

ASPOCOMP GROUP Oyj STOCK EXCHANGE BULLETIN Nov 3, 1999 at 9.00AM 1(7)

ASPOCOMP PRO FORMA INTERIM REPORT JANUARY 1 - SEPTEMBER 30, 1999

Net sales for the first nine months of the year increased 67 % totalling EUR 144.4 million (EUR 86.6 million), the profit before extraordinary items and taxes increased 95 % totalling EUR 12.7 million (EUR 6.5 million) and earnings per share were EUR 1.01 (EUR 0.53). Earnings (after financial items) for the entire year are expected to increase significantly over last year.

The implementation of the division of Aspo Plc into Aspo Plc and Aspocomp Group Oyj was registered in the Trade Register on October 1, 1999. At the same time Aspocomp Group Oyj was registered. The trade in Aspocomp Group Oyj shares began also on the same day. Because Aspocomp Group Oyj does not yet have any approved official financial information this interim report is a so-called pro forma interim report. The calculation principles are specified in more detail in the prospectus issued on April 8, 1999 and updated on September 28, 1999. The former Aspo Plc has published its interim report regarding the period Jan 1 - Sept 30, 1999 today and thus this pro forma interim report will focus only on the business of Aspocomp Group.

GROUP NET SALES AND PROFITS

Net sales totalled EUR 144.4 million for the period from January 1 to September 30, 1999 compared with the previous year's figure of EUR 86.6 million. The acquisition of the French PCB plant increased net sales by EUR 42.1 million. The increase excluding the acquisition was EUR 15.7 million. Other operating income totalled EUR 1.9 million (EUR 0.2 million). The share of the company's three biggest customers, Ericsson, Nokia and Philips, in net sales was 66 %. Direct export from Finland totalled EUR 15.0 million (EUR 11.8 million) and offshore net sales totalled EUR 57.1 million (EUR 11.8 million).

The operating profit for the period totalled EUR 13.6 million or 9.4 % of net sales (EUR 7.7 million; 8.9 %). Net financial costs totalled EUR 0.9 million (EUR 1.2 million). During the period company negotiated new short-term credit limits for securing the smooth movement to the situation after the division.

The profit before extraordinary items and taxes was EUR 12.7 million (EUR 6.5 million). The major item under extraordinary costs was a pension liability totalling EUR 0.8 million deriving from the Aspo Group pension fund which will be dissolved. The profit before taxes was EUR 11.9 million (EUR 6.5 million) and the net profit for the period was EUR 8.3 million (EUR 4.7 million). Earnings per share totalled EUR 1.01 (EUR 0.53).

FINANCING, INVESTMENTS AND EQUITY RATIO

The Group's liquidity was satisfactory in spite of the major investments. Gross investments for the period totalled EUR 19.8 million (EUR 13.6 million) or 13.7 % of net sales. Net financial costs as a percentage of net sales totalled 0.6 % (1.4 %). The equity

ratio increased from the year end figure of 46.7 % to 46.8 % at the period end (54.7 %).

THE SHARES AND SHARE CAPITAL

As of October 1 the company's share capital totalled EUR 8,770,416 with a total 8,770,416 shares outstanding. During the period extending from October 1 to November 1 a total of 479,345 shares with a value of EUR 10,785,167.86 changed hands on the Helsinki Stock Exchange. The non-domestic share in the ownership of the stock was 8.7 % as of the end of the period. The share price reached a high of EUR 26.06 and a low of EUR 21.50 between October 1 and November 1, 1999 and the approximate share price was EUR 22.50. The closing price for October 29, 1999 was EUR 23.50.

As of September 30 the Board was not empowered to raise the company's share capital, to issue convertible bonds or options, or to acquire the company's own shares.

The decision was made at the company's extraordinary Shareholders' Meeting on October 22, 1999 to provide key company persons (to be separately appointed) employed by the Group or the Group's subsidiary with stock options. A total of 750,000 options which would yield a total of 750,000 Aspocomp Group Oyj shares would be issued. The subscription price will be EUR 25.00. The subscription period will start on November 1, 2001 for A options and on November 1, 2003 for B options. The subscription period for all the stock options will expire on November 30, 2005.

MAJOR SHAREHOLDERS AS OF NOVEMBER 1, 1999

	Number of Shares	Holdings and Votes %
Sampo Group		
Sampo Life Insurance Company Limited	460 726	5.25
Sampo Enterprise Insurance Company Limited	300 000	3.42
Sampo Insurance Company Plc	200 000	2.28
Industrial Insurance Company Ltd	200 000	2.28
Otso Loss of Profits Insurance Company Ltd	114 000	1.30
	1 274 726	14.53
Nyberg H.B.	820 000	9.35
Pohjola Group		
Pohjola Non-Life Insurance Company Limited	387 810	4.42
Suomi Mutual Life Assurance Company	185 900	2.12
Pohjola Life Assurance company Ltd	130 000	1.48
	703 710	8.02
Varma-Sampo Mutual Insurance Company	569 100	6.49
European Strategic Investors Holdings N.V.	456 000	5.20
Vehmas A.E.	398 456	4.54

Vehmas Tapio	374 266	4.27 ³⁽⁷⁾
Kaleva Mutual Insurance Company	370 000	4.22
Vehmas Liisa	333 190	3.80
Estlander Henrik	266 146	3.03
Nominee registered shares	240 356	2.74

PERSONNEL

Personnel averaged 1 815 from January to September 30, 1999 compared with 1 178 for the same period the previous year. Personnel averaged 1 219 for 1998. The increase resulted primarily from the acquisition of Aspocomp SAS in November 1998.

YEAR 2000

Preparations for the year 2000 have proceeded according to plan and our objective is to have the program ready by the year end to ensure smooth operation after Y2000.

PROSPECTS

The Aspocomp Group's net sales and earnings are expected to improve during the remainder of the year. Favourable prospects are expected to outweigh the pricing pressures in some sectors, and this is expected to lead to good overall profitability. However, there is a threat of downward pressure on prices in the high end sector as well. In addition, the traditional volatility of the electronics industry makes forecasting difficult.

This view is based upon the forecasts for year end performance as of the interim report publication date. The materialization of these forecasts is also dependent on external factors such as domestic and in particular international macro-economic development and customer-related industry conditions and circumstances.

BUSINESS UNITS

MOBILE

The Mobile Business Unit (BU) provides Printed Circuit Board (PCB) - related high technology services for mobile phone customers. The Business Unit has production in Salo, Finland and Evreux, France. Its ongoing investment program includes new buildings and new machinery in both production facilities.

This Business Unit's net sales were 37 % of Aspocomp's total. Profits were good, in spite of the ramp up's of both new products and new technology. This was possible thanks to close co-operation with customers in product design and logistics. We have taken a challenge of a very strong shift toward the new microvia-technology. Already nearly 40 % of the products were utilising this leading edge High Density Interconnection (HDI) -technology during the period and in

the next year it will be more than 70 %. The shift to HDI is a trend that supports the company's strategic competitiveness. We expect this strong volume growth to continue in the near future as well.

TELECOM

The Telecom Business Unit provides PCB related services for telecom infrastructure customers producing e.g. base stations for mobile phone networks. The unit has production in Finland (Oulu, Teuva, Padasjoki, Espoo) and in France (Evreux). Telecom has an investment program, which includes the expansion of the production sites in Padasjoki and Oulu and new machinery at all sites. These investments will increase the scope and quality of our technological capability. Telecom net sales comprised 24% of Aspocomp's total net sales. Earnings were satisfactory due mainly to healthy capacity utilization rate in all plants. The growth in market demand has been good. The demand for HDI products is starting to grow as the new applications get in the production. As HDI demand increases, the competitiveness of our services will rise. Prospects for the immediate future appear to be promising at the moment.

AUTO & INDUSTRY

The Auto & Industry Business Unit provides PCB-related services for automotive and industrial customers. The unit has production in Finland (Teuva and Padasjoki) and in France (Evreux). Demand for HDI products has not yet materialized in this area. Currently, the products in the Auto and Industry segment are mainly standard technology products. This makes them vulnerable to price competition, particularly from low-cost countries. However, we expect to gain a competitive advantage once the industry begins to switch over to HDI-technologies.

In the mean time the unit benefits from the capacity created by the Mobile and Telecom Units. We are also able to transfer process-related best practices developed with our customers from the more mature Auto and Industry sectors to the more dynamic Mobile and Telecom units. Auto & Industry net sales represented 18 % of Aspocomp's total for the period. Market growth was moderate and earnings were unsatisfactory due to a price war generated mainly by Far Eastern companies, especially Taiwanese, which has led to severe price erosion. Currently, we expect this trend to continue, although it is possible that the recovery which has followed the Asian economic crises could take some pressure off of prices.

ELECTRONICS MANUFACTURING SERVICES (EMS)

The EMS Business Unit provides focused services in thick film hybrid circuits and mechanical assemblies mainly to the same customers as our PCB units. EMS has production in Finland at Klaukkala and at two sites in Oulu. Our investment plan calls for an increase in capacity and the consolidation of all production into the same facilities at the Oulu area. Net sales represented 21 % of the Group total and earnings were good following volume increases and rising

productivity. The growth is moderate on the whole, but we have some special applications where growth is strong. Prospects for the immediate future are good as of this writing.

TECHNOLOGY

The electronics industry has experienced rapid structural change during the 90's. Some key characteristics of this transformation have been:

Intensified technology evolution and shorter product life-cycles

Overall structure from vertical integration to networked production; rapid development cycles in product technologies have forced separate production development, to spread risks and capital spending along the supply chain

Modular manufacturing and assembly away from local suppliers towards global electronic manufacturing services (EMS) providers

The telecom industry, especially the mobile communication industry has become the driver of technological and structural change

The electronics industry is now creating the dominant industrial paradigm. Through evolution and transformation the electronics industry has created new operational practices and has become a cutting edge industry in terms of product development, demand-supply chain management and organizational solutions. There will also be technological challenges in the short to medium term. At the moment there are several process and technology options available. In the next two years we can expect that the situation will take on even more diversity. PCB producers must now make choices which will impact its capability two or three years from now without knowing exactly what can be expected as customer needs and requirements shift and change. Therefore there are good reasons to establish collaborative research activities within the PCB industry. This co-operative development will bring together the many segments of the supply chain, including the PCB industry itself, its key customers, main suppliers to industry and specialist from the academic community. Aspocomp will be an active partner in this kind of collaboration because this is the best way to ensure that we will be part of new production technologies to be applied.

ASPOCOMP GROUP PRO FORMA INCOME STATEMENT

	1-9/99		1-9/98		1-12/98	
	MEUR	%	MEUR	%	MEUR	%
NET SALES	144.4	100.0	86.6	100.0	126.7	100.0
Other operating income	1.9	1.3	0.2	0.2	0.6	0.5
Depreciation and write-downs	13.3	9.2	8.2	9.5	11.7	9.2

OPERATING PROFIT

AFTER DEPRECIATION	13.6	9.4	7.7	8.9	11.9	9.4	6(7)
Financial income							
and expenses	-0.9	-0.6	-1.2	-1.4	-1.5	-1.2	
PROFIT BEFORE EXTRAORDINARY							
ITEMS AND TAXES	12.7	8.8	6.5	7.5	10.3	8.1	
Extraordinary income	0.0		0.0		0.0		
Extraordinary expences	0.8		0.0		0.0		
PROFIT BEFORE TAXES	11.9	8.2	6.5	7.5	10.3	8.1	
PROFIT FOR THE PERIOD	8.3	5.7	4.7	5.4	7.3	5.8	
EARNINGS/SHARE, EUR	1.01		0.53		0.83		

Figures are unaudited.

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. The calculation of earnings/share excludes taxes on extraordinary items.

ASPOCOMP GROUP PRO FORMA BALANCE SHEET

	9/99	9/98	Change	12/98
	MEUR	MEUR	%	MEUR
Fixed and other long-lived assets	83.2	53.1	56.7	73.4
Inventories	17.5	11.0	59.1	14.6
Receivables	35.1	34.1	2.9	30.4
Cash and bank deposits	2.5	0.2	-	2.8
TOTAL ASSETS	138.3	98.4	40.5	121.2
Shareholders' equity	64.8	53.9	20.2	56.5
Mandatory reserves	1.1	0.0	-	0.3
Long-term liabilities	25.7	19.5	31.8	24.2
Short-term liabilities	46.7	25.0	86.8	40.2
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	138.3	98.4	40.5	121.2
EQUITY / SHARE, EUR	7.39	6.14		6.44
EQUITY RATIO, %	46.8	54.7		46.7

Figures are unaudited.

Accumulated excess depreciation and voluntary reserves totalling EUR 15.2 million have been divided among shareholders' equity and nominal tax liabilities.

CONTINGENT LIABILITIES	9/99 MEUR	12/98 MEUR
Securities on Group liabilities	2.0	2.0
Leasing liabilities	1.9	2.6
TOTAL	3.9	4.6
UNCOVERED PENSION LIABILITIES	0.0	0.7

ASPOCOMP GROUP PRO FORMA CALCULATION PRINCIPLES

Aspocomp SAS was integrated into the Group at the moment of acquisition, from the end of November 1998. The parent company balance sheet has been prepared in accordance with the principles laid out in the division plan. Adjustments to incurred expenses have been estimated and are not as such based upon realized costs. A buy-out requirement pertaining to the company's Salo plant amounting to EUR 12.7 million has been carried as a capitalizable asset with the related liability. The related depreciation of EUR 0.5 million per annum has been charged accordingly to the income statement. A more detailed examination of the pro forma accounting is available in the prospectus issued on April 8, 1999 and updated on September 28, 1999.

Helsinki, November 3, 1999

ASPOCOMP GROUP Oyj

Board of Directors

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