



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

Key figures 7-9/2013 in brief

Aspocomp Group	7-9/2013	7-9/2012	Change
Net sales	5.2 M€	5.4 M€	-0.2 M€
EBITDA	0.6 M€	0.3 M€	0.3 M€
Operating profit	0.2 M€	-0.1 M€	0.3 M€
<i>% of net sales</i>	4 %	-2 %	6 <i>ppts</i>
Earnings per share	0.03 €	-0.01 €	0.04 €

Key figures 1-9/2013 in brief

Aspocomp Group	1-9/2013	1-9/2012	Change
Net sales	14.9 M€	18.5 M€	-3.5 M€
EBITDA	0.9 M€	2.2 M€	-1.3 M€
Operating profit	-0.2 M€	1.1 M€	-1.3 M€
<i>% of net sales</i>	-1 %	6 %	-8 <i>ppts</i>
Earnings per share	-0.04 €	0.18 €	-0.22 €
Operative cash flow	0.3 M€	1.4 M€	-1.1 M€
Equity ratio	75 %	68 %	7 <i>ppts</i>

Outlook for the future

Outlook for the full year 2013 remains unchanged. Net sales are expected to amount to EUR 20-23 million and operating result to EUR -1.0-0.0 million.

CEO's review

“The demand environment has remained difficult and uncertain in 2013. Our net sales increased slightly in the third quarter compared to previous quarters, but remained at an unsatisfactory level. However, thanks to strict cost control, the third-quarter operating result was positive, being EUR 0.2 million or 4 percent of net sales. Net sales for the three reported quarters amounted to EUR 14.9 million and the operating result was EUR 0.2 million negative.

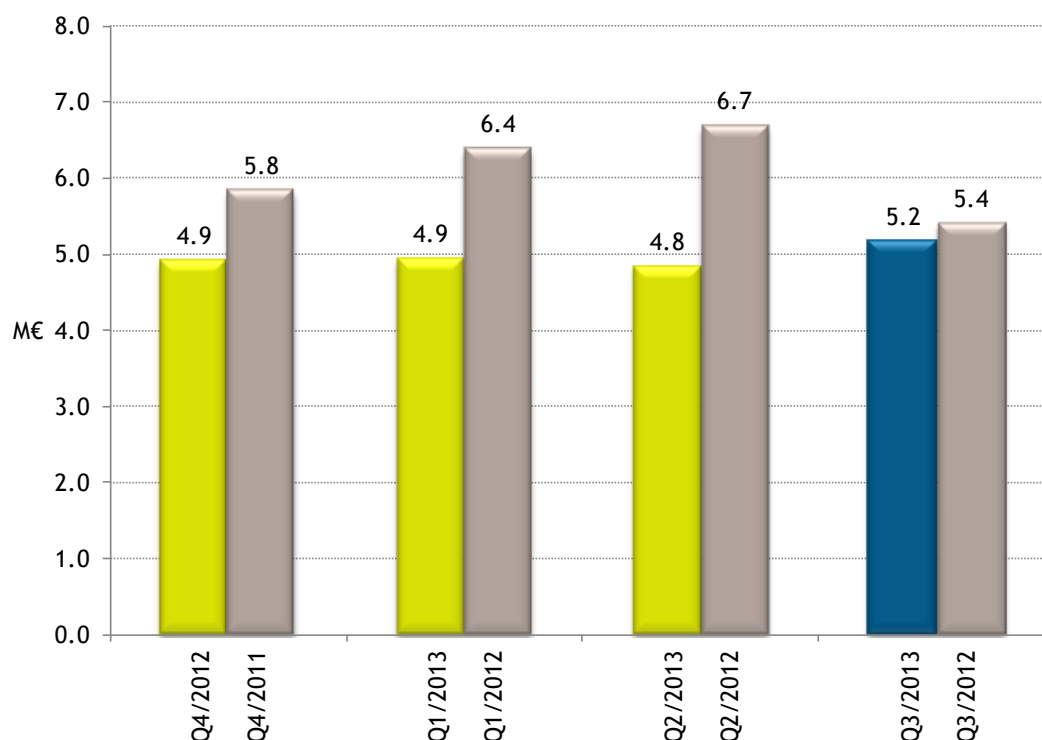
Operational cash flow was EUR 0.3 million. Aspocomp's net debt is zero and its financial position has enabled important technology investments as well as intense efforts among new customers and customer segments.”

Net sales and earnings

July-September 2013

Third-quarter net sales amounted to EUR 5.2 million, a year-on-year decrease of 4 percent. The five largest customers accounted for 74 percent of net sales (65% 7-9/2012). In geographical terms, 89 percent of net sales were generated in Europe (87%) and 11 percent in Asia (13%).

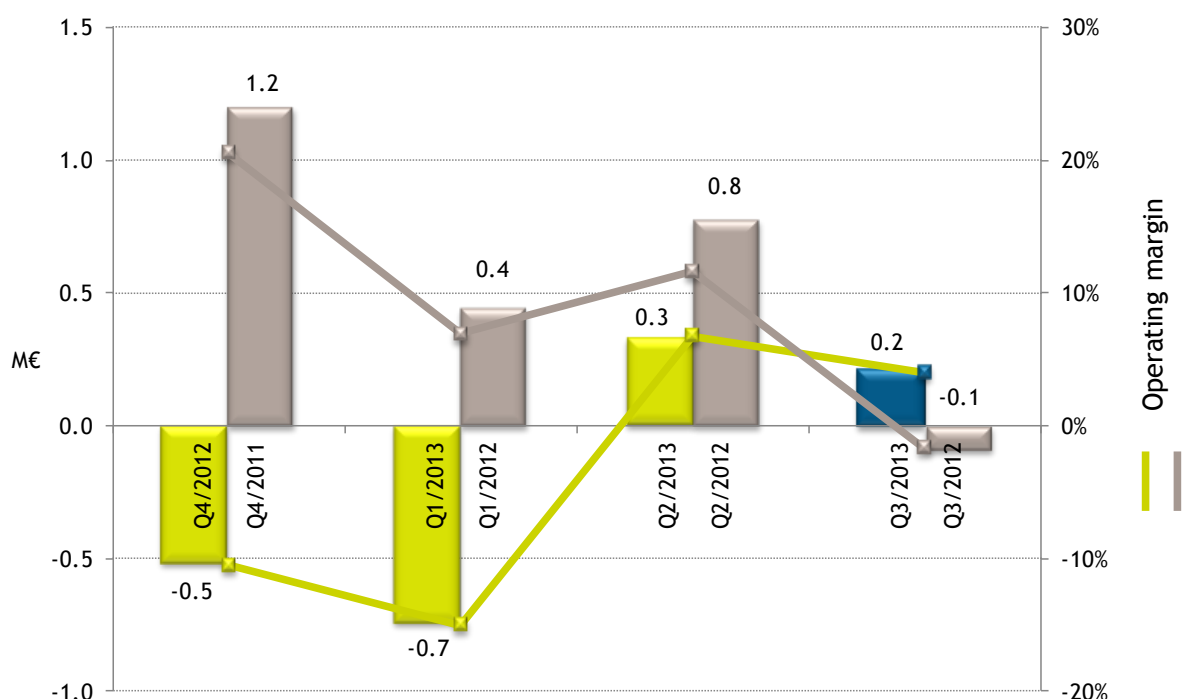
Fig. 1 Quarterly net sales (M€)



The level of demand improved slightly but remained unstable in all customer segments.

The operating result was EUR 0.2 million (EUR -0.1 million 7-9/2012). Both plants still operated at low capacity utilization rates, but tight cost control enabled an increase in profitability in comparison to the reference period and a slightly positive operating result.

Net financial expenses for the review period amounted to EUR 0.0 million (EUR 0.0 million). Earnings per share were EUR 0.03 (EUR -0.01).

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

January-September 2013

Net sales amounted to EUR 14.9 million, a year-on-year decrease of 19 percent. The five largest customers accounted for 66 percent of net sales (68% 1-9/2012). In geographical terms, 88 percent of net sales were generated in Europe (93%) and 12 percent in Asia (7%).

The level of demand was unstable in the first three quarters of 2013 and particularly weak 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 -0.2 million (EUR 1.1 million in 1-9/2012), representing a negative margin of 1 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. The capacity utilization rate has improved slightly towards the end of the reporting period, but is still at an unsatisfactory level.

Net financial expenses for the review period amounted to EUR 0.0 million (EUR 0.0 million in 1-9/2012). The profit for the period was EUR -0.2 million (EUR 1.1 million) and earnings per share were EUR -0.04 (EUR 0.18).

Investments and R&D

Investments during the review period amounted to EUR 1.8 million (EUR 1.0 million 1-9/2012).

Less than EUR 0.4 million of the investments comprised the last installments of those initiated in 2012. These investments were mainly earmarked for capability improvement at the Oulu plant. The most significant investment in 2013 was 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 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 0.3 million (EUR 1.4 million 1-9/2012). Cash flow after investments was EUR -1.4 million (EUR 0.4 million).

The Group's financial position remains good. Cash assets amounted to EUR 1.3 million at the end of the period (EUR 2.7 million 9/2012). The nominal value of interest-bearing liabilities was EUR 1.2 million (EUR 0.6 million 9/2012). Gearing was 0 percent (-18%). Non-interest-bearing liabilities amounted to EUR 3.6 million (EUR 4.8 million). At the end of the period, the Group's equity ratio rose to 75 percent (68%).

Aspocomp has agreed on financing the aforementioned plating line with a EUR 1.5 million bank loan, of which EUR 1.0 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 152 employees (150 in 9/2012). The personnel count on September 30, 2013 was 154 (147). Of them, 108 (110) were non-salaried and 46 (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 September 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 1,265,284 Aspocomp Group Plc. shares were traded on NASDAQ OMX Helsinki during the period from January 1 to September 30, 2013. The aggregate value of the shares exchanged was EUR 1,859,074. The shares traded at a low of EUR 1.12 and a high of EUR 1.94. The average share price was EUR 1.47. The closing price at September 30, 2013 was EUR 1.20, which translates into market capitalization of EUR 7.7 million.

Nominee-registered shares accounted for approximately 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.

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

July - September

	1 000 €	7-9/2013		7-9/2012		Change
Net sales		5,161	100%	5,400	100%	-4%
Other operating income		2	0%	9	0%	-77%
Materials and services		-2,209	-43%	-2,209	-41%	0%
Personnel expenses		-1,418	-27%	-1,595	-30%	-11%
Other operating costs		-967	-19%	-1,321	-24%	-27%
Depreciation and amortization		-362	-7%	-374	-7%	-3%
Operating profit		207	4%	-89	-2%	-331%
Financial income and expenses		-14	0%	-3	0%	371%
Profit before tax		193	4%	-92	-2%	-309%
Income taxes		-10	0%	1	0%	
Profit for the period		183	4%	-91	-2%	-300%
<i>Other comprehensive income</i>						
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		1	0%	3	0%	-55%
Total other comprehensive income		1	0%	3	0%	-55%
Total comprehensive income		184	4%	-88	-2%	-309%
Earnings per share (EPS)						
Basic EPS		0.03 €		-0.01 €		-400%
Diluted EPS		0.03 €		-0.01 €		-400%

January - September

	1 000 €		1-9/2013		1-9/2012		Change	1-12/2012		
Net sales	14,930	100%	18,459	100%	-19%	23,369	100%			
Other operating income	21	0%	50	0%	-58%	120	1%			
Materials and services	-6,311	-42%	-6,571	-36%	-4%	-8,440	-36%			
Personnel expenses	-5,106	-34%	-5,470	-30%	-7%	-7,227	-31%			
Other operating costs	-2,619	-18%	-4,250	-23%	-38%	-5,749	-25%			
Depreciation and amortization	-1,119	-7%	-1,086	-6%	3%	-1,457	-6%			
Operating profit	-205	-1%	1,132	6%	-118%	616	3%			
Financial income and expenses	-42	0%	-2	0%	2094%	-9	0%			
Profit before tax	-246	-2%	1,130	6%	-122%	607	3%			
Income taxes	-13	0%	1	0%		3,224	14%			
Profit for the period	-259	-2%	1,131	6%	-123%	3,830	16%			
<i>Other comprehensive income</i>										
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%	5	0%	-113%	3	0%			
Total other comprehensive income	-1	0%	5	0%	-113%	3	0%			
Total comprehensive income	-260	-2%	1,136	6%	123%	3,833	16%			
Earnings per share (EPS)										
Basic EPS	-0.04 €		0.18 €		-122%	0.60 €				
Diluted EPS	-0.04 €		0.18 €		-122%	0.60 €				

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

Consolidated Balance Sheet

	1 000 €	9/2013	9/2012	Change	12/2012
Assets					
Non-current assets					
Intangible assets		3,073	3,000	2%	3,085
Tangible assets		4,334	3,733	16%	3,940
Available for sale investments		15	15	0%	15
Deferred income tax assets		3,242	0		3,242
Total non-current assets		10,664	6,748	58%	10,283
Current assets					
Inventories		2,665	3,006	-11%	2,779
Short-term receivables		4,276	4,518	-5%	4,575
Cash and bank deposits		1,257	2,704	-54%	1,955
Total current assets		8,199	10,228	-20%	9,308
Total assets		18,863	16,976	11%	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		3,940	3,873	2%	3,896
Retained earnings		9,143	6,706	36%	9,403
Total equity		14,083	11,579	22%	14,299
Long-term financing loans		750	184	308%	0
Employee benefits		275	263	5%	275
Deferred income tax liabilities		18	0		18
Short-term financing loans		448	390	15%	437
Trade and other payables		3,290	4,560	-28%	4,562
Total liabilities		4,780	5,397	-11%	5,292
Total equity and liabilities		18,863	16,976	11%	19,591

Consolidated Changes in Equity

January-September 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					-259	-259
<i>Other comprehensive income for the period, net of tax</i>						
Translation differences				-1		-1
Total comprehensive income for the period	0	0	0	-1	-259	-260
Business transactions with owners						
Reissuance of treasury shares		44	0		0	44
Business transactions with owners, total		44	0		0	44
Balance at 30-Sep-2013	1,000	3,940	0	9	9,134	14,083
January-September 2012						
Balance at 1-Jan-2012	1,000	3,528	-510	6	6,074	10,098
Comprehensive income						
Comprehensive income for the period					1,131	1,131
<i>Other comprehensive income for the period, net of tax</i>						
Translation differences				5		5
Total comprehensive income for the period	0	0	0	5	1,131	1,136
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-Sep-2012	1,000	3,873	0	11	6,695	11,579

Consolidated Cash Flow Statement

	1 000 €	1-9/2013	1-9/2012	1-12/2012
Profit for the period		-259	1,131	3,830
Adjustments		468	1,091	-1,737
Change in working capital		152	-815	-882
Received interest income		0	43	6
Paid interest expenses		-22	-30	-31
Paid taxes		-13	2	0
Operational cash flow		326	1,423	1,187
Investments		-1,786	-1,004	-1,435
Proceeds from sale of property, plant and equipment		12	1	58
Cash flow from investments		-1,774	-1,003	-1,376
Increase in financing		1,000	500	500
Decrease in financing		-250	-1,090	-1,229
Cash flow from financing		750	-590	-729
Change in cash and cash equivalents		-698	-170	-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		1,257	2,704	1,955

Key Financial Indicators

	Q3/2013	Q2/2013	Q1/2013	Q4/2012	Q3/2012
Net sales, M€	5.2	4.8	4.9	4.9	5.4
Operating result before depreciation (EBITDA), M€	0.6	0.7	-0.4	-0.1	0.3
Operating result (EBIT), M€	0.2	0.3	-0.7	-0.5	-0.1
<i>of net sales, %</i>	4%	7%	-15%	-11%	-2%
Profit/loss before taxes, M€	0.2	0.3	-0.7	-0.5	-0.1
<i>of net sales, %</i>	4%	6%	-15%	-11%	-2%
Net profit/loss for the period, M€	0.2	0.3	-0.7	2.7	-0.1
<i>of net sales, %</i>	4%	6%	-15%	55%	-2%
Equity ratio, %	75%	74%	72%	73%	68%
Gearing, %	0%	-3%	-10%	-11%	-18%
Gross investments in fixed assets, M€	0.8	0.6	0.4	0.4	0.2
<i>of net sales, %</i>	15%	13%	8%	8%	4%
Personnel, end of the quarter	154	153	153	150	147
Earnings/share (EPS), €	0.03	0.05	-0.12	0.42	-0.01
Equity/share, €	2.20	2.17	2.12	2.23	1.81

Formulas and definitions

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

Contingent Liabilities

	1 000 €	9/2013	9/2012	12/2012
Business mortgage		4,000	0	0
Operating lease liabilities		1,734	715	2,070
Other liabilities		40	40	40
Total		5,774	755	2,110

All figures are unaudited.

Espoo, October 24, 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.