.8 million and therefore the net sales of the first half of 2013 amounted to a disappointing EUR 9.8 million. The operating result was EUR -0.4 million, which was improved by a one-time item.

Cash flow from operations during the period was EUR 0.0 million. Aspocomp's gearing ratio is negative and the financial ratio is still good, which has enabled us – and will enable us in the future – to step up our development of business with new customers and customer segments. In addition to the intensified sales efforts we have focused on stringent cost control and made arrangements to optimize our capacity utilization.

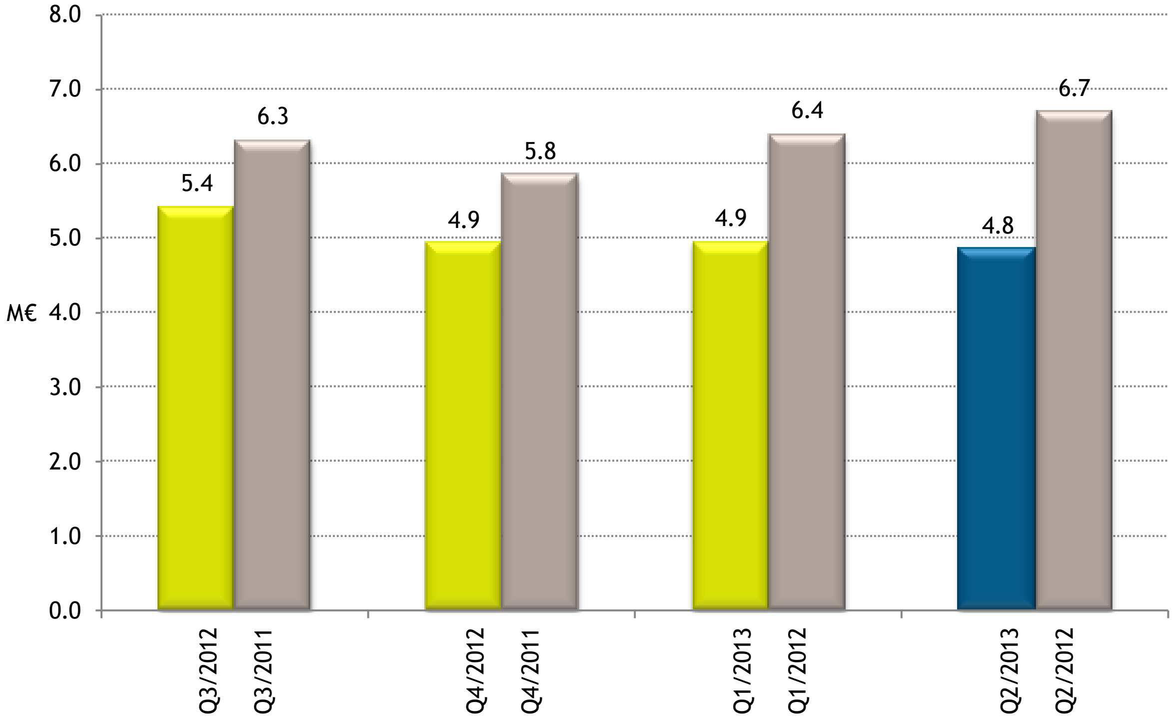
We still expect demand to pick up during the second half of 2013. However, due to the slow recovery, we have again adjusted our forecasts for full-year net sales and operating profit slightly downward."

Net sales and earnings

April-June 2013

Second-quarter net sales amounted to EUR 4.8 million, a year-on-year decrease of 28 percent. The five largest customers accounted for 62 percent of net sales (73% 4-6/2012). In geographical terms, 84 percent of net sales were generated in Europe (94%) and 16 percent in Asia (6%).

Fig. 1 Quarterly net sales (M€)

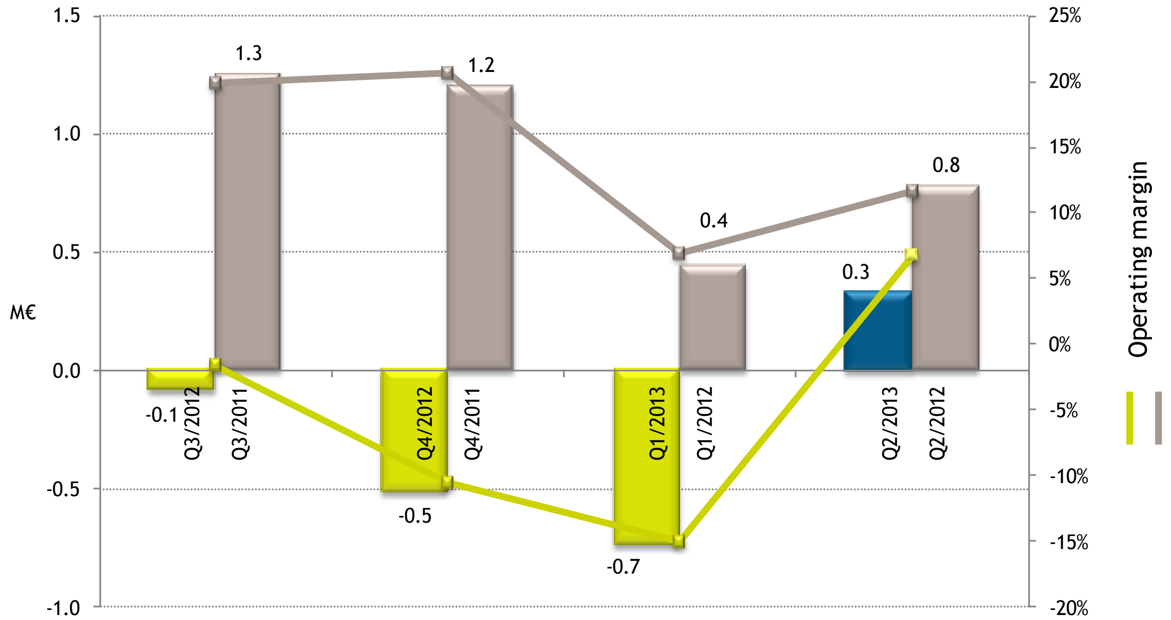


The level of demand remained challenging, particularly in the telecom infrastructure segment, where net sales fell clearly below the budgeted figure. The actual net sales of the other segments were also weaker than budgeted.

The operating result was EUR 0.3 million (EUR 0.8 million 4-6/2012). The result is improved by a one-time item of approximately EUR 0.9 million, which is related to the reversal of a provision for closure expenses (see the company's stock exchange release dated July 5, 2013). Both plants operated at low capacity utilization rates, which caused a decrease in profitability in comparison to the reference period.

Net financial expenses for the review period amounted to EUR 0.0 million (EUR 0.0 million). Earnings per share were EUR 0.05 (EUR 0.12).

Fig. 1 Quarterly operating result and operating margin (M€, %)



January-June 2013

Net sales amounted to EUR 9.8 million, a year-on-year decrease of 25 percent. The five largest customers accounted for 64 percent of net sales (70% 1-6/2012). In geographical terms, 87 percent of net sales were generated in Europe (95%) and 13 percent in Asia (5%).

The level of demand was challenging, particularly in the telecom infrastructure segment, where net sales fell clearly below the budgeted figure. The actual net sales of the other segments were also weaker than budgeted.

The operating result was EUR -0.4 million (EUR 1.2 million in 1-6/2012), representing a negative margin of 4 percent of net sales. The result is improved by a one-time item of approximately EUR 0.9 million, which is related to the reversal of a provision for closure expenses (see the company's stock exchange release dated July 5, 2013). Both plants operated at low capacity utilization rates, which caused a decrease in profitability in comparison to the reference period. Production at the company's Teuva plant has been at a partial standstill since the end of June. Production is planned to resume at the beginning of September. In the meantime, most of the Teuva plant's production has been transferred to the company's Oulu plant.

Net financial expenses for the review period amounted to EUR 0.0 million (EUR 0.0 million). The profit for the period was EUR -0.4 million (EUR 1.2 million) and earnings per share were EUR -0.07 (EUR 0.19).

Investments and R&D

Investments during the review period amounted to EUR 1.0 million (EUR 0.8 million 1-6/2012).

Approximately one third of the investments comprised the last installments of those initiated in 2012. These investments were mainly earmarked for capability improvement at the Oulu plant. Roughly EUR 0.6 million of the investments are related to the acquisition of a viafill plating line for the Oulu plant. The line will enable quick-turn deliveries of increasingly challenging printed circuit boards. The total value of the investment, including plant layout changes and automation, is EUR 1.3 million. The line will be started up in September 2013.

Other investments have been pushed back due to the difficult market situation.

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.

Cash flow and financing

Cash flow from operations during the period was EUR -0.0 million (EUR 1.2 million 1-6/2012). Cash flow after investments was EUR -1.1 million (EUR -0.4 million).

The Group's financial position remains good. Cash assets amounted to EUR 1.1 million at the end of the period (EUR 2.8 million 6/2012). The nominal value of interest-bearing liabilities was EUR 0.7 million (EUR 0.7 million 6/2012). Gearing was -3 percent (-18%). Non-interest-bearing liabilities amounted to EUR 4.2 million (EUR 5.2 million). At the end of the period, the Group's equity ratio rose to 74 percent (66%).

Aspocomp has agreed on financing the aforementioned plating line with a EUR 1.5 million bank loan, of which EUR 0.5 million had been drawn by the end of the period. In addition, the company has agreed on a separate loan of EUR 0.63 million for financing any compensation for damages payable by the company due to court rulings. The claims for compensation of damage are related to the bankruptcy of the company's former French subsidiary and are currently under deliberation at the Helsinki Court of Appeal (see "Litigations" below).

The company also has a EUR 0.5 million credit facility. The facility was not in use on the closing date.

Personnel

During the review period, the company had an average of 153 employees (151 in 6/2012). The personnel count on June 30, 2013 was 153 (152). Of them, 106 (110) were non-salaried and 47 (42) salaried employees.

The Board of Directors and authorizations given to the Board

In its organization meeting on April 23, 2013, the Board of Directors of Aspocomp Group Plc. re-elected Tuomo Lähdesmäki as chairman of the Board. Board committees were not established as the extent of the company's business did not require it.

The Annual General Meeting decided to authorize the Board of Directors to decide on the issuance of shares and the issuance of options and other special rights entitling to shares as referred to in Chapter 10, Section 1 of the Companies Act in one or more transactions as follows:

The number of shares to be issued based on the authorization may in total amount to a maximum of 4,000,000 shares. The Board of Directors decides on all the terms and conditions of the issuances of shares and options and other special rights entitling to shares. The authorization concerns both the issuance of new shares and the transfer of treasury shares. The issuance of shares and options and other special rights entitling to shares as referred to in Chapter 10, Section 1 of the Companies Act may be carried out in deviation from the shareholders' pre-emptive rights (directed issue).

The authorization cancels the authorization given by the General Meeting on December 20, 2011 to decide on the issuance of shares and the issuance of special rights entitling to shares. The authorization is valid until June 30, 2015.

Shares

The total number of Aspocomp's shares at June 30, 2013 was 6,406,505 and the share capital stood at EUR 1,000,000. The company did not hold any treasury shares.

A total of 835,657 Aspocomp Group Plc. shares were traded on NASDAQ OMX Helsinki during the period from January 1 to June 30, 2013. The aggregate value of the shares exchanged was EUR 1,339,794. The shares traded at a low of EUR 1.19 and a high of EUR 1.94. The average share price was EUR 1.60. The closing price at June 28, 2013 was EUR 1.25, which translates into market capitalization of EUR 8.0 million.

Nominee-registered shares accounted for 6 percent of the total shares.

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 PCBs.

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 layout changes in PCBs. 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 net sales. Net sales in 2013 are expected to amount to EUR 20-23 million and operating result to EUR -1.0-0.0 million.

Assessment of short-term business risks

Litigations

Aspocomp's French subsidiary went bankrupt in 2002. As a result of disputes related to the bankruptcy the French Supreme Court ordered the company to pay approximately EUR 11 million to 388 former employees of the subsidiary. The company made the payment in 2007. Between January 2009 and September 2012 the Labor Court of Evreux and the Court of Appeal of Rouen, France, handed down several rulings whereby the company is obligated to pay approximately EUR 0.7 million in total, with interest, to 20 former employees of Aspocomp SAS.

The company has entered into settlement agreements with seven of the aforementioned 20 former employees. In addition, the company has appealed to the Helsinki Court of Appeal about the Helsinki District Court's judgment in which the decision of the Court of Appeal of Rouen concerning the 13 former employees was confirmed to be enforceable in Finland. Aspocomp considers the judgment to be contrary to the Finnish legal system and demands that it should not be recognized.

According to the company's current view, the bankruptcy-related risks of its former French subsidiary are limited to the aforementioned open appeal concerning the 13 former workers' compensation claims. The risk is estimated to be about EUR 0.8 million at most, including possible interest and the legal costs of the opposing party. The company has made a provision equivalent to this risk in its balance sheet and therefore the compensations would not have any profit impact if the risk materializes.

Dependence on key customers

The acquisition of the Teuva plant in 2012 reduced the share of net sales accounted for by the five largest customers from over 80 percent to less than 70 percent. In spite of this, Aspocomp remains too dependent on a small number of key customers, exposing the company to significant fluctuations in demand.

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 and worsened in the latter half of 2012 lengthens, this might significantly weaken demand for Aspocomp's offerings.

Aspocomp's main market area comprises Northern and Central Europe. If the debt crisis that is shaking Europe hampers the delivery capabilities of Aspocomp's clients or leads them to transfer their R&D out of Europe, demand for Aspocomp's offerings might weaken significantly.

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. 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.

Publication of financial releases

Aspocomp Group Plc.'s financial information publication schedule for 2013 is:

- Interim report for January-September: Thursday, October 24, 2013

The interim report will be published at around 9:00 a.m.

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 financial statements bulletin 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, 2012 have been applied in the preparation of this report. However, as of January 1, 2013 the company has applied the following new or modified standards. The amendments do not have an impact on the consolidated financial statements.

- IAS 1 (revised), Presentation of financial statements – other comprehensive income
- IAS 12 (revised), Deferred tax accounting for investment property at fair value
- IAS 19 (revised), Employee benefits
- IAS 32 (revised), Offsetting financial assets and liabilities
- IFRS 7 (revised), Disclosures; offsetting financial assets and financial liabilities
- IFRS 9, Financial Instruments
- IFRS 13, Fair value measurement

Annual improvements 2011:

- IAS 16, Property, plant and equipment
- IAS 32, Financial instruments: Presentation
- IAS 34, Interim financial reporting

Profit and Loss Statement

April - June

1 000 €	4-6/2013		4-6/2012		Change
Net sales	**4,835**	***100%***	**6,680**	***100%***	***-28%***
Other operating income	11	*0%*	18	*0%*	*-35%*
Materials and services	-1,934	*-40%*	-2,139	*-32%*	*-10%*
Personnel expenses	-1,902	*-39%*	-1,915	*-29%*	*-1%*
Other operating costs	-303	*-6%*	-1,505	*-23%*	*-80%*
Depreciation and amortization	-380	*-8%*	-361	*-5%*	*5%*
Operating profit	**328**	***7%***	**778**	***12%***	***-58%***
Financial income and expenses	-19	*0%*	-3	*0%*	*448%*
Profit before tax	**310**	***6%***	**775**	***12%***	***-60%***
Income taxes	-3	*0%*	0	*0%*	
Profit for the period	**307**	***6%***	**775**	***12%***	***-60%***
Other comprehensive income					
Items that will not be reclassified to profit or loss	0	*0%*	0	*0%*	
Items that may be reclassified subsequently to profit or loss:					
Currency translation differences	-6	*0%*	1	*0%*	*-796%*
Total other comprehensive income	-6	*0%*	1	*0%*	*-796%*
Total comprehensive income	**301**	***6%***	**776**	***12%***	***-61%***
Earnings per share (EPS)					
Basic EPS	0.05 €		0.12 €		*-58%*
Diluted EPS	0.05 €		0.12 €		*-58%*

ASPOCOMP

January - June

1 000 €	1-6/2013		1-6/2012		Change	1-12/2012	
Net sales	**9,768**	***100%***	**13,060**	***100%***	***-25%***	**23,369**	***100%***
Other operating income	19	*0%*	41	*0%*	*-53%*	120	*1%*
Materials and services	-4,101	*-42%*	-4,362	*-33%*	*-6%*	-8,440	*-36%*
Personnel expenses	-3,688	*-38%*	-3,875	*-30%*	*-5%*	-7,227	*-31%*
Other operating costs	-1,652	*-17%*	-2,930	*-22%*	*-44%*	-5,749	*-25%*
Depreciation and amortization	-757	*-8%*	-712	*-5%*	*6%*	-1,457	*-6%*
Operating profit	**-412**	***-4%***	**1,222**	***9%***	***-134%***	**616**	***3%***
Financial income and expenses	-28	*0%*	1	*0%*	*-2604%*	-9	*0%*
Profit before tax	**-439**	***-4%***	**1,223**	***9%***	***-136%***	**607**	***3%***
Income taxes	-3	*0%*	0	*0%*		3,224	*14%*
Profit for the period	**-442**	***-5%***	**1,222**	***9%***	***-136%***	**3,830**	***16%***
Other comprehensive income							
Items that will not be reclassified to profit or loss	0	*0%*	0	*0%*		0	*0%*
Items that may be reclassified subsequently to profit or loss:							
Currency translation differences	-2	*0%*	1	*0%*	*-269%*	3	*0%*
Total other comprehensive income	-2	*0%*	1	*0%*	*-269%*	3	*0%*
Total comprehensive income	**-444**	***-5%***	**1,224**	***9%***	***136%***	**3,833**	***16%***
Earnings per share (EPS)							
Basic EPS	-0.07 €		0.19 €		*-137%*	0.60 €	
Diluted EPS	-0.07 €		0.19 €		*-137%*	0.60 €	

Potential ordinary shares has not been included in the calculation of diluted earnings per share when they are antidilutive for the period presented.

Consolidated Balance Sheet

1 000 €	6/2013	12/2012	Change	12/2012
Assets				
Non-current assets				
Intangible assets	3 082	3 000	*3 %*	3 085
Tangible assets	4 350	3 797	*15 %*	3 940
Available for sale investments	15	15	*0 %*	15
Deferred income tax assets	3 242	0		3 242
Total non-current assets	**10 689**	**6 812**	***57 %***	**10 283**
Current assets				
Inventories	2 656	2 688	*-1 %*	2 779
Short-term receivables	4 285	5 237	*-18 %*	4 575
Cash and bank deposits	1 136	2 848	*-60 %*	1 955
Total current assets	**8 077**	**10 773**	***-25 %***	**9 308**
Total assets	**18 766**	**17 585**	***7 %***	**19 591**
Equity and liabilities				
Share capital	1 000	1 000	*0 %*	1 000
Treasury shares	0	0		0
Reserve for invested non-restricted equity	3 925	3 873	*1 %*	3 896
Retained earnings	8 959	6 793	*32 %*	9 403
Total equity	**13 884**	**11 667**	***19 %***	**14 299**
Long-term financing loans	500	181	*177 %*	0
Employee benefits	275	238	*15 %*	275
Deferred income tax liabilities	18	0		18
Short-term financing loans	194	559	*-65 %*	437
Trade and other payables	3 894	4 941	*-21 %*	4 562
Total liabilities	**4 881**	**5 918**	***-18 %***	**5 292**
Total equity and liabilities	**18 766**	**17 585**	***7 %***	**19 591**

Consolidated Changes in Equity

January-June 2013						
1000 €	Share capital	Other reserve	Own shares	Translation differences	Retained earnings	**Total equity**
Balance at 1-Jan-2013	**1,000**	**3,896**	**0**	**9**	**9,394**	**14,299**
Comprehensive income						
Comprehensive income for the period					-442	**-442**
Other comprehensive income for the period, net of tax						
Translation differences				-2		**-2**
Total comprehensive income for the period	**0**	**0**	**0**	**-2**	**-442**	**-444**
Business transactions with owners						
Reissuance of treasury shares		29	0		0	**29**
Business transactions with owners, total		**29**	**0**		**0**	**29**
Balance at 30-June-2013	**1,000**	**3,925**	**0**	**7**	**8,952**	**13,884**

January-June 2012						
Balance at 1-Jan-2012	**1,000**	**3,528**	**-510**	**6**	**6,074**	**10,098**
Comprehensive income for the period					1,222	**1,222**
Other comprehensive income for the period, net of tax						
Translation differences				1		**1**
Total comprehensive income for the period	**0**	**0**	**0**	**1**	**1,222**	**1,224**
Business transactions with owners						
Reissuance of treasury shares		346	510		-510	**346**
Business transactions with owners, total	**0**	**346**	**510**		**-510**	**346**
Balance at 30-June-2012	**1,000**	**3,873**	**0**	**8**	**6,786**	**11,667**

Consolidated Cash Flow Statement

1 000 €	1-6/2013	1-6/2012	1-12/2012
Profit for the period	**-442**	**1,222**	**3,830**
Adjustments	65	713	-1,737
Change in working capital	348	-757	-882
Received interest income	0	41	6
Paid interest expenses	-15	-28	-31
Paid taxes	-3	0	0
Operational cash flow	**-47**	**1,191**	**1,187**
Investments	-1,035	-797	-1,435
Proceeds from sale of property, plant and equipment	12	1	58
Cash flow from investments	**-1,022**	**-796**	**-1,376**
Increase in financing	500	500	500
Decrease in financing	-250	-921	-1,229
Cash flow from financing	**250**	**-421**	**-729**
Change in cash and cash equivalents	-819	-26	-919
Cash and cash equivalents at the beginning of period	1,955	2,874	2,874
Cash and cash equivalents at the end of period	**1,136**	**2,848**	**1,955**

Key Financial Indicators

	Q2/2013	Q1/2013	Q4/2012	Q3/2012	Q2/2012
EBITDA, M€	0.7	-0.4	-0.1	0.3	1.1
Earnings / share (EPS), basic, €	0.05	-0.12	0.42	-0.01	0.12
Earnings / share (EPS), diluted, €	0.05	-0.12	0.42	-0.01	0.12
Investments, M€	0.6	0.4	0.4	0.2	0.6
% of net sales	*12.6 %*	*8.4 %*	*8.4 %*	*3.8 %*	*8.7 %*
	6/2013	**3/2013**	**12/2012**	**9/2012**	**6/2012**
Cash, end of the period	1.1	1.7	2.0	2.7	2.8
Equity / share, €	2.17	2.12	2.23	1.81	1.84
Equity ratio, %	74%	72%	73%	68%	66%
Gearing, %	-3%	-10%	-11%	-18%	-18%
Personnel, end of the period	153	153	150	147	151

Formulas and definitions

Equity/share, € =	Equity attributable to shareholders / Number of shares at the end of period	
Equity ratio, % =	Equity / Total assets - advances received	x 100
Gearing, % =	Net interest bearing liabilities / Total equity	x 100
Earnings/share (EPS), € =	Profit attributable to equity shareholders / Adjusted weighted average number of shares outstanding	
EBITDA =	Earnings before interests, taxes, depreciations and amortisations	

Contingent Liabilities

1 000 €	6/2013	6/2012	12/2012
Business mortgage	4,000	4,000	0
Operating lease liabilities	1,842	715	2,070
Other liabilities	40	30	40
Total	**5,882**	**4,745**	**2,110**

All figures are unaudited.

Espoo, August 8, 2013

Board of Directors of Aspocomp Group Plc.

For further information, please contact Sami Holopainen, CEO, tel. +358 20 775 6860, sami.holopainen(at)aspocomp.com.

Aspocomp – a PCB technology company

Aspocomp develops and sells PCB manufacturing services. Our seasoned professionals help customers to create the most optimal PCB designs, both in terms of performance and cost. Our trimmed production lines produce the most challenging designs with the shortest lead-times in the industry. Our volume supply services offer cost-efficient access to all PCB technologies.

A printed circuit board (PCB) is the principal interconnection method in electronic devices. PCBs are used for electrical interconnection and as a component assembly platform in most electronic applications. Aspocomp's PCBs are used in many applications, such as telecommunication networks and devices, automotive electronics, security and medical systems, chipset development and industrial automation.

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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.