

ASPOCOMP GROUP OYJ STOCK EXCHANGE RELEASE Aug 5, 2004 at 8:00 AM 1(14)

ASPOCOMP GROUP INTERIM REPORT 1.1. - 30.6.2004
STRONG SALES GROWTH CONTINUED DURING THE SECOND QUARTER, AND
EARNINGS PER SHARE INCREASED TO EUR 0.26

During the second quarter of 2004, Aspocomp increased its net sales by 26% to EUR 52.9 million, while the earnings per share increased to EUR 0.26 (-0.58). Net sales during January-June 2004 increased to EUR 100.5 million (83.2) and earnings per share increased to EUR 0.43 (-0.62).

Highlights of second quarter 2004 (all comparisons are year on year to second quarter 2003 results):

- Net sales increased to EUR 52.9 million (42.1). Net sales showed rapid growth at ACP Electronics, the Chinese subsidiary of Aspocomp, and at the Finnish PCB factories. The Mechanics and Modules business segment also showed strong growth.
- Operating profit increased to EUR 3.8 million (-6.3), representing 7.2% of net sales (-15.0%). The corresponding figure for the previous year includes one-off expenses that amount to EUR 4.8 million. Profitability was particularly improved by the strong increase in volumes.
- The profit before tax increased to EUR 3.5 million (-6.6), and earnings per share increased to EUR 0.26 (-0.58).
- Cash flow from operations totalled EUR 5.2 million (1.7).
- Investments amounted to EUR 3.7 million (4.7). The most significant investments were made to improve technology at the Salo PCB factory.

Prospects:

- Net sales and earnings in July-September are expected to improve somewhat from the second quarter. Net sales, operating profit and earnings per share for the whole year are expected to be significantly better than in the previous year.

MAIJA-LIISA FRIMAN, PRESIDENT AND CEO OF ASPOCOMP:

"The sales of Aspocomp continued their rapid growth during the second quarter. There was a strong demand for printed circuit boards and for products of the Mechanics and Modules segment, which was

slightly better than we expected. In addition to increased deliveries, profitability was also improved by increased productivity of manufacturing processes in China and the increased share of high-tech PCBs in Aspocomp's product portfolio.

Our investment in China, which started in 2001, was well-timed, and it has significantly increased our capacity to manufacture HDI/Microvia PCBs. The share of these high-tech PCBs in the PCB segment net sales increased to 60% during the second quarter. During the present quarter, the capacity of our factory in China to manufacture HDI/Microvia PCBs will increase 1.5-fold, thanks to our current expansion investment.

The utilization rates of our factories have continued to stay at a good level during the first half of the year. Aspocomp's major challenges for the future include securing business growth possibilities to meet customer needs in a flexible and cost-effective way.

Our joint ventures Asperation and Imbera Electronics, which develop new technologies, are currently co-operating with customers in several pilot projects."

NET SALES AND PROFIT, APRIL-JUNE 2004 (comparison figures are for Q2 2003)

Net sales totalled EUR 52.9 million for the second quarter compared with EUR 42.1 million during the corresponding period of the previous year. Profit before depreciation totalled EUR 10 million, 18.8% of net sales (EUR 3.4 million, 8.1%). The operating profit was EUR 3.8 million (-6.3).

Net financial expenses amounted to EUR 0.3 million (0.3). Profit before taxes amounted to EUR 3.5 million (-6.6), and profit after taxes and minority interests was EUR 2.5 million (-5.8). Earnings per share totalled EUR 0.26 (-0.58). Cash flow from operations totalled EUR 5.2 million (1.7).

NET SALES AND PROFIT, JANUARY-JUNE 2004 (comparison figures are for Q1-Q2 2003)

During the first half-year, net sales of the Aspocomp Group increased to EUR 100.5 million (83.2). The increased net sales both in the PCB segment and in the Mechanics and Modules segment resulted

mainly from markedly increased volumes. The changes in the USD-EUR exchange rate had a 3% negative effect on net sales.

During the first half-year, net sales of the Aspocomp Group were divided by region as follows: Europe 67% (69%), Asia 17% (15%) and the Americas 16% (16%). Share of net sales of the Finnish factories were 68% and the Asian factories were 32%.

Approximately 70% of Group net sales were accrued by products used in mobile phones and telecom systems, and approximately 30% were made up by automotive, industrial and consumer electronics.

The Group's five largest customers, Nokia, Ericsson, Sanmina-SCI, Philips and Siemens, accounted for 61% of net sales (60%) during the first half-year.

Operating profit before depreciation was 18.6% of net sales (10.6%), amounting to EUR 18.7 million (8.9). Operating profit was EUR 6.5 million (-8.0). The improved profitability was specifically attributable to the considerably increased delivery volumes and the restructuring carried out in the Group during 2003. Profitability was also improved by better efficiency at ACP Electronics, and the increased share of high-tech PCBs in Aspocomp's product portfolio.

Net financing expenses amounted to EUR 0.6 million (0.8), and profit before taxes was EUR 5.8 million (-8.8). The profit for the period after taxes and minority interests increased to EUR 4.3 million (-6.2), and earnings per share increased to EUR 0.43 (-0.62). Cash flow from operations totaled EUR 9.8 million (4.5).

BUSINESS SEGMENTS

Printed Circuit Boards

Net sales of the PCB segment increased by 26% during the second quarter, amounting to EUR 40.5 million. The increase was mainly attributable to the rapid growth in delivery volumes. The PCB price level remained relatively stable. Pressures in raw material prices are estimated to lead to the raising of prices for some products during the latter half of the year.

The demand for PCBs increased strongly during the second quarter. There was a particularly strong demand for PCBs for mobile handsets, where the sales of Aspocomp increased by more than 50% compared with

the same period in the previous year. The deliveries of PCBs for consumer electronics also showed marked growth.

Most of the increase in sales of Aspocomp's PCBs was contributed by the Chinese subsidiary ACP Electronics, but the comparable net sales of the factories in Finland (Salo and Oulu) also increased by almost one-third. The growth of the factory in Thailand (P.C.B. Center) was slower but exceeded 10%.

During the second quarter, net sales of the PCB segment were divided by region as follows: Europe 58% (65%), Asia 22% (21%) and the Americas 20% (14%). Share of net sales of the Finnish factories were 56% and the Asian factories were 44 %.

Operating profit of the segment was EUR 1.3 million (-7.7) during the second quarter.

Net sales of the PCB segment during January-June increased to EUR 76.9 million (64.1), resulted from positive growth in volumes. Net sales figures for the previous year include the Teuva factory that was divested by Aspocomp in 2003. During the same period in 2003, the factory had net sales of to EUR 4.8 million. Comparable net sales of the factories in Finland (Salo and Oulu) increased 28%, while the factories in Asia (China and Thailand) increased their net sales by 46%. The increased share of high-tech products and the positive growth in volumes resulted in improved profitability compared with the previous year. The operating profit for the segment in January-June totaled EUR 2.6 million (-10.3).

Mechanics and Modules

Net sales of the Mechanics and Modules business segment during the second quarter increased by 24% to EUR 12.4 million (10.0). The increase in the net sales was mainly attributable to positive growth in volumes.

The demand was especially strong in the telecommunication network market, and the volume of deliveries in that area increased significantly compared with the same period in the previous year. The number of products delivered to the other branches of industry remained at a good level. The price level remained relatively stable during the period under review.

The high rate of utilization of the capacity in the Mechanics and Modules segment during the second quarter resulted in significantly

better productivity than in the previous year. The operating profit of the segment was EUR 2.5 million (1.4).

Net sales of the Mechanics and Modules business segment during January-June increased by 24% to EUR 23.7 million (19.1). The increase in net sales was attributable to the fact that the telecom network market picked up. The operating profit for the segment improved to EUR 3.9 million (2.3).

FINANCING, INVESTMENTS and EQUITY RATIO

The Group's liquidity during the period under review was good. The Group's liquid assets totalled EUR 26.1 million (13.1). Interest-bearing net debt totalled EUR 24.6 million (42.1), including EUR 24.5 million (28.2) in financial leasing liabilities consolidated in the Group Balance Sheet. Gearing was 19.6% (34.7%), while gearing without the consolidated financial leasing liabilities was 0.07% (11.4%). Non-interest-bearing debts amounted to EUR 35.2 million (27.6).

Investments totalled EUR 6.1 million (6.2), or 6.0% of net sales (7.5%). EUR 2.4 million of the investments were made in Asia and EUR 3.7 million in Europe. Net financial expenses as a percentage of net sales totalled 0.6% (1.0%).

The Group's equity ratio at the end of June was 59.4% (59.5%).

SHARES AND SHARE CAPITAL

On 30 June 2004, the total number of Aspocomp shares was 10,041,026 and the share capital was EUR 10,041,026. Of the total, 100,000 shares are held by the company itself. The book countervalue of these shares is EUR 100.000, and these shares represent 1% of the total votes of all shares. The number of shares adjusted for Aspocomp's own shareholding was 9,941,026. During the period, a total of 1,839,322 shares in Aspocomp Group Oyj were exchanged on the Helsinki Exchanges. The grand total of these transactions amounted to EUR 23,513,770.63. The lowest price paid for the shares was EUR 11.63, the highest was EUR 14.54, and the average was EUR 12.78. The closing price on 30 June 2004 was EUR 12.80, and the market capitalization of the company was EUR 127.2 million. Nominee-registered shares represented 10.3% of share capital while 1.0% was held directly by foreign shareholders.

On 2 April 2004, the Annual General Meeting of Aspocomp Group Oyj authorized the Board of Directors to decide on acquiring and/or conveying its own shares and on a shares issue and/or taking of convertible loans. The authorizations are valid for one year from the date of the Annual General Meeting. At the same time, the Annual General Meeting cancelled similar authorizations granted on 4 April 2003. The Board of Directors has not used the authorizations granted by the Annual General Meeting on 2 April 2004.

PERSONNEL

The average number of employees in the Aspocomp Group during the period 1 January - 30 June 2004 was 3,494 (3,101). At the end of June 2004, there were 3,592 employees (3,234).

	Average number 2004 1.1.-30.6.	Average number 2003 1.1.-30.6.	Number 2004 30.6.	Number 2003 30.6.
Europe	994	1,129	1,063	1,145
Thailand	1,381	1,079	1,398	1,136
China	1,119	893	1,131	953
Total	3,494	3,101	3,592	3,234

MANAGEMENT

On 2 February 2004, the Board of Directors of Aspocomp Group Oyj appointed Ms Maija-Liisa Friman M.Sc. (Chem. Eng.) as the President and CEO of the company. She took up her new position on 1 April 2004.

The Annual General Meeting of Aspocomp Group Oyj held on 2 April 2004 approved the Board's proposal for changing Articles 6 and 15 of the Articles of Association, relating to the term of office of Board Members, so that the Members are now elected for one year at a time.

On 2 April 2004, the Annual General Meeting of Aspocomp Group Oyj decided that the Board of Directors shall consist of six Members. Aimo Eloholma, Roberto Lencioni, Tuomo Lähdesmäki, Gustav Nyberg and Karl Van Horn were re-elected as Board Members, and Anssi Soila was elected as a new Member. The authorized public accounting firm PricewaterhouseCoopers Oy was appointed as the Auditor for the company.

In its organization meeting on 2 April 2004, the Board re-elected Tuomo Lähdesmäki as Chairman of the Board, while Karl Van Horn was elected as Vice-Chairman. As members of the Compensation and Nomination Committees, the Board elected Aimo Eloholma, Roberto Lencioni and Tuomo Lähdesmäki, who was also appointed as Chairman for both committees. Karl Van Horn, Gustav Nyberg and Anssi Soila were elected by the Board as members of the Audit Committee. The Board appointed Gustav Nyberg as Chairman of the Audit Committee.

On 2 April 2004, the Board decided that each Member of the Board shall spend 40% of his annual remuneration in buying shares in the company during the period 10 May - 18 June 2004, which took place within the limitations of insider trading rules. The Board also decided not to convey the acquired shares before the Annual General Meeting of 2005.

The company amended its Corporate Governance system in June so that it now complies with the recommendation given to the listed companies by the Helsinki Exchanges in December 2003.

ASPOCOMP S.A.S.

In May, the Evreux Labour Court rendered its decision on redundancy notices of the closing of the heavily unprofitable Aspocomp S.A.S. in Evreux, France in 2002. According to the decision, Aspocomp should pay to 388 persons issued with notice a compensation equivalent to six months remuneration due to unfair dismissal. The estimated compensation totals to approximately EUR 6.6 million.

According to Aspocomp's legal advisors, the decision is not in line with established court practice. Aspocomp has appealed against the decision and, based on current assessments, the legal processes are expected to continue for some years before a final decision is made.

IFRS IMPLEMENTATION

The Aspocomp Group will introduce IFRS (International Financial Reporting Standards) in the beginning of 2005. Aspocomp has already been recording all financial leasing agreements as assets and liabilities since 1999. The fixed costs of finished product inventories have been capitalized, and accrued tax liabilities and receivables have been recorded.

In March 2004, it was decided that the disability pension portion of the Finnish TEL system (TEL=Employees' Pension Act) is to be treated as a defined benefit pension plan in accordance with IFRS. This means that the disability pension is to be entered as a long-term liability. The amount of this liability will be determined when the related mathematical insurance calculations are completed. In other respects, the introduction of IFRS is not estimated to have any substantial influence on the Group's equity at the time of changeover.

PROSPECTS

The strong growth of mobile phone markets continued during the second quarter, which increased the demand for Aspocomp PCBs, particularly towards the end of the quarter. During the current year, market researchers and device manufactures have estimated that the total market will grow faster than was estimated previously. At present, size of the market in 2004 is estimated to be approximately 600 million mobile phones or slightly more (the size of the market in 2003 was over 470 million phones).

The growth of the telecommunications network market during the first half of the year was faster than expected, and it is also estimated to continue at a reasonable good level during the latter half of the year. The automotive and industrial electronics are expected to continue their steady growth of a few per cent annually.

Net sales of Aspocomp's PCB segment are expected to increase during the second half-year, and the profitability is expected to improve slightly. The Mechanics and Modules segment is estimated to remain on exceptionally good volume level during the second half-year, and the last half of the year is likely to be similar to the first half-year.

Net sales and earnings in July-September are expected to improve somewhat from the second quarter. Net sales, operating profit and earnings per share for the whole year are expected to be significantly better than in the previous year.

In 2004, gross investments are expected to amount to less than 10% of the Group's net sales.

	4-6/04		4-6/03	
	MEUR	%	MEUR	%
NET SALES	52.9	100.0	42.1	100.0
Other operating income	0.3	0.6	0.2	0.6
Depreciation and write-downs	6.2	11.6	9.7	23.1
OPERATING PROFIT/LOSS	3.8	7.2	-6.3	-15.0
Financial income and expenses	-0.3	-0.5	-0.3	-0.7
PROFIT/LOSS BEFORE EXTRAORDINARY ITEMS AND TAXES	3.5	6.7	-6.6	-15.7
Extraordinary income	0.0	0.0	0.0	0.0
Extraordinary expenses	0.0	0.0	0.0	0.0
PROFIT/LOSS BEFORE TAXES	3.5	6.7	-6.6	-15.7
Taxes	-0.1	-0.1	0.1	0.2
Minority interests	-0.9	-1.7	0.7	1.6
PROFIT/LOSS FOR THE PERIOD	2.6	4.9	-5.8	-13.9
EARNINGS PER SHARE	0.26		-0.58	

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 INCOME STATEMENT, JANUARY - JUNE

	1-6/04		1-6/03		1-12/03	
	MEUR	%	MEUR	%	MEUR	%
NET SALES	100.5	100.0	83.2	100.0	182.3	100.0
Other operating income	0.4	0.4	0.4	0.5	1.2	0.7
Depreciation and write-downs	12.2	12.2	16.9	20.3	29.7	16.3

						10(14)
OPERATING PROFIT/LOSS	6.5	6.4	-8.0	-9.6	-5.3	-2.9
Financial income and expenses	-0.6	-0.6	-0.8	-1.0	-1.3	-0.7
PROFIT/LOSS BEFORE EXTRAORDINARY ITEMS AND TAXES	5.8	5.8	-8.8	-10.6	-6.6	-3.6
Extraordinary income	0.0	0.0	0.0	0.0	0.0	0.0
Extraordinary expenses	0.0	0.0	0.0	0.0	0.0	0.0
PROFIT/LOSS BEFORE TAXES	5.8	5.8	-8.8	-10.6	-6.6	-3.6
Taxes	-0.1	-0.1	1.2	1.5	3.5	1.9
Minority interests	-1.4	-1.4	1.4	1.7	2.2	1.2
PROFIT/LOSS FOR THE PERIOD	4.3	4.3	-6.2	-7.5	-0.9	-0.5
EARNINGS PER SHARE	0.43		-0.62		-0.09	

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.

BALANCE SHEET

	6/04 MEUR	6/03 MEUR	Change %	12/03 MEUR
Fixed Assets				
Intangible assets	3.7	4.9	-24.8	4.2
Tangible assets	101.2	115.7	-12.5	105.2
Investments	1.6	1.1	48.1	1.7
Current Assets				
Stocks	25.0	21.6	15.8	20.8
Receivables	55.0	48.8	12.7	52.7
Investments	13.0	0.0	-	20.8
Cash and bank deposits	13.1	13.1	-	8.9
TOTAL ASSETS	212.5	205.1	3.6	214.2

11(14)

Shareholders' equity

Share capital	10.0	10.0	-	10.0
Other shareholder's equity	93.7	88.3	6.1	92.1
Minority interests	22.8	23.9	-4.5	20.5
Mandatory reserves	2.3	2.4	-5.6	1.7
Long-term liabilities	25.4	33.2	-23.3	28.7
Short-term liabilities	58.2	47.3	23.1	61.3
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	212.5	205.1	3.6	214.2

CASH FLOW STATEMENT

	4-6/04 MEUR	4-6/03 MEUR
Cash flow from operations	5.2	1.7
Cash flow from investments	-3.7	-4.7
Cash flow before financial items	1.5	-3.0
Decrease in long-term financing	-2.3	-4.0
Increase in short-term financing	1.4	0.8
Dividends paid	-3.0	-2.5
Total financing	-3.9	-5.7
Decrease/increase in liquid assets	-2.4	-8.8
Liquid assets at the end of the period	26.1	13.1

CASH FLOW STATEMENT

	1-6/04 MEUR	1-6/03 MEUR	1-12/03 MEUR
Cash flow from operations	9.8	4.5	25.4
Cash flow from investments	-6.1	-6.0	-11.3
Cash flow before financial items	3.7	-1.5	14.1
Decrease in long-term financing	-3.3	-4.2	-7.0
Decrease/increase in short-term financing	-1.0	1.2	5.0
Dividends paid	-3.0	-2.5	-3.0
Total financing	-7.2	-5.5	-5.0
Decrease/increase in liquid assets	-3.5	-7.0	9.0
Liquid assets at the end of the period	26.1	13.1	29.8

BUSINESS SEGMENTS

	4-6/04	4-6/03	1-6/04	1-6/03	12(14) 1-12/03
	MEUR	MEUR	MEUR	MEUR	MEUR
Printed Circuit Boards					
Net sales	40.5	32.1	76.9	64.1	142.5
Printed Circuit Boards					
Operating profit	1.3	-7.7	2.6	-10.3	-11.1
Mechanics and Modules					
Net sales	12.4	10.0	23.7	19.1	39.8
Mechanics and Modules					
Operating profit	2.5	1.4	3.9	2.3	5.8

KEY FINANCIAL INDICATORS

	6/04	6/03	12/03
Return on Investment (ROI) %	8.1	-8.6	-1.9
Return on Equity, %	9.2	-11.9	-2.4
Equity/share, EUR	10.36	9.81	10.20
Equity ratio, %	59.4	59.5	57.1
Gearing, %	19.6	34.7	20.3
Gross investments, MEUR	6.1	6.2	13.8
Average number of personnel	3.494	3.101	3.330

CONTINGENT LIABILITIES

	6/04	12/03
	MEUR	MEUR
Securities on Group liabilities	8.1	8.0
Operational leasing liabilities	0.2	0.2
Other liabilities	26.0	24.4
TOTAL	34.3	32.6

DERIVATIVE CONTRACTS

	6/04	12/03
	MEUR	MEUR
Foreign Currency Forward Contracts		
Market Value	0.1	0.0
Nominal Value	1.5	4.6
Electricity Forward Contracts		
Market Value	0.1	0.0
Nominal Value	0.5	0.7

All figures are unaudited.

Vantaa, 5 August 2004

ASPOCOMP GROUP OYJ

Board of Directors

For further information, please contact CEO Maija-Liisa Friman,
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ASPOCOMP GROUP OYJ

Maija-Liisa Friman
President and CEO

PRESS CONFERENCE

A press conference intended for investors, analysts and media representatives will be held on 5 August 2004 at 11:00 a.m. in the Paavo Nurmi conference hall of Hotel Kämp at Pohjoisesplanadi 29, Helsinki.

ASPOCOMP IN BRIEF

The Aspocomp Group serves the electronics industry by supplying high-tech electronic components and services such as PCBs (printed circuit boards), and PCB-related designs as well as mechanics and modules. Aspocomp's products are used in the electronics industry,

mobile handsets, telecommunications infrastructure, automotive and other industrial applications. The Aspocomp Group's production facilities are located in Finland, China and Thailand. In 2003, Group net sales were EUR 180 million approximately, and the Group had some 3,300 employees. The parent company, Aspocomp Group Oyj, has been listed on the Helsinki Exchanges since 1999.

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 programme and to continue to expand its business outside the European market.

Distribution:

The Helsinki Exchanges

Major Media

www.aspocomp.com