

ASPOCOMP GROUP INTERIM REPORT JANUARY 1 - JUNE 30, 2002

- Net sales for the interim report period totaled EUR 86.5 million and for the second quarter EUR 42.2 million
- Operating loss for the interim report period totaled EUR 29.6 million and for the second quarter EUR 1.4 million
- Earnings per share were EUR -2.73 and for the second quarter EUR -0.12
- Equity per share was EUR 10.24 (EUR 14.99 in H1 2001)

BUSINESS REVIEW

During the period under review, the capacity utilization rate of Aspocomp's factories was low due to the continuing poor state of the telecommunication market. As a consequence of the current state of the market and worldwide overcapacity in the printed wiring board (PWB) industry, the focus in production is increasingly moving to Asia, especially China, where the PWB market is still growing. Aspocomp has two subsidiaries in Asia, P.C.B. Center in Thailand and ACP Electronics in China. Aspocomp's holding in both subsidiaries is 51%. The Asian share of Aspocomp's total production has doubled compared to the first half of last year.

Increased outsourcing in production has led to more responsibility for developing new components being transferred from OEMs (Original Equipment Manufacturers) to component suppliers. The development and commercialization of the new technologies utilized in high-tech component manufacturing require cooperation between the various companies in the value chain. As a manufacturer of high-tech components, Aspocomp has been actively involved in creating an efficient research network among component suppliers. As a result of the cooperation, Perlos and Aspocomp established the joint venture company Asperation Oy, and Elcoteq and Aspocomp established the joint venture company Imbera Electronics Oy.

BUSINESS ENVIRONMENT

The delayed recovery of the telecommunications sector, which is Aspocomp's prime business sector, is keeping business conditions challenging. As mobile handset sales are forecasted to be flat and telecom infrastructure sales are expected to decline markedly, the forecasted growth rate of 5% for PWB business in 2002 will be difficult to achieve. This is due to the fact that considerably more than 50% of HDI/microvia PWBs are used in telecom products, particularly in mobile handsets, and the HDI/microvia PWBs, combined with silicon substrates, are presumed to be the growth drivers of the PWB business.

Only a significant improvement in the handset end-user market during the second half of 2002 would allow the PWB sector to achieve the growth target of 5%. In the major growth area Asia, for example, many PWB manufacturers located in Taiwan and China have generated around 40% of their annual turnover target by the end of June.

The capacity cuts effected at PWB plants in Europe and North America will probably continue throughout the year. Many manufacturers will also further delay their investments in China and other Southeast Asian locations. A positive sign is the recent recovery of the semiconductor business, which historically fluctuates on a similar cycle to that of PWBs.

GROUP NET SALES AND PROFIT

Net sales totaled EUR 86.5 million for the period from January 1 to June 30, 2002, compared with EUR 117.5 million during the same period in the previous year. Other operating income totaled EUR 0.3 million (EUR 0.6 million). The share of net sales of the company's five biggest customers, Nokia, Sanmina-SCI, Siemens, Ericsson and Tellabs, was 65%. Direct exports from Finland totaled EUR 35.8 million (EUR 16.5 million) and offshore net sales totaled EUR 20.2 million (EUR 33.1 million). Net sales by region were as follows: Finland 36% (60%), rest of Europe 24% (35%), Asia 11% (2%), and the Americas 29% (3%).

Operating loss for the period totaled EUR 29.6 million or -34.3% of net sales (EUR -8.8 million; -7.5%). The operating loss for the period, net of the write-downs and losses related to French subsidiary Aspocomp S.A.S. in the first quarter, totaled EUR 1.1 million. Net financial costs totaled EUR 1.5 million (EUR 0.9 million).

The loss before extraordinary items was EUR 31.2 million (loss of EUR 9.7 million). The loss before taxes was EUR 31.2 million (loss of EUR 9.7 million), and the net loss for the period was EUR 27.4 million (loss of EUR 7.7 million). Earnings per share totaled EUR -2.73 (EUR -0.76).

The net sales for the second quarter totaled EUR 42.2 million, of which the net sales of operations in China accounted for EUR 3.1 million. The EBITDA for the second quarter totaled EUR 6.0 million, of which China accounted for EUR -1.2 million. The operating loss for the second quarter totaled EUR 1.4 million, including EUR 2.6 million of operating loss in China.

The net sales of the operations in China for the period totaled EUR 7.2 million, EBITDA EUR -1.7 million and operating loss EUR 3.9 million. Due to ramp-up costs and low capacity utilization rate the business in China was still unprofitable.

BUSINESS UNITS

Printed Wiring Boards (PWB)

The downturn in net sales for the PWB business unit was 23% compared to the same period in the previous year. The net sales for the PWB business unit were EUR 70.2 million (EUR 91.2 million). The net sales of the Mobile segment decreased by 13% and totaled EUR 34.8 million (EUR 40.2 million). The net sales of the Telecom segment declined by 48% and totaled EUR 14.4 million (EUR 27.7 million). The downturn in net sales for the Auto & Industry segment was 10.0% and they totaled EUR 21.0 million (EUR 23.3 million).

ELECTRONICS MANUFACTURING SERVICES (EMS)

The net sales of the EMS business unit decreased by 38% and totaled EUR 16.3 million (EUR 26.3 million).

FINANCING, INVESTMENTS AND EQUITY RATIO

The Group's liquidity was good. Net interest-bearing debt for the period totaled EUR 59.6 million, including EUR 32 million in financial leasing liabilities. Gross investments for the period totaled EUR 13.7 million (EUR 24.7 million) or 15.8% of net sales (23.3%). The investments were primarily in Asia, totaling EUR 10 million. The investment in Finland totaled EUR 3.7 million. Net financial costs as a percentage of net sales totaled 1.8% (0.8%). The equity ratio was 57.7% (57.7%) at the end of the period under review, compared with the year-end figure of 56.5%.

SHARES AND SHARE CAPITAL

The number of Aspocomp's issued shares on June 28 was 10,041,026 and the share capital was EUR 10,041,026. 100,000 shares of the total issued number were in the possession of the company. The average number of shares, adjusted for buybacks, was 10,029,005. During the period extending from January 1 to June 28, a total of 1,454,995 shares with a value of EUR 12,202,669.99 were traded on the Helsinki Stock Exchange. The non-domestic share in the ownership of the stock was 18.0% at the end of the period. The share price reached a high of EUR 13.25 and a low of EUR 6.60 between January 1 and June 28, 2002. The average price was EUR 8.39. The closing price on June 28, 2002, was EUR 6.80 and the market capitalization of the company was EUR 67,598,976.80 million.

On April 5, the annual general meeting passed a resolution to decrease the company's share capital by invalidating 100,900 company shares. The new share capital, EUR 10,041,026, and the number of shares, 10,041,026, were entered in the Finnish Trade Register on April 9.

In addition, the annual general meeting passed a resolution to authorize the Board to decide on buying back company shares and to decide on new issues of shares and/or convertible bonds. The authorizations are valid for one year of the date of AGM.

On May 7, 2002, the Board of Directors decided to use the authorization regarding share buybacks by acquiring 100.000 company shares on the market by the end of June 2002. The information regarding the share buybacks is given in the table below.

Period of time	Number of shares	Average price/ share, euro	Total price, euro
May 1 - 31, 2002	24,400	7.99	194,982.50
June 1 - 30, 2002	75,600	7.45	563,122.50
Total	100,000	7.58	758,105.00

By June 28, the company had bought back 100,000 company shares and the counter book value of the shares was EUR 100,000, representing 1.0% of the company's share capital and voting rights. The share buybacks did not have any significant impact on the distribution of holdings or voting rights in the company.

No decisions have been made regarding the exercise of other authorizations granted by the annual general meeting.

On May 17, 2002, the insurance company If Skadeförsäkring Ab announced that its share in the voting rights and share capital of Aspocomp Group Oyj is over 5%.

THE NEW BOARD OF DIRECTORS

The annual general meeting elected new members to the Board of Directors on April 5, 2002. Mr. Jorma Eloranta, Mr. Karl Van Horn, Mr. Aimo Eloholma and Mr. Roberto Lencioni were re-elected. Mr. Tuomo Lähdesmäki was elected as a new member. Mr. Gustav Nyberg continues as member. At its meeting on April 11, the Board of Directors re-elected Mr. Jorma Eloranta as Chairman and Mr. Karl Van Horn as Vice-Chairman.

PERSONNEL

The number of employees averaged 3,058 from January 1 to June 30, 2002, compared with 3,379 for the same period in the previous year. Personnel averaged 3,314 for 2001. At the end of June 2002 there were 2,813 employees in all.

	Average number 2002 Jan 1-Jun 30	Average number 2001 Jan 1-Jun 30	Number 2002 Jun 30	Number 2001 Jun 30	Number 2001 Dec 31
Europe	1,548	1,916	1,215	1,984	1,785
Thailand	889	1,207	890	1,132	882
China	621	256	708	296	511
Total	3,058	3,379	2,813	3,412	3,178

Efforts were made to adjust to the weak market by continuing to trim personnel and retrench operations at all Aspocomp plants during the period.

PWB PRODUCTION IN FRANCE

Aspocomp S.A.S. filed for bankruptcy on March 6, 2002, after several years of unprofitable operations. Because of the weakened PWB market, the parent company did not see any feasible reason for continuing its financial support of the company. Aspocomp S.A.S. has been reported as part of the Group for the first two months of

the year, during which its net sales were EUR 2.6 million and the operating loss was EUR 4.0 million. The non-recurring costs to the Group caused by filing for bankruptcy were EUR 24.5 million. The liquidation of Aspocomp S.A.S. was begun by ruling of a local court on June 20, 2002.

A writ of summons filed with the Tribunal de Commerce in Evreux, France, by the administrators of the French subsidiary Aspocomp S.A.S. has been served to Aspocomp Group Oyj. The bankruptcy estate demands that the bankruptcy proceedings of the subsidiary and the liability for its debts be extended to include also Aspocomp Group Oyj.

Under the writ of summons, Aspocomp Group Oyj is to appear before the court in France on September 10, 2002, and present its response to the claims of the plaintiff. According to the expert opinion available, the writ of summons and the claims presented therein are unfounded and they will be answered in due time. As a consequence, it is estimated that the writ of summons will have no effect on the profitability position of the company, nor on its balance sheet or financial position.

PROSPECTS

As a consequence of the overcapacity situation the price pressure in the printed wiring board market continues. Due to the new customer projects in China, the capacity utilization rate at the Suzhou plant is expected to grow during the second half of the year. At the other production units, the improvement of the capacity utilization rates requires a distinct clear recovery by the telecom industry. Our main target for the second half of the 2002 is to maintain a positive operative cash flow.

ASPOCOMP GROUP INCOME STATEMENT

	1-6/02		1-6/01		1-12/01	
	MEUR	%	MEUR	%	MEUR	%
NET SALES	86.5	100.0	117.5	100.0	221.8	100.0
Other operating Income	0.3	0.3	0.6	0.5	0.9	0.4
Depreciation and write-downs	15.8	18.3	17.8	15.2	39.1	17.6
OPERATING PROFIT/LOSS AFTER DEPRECIATION	-29.6	-34.3	-8.8	-7.5	-27.4	-12.4
Financial income and expenses	-1.5	-1.8	-0.9	-0.8	-2.6	-1.2
PROFIT/LOSS BEFORE EXTRAORDINARY ITEMS AND TAXES	-31.2	-36.1	-9.7	-8.3	-29.9	-13.5
Extraordinary income	0	0	0	0	0	0
Extraordinary expenses	0	0	0	0	0	0
PROFIT/LOSS BEFORE TAXES	-31.2	-36.1	-9.7	-8.3	-29.9	-13.5
Minority interest	2.2	2.6	0.8	0.6	3.6	1.6
PROFIT/LOSS FOR THE PERIOD	-27.4	-31.7	-7.7	-6.6	-26.9	-12.1
EARNINGS PER SHARE, EUR	-2.73		-0.76		-2.66	

Accrued taxes for this interim period have been calculated in accordance with the corporate tax rate in force during the period under review and they include taxes brought forward from earlier periods.

ASPOCOMP GROUP BALANCE SHEET

	6/02 MEUR	6/01 MEUR	Change %	12/01 MEUR
Non-Current Assets				
Intangible assets	4.8	12.1	-59.8	5.3
Tangible assets	145.6	177.5	-18.0	195.3
Investments	3.3	0.5		1.5
Current Assets				
Inventories	22.3	39.0	-42.9	30.7
Receivables	44.4	47.8	-7.1	39.1
Investments	0	21.0		0.0
Cash and bank deposits	10.1	33.2	-69.7	20.3
TOTAL ASSETS	230.5	331.1	-30.4	292.1
Shareholders' equity				
Share capital	10.1	10.1		10.1
Other shareholders' equity	92.6	142.0	-34.9	121.5
Minority interest	31.0	38.9	-20.2	33.8
Mandatory reserves	2.4	10.6	-77.1	11.5
Long-term liabilities	46.7	49.9	-6.4	55.1
Short-term liabilities	47.7	79.6	-40.1	60.1
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	230.5	331.1	-30.4	292.1
KEY FIGURES				
Equity/share, EUR	10.24	14.99		13.01
Equity ratio, %	57.7	57.7		56.5
Gearing, %	44.9	13.9		35.7
Gross investments, MEUR	13.7	27.4		73.3

Accumulated excess depreciation and voluntary reserves totaling EUR 4.9 million have been divided among shareholders' equity and nominal tax liabilities.

CONTINGENT LIABILITIES

	6/02 MEUR	12/01 MEUR
Securities on Group liabilities	6.0	3.2
Operational leasing liabilities	0.1	0.2
Other liabilities	0.3	0.3
TOTAL	6.4	3.7

All figures are unaudited. Some statements in this interim report 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 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; increases in PWB industry capacity and competition; the ability of the company to implement its investment program and to continue to expand its business outside the European market.

Vantaa, August 1, 2002

ASPOCOMP GROUP Oyj

Board of Directors

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ASPOCOMP GROUP Oyj

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