ASPOCOMP

ASPOCOMP'S INTERIM REPORT JANUARY 1 - JUNE 30, 2015

Key figures 1-6/2015 in brief

Aspocomp	1-6/2015	1-6/2014	Change
Net sales	8.9 M€	12.1 M€	-3.1 M€
EBITDA	0.2 M€	0.9 M€	-0.7 M€
Operating result excluding non-recurring items	-0.2 M€	0.2 M€	-0.4 M€
% of net sales	-2.1 %	2.0 %	-4.1 ppts
Operating result	-0.4 M€	0.1 M€	-0.5 M€
Earnings per share	-0.06 €	0.00 €	-0.06 €
Operative cash flow	0.2 M€	-1.6 M€	1.8 M€
Equity ratio	74.0 %	68.8 %	5.2 ppts

Key figures 4-6/2015 in brief

Aspocomp	4-6/2015	4-6/2014	Change
Net sales	4.4 M€	6.6 M€	-2.2 M€
EBITDA	-0.2 M€	0.3 M€	-0.5 M€
Operating result excluding non-recurring items	-0.3 M€	0.0 M€	-0.3 M€
% of net sales	-7.0 %	-0.3 %	-6.7 ppts
Operating result	-0.5 M€	-0.1 M€	-0.4 M€
% of net sales	-11.6 %	-1.5 %	-10.1 ppts
Earnings per share	-0.08 €	-0.02 €	-0.06 €

Outlook for the future

In 2015, net sales are expected to be between EUR 18 and 20 million and operating result excluding non-recurring items between EUR -0.7 and 0.5 million.

CEO's review

"Net sales amounted to EUR 8.9 million for the review period, down EUR 3.1 million compared to the reference period of the previous year. Demand from our three major customers was clearly weaker than expected, with a year-on-year decline of EUR 4.5 million in deliveries. The other customers' level of demand has evolved according to the strategy and increased by about 30 percent (EUR 1.3 million) compared to the reference period.

The expansion of the customer base has also developed as planned. Our goal is to build up a clearly broader customer base over the current and the coming year so that individual customers' demand variations and cycles will not have such a strong impact on the company's net sales and result.

The operating result excluding non-recurring items for the review period was EUR 0.2 million in the red due to low delivery volumes. The company will record additional non-recurring expenses of approximately EUR 0.2 million on the closure of the Teuva plant; the previous EUR 1.5 million reserve was exceeded by approximately EUR 0.2 million, mainly as regards employee termination expenses. The operating result for the review period was approximately EUR 0.4 million in the red.

Strong cash flow during the second quarter, EUR 0.7 million, lifted operational cash flow for the review period into the black to EUR 0.2 million, while a year earlier it was EUR 1.6 million in the red.

Sales are not expected to increase until the fourth quarter, as deliveries to major customers are expected to grow and return back to normal from September onwards."

Net sales and earnings

January-June 2015

Net sales amounted to EUR 8.9 million, a year-on-year decrease of 26 percent. The five largest customers accounted for 47 percent of net sales (68% 1-6/2014). In geographical terms, 94 percent of net sales were generated in Europe (88%), 5 percent in Asia (12%) and 1 percent in North America (0%).

Sales decreased by EUR 3.1 million compared to the reference period of the previous year. Demand from the company's three major customers fell EUR 4.5 million short of the reference period. That said, deliveries to other customers saw year-on-year growth of EUR 1.3 million.

Sales are not expected to increase until the fourth quarter, as deliveries to major customers are expected to grow and return back to normal from September onwards.

First-half operating result was EUR -0.4 million (EUR 0.1 million 1-6/2014) including non-recurring items. Operating result excluding non-recurring items was EUR -0.2 million (EUR 0.2 million 1-6/2014).

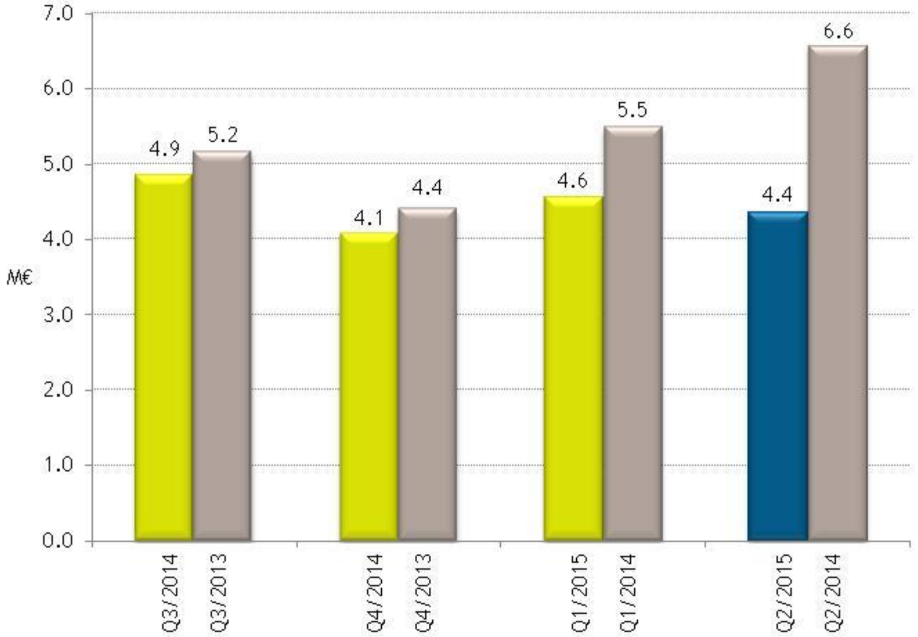
The company will record additional non-recurring expenses of approximately EUR 0.2 million on the closure of the Teuva plant; the previous EUR 1.5 million reserve was exceeded by approximately EUR 0.2 million, mainly as regards employee termination expenses.

Net financial expenses for the review period amounted to EUR 0.0 million (EUR 0.0 million). Earnings per share were EUR -0.06 (EUR 0.00).

April-June 2015

Second-quarter net sales amounted to EUR 4.4 million, a year-on-year decrease of 33 percent. The five largest customers accounted for 48 percent of net sales (69% 4-6/2014). In geographical terms, 92 percent were generated in Europe (90%), 7 percent in Asia (10%) and 1 percent in North America (0%).

Fig. 1 Quarterly net sales (M€)



The operating result was EUR -0.5 million (EUR -0.1 million 4-6/2015).

Second-quarter operating result excluding non-recurring items was EUR -0.3 million lower than a year earlier.

Net financial expenses for the review period amounted to EUR 0.0 million (EUR 0.0 million). Earnings per share were EUR -0.08 (EUR -0.02).

Fig. 2 Quarterly operating result excluding non-recurring items (M€, %)

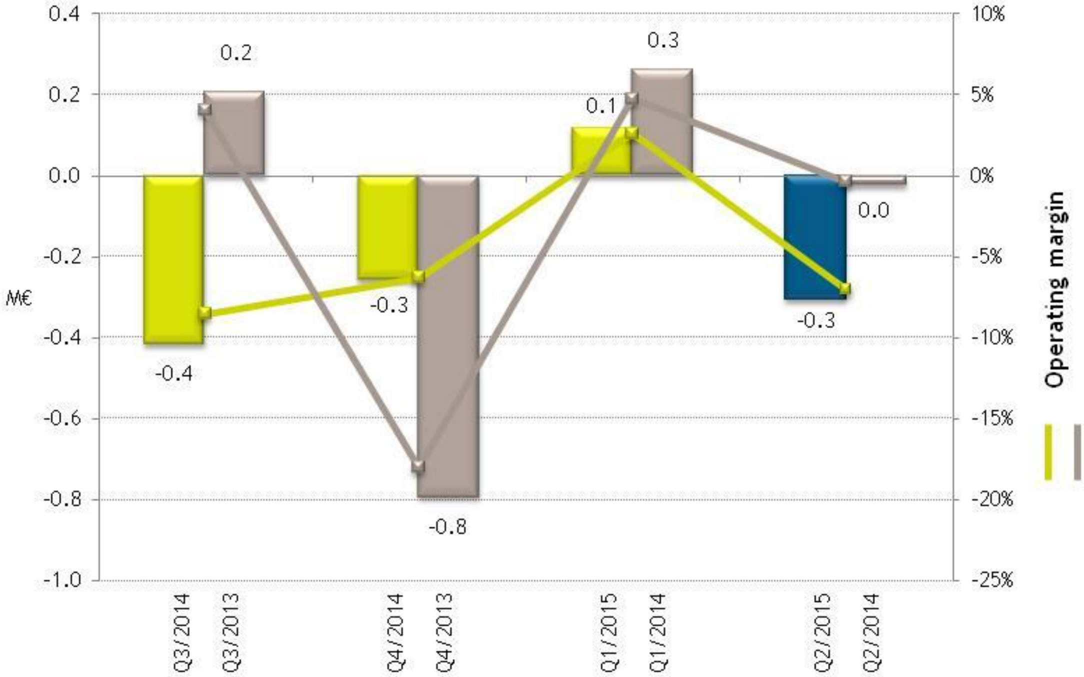
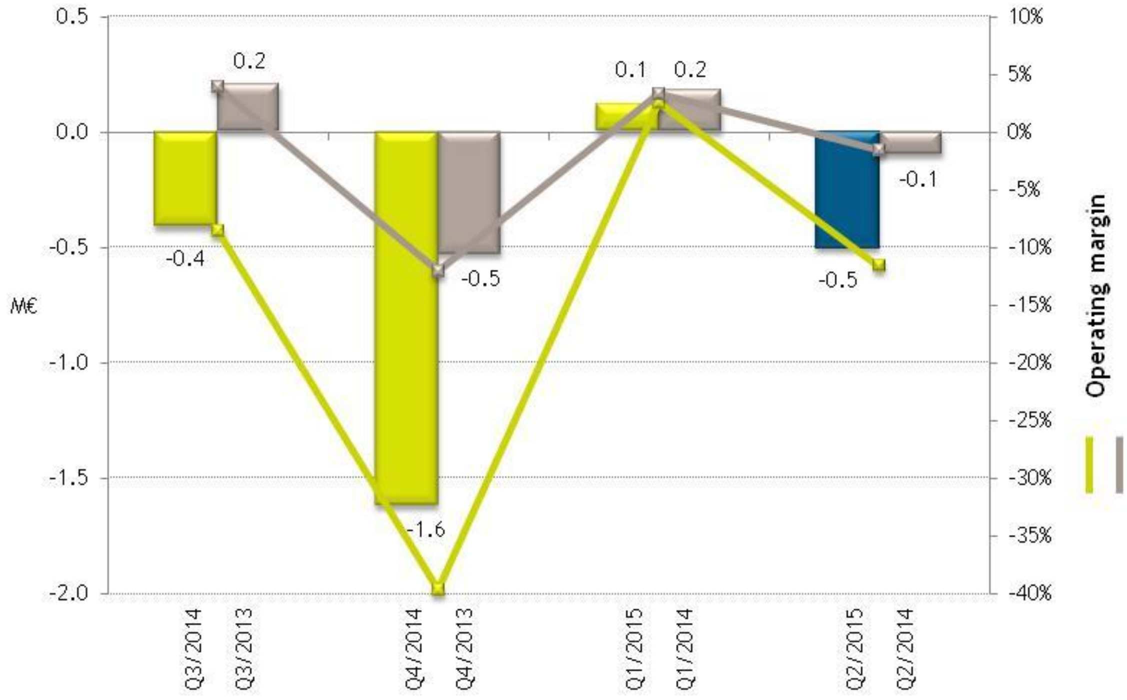


Fig. 3 Quarterly operating result (M€, %)



Investments and R&D

Investments during the review period amounted to EUR 0.4 million (EUR 0.2 million 1-6/2014).

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 0.2 million (EUR -1.6 million 1-6/2014). Cash flow after investments was EUR -0.2 million (EUR -1.8 million).

Strong cash flow during the second quarter, EUR 0.7 million, lifted operational cash flow for the first half of the year into the black to EUR 0.2 million, while a year earlier it was EUR 1.6 million in the red.

Cash assets amounted to EUR 0.4 million at the end of the period (EUR 0.3 million 6/2014). Interest-bearing liabilities amounted to EUR 0.9 million (EUR 1.7 million 6/2014). Gearing was 4.7 percent (11.6%). Non-interest-bearing liabilities amounted to EUR 2.5 million (EUR 4.0 million). At the end of the period, the Group's equity ratio amounted to 74.0 percent (68.8%).

The company had a EUR 0.0 million recourse factoring agreement in use on the closing date.

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 130 employees (149 in 1-6/2014). The personnel count on June 30, 2015 was 110 (144 in 6/2014). Of them, 67 (101) were non-salaried and 43 (43) salaried employees.

Annual General Meeting 2015

The decisions of the Annual General Meeting and the authorizations given to the Board of Directors as well as resolutions relating to the organization of the Board of Directors were published in separate stock exchange releases on March 26, 2015.

Shares

The total number of Aspocomp's shares at June 30, 2015 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 1,027,464 Aspocomp Group Plc. shares were traded on NASDAQ OMX Helsinki during the period from January 1 to June 30, 2015. The aggregate value of the shares exchanged was EUR 1,285,410. The shares traded at a low of EUR 1.01 and a high of EUR 1.41. The average share price was EUR 1.25. The closing price at June 30, 2015 was EUR 1.29, which translates into market capitalization of EUR 8.3 million.

Nominee-registered shares accounted for 9.9 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 unit in Oulu comprises the core of its business operations. The Oulu plant focuses on prototype and quick-turn deliveries and the commercialization of new PCB technologies in cooperation with customers' product design departments. In addition, operating as a service business, Aspocomp provides technology solutions and more competitive products.

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.

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, the Oulu plant 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 in Oulu 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 is still dependent on prototypes and quick-turn deliveries, the company's order book is very short. As a result, business development is difficult to predict and profit forecasts involve significant uncertainties.

In 2015, net sales are expected to be between EUR 18 and 20 million and operating result excluding non-recurring items between EUR -0.7 and 0.5 million.

Assessment of short-term business risks

Dependence on key customers

Aspocomp's customer base is concentrated; the majority of sales are generated by a small number of key customers. Aspocomp does not as yet have enough medium-sized customers and still remains too dependent on its key customers. This exposes the company to significant fluctuations in demand.

Market trends

Although Aspocomp is a marginal player in the global electronics market, changes in global PCB demand also have an impact on the company's business. A prolonged downturn has increased competition in quick-turn deliveries and short production series and has had a negative impact on both demand and prices. 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.

Aspocomp's main market area comprises Northern and Central Europe. In case Aspocomp's clients would transfer their R&D and manufacturing 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.

Events after the financial period

No significant reportable events after the financial period.

Publication of financial releases

Aspocomp Group Plc.'s financial information publication schedule for 2015 is:

- Interim report for January-September: Thursday, October 29, 2015

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

Accounting policies

The reported operations include the Group's parent company, Aspocomp Group Plc. 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, 2014 have been applied in the preparation of this report. However, as of January 1, 2015 the company has applied new or modified standards. The amendments do not have an impact on the consolidated financial statements.

Profit and Loss Statement

January - June

1 000 €	1-6/2015		1-6/2014		Change	1-12/2014	
Net sales	**8,922**	***100%***	**12,052**	***100%***	***-26%***	**20,994**	***100%***
Other operating income	139	*2%*	14	*0%*	*917%*	55	*0%*
Materials and services	-3,323	*-37%*	-4,625	*-38%*	*-28%*	-7,988	*-38%*
Personnel expenses	-3,120	*-35%*	-3,936	*-33%*	*-21%*	-7,232	*-34%*
Other operating costs	-2,399	*-27%*	-2,629	*-22%*	*-9%*	-6,124	*-29%*
Depreciation and amortization	-606	*-7%*	-790	*-7%*	*-23%*	-1,658	*-8%*
Operating result	**-388**	***-4%***	**85**	***1%***	***-557%***	**-1,953**	***-9%***
Financial income and expenses	-21	*0%*	-30	*0%*	*-31%*	-73	*0%*
Profit/loss before tax	**-409**	***-5%***	**55**	***0%***	***-847%***	**-2,025**	***-10%***
Income taxes	-1	*0%*	-28	*0%*		32	*0%*
Profit/loss for the period	**-409**	***-5%***	**26**	***0%***	***-1646%***	**-1,994**	***-9%***
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	-1	*0%*	-7	*0%*	*-91%*	-9	*0%*
Total other comprehensive income	-1	*0%*	-7	*0%*	*-91%*	-9	*0%*
Total comprehensive income	**-410**	***-5%***	**19**	***0%***	***-2258%***	**-2,002**	***-10%***
Earnings per share (EPS)							
Basic EPS	-0.06 €		0.00 €			-0.31 €	
Diluted EPS	-0.06 €		0.00 €			-0.31 €	

April - June

1 000 €	4-6/2015		4-6/2014		Change
Net sales	**4,365**	***100%***	**6,562**	***100%***	***-33%***
Other operating income	5	*0%*	5	*0%*	*-1%*
Materials and services	-1,793	*-41%*	-2,659	*-41%*	*-33%*
Personnel expenses	-1,579	*-36%*	-2,279	*-35%*	*-31%*
Other operating costs	-1,211	*-28%*	-1,337	*-20%*	*-9%*
Depreciation and amortization	-292	*-7%*	-392	*-6%*	*-25%*
Operating result	**-505**	***-12%***	**-99**	***-2%***	***411%***
Financial income and expenses	-30	*-1%*	-14	*0%*	*105%*
Profit/loss before tax	**-535**	***-12%***	**-113**	***-2%***	***372%***
Income taxes	0	*0%*	-27	*0%*	
Profit/loss for the period	**-535**	***-12%***	**-141**	***-2%***	***281%***
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	2	*0%*	-6	*0%*	*-127%*
Total other comprehensive income	2	*0%*	-6	*0%*	*-127%*
Total comprehensive income	**-534**	***-12%***	**-147**	***-2%***	***263%***
Earnings per share (EPS)					
Basic EPS	-0.08 €		-0.02 €		*300%*
Diluted EPS	-0.08 €		-0.02 €		*300%*

Consolidated Balance Sheet

1 000 €	6/2015	6/2014	Change	12/2014
Assets				
Non-current assets				
Intangible assets	3,061	3,102	*-1%*	3,061
Tangible assets	2,611	3,275	*-20%*	2,889
Available for sale investments	15	15	*-1%*	15
Deferred income tax assets	2,311	2,259	*2%*	2,311
Total non-current assets	**7,998**	**8,651**	***-8%***	**8,277**
Current assets				
Inventories	2,170	2,804	*-23%*	2,050
Short-term receivables	3,316	6,594	*-50%*	3,872
Cash and bank deposits	415	289	*44%*	735
Total current assets	**5,902**	**9,687**	***-39%***	**6,657**
Total assets	**13,900**	**18,337**	***-24%***	**14,934**
Equity and liabilities				
Share capital	1,000	1,000	*0%*	1,000
Reserve for invested non-restricted equity	4,075	3,978	*2%*	4,030
Retained earnings	5,215	7,646	*-32%*	5,625
Total equity	**10,290**	**12,624**	***-18%***	**10,655**
Long-term financing loans	321	995	*-68%*	536
Employee benefits	108	175	*-38%*	118
Deferred income tax liabilities	8	16	*-49%*	8
Short-term financing loans	581	753	*-23%*	704
Trade and other payables	2,359	3,775	*-37%*	2,914
Total liabilities	**3,378**	**5,713**	***-41%***	**4,279**
Total equity and liabilities	**13,900**	**18,337**	***-24%***	**14,934**

Consolidated Changes in Equity

January-June 2015					
1000 €	Share capital	Other reserve	Translation differences	Retained earnings	Total equity
Balance at Jan. 1, 2015	**1,000**	**4,030**	**-3**	**5,628**	**10,655**
Comprehensive income					
Comprehensive income for the period				-409	**-409**
Other comprehensive income for the period, net of tax					
Translation differences			-1		**-1**
Total comprehensive income for the period	**0**	**0**	**-1**	**-409**	**-410**
Business transactions with owners					
Share-based payment		45		0	**45**
Business transactions with owners, total	**0**	**45**	**0**	**0**	**45**
Balance at June 30, 2015	**1,000**	**4,075**	**-4**	**5,219**	**10,290**

January-June 2014					
Balance at Jan. 1, 2014	**1,000**	**3,955**	**6**	**7,622**	**12,582**
Comprehensive income					
Comprehensive income for the period				26	**26**
Other comprehensive income for the period, net of tax					
Translation differences			-7		**-7**
Total comprehensive income for the period	**0**	**0**	**-7**	**26**	**19**
Business transactions with owners					
Share-based payment		23		0	**23**
Business transactions with owners, total	**0**	**23**	**0**	**0**	**23**
Balance at June 30, 2014	**1,000**	**3,978**	**-2**	**7,648**	**12,624**

Consolidated Cash Flow Statement

1 000 €	1-6/2015	1-6/2014	1-12/2014
Profit/loss for the period	**-409**	**26**	**-1,994**
Adjustments	509	768	1,591
Change in working capital	122	-2,349	410
Received interest income	28	0	1
Paid interest expenses	-49	-30	-87
Paid taxes	-1	-2	14
Operational cash flow	**200**	**-1,586**	**-64**
Investments	-358	-234	-864
Proceeds from sale of property, plant and equipment	175	5	67
Cash flow from investments	**-183**	**-229**	**-797**
Increase in financing	15	156	0
Decrease in financing	-352	-432	-784
Cash flow from financing	**-337**	**-275**	**-784**
Change in cash and cash equivalents	-320	-2,091	-1,645
Cash and cash equivalents at the beginning of period	735	2,380	2,380
Cash and cash equivalents at the end of period	**415**	**289**	**735**

Key Financial Indicators

	Q2/2015	Q1/2015	Q4/2014	Q3/2014	Q2/2014
Net sales, M€	4.4	4.6	4.1	4.9	6.6
Operating result before depreciation (EBITDA), M€	-0.2	0.4	-1.1	0.0	0.3
Operating result (EBIT), M€	-0.5	0.1	-1.6	-0.4	-0.1
of net sales, %	*-12%*	*3%*	*-40%*	*-9%*	*-2%*
Profit/loss before taxes, M€	-0.5	0.1	-1.7	-0.4	-0.1
of net sales, %	*-12%*	*3%*	*-41%*	*-9%*	*-2%*
Profit/loss for the period, M€	-0.5	0.1	-1.6	-0.4	-0.1
of net sales, %	*-12%*	*3%*	*-39%*	*-9%*	*-2%*
Equity ratio, %	74%	68%	71%	74%	69%
Gearing, %	5%	10%	5%	5%	12%
Gross investments in fixed assets, M€	0.3	0.1	0.3	0.3	0.0
of net sales, %	6%	*2%*	*7%*	*7%*	*0%*
Personnel, end of the quarter	110	141	144	144	144
Earnings/share (EPS), €	-0.08	0.02	-0.25	-0.06	-0.02
Equity/share, €	1.61	1.69	1.66	1.91	1.97

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 €	6/2015	6/2014	12/2014
Business mortgage	4,000	4,000	4,000
Operating lease liabilities	917	1,427	1,199
Other liabilities	40	23	40
Total	**4,957**	**5,450**	**5,239**

All figures are unaudited.

Espoo, August 20, 2015

Board of Directors of Aspocomp Group Plc.

For further information, please contact Mikko Montonen, CEO,
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Aspocomp – PCB technology company

Aspocomp develops and sells PCB manufacturing services, focusing on the end-to-end fulfillment of customers' PCB needs. 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. Operating as a service business, we provide one-stop access to technology solutions and competitive products for 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.

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.