# Aspocomp Group Annual Report 2002



ASPOCOMP

# Notice to the Shareholders

### Annual General Meeting

Aspocomp Group Oyj's Annual General Meeting will be held on Friday, April 4, 2003, at 2:00 PM. The meeting will take place at Hotel Kämp, Pohjoisesplanadi 29, Helsinki.

Any shareholder who has been officially registered by the Finnish Central Securities Depository no later than March 25, 2003, is entitled to participate in the meeting.

Shareholders wishing to participate in the meeting are requested to notify the company either by telephone, telefax, e-mail or in writing by April 1, 2003, 4:00 PM. The address is Aspocomp Group Oyj, P.O. Box 230, 01511 Vantaa, Finland. Telephone +358 9 7597 0725 / Heidi Nurminen, telefax +358 9 7597 0720 and e-mail: yhtiokokous@aspocomp.com

### Payment of Dividends

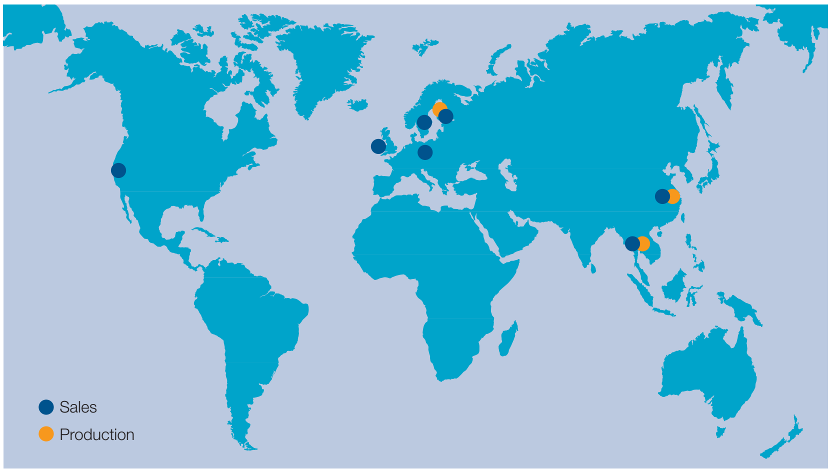
The Board of Directors will propose to the Annual General Meeting that a dividend of EUR 0.25 per share be distributed. The dividend will be paid to shareholders who are registered by the Finnish Central Securities Depository. The Board of Directors suggests the dividend clearance date to be April 9, 2003, and the dividends to be paid on April 16, 2003.

### Financial Information in 2003

Aspocomp Group Oyj plans to release interim reports on

- May 6, 2003
- July 31, 2003 and
- October 30, 2003

# Aspocomp around the World



# Aspocomp in Brief

The Aspocomp Group serves the electronics industry by supplying high-tech electronic components and services like PWBs (Printed Wiring Boards), PWB -related design, thick film hybrids and mechanical assemblies. Aspocomp's products are used in mobile handsets, telecommunications infrastructure as well as in automotive and other industrial applications.

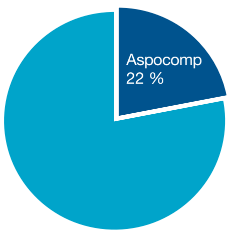
The Aspocomp Group has PWB, mechanical assembly and thick film hybrid circuit production in Finland and printed wiring board production in China and Thailand. The Group personnel amounts to about 3,000, with 1,000 persons working in Finland and 2,000 in Southeast Asia.

Aspocomp actively develops the effectiveness of its production process and creates a wide value offering for its customers by using new technologies. All production phases aim at minimizing environmental impact; every production site in Finland and in Thailand is certified according to ISO 14001.

Multi-layer PWBs are manufactured by using state-of-the-art High Density Interconnection (HDI)/ Microvia technology. Aspocomp is the second largest HDI/Microvia manufacturer in Europe and the sixth biggest in the world.

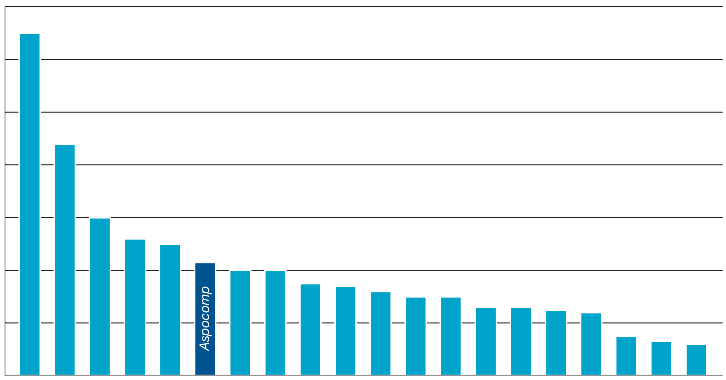
The parent company Aspocomp Group Oyj is listed on the Helsinki Stock Exchange.

**Aspocomp's Market Position in HDI/Microvia PWBs in Europe**




*Source: Prismark*

**TOP 20 HDI/Microvia PWB Companies Worldwide**




*Source: Prismark*

# CEO's Review

The dramatic fall of the electronics industry, especially the telecommunications industry, started in the beginning of 2001. Even though the free fall ceased during 2002, the demand stayed at a low level. Consequently, the printed wiring board market suffered from overcapacity and prices continued to decrease. PWB companies reacted by cutting down production capacity, especially in the US and Europe. At the same time, the focus of electronics manufacturing moved more and more to benefit from lower labor costs in Asia, especially in China.

At Aspocomp we have adapted our operations to changes in demand. Operations in the French factory were discontinued in the beginning of 2002 and we wrote down losses of over EUR 24 million. We continued adjustments at our other European sites and invested more in our operations in Asia. The investment in the High Density Interconnection (HDI) technology in China was carried through as planned.

As a result of our cost-cutting efforts, the latter half of the year was clearly profitable. The capacity utilization rate climbed during the last quarter and the operating profit reached the level of the prosperous years 1999 and 2000, over 9 per cent of net sales. Therefore, it is fair to say that our operative actions were right and effective. Our current capacity and cost level will enable us to reach good results when the demand picks up again.

During 2002, our ultimate target was to ensure a positive cash flow. Despite all the needed maintenance investments, investment in China and payback of the loans, our operative cash flow was strong at EUR 26 million.

We continued to invest in the product development which is utmost important for our future. In addition to our own development projects, we invested in two research joint ventures established during the year 2002.

At the end of the year, our liquid funds were about EUR 20 million and our equity ratio was very high at 61 per cent. The positive cash flow and a strong balance sheet have enabled us to face the downturn without losing the ability to develop our business to be even more competitive.

## Business Environment is Fragmenting

Our management system includes a yearly strategy process attended by several people from different organizational levels. The outcome of last year's strategy process is described in the picture presented on the next pages.

There are three strong business drivers that have impact on our business environment. First, the telecommunications industry, especially the mobile phone sector grew strongly during the years 1999 and 2000. During that time our main target was to create enough capacity for our customers. Over the past two years the market growth has been moderate and in the telecommunications networks market even negative.

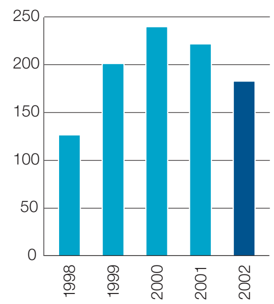
Secondly, the companies in the electronics industry, as in all industries, strive for profitability through controlling the value chain.

Thirdly, new technologies change the market by enabling products that have more functionality with lower price.

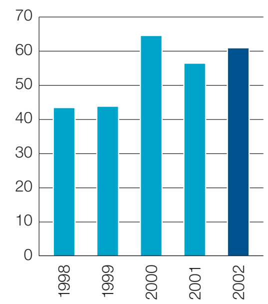
## Trends and their Impact on the Business Environment

The fierce competition between value chains forces companies to geographically relocate their operations to low cost areas. Simultaneously, brand owners and original equipment manufacturers (OEM) concentrate their efforts more and more on marketing and sales, moving the responsibility of design and production to other players in the value chain. This trend has led to the emergence of so called EMS (Electronic Manufacturing Services) and ODM (Original Design Manufacturers) companies, which take care of the production and design activities outsourced by the OEMs.

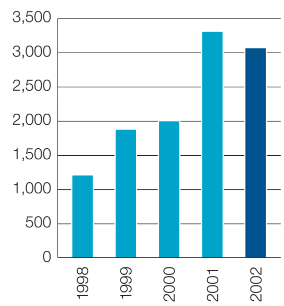
**Net Sales, MEUR**




**Equity Ratio, %**




**Personnel**




"Our ultimate target was to ensure a positive cash flow. Our operative cash flow was strong at EUR 26 million."

Consequently, value chains become more fragmented and complicated. At the same time, however, ownership and resources accumulate into fewer hands in the consolidation game as the competitive edge of EMS business relies on size. When combining these with low or negative growth in the end market there are less viable niches for the decreasing number of small players.

The rise of new technologies, on the other hand, may create new niche positions. Future interconnection technologies, for example, will combine the manufacture of electronic components and printed wiring boards and this, in turn, opens possibilities to find new growing business.

**Aspocomp Widens Its Offering**

In order to adapt to the fragmented business environment we have redefined our strategy. During the rapid growth era of the telecommunications industry we witnessed profitable growth by offering the demanded technology and capacity in Europe. This is not the case anymore. We have set the target to grow profitably faster than markets.

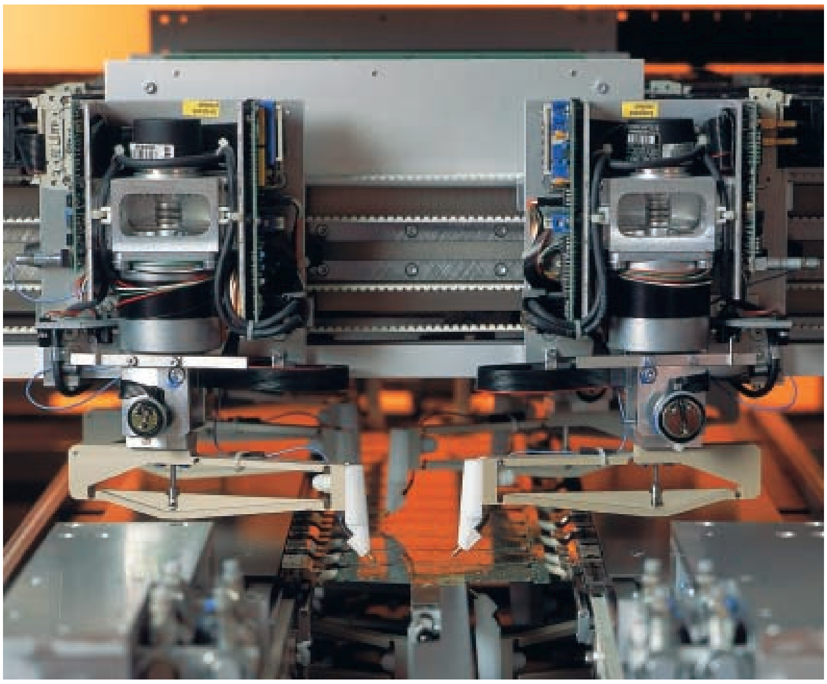
"At Aspocomp, we have adapted our operations to the changes in demand. As a result of our cost-cutting efforts, the latter half of the year was clearly profitable."

In order to reach the target, we need to provide a wider value offering to both existing and new customers, also outside Europe. A wide value offering means not only increased technology portfolio and capacity, but also a variety of services from logistics to interconnection design.

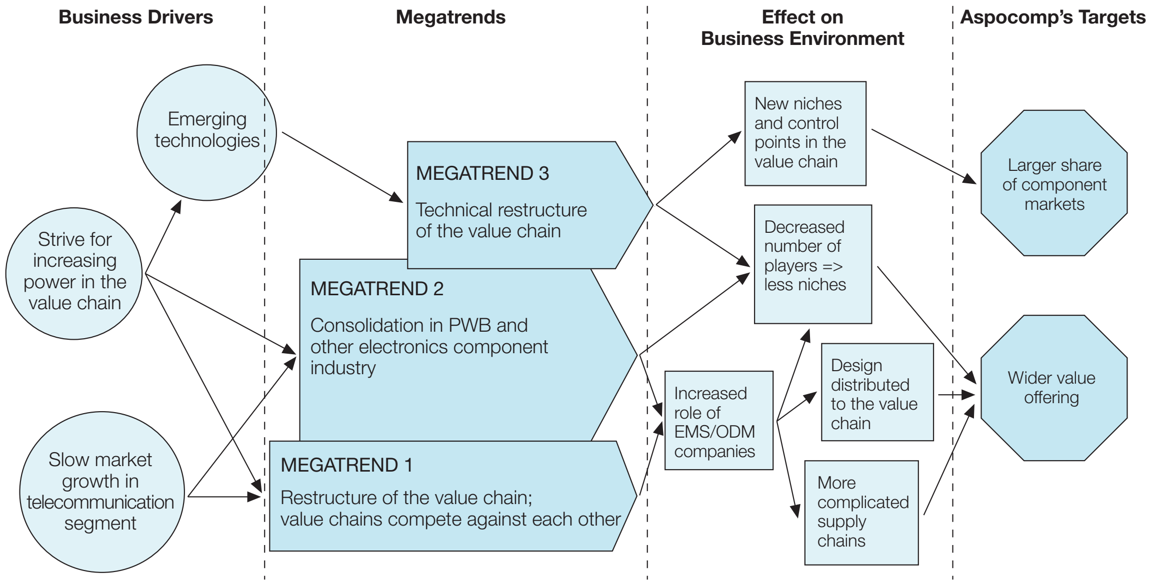
From the geographical perspective, our offering is widened through our investments in Asia, especially China. The Asian units' share of last year's net sales was 22 per cent and about 51 per cent of our personnel worked at our Chinese and Thai production sites.

We have changed our sales organization in order to broaden our customer base and reach new business sectors. Today we offer our customers a variety of printed wiring boards, from single sided to the HDI products. We also produce special printed wiring boards used for example in car electronics. The share of our sales outside the telecommunications industry is currently 30 per cent.

Our second strategic target is to increase our share in the electronics component market. We will not grow vertically either downstream to component assembly or upstream to material manufacturing. Instead, we will grow by integrating electronics component business horizontally. In fact, we have done this for years in our thick film hybrid production, where interconnection and component assembly are done simultaneously. The need for tighter



"We have set the target to grow profitably faster than markets. A wide value offering means a variety of services from logistics to interconnection design."




**Trends and their Impact on the Business Environment**

integration between interconnection and components increases as applications become smaller. Increased functionality and higher frequencies will boost that need further.

We already produce printed wiring boards that have embedded passive components. Our research focused joint ventures, Asperation Oy and Imbera Electronics Oy, are working with new technologies to integrate and embed components into interconnection substrates. An innovation regarding the burying of active components in the printed wiring board is already on its way to the market.

## Cooperation Creates Competitiveness

Our competent, international personnel as well as our solid values ensure that we are able to reach our strategic targets. We continuously develop the quality of our products and services. This is possible by respecting every single person in our organization. We allow them to work in a creative atmosphere with responsibilities and rights to develop our business processes as well as their own competence and work. We are responsible for the environment, despite geographical location.

The market situation continues to be uncertain. Based on the estimations of our customers, we expect the total growth of the mobile phone market in 2003 to be between 0 and 10 per cent and the telecommunication infrastructure market to decrease. The first quarter is expected to be the weakest due to seasonality, net sales are expected to remain on the level of the corresponding quarter of the previous year and the EBIT will be slightly negative.

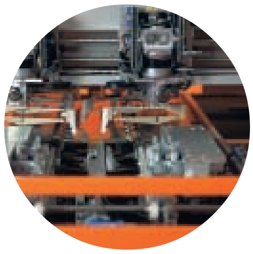
The latter half of the year is expected to be stronger and the EBIT for the year 2003 clearly positive. Our current cash position is very strong and will be strengthening throughout the year.

The positive cash flow and a strong balance sheet enable us to develop our operations also during difficult times. By prioritizing our customer needs, taking care of competent personnel and acting according to our values we face future challenges with confidence. You can be sure that we have chosen the right strategy. We do our best to achieve the targets and we will promptly adapt to all the changes in the business environment.

I would like to thank our customers, suppliers, shareholders, other interest groups and especially our personnel for their commitment. I hope to continue the fruitful cooperation also in 2003.

Jarmo Niemi
President and CEO

# Environment, Personnel and Risk Management



## Environment

The Aspocomp Group continued to develop its environmental activities in accordance with the principles for environmental management of the Business Charter for Sustainable Development defined by the International Chamber of Commerce. Environmental protection in production and pollution prevention is a part of the basic routines at Aspocomp. Each production plant has its own independent environment management system and an action plan for environmental issues. All factories in Finland and in Thailand are already certified according to the ISO 14001 standard. The China factory's environment management system will be certified this year. All suppliers are required to provide environmental surveys and to establish their own environmental management systems.

### Products

Product safety and environmental protection in production, the use of products and disposal are important issues in the electronics industry. Aspocomp has developed a system to collect detailed material data from its suppliers in order to prepare material declarations of its products. Aspocomp is able to provide detailed information on the material content of its PWBs. There are ongoing projects with other products as well. Halogen- and lead-free products and products suitable for lead-free soldering are tested and available.

### Recycling

In order to minimize the environmental impact, the best technology available is in use in our production. A good example of this is that the newest PWB production facilities have highly developed water circulation systems to minimize water consumption. Also, waste management has the same target. All recyclable waste is already recycled and Aspocomp is continuously seeking new ways to recycle other waste. All production waste is delivered to environmentally responsible companies that are authorized to handle waste recycling or water treatment.

Aspocomp cooperates with other companies and subcontractors within the electronics industry in projects regarding environment and environmental control. The aim is to find the most suitable and environmentally friendly raw materials and the best practices for production processes.

## Personnel

The Aspocomp Group's competent and international personnel amounts to about 3,000 persons in Finland, China and Thailand. We strive for a creative working atmosphere with possibilities for personal competence development and responsibilities on individual tasks. The strategic target is common for everyone and personal commitment is the most important motivation factor on all organizational levels.

Supportive resources are organized into separate functions, each serving operations and sales as effectively as possible. This way we are able to adapt to different situations coming from the changing business environment.

## Risk Management

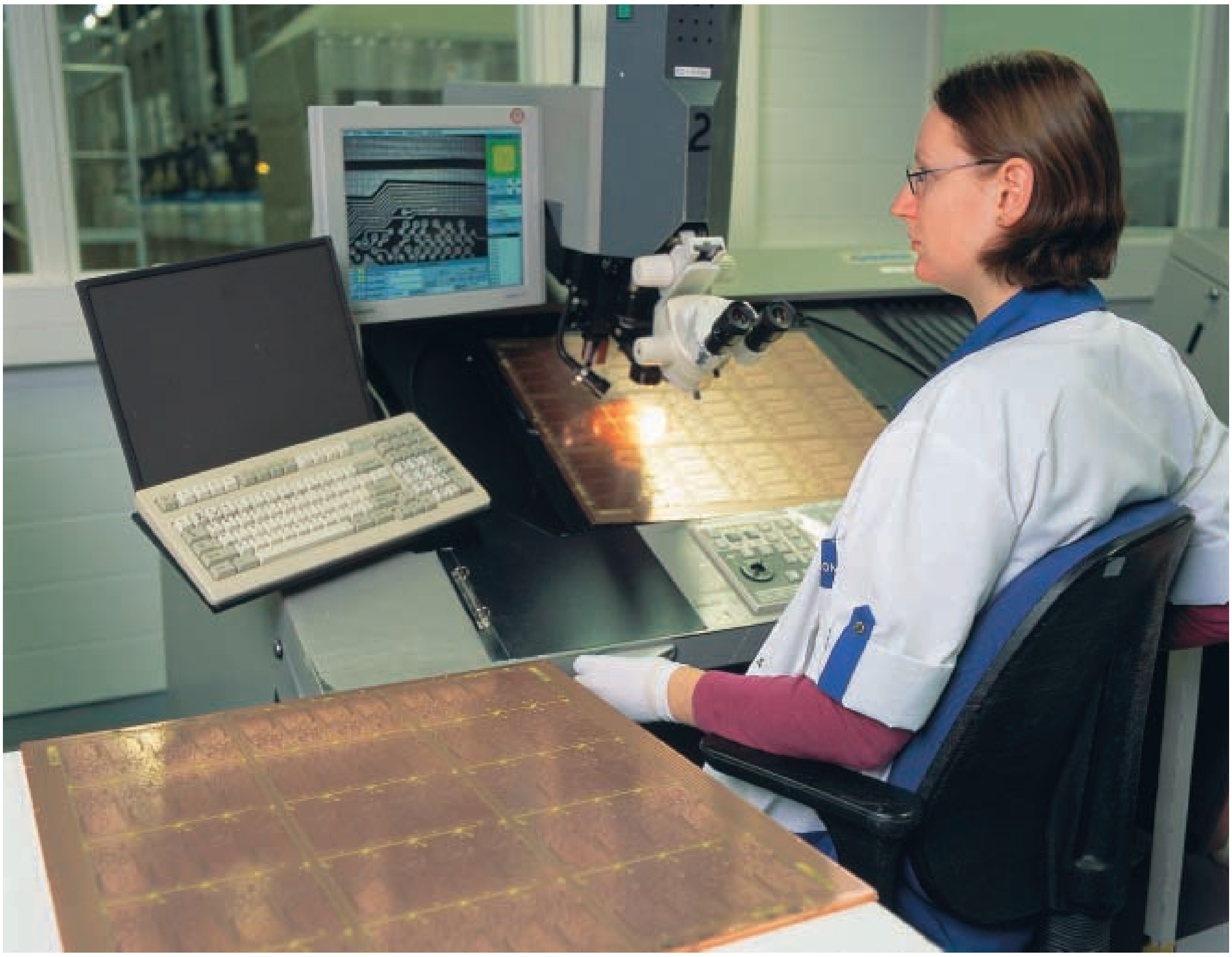
The purpose of risk management is to be prepared against unpredictable events that may turn out to be risks or opportunies.

At the end of 2002, the Aspocomp Group began a risk management project as a part of the development of our strategic and operative planning processes. The target of the project is to list and analyze possible risks related to our strategy and the overall business. The sub-projects list the risks and risk management of different financial aspects.

The results will form a basis for the risk management policy to be included in the Aspocomp Group Management System. The risk management policy is closely related to the Group's Corporate Governance and will be approved by the Board of Directors. It enables us to openly and systematically communicate possible risks to our stakeholders and inform them about protection against such risks.

The importance of financial risk management has grown as we have started operations outside Europe, in Southeast Asia. In addition to the Euro and USD, we operate also with the Chinese RMB and the Thai Baht. Plans related to currency are included in the quarterly updated operative plans. Decisions regarding the needed protection of shareholders' equity in different currencies in our subsidiaries are made on a yearly basis. As a result of our global operations, credit control is also more challenging.

The risk management policy will provide a wider perspective to possible risks and a more effective way to ensure smooth operative actions on the way towards our set strategic targets.



# Report of the Board of Directors

## Aspocomp Group in Brief

Aspocomp Group Oyj acts as the parent company of the Group. Business activities take place in the Group's subsidiaries, Aspocomp Oy, Aspocomp AB, Aspocomp GmbH, P.C.B. Center (Thailand) Co., Ltd. and ACP Electronics Co., Ltd.

The Group's business activities cover printed wiring board, hybrids and mechatronics technologies as well as related services for the electronics industry, primarily in Europe and Southeast Asia.

As a result of the redefinition of the Group strategy, the target is to widen the customer base and to promote value added services in internal activities and in marketing efforts. The Group organization has also been changed and e.g. the sales function reports directly to the CEO.

## Net Sales

The Group's net sales were EUR 182.9 million (EUR 221.8 million for the previous year). Although the Asian units grew, the Group net sales decreased by 17.5 per cent. The share of the Group's five biggest customers, Nokia, Sanmina-SCI, Siemens, Tellabs and Ericsson in net sales was 68 per cent (the share of the five biggest customers in 2001 was 62 per cent).

The share of offshore operations in net sales was EUR 39.3 million (68.8). The share of Aspocomp S.A.S. in offshore operations net sales was EUR 2.6 million, of ACP Electronics, EUR 16.2 million (9.9), and of P.C.B Center, EUR 23.1 million (17.5).

Printed Wiring Board operations accounted for EUR 150 million (179.0) and Electronics Manufacturing Services (EMS) generated EUR 32.9 million in sales (42.8). PWB sales decreased 16.2 per cent (-4.6) and EMS sales decreased 23 per cent (-17.9).

## Financial Performance

The Group generated an operating loss totalling EUR 23.2 million (loss EUR 27.4 million) or 12.7 per cent (-12.3) of net sales. The loss after financial items totalled EUR 25.9 million (-29.9). On the EBIT level, PWB operations generated a loss of EUR 24.0 million (-29.2) while EMS operations produced a EUR 0.8 million profit (1.8). The corresponding margins were -16 per cent (-16.3) for the PWB sector and 2.4 per cent (4.3) for EMS.

The Group offshore operations were unprofitable. The major reason was the low loading based on the general development of the electronics industry. The consequences were most severe in France. The HDI capacity in the plant was built for the forecasted ramp-up of the 3G infrastructure and carefully estimated growth of the handset demand based on the market information available. However, these markets did not develop as generally expected in 2001. The loading in France was very low and the operations continued unprofitable for the third year in line; in 2001 the loss of EUR 23.9 million on EBIT level was generated. Aspocomp S.A.S. filed for bankruptcy on March 6, 2002, and the liquidation of its assets was started on June 20, 2002.

The administrators of the bankruptcy estate filed a lawsuit against Aspocomp Group Oyj. The bankruptcy estate calls for the bankruptcy proceedings of the subsidiary and liability for its debts to be extended to include Aspocomp Group Oyj. Aspocomp Group Oyj submitted its rebuttal to the Commercial Court in Evreux, France, on September 10, 2002. The plaintiff was supposed to submit its rebuttal after the financial period, on January 14, 2003. However, the administrators were not able to submit their rebuttal and the handling was postponed until March 2003. According to expert opinion available, the writ of summons and the claims presented therein are unfounded. As a consequence, it is estimated that the writ of summons will have no effect on the profitability position of the company, its balance sheet or financial position.

The Group net loss includes the EUR 20.5 millions' non-recurring one-time costs related to the net downsizing expenses of the Aspocomp S.A.S. in France. The Group net loss also includes the Aspocomp S.A.S. loss of EUR 4.3 million from January to February 2002.

The Group income statement by quarter is presented on the table below.

The Group's net financial expenses totalled EUR 2.7 million (2.6).

The Group's loss before extra-ordinary items and taxes totalled EUR 25.9 million (-29.9), and its pre-tax loss was EUR 25.9 million (-29.9). The net loss for the year stood at EUR 18.6 million (-26.9).

### Group Income Statement by Quarter

| | Q1 | Q2 | Q3 | Q4 | 2002 |
|---|---|---|---|---|---|
| Net Sales | 44.3 | 42.2 | 44.8 | 51.6 | 182.9 |
| Other Operating Income and Expenses | 0.6 | -0.3 | -0.1 | 0.8 | 1.0 |
| Other Expenses | 64.7 | 35.9 | 35.9 | 39.9 | 176.4 |
| Depreciation | 8.4 | 7.4 | 7.2 | 7.3 | 30.4 |
| Operating Loss | -28.2 | -1.4 | 1.6 | 4.8 | -23.2 |
| Financial Expenses | -0.7 | -0.8 | -0.7 | -0.4 | -2.7 |
| Profit before Extraordinary Items | -28.9 | -2.2 | 0.8 | 4.4 | -25.9 |

Earnings per share totalled EUR -1.86 (-2.66). Equity per share totalled EUR 10.85 (13.01).

### Financing, Investments and Capital Structure

The Group's financial status was healthy during the period. The company had a liquid reserve at the end of the year totalling EUR 19.7 million (20.3). Gross investments for the period totalled EUR 19.8 million (73.3) or 10.8 per cent (33.0) of net sales. The investments were primarily in Asia, EUR 13.5 million. Investments in Finland totalled EUR 6.3 million, including the share capital in the joint venture companies Asperation Oy and Imbera Electronics Oy as well as the share buybacks totalling EUR 2 million. The development of the exchange rate between the Euro and the USD during the period under review strengthened the price competitiveness of the Asian units, but on the other hand, weakened the price competitiveness of the European units.

Net financial expenses totalled 1.5 per cent of net sales (1.2). Net interest-bearing debts totalled EUR 40.5 million including financial leasing liabilities of EUR 30.5 million (58.7; 34.9 ). Non-interest-bearing debts totalled EUR 26.1 million (47.8). The Group's equity ratio was 61 per cent (56.5).

### Investments in Joint Ventures

On March 1, 2002, Aspocomp Group Oyj and Perlos Corporation founded a joint research and development company, Asperation Oy. The ownership of the company is shared equally between the parent companies. Asperation Oy focuses on research and development of integrated components for the telecommunications and electronics industry. The target of the cooperation is to produce innovations beneficial for both owner companies in their activities as well as to shorten the time-to-market of these innovations.

On April 12, 2002, Aspocomp Group Oyj and Elcoteq Network Corporation established a joint venture, Imbera Electronics Oy, which concentrates on the development and commercialization of Integrated Module Board (IMB) technology. Imbera Electronics Oy's ownership is shared equally between the parent companies. The target of the company is to develop an innovative production process using IMB technology to integrate active components inside the printed wiring board structure. The use of IMB technology in demanding consumer electronic applications is expected to start up within a couple of years.

### Shares and Shareholders

The Aspocomp Group Oyj's Annual General Meeting of April 5, 2002, authorized the Board of Directors to decide on acquiring own shares and on increasing the share capital by a share issue and/or by taking a convertible loan. The authorizations are valid for one year from the date of the Annual General Meeting. At its meeting of May 7, 2002, the Board of Directors decided to acquire a maximum of 100,000 Aspocomp shares through public trading. The company Svenska Handelsbanken was authorized to execute the acquisition in practice. The repurchases were began on May 14, 2002, and on June 28, 2002, the maximum of 100,000 shares was achieved. After the financial period, by January 31, 2003, the amount of own shares in the possession of the Company was still 100,000.

The information regarding the repurchases of own shares is stated on the table below.

The counter book value of the shares was EUR 100,000, representing 1.0 per cent of the Company's share capital and voting rights. The share buybacks did not have any significant impact on the distribution of the shareholdings or the voting rights in the Company.

The other authorizations have not been used yet.

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, 2002.

At the Extraordinary Shareholders' Meeting of Aspocomp Group Oyj held on October 22, 1999, it was decided that 750,000 stock options would be given to key persons to be named separately by Aspocomp Group Oyj and to a wholly owned subsidiary of the Group. Of this total, 375,000 were subscribed as A Options and 375,000 as B Options. The options allow for conversion into a total maximum of 750,000 Aspocomp Group Oyj shares, representing a total of 7.5 per cent of the Company's post-subscription stock outstanding. Share capital will rise by a maximum total of EUR 750,000 at a subscription price of EUR 25, net of pre-subscrip-

### Repurchase of Own Shares

| Period of time | Amount of shares | Average price/share, € | Total price, € |
|---|---|---|---|
| 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 |

tion dividends paid on the stock. The current subscription price is EUR 24. The shares, once subscribed, entitle the holder to dividend rights starting from the period during which they were converted. Other shares offer dividend rights from the point of registration. The subscription period is staggered, starting with the A Options on November 1, 2001, and with the B Options on November 1, 2003. The subscription period for all options will expire on November 30, 2005.

The options mentioned below were registered on December 29, 1999. The Board of Directors of Aspocomp Group Oyj resolved to apply for listing of all the A Options 1999 on the main list of the Helsinki Exchanges so that the listing commenced on November 23, 2001. In relation to the listing both A and B Options were transferred to book-entry securities system.

The number of Aspocomp's issued shares on December 31, 2002, 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 by buybacks, was 9,984,654. A total of 2,309,047 Aspocomp Group Oyj shares changed hands during the period under review on the Helsinki Stock Exchange with a total trading value of EUR 17,450,476.52. The shares reached a low of EUR 4.22, a high of EUR 13.25 and maintained an average share price of EUR 7.56 during the fiscal year. The closing price as of December 30, 2002, was EUR 6.25 and the market capitalization of the company was EUR 62,131,413. The share of the nominee registered shares was 15.34 per cent and of the foreign ownership 0.78 per cent.

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 exceeds 5 per cent.

### Personnel

The Group experienced a decrease in personnel during the year. The number of personnel employed by the Group averaged 3,075 between January 1 and December 31, 2002, compared with 3,314 for the corresponding period last year. There were a total of 2,907 people working for the Group at year's end (3,178). Within the parent company, there were a total of 14 people at year's end and the personnel averaged 14 individuals during the year.

Negotiations with the Working Council at Aspocomp S.A.S. in Evreux, France began on October 18, 2001, and were concluded on January 24, 2002, and the decision was to give notice to approximately 200 persons based on both production and economic reasons. Aspocomp S.A.S. filed for bankruptcy at the local French Commercial Court on March 6, 2002, and as a result the liquidator of the bankruptcy estate gave notice to the whole personnel of the company. Aspocomp S.A.S. has not been included in the Aspocomp Group figures after February 28, 2002.

Adjustment of the personnel amount at all production sites continued during the fiscal period.

### Research & Development

The R&D activities of the Group comprise primarily of the development of line activities, methodologies and production technologies within the Group's subsidiaries and functional processes. Aspocomp also collaborates actively with university laboratories in the basic research in the areas of material, interconnection, process and production techniques.

The related costs are included in the regular operational costs and are not separated.

Part of the R&D activities is concentrated in the joint venture companies, Asperation Oy and Imbera Electronics Oy.

### Environmental Issues

Aspocomp continued to develop its environmental activities in accordance with the adopted environmental policy and the principles laid out in the by-laws of the International Chamber of Commerce. All Aspocomp plants in Europe and in Thailand have ISO 14001 certified environmental systems.

Aspocomp cooperates with other electronics companies and sub-contractors in projects regarding environment and environmental control. The aim is to find the most suitable and environmentally friendly raw materials and the best practices for the production processes.

### Personnel

| | Average, 2002 Jan. 1–Dec. 31 | Average, 2001 Jan. 1–Dec. 31 | Number, 2002 Dec. 31 | Number, 2001 Dec. 31 |
|---|---|---|---|---|
| Europe | 1,503 | 1,902 | 1,076 | 1,785 |
| Thailand | 862 | 1,074 | 973 | 882 |
| China | 710 | 338 | 858 | 511 |
| Total | 3,075 | 3,314 | 2,907 | 3,178 |

### Board of Directors, Management and Auditors

The Aspocomp Group Oyj Board gathered 15 times during the fiscal year.

The Board of Directors from April 5, 2002:

Chairman,
Member of the Board's Compensation Committee and the Nomination Committee
**Mr. Jorma Eloranta**

Vice-Chairman,
Member of the Board's Compensation Committee and the Audit Committee
**Mr. Karl Van Horn**

Member,
Member of the Board's Nomination Committee
**Mr. Aimo Eloholma**

Member
**Mr. Roberto Lencioni**

Member,
Member of the Board's Audit Committee
**Mr. Gustav Nyberg**

Member
**Mr. Tuomo Lähdesmäki**

The two-year terms of Mr. Jorma Eloranta, Mr. Karl Van Horn, Mr. Aimo Eloholma, Mr. Roberto Lencioni and Mr. Apichart Vilassakdanont were due to expire in accordance with the Articles of Association to the Annual General Meeting held on April 5, 2002. They were re-elected, except for Mr. Apichart Vilassakdanont, who was not available for re-election. Mr. Tuomo Lähdesmäki was elected to be a new Board Member.

The term of Mr. Gustav Nyberg is due to expire at the Annual General Meeting to be held on April 4, 2003, as defined in the Articles of Association.

According to the Annual General Meeting's decision the Chairman of the Board is paid a monthly reward of EUR 2,500 and the Board Members each a monthly reward of EUR 850.

The Board has nominated three Committees from among its members. The memberships are stated on the lefthand column.

The purpose of the Auditing Committee is to define the principles for internal auditing and the metrics to measure the effectiveness of the internal auditing. The purpose of the Compensation Committee is to define management compensation principles and to prepare them for decisions. The purpose of the Nomination Committee is to prepare management nominations for decision.

Each Committee has gathered on a regular basis during the financial period.

The total aggregate shareholdings of the Board Members of Aspocomp Group Oyj are 62,096 shares, i.e. 0.62 per cent of the total shares outstanding.

The total shareholdings of the President and CEO and his Deputy amount to 17,600 shares, or 0.18 per cent of the total shares outstanding. These executives have stock options entitling them to subscribe a total maximum of 90,000 shares, representing 0.90 per cent of the total shares outstanding.

The public accounting firm PricewaterhouseCoopers Oy has acted as the Company's auditor during the fiscal year and Mr. Ilkka Haarlaa (APA) has been in charge of the auditing. The local business units of PricewaterhouseCoopers have also audited the accounts of the other Group companies.

### Prospects for 2003

The market situation continues to be uncertain. Based on the estimations of our customers, we expect the total growth of the mobile phone market in 2003 to be between 0 and 10 per cent and the telecommunication infrastructure market to decrease. The first quarter is expected to be the weakest due to seasonality. Net sales are expected to remain on the level of the corresponding quarter of the previous year and the EBIT will be slightly negative. The latter half of the year is expected to be stronger and the EBIT for the year 2003 clearly positive. Our current cash position is very strong and will be strengthening throughout the year. We are confident in our ability to increase our global market share by increasing our market position in Asia. Asian units' share of net sales in 2002 was 22 per cent and is forecasted to be close to 40 per cent in 2003.

# Consolidated Income Statement

| | Note | Jan. 1–Dec. 31, 2002 | Jan. 1–Dec. 31, 2001 |
|---|---|---|---|
| | | **1,000 €** | **1,000 €** |
| **Net Sales** | 1.1 | **182,934** | 221,841 |
| Change in inventory of finished goods and in work in progress +/- | | -464 | -3,847 |
| Other operating income | 1.2 | 1,042 | 903 |
| Materials and services | 1.3 | -75,367 | -95,477 |
| Personnel expenses | 1.4 | -41,774 | -66,559 |
| Depreciation and reduction in value | 1.5 | -30,387 | -39,071 |
| Other operating costs and expenses | 1.6 | -58,327 | -45,152 |
| Share in the loss of acquired companies | | -872 | |
| **Operating Profit/Loss** | | **-23,215** | -27,362 |
| Financial income and expenses | 1.7 | -2,730 | -2,553 |
| **Profit/Loss Before Extraordinary Items** | | **-25,945** | -29,915 |
| Extraordinary items +/- | 1.8 | 0 | 0 |
| **Profit/Loss before Appropriations and Taxes** | | **-25,945** | -29,915 |
| Direct taxes | 1.9 | 3,705 | -617 |
| Minority interest | | 3,680 | 3,613 |
| **Profit/Loss for the Year** | | **-18,559** | -26,918 |

# Consolidated Balance Sheet

| | | Dec. 31, 2002 | Dec. 31, 2001 |
|---|---|---|---|
| **Assets** | Note | **1,000 €** | **1,000 €** |
| **Non-current Assets** | 2.1 | | |
| Intangible assets | | 5,660 | 5,250 |
| Tangible assets | | 131,335 | 195,253 |
| Investments | 2.2 | 1,586 | 1,459 |
| **Total Non-current Assets** | | **138,581** | 201,962 |
| | | | |
| **Current Assets** | | | |
| Inventories | 2.3 | 19,984 | 30,725 |
| Short-term receivables | 2.4 | 43,939 | 39,108 |
| Cash and bank deposits | | 19,658 | 20,273 |
| **Total Current Assets** | | **83,581** | 90,106 |
| **Total Assets** | | **222,162** | 292,069 |
| | | | |
| **Liabilities and Shareholders' Equity** | | | |
| **Shareholders' Equity** | 2.5 | | |
| Share capital | | 10,041 | 10,142 |
| Share premium account | | 83,948 | 83,847 |
| Own shares fund | | 758 | 0 |
| Retained earnings | | 32,405 | 64,527 |
| Net profit/loss for the fiscal year | | -18,559 | -26,918 |
| **Total Shareholders' Equity** | | **108,593** | 131,598 |
| | | | |
| **Minority Interest** | | **27,310** | 33,758 |
| | | | |
| **Mandatory Reserves** | 2.7 | **2,131** | 11,506 |
| | | | |
| **Liabilities** | | | |
| Long-term liabilities | 2.8 | 38,415 | 55,096 |
| Short-term liabilities | 2.9 | 45,711 | 60,111 |
| **Total Liabilities** | | **84,127** | 115,207 |
| **Total Liabilities and Shareholders' Equity** | | **222,162** | 292,069 |

# Consolidated Cash Flow Statement

| | Jan. 1–Dec. 31, 2002 | Jan. 1–Dec. 31, 2001 |
|---|---|---|
| | **1,000 €** | **1,000 €** |
| **Operational Cash Flow** | | |
| Operating profit/loss | -23,215 | -27,362 |
| Adjustments to operating profit/loss | 52,972 | 45,555 |
| Net change in working capital | -1,550 | 1,780 |
| Interests | -2,297 | -2,557 |
| Dividends received | 18 | 4 |
| Other financial items | 163 | -713 |
| Taxes paid | -81 | -274 |
| **Net Operational Cash Flow** | **26,011** | 16,433 |
| | | |
| **Investments** | | |
| Purchases of shares and holdings | -1,370 | -849 |
| Purchases of other fixed assets | -18,468 | -71,948 |
| Sale of shares | 50 | 0 |
| Sale of other fixed assets | 137 | 527 |
| **Total Cash Flow from Investments** | **-19,652** | -72,270 |
| | | |
| **Cash Flow before Financing** | **6,359** | -55,838 |
| | | |
| **Financing** | | |
| Increase/decrease in long-term financing | -6,711 | 15,017 |
| Increase/decrease in short-term financing | -3,815 | 15,102 |
| Dividends paid | 0 | -5,071 |
| Liquid funds of acquired companies | 0 | 5,270 |
| Repurchases of own shares | -758 | -1,010 |
| Minority interest in the subsidiary share issue | 2,582 | 13,027 |
| **Total Financing** | **-8,702** | 42,336 |
| | | |
| **Increase/Decrease in Liquid Funds** | -2,343 | -13,502 |
| Liquid funds as of January 1 | 20,273 | 33,774 |
| Currency exchange differences in liquid funds | 1,728 | 0 |
| | | |
| **Liquid Funds as of December 31** | **19,658** | 20,273 |

# Accounting Principles

The financial statements and reports of the Group and Group companies have been prepared in accordance with the procedures laid out in the Finnish accounting law and other Finnish Accounting Standards (FAS). The figures from the previous year have been adjusted for comparability. The financial statements regarding the years previous to year 2000 are presented in pro forma figures. The calculation principles for the pro forma financial statements are presented later in more detail.

## Consolidation Principles

The Group financial statements and reports include the parent company and all operational subsidiaries in which the parent has, either directly or indirectly, more than a 50 per cent holding. Acquired companies are consolidated into the Group accounts from the point of acquisition. The financial statements of foreign subsidiaries are adjusted to match the Group's accounting principles and to meet Finnish Accounting Standards. The figures for Aspocomp S.A.S. have been included in the consolidated financial statements up to February 28, 2002.

The Group financial statements are prepared using the acquisition cost method. This means that the acquisition costs of subsidiaries are matched against the equity accounts at the point of acquisition. Any amounts in excess of shareholders' equity are recorded in the subsidiary's fixed asset accounts and are then amortized using the planned depreciation schedule of the asset account in question. The excess is recorded as Group goodwill.

Intra-Group transactions, internal receivables and payables, internal dividend payments and internal gross margins included in inventories are eliminated. Margins and gains related to the internal sales of fixed assets are also eliminated from the accounts.

Minority shares which have been separated from the Group equity, from excess depreciation netted with tax liabilities and from result are presented separately.

Regarding the non-Euro countries the income statements are converted using the average exchange rate of the financial period and the balance sheets using the exchange rate of the financial statement date. Discrepancies arising from conversions are recorded along with equity-related conversion effects in the retained earnings account.

## Fixed and Other Long-lived Assets

Fixed assets have been recorded in the balance sheet at their acquisition cost net of planned depreciation. In the Group financial statement assets under financial leasing agreements are presented as fixed assets and the obligations of the agreements as interest-bearing debt. Operational leasing rent is recorded as expenses. Planned depreciation has been calculated straight line over the entire economic lifetime of the asset from the point of acquisition.

The Group depreciation schedules were updated during 2001 in order to have a uniform Group depreciation policy consistent with generally followed international conservative practice. The depreciation schedules for the high-tech production machines remained at five years. The changes were the lengthening of the depreciation schedules for the production buildings by five years to thirty years and for the chemical lines by three years to eight years. The depreciation schedules for other machinery were lengthened by two years to seven years. The new depreciation schedules are adapted to all investments from the beginning of the year 2001.

The depreciation schedules for different asset classes are as follows:

| | |
|---|---|
| Intangible assets | 3–5 years |
| Other long-term assets | 5–10 years |
| Buildings and structures | 15–30 years |
| Machinery and equipment | 3–8 years |
| Other fixed assets | 5–10 years |
| Group goodwill | 5 years |

## Inventories

Inventories are accounted for using the FIFO -method and are valued at their acquisition cost, their resale value, or their probable market value. The value of the inventories includes the variable expenses as well as their share of the fixed expenses of purchasing and manufacturing costs.

## Current Assets

Cash and bank deposits include cash, bank deposits and over-night deposits. Marketable securities are valued at their acquisition cost or current value if it is lower.

## Net Sales

Discounts and VAT have been accounted for under adjustments to net sales.

## Research and Development Costs

Research and development costs are fully expensed against the income statement during the fiscal year under review.

# Accounting Principles

### Extraordinary Items
Extraordinary items include significant events that are not related to the Group's line operations.

### Expense and Loss Provisions
Expenses that are unlikely to generate profits and the probable losses are deducted from the revenues as cost reserves. These are presented in the balance sheet as mandatory reserves or accrued expenses.

### Pension Arrangements
Pension benefits have been organized on behalf of the Group's personnel in Finland using pension insurance. The excess pension benefits of the persons covered under the now terminated Aspoyhtymä pension fund, closed in 1992, are fully covered and the pension liabilities have been transferred to a pension insurance company from the beginning of 2000. The pension benefits of foreign subsidiaries have been organized according to local practices.

### Employee Benefits
Employee benefits include eg. benefits related to the salary like bonuses, years of service benefits and other rewards and benefits. These are recorded in the mandatory reserves up to the earned level. These items have been recorded in the income statement against the cost item in question.

### Foreign Currency
Liabilities and receivables denominated in foreign currencies have been recorded at the prevailing exchange rate on the date of transaction. Liabilities and receivables converted into euros in connection with the preparation of financial statements are converted using the average exchange rate on the closing date. All differencies in exchange rates have been recorded in the Income Statement.

### Voluntary Reserves
Accumulated excess depreciation is allocated into the equity and deferred taxes (nominal tax liability) accounts. Changes in excess depreciation are recorded in the change in deferred taxes account and the profit for the fiscal year account. According to the Finnish Companies' Act excess depreciation deducted from the tax liability included in the Group's unrestricted Shareholders' Equity is not distributable.

### Taxes
Allocations pertaining to deferred taxes are performed using the prevailing tax base in the given country. In addition, taxes of the income statement include the change in tax liability generated by the excess depreciation. The effect of other items than excess depreciation on the recording of the tax liabilities and receivables is also noted in the financial statement. The accruals of the significant temporary tax liabilities and receivables have been recorded except for the directed goodwill (different from IAS). In the recording of the deferred tax receivables related to losses the probability of materialization is noted.

### Calculation Principles for the Pro Forma Figures
The pro forma calculations are prepared on the basis of the financial statements of the years 1996–1999. The Group companies, except for Aspocomp GmbH, are integrated for the years 1996–1998 as presented in the division prospectus of Aspo Plc. Aspocomp GmbH is included in figures regarding the year 1999. EUR 0.3 million has been added to the expenses of Aspocomp Group Oyj. The additional expenses are estimated to cover the costs from being a public limited company. The calculations presented in the division prospectus have been modified to correspond better to international calculation principles. Significant changes can be seen in the handling of the financial leasing items and in deferred taxes and receivables and in the recording of the estimated pension liabilities of foreign subsidiaries.

# Notes to the Consolidated Financial Statements

## 1. NOTES TO THE INCOME STATEMENT

| | Jan. 1–Dec. 31, 2002 | Jan. 1–Dec. 31, 2001 |
|---|---|---|
| | **1,000 €** | **1,000 €** |
| **1.1 Net Sales** | | |
| | | |
| **Net Sales by Sector and Market Area** | | |
| | | |
| **Net Sales by Sector** | | |
| PWBs | 149,983 | 179,073 |
| EMS | 32,951 | 42,767 |
| **Total** | **182,934** | 221,841 |
| | | |
| **Net Sales by Market Area** | | |
| Finland | 61,887 | 114,767 |
| Other Europe | 40,071 | 66,056 |
| Asia | 31,916 | 16,596 |
| North America | 49,061 | 24,422 |
| **Total** | **182,934** | 221,841 |
| | | |
| **1.2 Other Operating Income** | | |
| | | |
| Gains on the sale of fixed assets | 134 | 431 |
| Other income | 908 | 471 |
| **Total** | **1,042** | 903 |
| | | |
| **1.3 Materials and Services** | | |
| | | |
| Materials and supplies (goods) | | |
| Purchases during the fiscal period | 68,545 | 86,679 |
| Change in inventories | 2,758 | 874 |
| **Total** | **71,303** | 87,553 |
| | | |
| Outsourced services | 4,064 | 7,924 |
| **Total** | **75,367** | 95,477 |

# Notes to the Consolidated Financial Statements

| | Jan. 1–Dec. 31, 2002 | Jan. 1–Dec. 31, 2001 |
|---|---|---|
| | **1,000 €** | **1,000 €** |
| **1.4 Notes Related to Personnel** | | |
| | | |
| **Personnel Costs and Benefits** | | |
| Salaries and wages | 33,820 | 52,355 |
| Bonuses | 278 | 901 |
| Pension costs | 4,149 | 3,219 |
| Other personnel costs | 3,527 | 10,085 |
| **Total** | **41,774** | 66,559 |
| | | |
| **Management Salaries and Benefits** | | |
| President and CEO and his Deputy and Board Members | 355 | 347 |
| | | |
| **Employees of the Group and Parent Company during the Fiscal Period** | | |
| Office employees | 890 | 814 |
| Non-office employees | 2,185 | 2,500 |
| **Total** | **3,075** | 3,314 |
| | | |
| **President and CEO and his Deputy and Board Member Pension Liabilities** | | |
| The President and CEO and his Deputy have the option to retire at the age of 60. | | |
| | | |
| **1.5 Depreciation and Write-downs** | | |
| Depreciation of tangible and intangible assets | 30,387 | 39,071 |
| **Total** | **30,387** | 39,071 |
| | | |
| **1.6 Other Operating Expenses** | | |
| Rental expenses | 1,530 | 3,005 |
| Other expenses | 56,797 | 42,147 |
| **Total** | **58,327** | 45,152 |

# Notes to the Consolidated Financial Statements

| | Jan. 1–Dec. 31, 2002 | Jan. 1–Dec. 31, 2001 |
|---|---|---|
| | **1,000 €** | **1,000 €** |
| **1.7 Financial Income and Expenses** | | |
| | | |
| **Income from Long-term Investments** | | |
| **Dividend Income** | | |
| From others | 18 | 4 |
| **Total Income from Long-term Investments** | **18** | 4 |
| | | |
| **Other Interest and Financial Income** | | |
| From others | 793 | 2,043 |
| **Total Other Interest and Financial Income** | **793** | 2,043 |
| | | |
| **Interest and Other Financial Expenses** | | |
| To others | 3,541 | 4,600 |
| **Total Interest and Other Financial Expenses** | **3,541** | 4,600 |
| | | |
| **Total Financial Income and Expenses** | **-2,730** | -2,553 |
| | | |
| **Interest and Financial Income includes currency gains (net)** | **58** | 74 |
| | | |
| **1.8 Extraordinary Items** | | |
| Extraordinary income | 0 | 0 |
| Extraordinary expenses | 0 | 0 |
| **Total** | **0** | 0 |
| | | |
| **1.9 Direct taxes** | | |
| Accrued taxes | 81 | 274 |
| Change in deferred taxes | -3,786 | 343 |
| **Total** | **-3,705** | 617 |
| | | |
| Taxes on operational income | -3,705 | 617 |
| Taxes on extraordinary items | 0 | 0 |
| **Total** | **-3,705** | 617 |

# Notes to the Consolidated Financial Statements

## 2. NOTES TO THE BALANCE SHEET
### 2.1 Fixed and Other Long-lived Assets
### 2.1.1 Intangible and Tangible Assets

**Intangible Assets**

| | Intangible rights | Goodwill | Other long-lived assets | Total |
|---|---|---|---|---|
| **1,000 €** | | | | |
| **Fixed assets** | | | | |
| Acquisition cost Jan. 1, 2002 | 4,003 | 4,788 | 2,412 | 11,203 |
| Increase | 265 | 0 | 2,119 | 2,384 |
| Decrease | -17 | 0 | -8 | -25 |
| Transfers between items | 0 | 0 | 0 | 0 |
| Translation difference | -163 | 0 | -312 | -475 |
| **Acquisition cost Dec. 31, 2002** | **4,087** | **4,788** | **4,211** | **13,086** |
| Total accumulated depreciation Jan. 1, 2002 | 2,245 | 2,146 | 1,563 | 5,953 |
| Accumulated depreciation of decreases and transfers Jan. 1, 2002 | -15 | 0 | 0 | -15 |
| Depreciation of the year | 631 | 649 | 375 | 1,655 |
| Translation difference | -89 | 0 | -78 | -167 |
| **Accumulated depreciation Dec. 31, 2002** | **2,772** | **2,795** | **1,859** | **7,426** |
| **Book Value Dec. 31, 2002** | **1,315** | **1,993** | **2,351** | **5,660** |

**Machinery & Equipment balance sheet value on December 31, 2002**

### 2.2 Investments

| | Own shares | Shares in acquired and affiliated companies | Other shares | Total |
|---|---|---|---|---|
| | 1,000 € | 1,000 € | 1,000 € | 1,000 € |
| Acquisition cost January 1, 2002 | 1,010 | 337 | 113 | 1,459 |
| Increase | 758 | 1 260 | 134 | 2,152 |
| Decrease | -1,010 | -879 | -136 | -2,025 |
| **Acquisition cost December 31, 2002** | **758** | **718** | **111** | **1,586** |
| **Book Value December 31, 2002** | **758** | **718** | **111** | **1,586** |

**Tangible assets**

| Land | Buildings | Machinery and equipment | Other tangible assets | Advances and fixed assets under construction | Total |
|---|---|---|---|---|---|
| 3,382 | 54,002 | 272,828 | 4,405 | 6,763 | 341,381 |
| 1,239 | 689 | 12,624 | 0 | 1,532 | 16,084 |
| -11 | -9,241 | -85,066 | -3,137 | -42 | -97,497 |
| 0 | 0 | 6,301 | 0 | -6,301 | 0 |
| -643 | -1,003 | -12,373 | -539 | -1,702 | -16,260 |
| **3,967** | **44,447** | **194,313** | **730** | **250** | **243,708** |
| 0 | 9,303 | 134,726 | 2,099 | 0 | 146,128 |
| 0 | -1,277 | -56,760 | -1,847 | 0 | -59,884 |
| 0 | 2,564 | 25,729 | 60 | 0 | 28,354 |
| 0 | -111 | -2,043 | -70 | 0 | -2,224 |
| **0** | **10,478** | **101,652** | **244** | **0** | **112,373** |
| **3,967** | **33,969** | **92,662** | **486** | **250** | **131,335** |
| | | **92,662** | | | |

**Group Companies**

| | Group Interest, % | Parent Company Interest, % | Parent Company Shares and Holdings: Number of Shares | Face Value 1,000 € | Book Value 1,000 € |
|---|---|---|---|---|---|
| Aspocomp AB, Sweden | 100.00 | 0.00 | | | |
| Aspocomp GmbH, Germany | 100.00 | 100.00 | 1,000 | 51 | 41 |
| Aspocomp Chin-Poon Holdings Ltd., the Virgin Islands | 51.00 | 51.00 | 32,844,000 | 37,268 | 35,629 |
| ACP Electronics Co., Ltd., China | 51.00 | 0.00 | | | |
| P.C.B. Center (Thailand) Co., Ltd. | 51.00 | 51.00 | 4,080,000 | 1,042 | 7,824 |
| Aspocomp Oy, Finland | 100.00 | 100.00 | 40,000 | 9,250 | 15,717 |
| **Total** | | | | | **59,211** |

| | Dec. 31, 2002 | Dec. 31, 2001 |
|---|---|---|
| | **1,000 €** | **1,000 €** |
| **2.3 Inventories** | | |
| | | |
| **Inventories** | | |
| Materials and supplies | 8,305 | 15,368 |
| Work in progress | 6,611 | 8,200 |
| Finished goods | 4,247 | 7,034 |
| Other inventories | 820 | 123 |
| **Total** | **19,984** | 30,725 |
| | | |
| **2.4 Receivables** | | |
| | | |
| **Short-term Receivables** | | |
| Accounts receivables | 31,508 | 30,649 |
| | | |
| **Receivables from Others** | | |
| Loans receivables | 1,198 | 47 |
| Deferred receivables | 6,059 | 7,024 |
| | | |
| **Calculated Tax Receivables** | | |
| On confirmed losses | 5,174 | 1,389 |
| Other tax receivables | 0 | 0 |
| **Total** | **5,174** | 1,389 |
| | | |
| **Total Short-term Receivables** | **43,939** | 39,108 |

No calculated tax receivable has been recorded on the confirmed loss of Aspocomp AB and P.C.B. Center (Thailand) Co., Ltd.
On the loss of Aspocomp Group Oyj a tax receivable of EUR 3.0 million has been recorded.

## Notes to the Consolidated Financial Statements

| | Dec. 31, 2002 | Dec. 31, 2001 |
|---|---|---|
| | **1,000 €** | **1,000 €** |
| **2.5 Shareholders' Equity** | | |
| Share capital January 1 | 10,142 | 10,142 |
| Invalidition of own shares | -101 | 0 |
| **Share Capital December 31** | **10,041** | 10,142 |
| Contingency fund January 1 | 83,847 | 83,847 |
| Invalidition of own shares | 101 | 0 |
| **Contingency Fund December 31** | **83,948** | 83,847 |
| Own shares fund January 1, 2002 | | |
| Increase during the fiscal period | 758 | 0 |
| **Own Shares Fund December 31, 2002** | **758** | 0 |
| Retained earnings January 1 | 37,609 | 67,879 |
| Dividends | 0 | -5,071 |
| Invalidation of own shares | -1,010 | 0 |
| Transfer to own shares fund | -758 | 0 |
| Conversions | -3,436 | 1,720 |
| **Retained Earnings December 31** | **32,405** | 64,527 |
| **Net Profit/Loss for the Year** | **-18,559** | -26,918 |
| **Total Shareholders' Equity** | **108,593** | 131,598 |
| Share of accumulated excess depreciation and voluntary reserves transferred to equity | 785 | 3,435 |
| **Distributable Unrestricted Equity** | **13,061** | 34,174 |
| **2.6 Appropriations** | | |
| Accumulated depreciation in excess of plan December 31 | 1,105 | 4,837 |
| Nominal tax liability | 320 | 1,403 |
| **Voluntary Reserves in Equity December 31** | **785** | 3,435 |
| **2.7 Mandatory Reserves** | | |
| Employee benefit costs | 755 | 1,896 |
| Reserves for unemployment pension | 704 | 140 |
| Aspocomp S.A.S. downsizing costs | 0 | 7,183 |
| Aspocomp Oy Espoo plant's closing costs | 615 | 1,880 |
| Other mandatory reserves | 58 | 407 |
| **Total** | **2,131** | 11,506 |

# Notes to the Consolidated Financial Statements

| | Dec. 31, 2002 | Dec. 31, 2001 |
|---|---|---|
| | **1,000 €** | **1,000 €** |
| **2.8 Long-term Liabilities** | | |
| Loans from financial institutions | 38,095 | 49,289 |
| Pension loans | 0 | 1,177 |
| Other long-term liabilities | 0 | 45 |
| | **38,095** | 50,512 |
| **Nominal Tax Liabilities** | | |
| Tax liabilities on appropriations | 320 | 4,584 |
| | **320** | 4,584 |
| **Total Long-term Liabilities** | **38,415** | 55,096 |
| **Liabilities with maturities longer than 5 years** | **0** | 0 |
| **2.9 Short-term Liabilities** | | |
| Loans from financial institutions | 20,863 | 27,235 |
| Pension loans | 1,177 | 1,177 |
| Payables | 14,627 | 16,605 |
| Deferred payables | 9,044 | 15,093 |
| | **45,711** | 60,111 |
| **Total Short-term Liabilities** | **45,711** | 60,111 |

**3. OTHER NOTES**

| | Dec. 31, 2002 | Dec. 31, 2001 |
|---|---|---|
| | **1,000 €** | **1,000 €** |
| **3.1 Securities, Contingent Liabilities and Other Liabilities** | | |
| | | |
| **Liabilities Secured by Real Estate** | | |
| Loans from financial institutions | 4,156 | 2,452 |
| Mortgages | 1,176 | 1,362 |
| Securities on behalf of others | 1,766 | 1,766 |
| **Total Securities Given** | **2,942** | 3,128 |
| | | |
| **Other Securities** | | |
| Bank guarantee | 300 | 300 |
| | | |
| **Operational Leasing Agreements** | | |
| Payables in the next year | 38 | 123 |
| Payables in the following years | 40 | 36 |
| **Total Operational Leasing Agreements** | **79** | 158 |
| | | |
| **Financial Leasing Agreements** | | |
| Balance sheet value | | |
| Buildings | 15,987 | 17,211 |
| Machinery and equipment | 6,264 | 13,348 |
| **Total Financial Leasing Agreements** | **22,251** | 30,559 |
| | | |
| Long-term liabilities | 26,901 | 32,090 |
| Short-term liabilities | 3,625 | 2,787 |
| **Total Liabilities** | **30,526** | 34,878 |
| | | |
| **Unpaid Lease Payments** | | |
| Year 2002 | | 4,795 |
| Year 2003 | 4,954 | 4,836 |
| Year 2004 | 4,880 | 4,513 |
| Year 2005 | 2,371 | 1,702 |
| Year 2006 | 707 | 1,372 |
| Year 2007 | 193 | 1,133 |
| Following years | 477 | 0 |
| **Total Unpaid Lease Payments** | **13,582** | 18,351 |
| | | |
| Residual value liability on financial leasing agreements | 20,123 | 18,152 |
| **Total Unpaid Financial Leases and Residual Value** | **33,705** | 36,503 |

According to Chapter 14A, Section 6 of the Companies Act, the recipient companies (Aspocomp Group Oyj and Aspo Plc) are jointly responsible for debts and liabilities prior to the division. The total liability of the Company corresponds to the net value of the transferred assets.

# Parent Company Financial Statements

**Income Statement**

| | Note | Jan. 1–Dec. 31 2002 1,000 € | Jan. 1–Dec. 31 2001 1,000 € |
|---|---|---|---|
| Other operating income | 1.1 | 1,898 | 1,385 |
| Personnel costs | 1.2 | -1,126 | -986 |
| Depreciation and write-downs | 1.3 | -111 | -102 |
| Other operating expenses | 1.4 | -6,375 | -1,624 |
| **Operating Profit/Loss** | | **-5,714** | -1,326 |
| Financial income and expenses | 1.5 | -17,392 | 11,467 |
| **Profit/Loss Before Extraordinary Items** | | **-23,106** | 10,140 |
| **Extraordinary Items +/-** | 1.6 | **16,450** | 0 |
| **Profit/Loss Before Appropriations and Taxes** | | **-6,656** | 10,140 |
| Appropriations | 1.7 | 3 | 10 |
| Direct taxes | 1.8 | 0 | -9,519 |
| **Net Profit/Loss for the Period** | | **-6,653** | 631 |

**Cash Flow Statement**

| | Note | Jan. 1–Dec. 31 2002 1,000 € | Jan.1–Dec. 31 2001 1,000 € |
|---|---|---|---|
| **Operational Cash Flow** | | | |
| Operating loss | | -5,714 | -1,326 |
| Adjustments to operating loss | | 106 | 102 |
| Net change in working capital | | -564 | -4,252 |
| Interest received | | 1,951 | 1,765 |
| Dividends | | 0 | 2,980 |
| Taxes | | 0 | -194 |
| **Net Operational Cash Flow** | | **-4,222** | -926 |
| **Investments** | | | |
| Purchase of holdings | | -2,687 | -39,729 |
| Purchase of shares | | -1,260 | 0 |
| Purchase of other fixed assets | | -122 | -229 |
| Sales of other fixed assets | | 35 | 13 |
| **Total Cash Flow from Investments** | | **-4,034** | -39,946 |
| **Cash Flow before Financing** | | **-8,256** | -40,872 |
| **Financing** | | | |
| Increases in long-term debt | | 0 | 11,914 |
| Decreases in long-term debt | | -4,737 | 0 |
| Increase in short-term financing | | 6,553 | 6,404 |
| Payment of dividends | | 0 | -5,071 |
| Repurchases of own shares | | -758 | -1,010 |
| Received and paid Group contribution | | 16,450 | 0 |
| **Total Financing** | | **17,508** | 12,238 |
| **Increase/Decrease in Liquid Funds** | | **9,252** | -28,634 |
| Liquid funds as of January 1 | | 4,332 | 32,966 |
| **Liquid Funds as of December 31** | | **13,584** | 4,332 |

**Balance Sheet**

| | Note | Dec. 31, 2002 1,000 € | Dec. 31, 2001 1,000 € |
|---|---|---|---|
| **Assets** | | | |
| **Non-Current Assets** | | | |
| Intangible assets | 2.1 | 39 | 61 |
| Tangible assets | 2.1 | 459 | 456 |
| Investments | 2.2 | 61,229 | 57,534 |
| **Total Non-current Assets** | | **61,727** | 58,051 |
| **Current Assets** | | | |
| Short-term receivables | 2.3 | 85,063 | 86,802 |
| Cash and bank deposits | | 13,584 | 4,332 |
| **Total Current Assets** | | **98,648** | 91,134 |
| **Total Assets** | | **160,375** | 149,185 |

| | Note | Dec. 31, 2002 1,000 € | Dec. 31, 2001 1,000 € |
|---|---|---|---|
| **Liabilities and Shareholders' Equity** | | | |
| **Shareholders' Equity** | 2.4 | | |
| Share capital | | 10,041 | 10,142 |
| Share premium fund | | 83,948 | 83,847 |
| Own Shares | | 758 | 0 |
| Retained earnings (loss) | | 25,904 | 27,041 |
| Net profit/loss for the fiscal year | | -6,653 | 631 |
| **Total Shareholders' Equity** | | **113,998** | 121,661 |
| **Appropriations** | 2.5 | **5** | 9 |
| **Liabilities** | | | |
| Long-term liabilities | 2.6 | 7,177 | 11,914 |
| Short-term liabilities | 2.7 | 39,194 | 15,601 |
| **Total Liabilities** | | **46,371** | 27,515 |
| **Total Liabilities and Shareholders' Equity** | | **160,375** | 149,185 |

# Notes to the Parent Company Financial Statements

| | Jan. 1–Dec. 31, 2002 1,000 € | Jan. 1–Dec. 31, 2001 1,000 € |
|---|---|---|
| **1. NOTES TO THE INCOME STATEMENT** | | |
| **1.1 Other Operating Income** | | |
| Gains on the sale of fixed assets | 16 | 1 |
| Other income | 1,881 | 1,384 |
| **Total** | **1,898** | 1,385 |
| **1.2 Notes Related to Personnel** | | |
| **Personnel Costs** | | |
| Salaries | 924 | 801 |
| Pension costs | 159 | 143 |
| Other personnel costs | 43 | 41 |
| **Total** | **1,126** | 986 |
| **Management Salaries and Benefits** | | |
| President and CEO and his Deputy and the Board of Directors | 355 | 347 |
| **Personnel December 31, 2002** | | |
| Office employees | 14 | 14 |
| **Total** | **14** | 14 |
| **Employees of the Parent Company during the Fiscal Period** | | |
| Office employees | 14 | 11 |
| **Total** | **14** | 11 |

**President and CEO and his Deputy and Board Member Pension Liabilities**
The President and CEO and his Deputy have the option to retire at the age of 60.

| | Jan. 1–Dec. 31, 2002 1,000 € | Jan. 1–Dec. 31, 2001 1,000 € |
|---|---|---|
| **1.3 Depreciation and Write-downs** | | |
| Depreciation of tangible and intangible assets | 111 | 102 |
| **Total** | **111** | 102 |
| **1.4 Other Operating Costs** | | |
| Rental costs | 129 | 99 |
| Other expenses | 6,246 | 1,525 |
| **Total** | **6,375** | 1,624 |

| | Jan. 1–Dec. 31, 2002 1,000 € | Jan. 1–Dec. 31, 2001 1,000 € |
|---|---|---|
| **1.5 Financial Income and Expenses** | | |
| **Income from Long-term Investments** | | |
| **Dividend Income** | | |
| From Group companies | 0 | 29,800 |
| Avoir fiscal | 0 | 12,172 |
| **Total Dividend Income** | **0** | 41,972 |
| **Total Income from Long-term Investments** | **0** | 41,972 |
| **Other Interest and Financial Income** | | |
| From Group companies | 273 | 2,116 |
| From others | 2,838 | 1,459 |
| **Total Other Interest and Financial Income** | **3,111** | 3,575 |
| **Reduction in Value of Investments under Non-current Assets** | | |
| Reduction in value of the shares of Aspocomp S.A.S. | 0 | 9,613 |
| Reduction in value of the loan receivable from Aspocomp S.A.S. | 19,342 | 22,657 |
| **Total Reduction in Value of Investments under Non-current Assets** | **19,342** | 32,270 |
| **Interest and Other Financial Expenses** | | |
| To Group companies | 143 | 94 |
| To others | 1,018 | 1,716 |
| **Total Interest and Other Financial Expenses** | **1,160** | 1,810 |
| **Total Financial Income and Expenses** | **-17,392** | 11,467 |
| **Interest and Financial Income includes currency gains (net)** | **2,210** | 371 |
| **1.6 Extraordinary Items** | | |
| Extraordinary income, Group contribution | 16,450 | 0 |
| **Total** | **16,450** | 0 |
| **1.7 Appropriations** | | |
| Accumulated depreciation in excess of plan | 3 | 10 |
| **Total** | **3** | 10 |
| **1.8 Direct Taxes** | | |
| Taxes on operational income | 0 | 9,519 |
| **Total** | **0** | 9,519 |

# Notes to the Parent Company Financial Statements

**2. NOTES TO THE BALANCE SHEET**
**2.1 Non-current Assets**
**2.1.1 Intangible and Tangible Assets**

**Intangible Assets**

| | Intangible assets | Goodwill | Other long-lived assets | Total |
|---|---|---|---|---|
| **1,000 €** | | | | |
| **Fixed Assets** | | | | |
| Acquisition cost January 1, 2002 | 70 | | 22 | 92 |
| Increase | 5 | | | 5 |
| Decrease | | | | |
| Transfers | | | | |
| **Acquisition cost December 31, 2002** | **76** | | **22** | **98** |
| Accumulated depreciation January 1, 2002 | 18 | | 13 | 31 |
| Accumulated depreciation on transfers and deductions | | | | |
| Planned depreciation | 24 | | 4 | 28 |
| **Accumulated Depreciation December 31, 2002** | **41** | | **17** | **59** |
| **Book Value December 31, 2002** | **34** | **0** | **4** | **39** |

**2.2 Investments**

| | Group shares and holdings 1,000 € | Own shares 1,000 € | Other shares 1,000 € | Total 1,000 € |
|---|---|---|---|---|
| Acquisition cost January 1, 2002 | 56,524 | 1,010 | | 57,534 |
| Increase | 2,687 | 758 | 1,260 | 4,705 |
| Transfers | | -1,010 | | -1,010 |
| **Acquisition Cost December 31, 2002** | **59,211** | **758** | **1,260** | **61,229** |
| **Book Value December 31, 2002** | **59,211** | **758** | **1,260** | **61,229** |

**Group Companies**

| | | | Shares owned by the Parent Company | | |
|---|---|---|---|---|---|
| | Group interest % | Parent company interest % | Number of shares | Face value 1,000 € | Book value 1,000 € |
| Aspocomp GmbH, Germany | 100.00 | 100.00 | 1,000 | 5 | 41 |
| Aspocomp Oy, Finland | 100.00 | 100.00 | 40,000 | 9,250 | 15,717 |
| P.C.B. Center (Thailand) Co., Ltd., Thailand | | | | | 7,824 |
| Aspocomp Chin-Poon Holdings Ltd., the Virgin Islands | | | | | 35,629 |
| **Total** | | | | | **59,211** |

**Other Shares and Investments**

| | Parent company interest, % | Number of shares | Face value 1,000 € | Book value 1,000 € |
|---|---|---|---|---|
| Aspocomp Group Oyj | | 100,000 | 758 | 758 |
| Asperation Oy | 50.00 | 196 | | 1,005 |
| Imbera Electronics Oy | 50.00 | 202 | | 255 |
| **Total** | | | | **2,018** |

# Notes to the Parent Company Financial Statements

**Tangible Assets**

| Land | Buildings | Machinery and equipment | Other tangible assets | Advance payments | Total |
|---|---|---|---|---|---|
| 220 | | 372 | | | 592 |
| | | 116 | | | 116 |
| | | -30 | | | -30 |
| | | | | | 0 |
| **220** | | **458** | | | **678** |
| | | 135 | | | 135 |
| | | -30 | | | |
| | | 113 | | | 113 |
| | | **218** | | | **248** |
| **220** | **0** | **240** | **0** | **0** | **459** |

| | Dec. 31, 2002 1,000 € | Dec. 31, 2001 1,000 € |
|---|---|---|
| **2.3 Receivables** | | |
| **Short-term Receivables** | | |
| **Receivables from Group companies** | | |
| Accounts receivables | 20 | 20 |
| Loan receivables | 81,021 | 82,715 |
| **Total** | **81,041** | 82,735 |
| | | |
| **Receivables from Others** | | |
| Loan receivables | 50 | 0 |
| Deferred receivables | 3,972 | 4,067 |
| **Total** | **4,022** | 4,067 |
| **Total Short-term Receivables** | **85,063** | 86,802 |
| | | |
| **2.4 Shareholders' Equity** | | |
| Share capital January 1 | 10,142 | 10,142 |
| Invalidation of own shares | -101 | 0 |
| **Share Capital December 31** | **10,041** | 10,142 |
| | | |
| Share premium account January 1 | 83,847 | 83,847 |
| Invalidation of own shares | 101 | 0 |
| **Share Premium Account December 31** | **83,948** | 83,847 |
| | | |
| Own shares fund January 1 | 0 | 0 |
| Increase in own shares fund | 758 | 0 |
| **Own Shares Fund December 31** | **758** | 0 |
| | | |
| Retained earnings January 1 | 27,672 | 32,112 |
| Invalidation of own shares | -1,010 | 0 |
| Transfer to own shares fund | -758 | 0 |
| Dividends paid | 0 | -5,071 |
| **Retained Earnings December 31** | **25,904** | 27,041 |
| | | |
| **Net Profit/Loss for the Period** | **-6,653** | 631 |
| | | |
| **Total Shareholders' Equity** | **113,998** | 121,661 |
| | | |
| **Distributable Unrestricted Equity** | **19,251** | 27,672 |

| | Dec. 31, 2002 1,000 € | Dec. 31, 2001 1,000 € |
|---|---|---|
| **2.5 Appropriations** | | |
| Accumulated depreciation | 5 | 9 |
| | | |
| **2.6 Long-term Liabilities** | | |
| Loans from financial institutions | 7,177 | 11,914 |
| **Total Long-term Liabilities** | **7,177** | 11,914 |
| | | |
| **2.7 Short-term Liabilities** | | |
| Loans from financial institutions | 2,871 | 6,404 |
| Payables | 62 | 111 |
| Deferred payables | 680 | 191 |
| | **3,612** | 6,706 |
| | | |
| **Intra-Group Debts** | | |
| Deferred payables | 35,582 | 8,895 |
| **Total Short-term Liabilities** | **39,194** | 15,601 |

| **3. OTHER NOTES** | **1,000 €** | **1,000 €** |
|---|---|---|
| **3.1 Securities, Contingent Liabilities and Other Liabilities** | | |
| | | |
| **Other Securities and Liabilities** | | |
| Guarantees for leasing liabilities | 27,349 | 29,674 |
| Counter guarantees | 300 | 300 |
| **Total** | **27,649** | 29,974 |

According to Chapter 14A, Section 6 of the Companies Act, the recipient companies (Aspocomp Group Oyj and Aspo Plc) are jointly responsible for the debts and liabilities prior to the division. The total liability of the Company corresponds to the net value of the transferred assets.

# Key Figures

### Aspocomp Group Financial Performance and Key Figures 1998–2002

(Key figures are calculated on the basis of pro forma financial statements concerning years 1998–1999)

| | 2002 | 2001 | 2000 | 1999 | 1998 |
|---|---|---|---|---|---|
| Net sales, EUR million | 182.9 | 221.8 | 239.8 | 201.3 | 126.7 |
| Operating profit after depreciation, EUR million | -23.2 | -27.4 | 21.6 | 21.5 | 11.8 |
| Share of net sales, % | -12.7 | -12.3 | 9.0 | 10.7 | 9.3 |
| Profit before extraordinary items and taxes, EUR million | -25.9 | -29.9 | 21.2 | 20.1 | 10.2 |
| Share of net sales, % | -14.2 | -13.5 | 8.8 | 10.0 | 8.1 |
| Profit before taxes, EUR million | -25.9 | -29.9 | 22.0 | 19.4 | 10.2 |
| Share of net sales, % | -14.2 | -13.5 | 9.2 | 9.6 | 8.0 |
| Net profit for the period, EUR million | -18.6 | -26.9 | 16.2 | 13.7 | 7.3 |
| Share of net sales, % | -10.1 | -12.1 | 6.7 | 6.8 | 5.8 |
| Return on equity (ROE), % | -14.9 | -18.7 | 13.2 | 23.2 | 14.0 |
| Return on investment (ROI), % | -10.2 | -11.5 | 15.2 | 21.6 | 14.8 |
| Equity ratio, % | 61.0 | 56.5 | 64.6 | 43.9 | 43.5 |
| Gearing, % | 30.0 | 35.7 | 0.6 | 56.4 | 56.6 |
| Gross investments in fixed assets, EUR million | 19.8 | 73.3 | 68.3 | 41.1 | 27.8 |
| Share of net sales, % | 10.8 | 33.0 | 28.5 | 20.4 | 21.9 |
| Personnel, year end | 2,907 | 3,178 | 1,948 | 1,858 | 1,678 |
| Personnel, average | 3,075 | 3,314 | 2,007 | 1,886 | 1,216 |
| | | | | | |
| Earnings per share (EPS), EUR | -1.86 | -2.66 | 1.59 | 1.64 | 0.83 |
| Earnings per share (EPS), EUR (diluted) | | | 1.52 | | |
| Equity per share, EUR | 10.85 | 13.01 | 15.96 | 7.87 | 6.30 |
| | | | | | |
| Nominal dividend per share, EUR (*Board's proposal) | 0.25 * | 0 | 0.50 | 0.50 | |
| | | | | | |
| Dividend per earnings, % | -13.44 | 0 | 31.45 | 30.40 | |
| | | | | | |
| Effective dividend yield, % | 4.00 | 0 | 1.67 | 1.35 | |
| | | | | | |
| Price/earnings ratio (P/E) | -3.4 | -4.5 | 18.9 | 22.5 | |
| | | | | | |
| Share prices (adjusted) | | | | | |
| average, EUR | 7.56 | 14.49 | 54.10 | 23.73 | |
| low, EUR | 4.22 | 8.90 | 24.50 | 21.50 | |
| high, EUR | 13.25 | 30.00 | 86.96 | 37.66 | |
| | | | | | |
| Closing share price, at the end of period, EUR | 6.25 | 12.06 | 30.00 | 37.00 | |
| | | | | | |
| Market value of total shares outstanding, at the end of period, EUR million | 62.1 | 121.1 | 304.3 | 324.5 | |
| | | | | | |
| Number of shares traded, thousands | 2,309.0 | 3,110.0 | 3,560.8 | 805.3 | |
| Number of shares traded, % of total | 23.1 | 30.8 | 35.1 | 9.2 | |
| Share trading volume, EUR million | 17.5 | 45.1 | 192.7 | 19.1 | |
| | | | | | |
| Total number of shares, thousands | | | | | |
| registered at the end of period | 10,041 | 10,142 | 10,142 | 8,770 | 8,770 |
| outstanding | 9,941 | 10,041 | | | |
| average | 9,985 | 10,111 | 9,578 | | |
| average, diluted | | | 9,988 | | |

# Calculation of Key Figures

| | |
|---|---|
| **Return on Equity (ROE), % =** | $\dfrac{\text{Profit before extraordinary items and taxes - direct taxes x 100}}{\text{shareholders' equity + minority interest (average)}}$ |
| **Return on Investment (ROI), % =** | $\dfrac{\text{Profit before extraordinary items and taxes + interest and other financial costs x 100}}{\text{balance sheet total - non-interest bearing liabilities (average)}}$ |
| **Equity Ratio, % =** | $\dfrac{\text{Shareholders' equity + minority interest x 100}}{\text{balance sheet total - advances received}}$ |
| **Gearing, % =** | $\dfrac{\text{Interest-bearing liabilities - cash, bank deposits and other investments}}{\text{shareholders' equity + minority interest}}$ |
| **Average Personnel =** | Average number of personnel as of the month end |
| **Earnings per Share (EPS), € =** | $\dfrac{\text{Profit before extraordinary items and taxes - direct taxes} \pm \text{minority share}}{\text{average number of shares outstanding at the year end}}$ |
| **Equity/Share, € =** | $\dfrac{\text{Shareholders' equity}}{\text{number of shares outstanding at the year end}}$ |
| **Dividend/Share, € =** | Dividend paid in period |
| **Dividend/Earnings, % =** | $\dfrac{\text{Dividend per share x 100}}{\text{earnings per share}}$ |
| **Effective Dividend Yield, % =** | $\dfrac{\text{Dividend per share x 100}}{\text{the year end share price}}$ |
| **Price/Earnings Ratio (P/E) =** | $\dfrac{\text{Year end share price}}{\text{earnings per share}}$ |
| **Average Share Price =** | $\dfrac{\text{Total share turnover}}{\text{adjusted number of shares changing hands during the period}}$ |
| **Market Value of Shares =** | Total number of shares outstanding x the year end share price |

The influence of the shares owned by the Company has been eliminated from the calculations.

# Shares and Shareholders

Aspocomp Group Oyj shares have been quoted on the main list of the Helsinki Exchanges since October 1, 1999 in the aftermath of the division of the Aspo Group into two separately listed companies. The code for the share is ACG1V.

The total number of issued shares is 10,041,026. All the shares have a counter book value of one euro each. The Company's registered share capital is EUR 10,041,026 and the maximum share capital EUR 34,916,710.

There is only one share series and each share entitles the holder to vote at the Annual General Meeting and to have an identical dividend right.

### Repurchase of Own Shares

The Annual General Meeting of 2002 authorized the Aspocomp Group Oyj's Board of Directors to decide on repurchasing own shares and to decide on new issues and/or convertible loans. According to the authorization, the Company is able to repurchase a maximum of 500,000 of its own shares in public trading on the Helsinki Exchanges, an amount corresponding to five per cent of the entire shares outstanding. The authorization is valid until April 5, 2003.

The Company began acquiring its own shares on the Helsinki Exchanges on May 14, 2003. By the end of the fiscal period, Aspocomp had purchased a total of 100,000 of its own shares, representing one per cent of the Company's shares outstanding. The total counter book value of the acquired own shares is EUR 100,000 and the total price paid is EUR 758,105.

### Increase in Number of Shares and Share Capital 1999–2002

| | | Number of Shares |
|---|---|---|
| 1999 | | 8,770,416 |
| May 2000 | Share Issue | 1,191,510 |
| June 2000 | Share Issue, global coordinator's increase | 180,000 |
| April 2002 | Decrease by invalidating of Own Shares | 100,900 |
| Total | | 10,041,026 |

### Repurchase of Own Shares

| Period of time | Amount of shares | Average price/ share, euros | Total price, euros |
|---|---|---|---|
| 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 |

### Major Shareholders as of December 30, 2002

| Shareholder | Number of shares | Holdings and votes, % |
|---|---|---|
| Sampo Group | | |
| If Non-Life Insurance Company Ltd | 814,000 | 8.11 |
| Sampo Life Insurance Company Ltd | 499,376 | 4.97 |
| | 1,313,376 | 13.08 |
| Nyberg H.B. | 900,000 | 8.96 |
| Varma-Sampo Mutual Insurance Company | 530,900 | 5.29 |
| Kaleva Mutual Insurance Company | 500,000 | 4.98 |
| Vehmas A.E. | 398,456 | 3.97 |
| Pohjola Non-Life Insurance Company Ltd | 397,900 | 3.96 |
| Vehmas Tapio | 374,131 | 3.73 |
| Vehmas Liisa | 333,080 | 3.32 |
| Investment Fund Conventum Finland Value | 300,000 | 2.99 |
| Suomi Group | | |
| Suomi Mutual Life Assurance Company | 218,900 | 2.18 |
| Suomi Life Insurance Company | 80,000 | 0.80 |
| | 298,900 | 2.98 |
| Nominee registered and foreign ownership | 1,718,626 | 17.12 |

The number of the nominee registered shares and the foreign ownership as of December 30, 2002 was 1,718,626 shares or 17.12 per cent of the holdings and votes.

If Skadeförsäkring Holding Ab sent a notification on May 17, 2002 stating that its holdings in the voting rights and share capital of Aspocomp Group Oyj is over 5 per cent.

## Distribution of the Share Ownership on December 30, 2002

**By number of shares**

| Number of shares | Number of shareholders | % of shareholders | Total number of shares | % of share capital |
|---|---|---|---|---|
| 1 – 100 | 554 | 30.46 | 34,644 | 0.35 |
| 101 – 500 | 673 | 37.00 | 193,484 | 1.93 |
| 501 – 1 000 | 223 | 12.26 | 174,622 | 1.74 |
| 1 001 – 10 000 | 309 | 16.99 | 863,633 | 8.60 |
| 10 001 – 100 000 | 47 | 2.58 | 1,656,283 | 16.50 |
| 100 001 – 500 000 | 9 | 0.49 | 3,263,989 | 32.51 |
| 500 001 – | 4 | 0.22 | 3,852,883 | 38.37 |
| Shares in trust and awaiting clearance | | | 1,488 | 0.01 |
| Number of issued shares | 1,819 | 100.00 | 10,041,026 | 100.00 |

**Shareholder Breakdown**

| | Total holding, % | Total shares, % |
|---|---|---|
| 1. Households | 86.34 | 36.34 |
| 2. Companies | 9.15 | 7.47 |
| 3. Financial and Insurance Institutions | 1.43 | 47.56 |
| 4. Non-profit Organisations | 1.60 | 2.25 |
| 5. Non-domestic | 1.10 | 0.78 |
| 6. Public Sector Organisations | 0.39 | 5.59 |
| Shares in trust and awaiting clearance | | 0.01 |
| Total | 100.00 | 100.00 |

### Management Share Ownership

The Board Members and President and CEO and his Deputy held total of 79,696 shares or 0.79 per cent of shares outstanding as of December 30, 2002.

### Investor Relations

Aspocomp serves equally all the stakeholders on the market in accordance with the Finnish Securities Market Act.

### Contact

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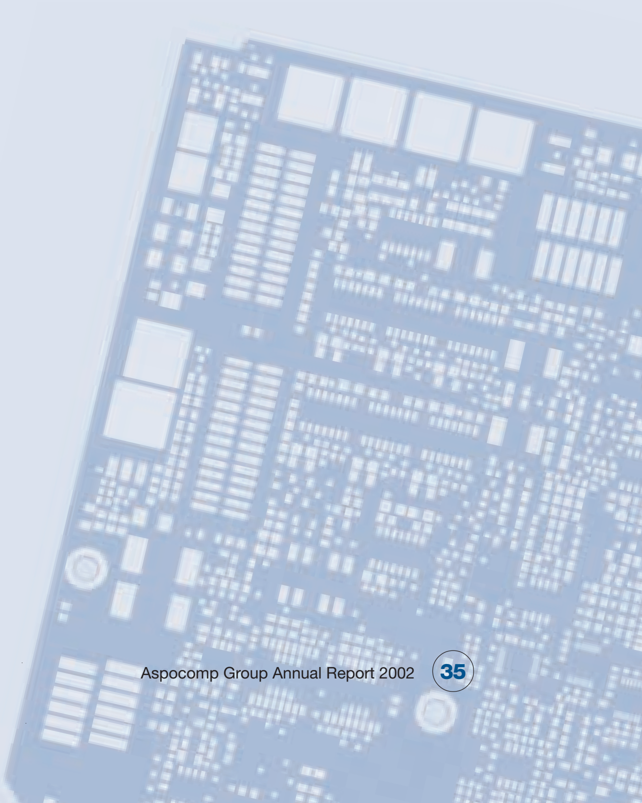
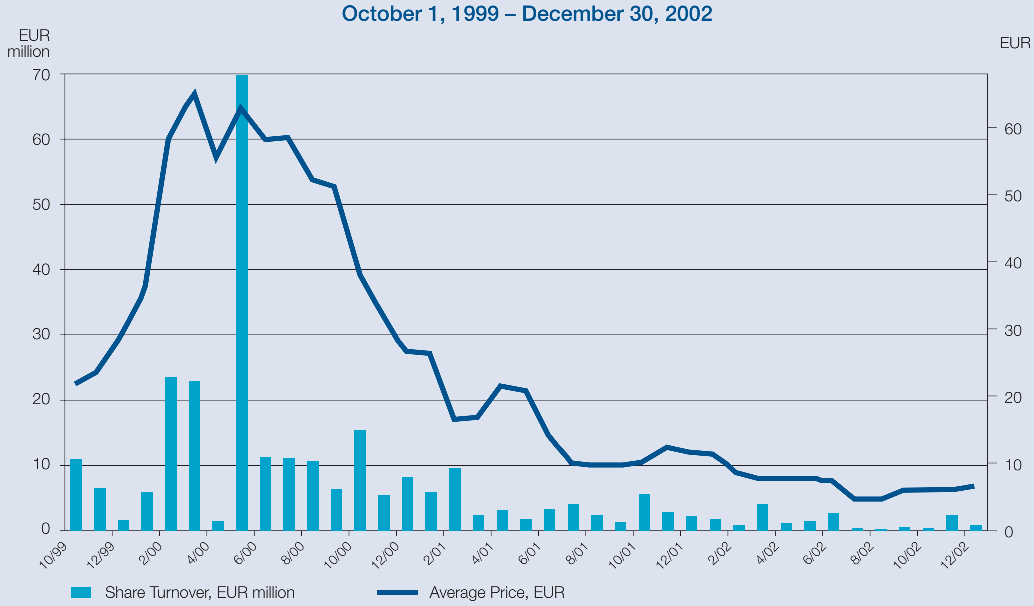


# Shares and Shareholders

HEX All-Share Index and Share Price Index (ACG 1V)
October 1, 1999 – December 30, 2002


Share Turnover and Average Price
October 1, 1999 – December 30, 2002



## 1. General

These principles represent the view of the Board of Directors of Aspocomp Group Oyj as to proper Corporate Governance. By following these principles the Board of Directors believes that shareholder value will be enhanced. These principles ensure that shareholder rights are protected and that all shareholders are treated equally. These principles also ensure that the strategic guidance of the company, effective supervision of the management by the Board of Directors and the accountability of the Board of Directors to the company and the shareholders are in control.

## 2. Group Structure

The ultimate parent of the Group is Aspocomp Group Oyj and its statutory bodies are the Annual General Meeting of Shareholders (AGM), the Board of Directors (Board) and the President and Chief Executive Officer (CEO) and his/her Deputy.

To clarify the modes of operation in the securities markets as a listed company the Board of Directors of Aspocomp Group Oyj has decided to comply with the Guidelines for Insiders prepared by the Helsinki Exchanges, the Central Chamber of Commerce and the Confederation of Finnish Industry and Employers. In addition to the statutory insiders the following persons are permanent insiders of Aspocomp Group Oyj according to company-specific applications of the Guidelines for Insiders:

- Members of the Executive Committee
- Secretary of the Board of Directors
- Managing Directors of the subsidiaries
- Personnel of Aspocomp Group Oyj

## 3. Responsibilities and Duties of the AGM

The AGM is the highest decision making body of the Group and it convenes once a year. Issues decided at the AGM are in accordance with the Finnish Companies Act, if not stated otherwise in the Articles of Association of Aspocomp Group Oyj (available at www.aspocomp.com).

Among the issues mentioned above are:

- amendments to the Articles of Association
- approval of the financial statements
- dividend distribution
- election of the Board Members
- election of the Auditors
- remuneration of the Board Members and the Auditors

An extraordinary General Meeting of Shareholders shall be held when considered necessary by the Board of Directors or when so required in accordance with the Finnish Companies Act.

## 4. Responsibilities and Duties of the Board

The Board acts within the powers and responsibilities defined in the Finnish Companies Act and in other applicable legislation, as well as in the Aspocomp Articles of Association. The Board has the primary duty to exercise its fiduciary responsibility in the best interests of the Group and its shareholders by building long-term shareholder value. Where Board's decisions may affect different shareholders differently, the Board should treat all shareholders fairly. The AGM decides the number of the Board Members and elects new Members to replace those, whose term is expiring and, if necessary, other Board Members. The Members are elected for a term of two years. The Board consists of no less than four and no more than eight Members.

The main duties of the Board include:

- approving the Group business strategies
- evaluating and approving business plans and monitoring their implementation and taking corrective measures, if needed
- approving of the 12 months' rolling total amount of capital investments and deciding on major investments, acquisitions and the disposal of assets
- deciding on the dividend policy and preparing a dividend distribution proposal for the AGM
- monitoring and managing potential conflicts of interests between the management, the Board Members and the shareholders, including misuse of corporate assets and abuse of related transactions
- confirming the Group organizational structure
- appointing and dismissing the Chairman of the Board and his/her Deputy
- appointing and dismissing the CEO and his/her Deputy
- establishing performance criteria and compensation package for the CEO and regularly reviewing the CEO's performance against the criteria mentioned above
- approving and maintaining the CEO's succession plan
- establishing performance criteria for the Board itself and periodically reviewing its performance against those criteria
- setting the guidelines for accounting principles and risk management as well as for internal control
- appointing the Board Committees

# Corporate Governance

After the AGM, the Board decides the number of its annual meetings. Typically, four meetings are reserved for the preparation and handling of the interim reports, as well as the annual reports. At the other meetings the Board exercises its role as a value creator by setting the Group's objectives and strategy.

### Board Committees

**Compensation Committee**

- prepares and presents the remuneration principles and incentive systems for the CEO and his/her Deputy prior to their submission to the Board
- approves salaries and other benefits for the Executive Committee (ExeCom) members based on the CEO's proposal

**Audit Committee**

- reviews and monitors the accounting policies, financial statements, financial reporting processes, all aspects of risk management and the findings of the auditors monitors internal control structure and legal and other statutory obligations of the Group

**Nomination Committee**

- prepares proposals for the Board, which in turn forwards them to the AGM in order to handle issues concerning the Board Members lists the skill set that it seeks for executive candidates and informs the shareholders about it. At minimum, the core competencies should address: knowledge related to accounting or finance, international markets knowledge, business or management experience, industry knowledge, client experience or perspective, crisis response or leadership of strategic planning and English language skills.

### 5. Responsibilities and Duties of the CEO and the Executive Committee (ExeCom)

The CEO is responsible for the management and control of the Group's business in accordance with the instructions and decisions of the Board. The members of the ExeCom are appointed by the Board on the basis of the proposals of the CEO. The ExeCom supports the CEO in his/her work. The members of the ExeCom are responsible for organizing and supervising the management of the Group in practice.

In the event of the CEO being temporarily indisposed, the Deputy holds his/her authority on significant issues. The CEO acts as a Chairman of the ExeCom. The ExeCom meets on a monthly basis.

### Control Systems

The Board has the ultimate responsibility for the accounting and internal control of the Group. The CEO is responsible for organizing the accounting and control systems in practice.

Aspocomp Group Oyj and its subsidiaries are separate legal entities in different countries. The bookkeeping of the separate companies and their tax-related issues are taken care of consistently in accordance with the legislation and other rules prevailing in the home countries of these companies.

The CEO and the members of the ExeCom are responsible for ensuring that the day-to-day operations are carried out in compliance with the law, the Management System of the Group and the decisions of the Board.

The financial management reporting of the Group is based on the financial statements of the Group companies. The accounts of each Group company, both wholly owned subsidiaries and subsidiaries with a minority, are subject to an annual external audit. Each subsidiary has its own auditor appointed by its respective AGM. All reports and other information issued by the auditors are shared with the Auditors of the parent company. Each Joint Venture Company has its own auditor appointed by its respective AGM. The auditors of the Joint Venture Companies will cooperate with the Group Auditors.

Every year the Auditor in charge of the auditing of the parent company and the Group management prepare jointly an auditing program for all Group companies.

The Auditors issue an Auditors' Report to the shareholders on the annual financial statements of each of the Group companies and the whole Group, as required by the law. In addition, they report their findings to the CEO and the Board at least twice a year. The Board and the Auditors meet at least once a year without the presence of the CEO or other management.

The above principles include the recommendation of the Helsinki Stock Exchange to comply with the corporate governance guidelines prepared by the Finnish Central Chamber of Commerce and the Confederation of Finnish Industry and Employers in 1997.

# Proposal of the Board for the Distribution of Earnings

The Group has a total of EUR 13,845,788.89 in its unrestricted earnings account, of which EUR 13,061,270.49 is distributable. The parent company has a total of EUR 19,251,288.36 in its unrestricted equity account. As of December 31, 2002 there was a total of 10,041,026 registered shares outstanding, 100,000 of which were in the possession of the Company.

The Board proposes that the Company's earnings be distributed as follows:

| | |
|---|---|
| - a dividend of EUR 0.25/share to be paid out on each of the 9,941,026 shares outstanding | EUR 2,485,256.50 |
| - to be held in the retained earnings account | EUR 16,766,031.86 |
| | EUR 19,251,288.36 |

Board signature

Vantaa, February 13, 2003

Jorma Eloranta
Chairman

Karl Van Horn
Vice-Chairman

Aimo Eloholma

Roberto Lencioni

Gustav Nyberg

Tuomo Lähdesmäki

Jarmo Niemi
President and CEO

# Auditors' Comment and Auditors' Report

### Auditor's Comment

The financial reports contained in this annual report were prepared in accordance with generally accepted accounting standards. An auditor's report on the fiscal period has been submitted this day.

Vantaa, February 27, 2003

PricewaterhouseCoopers Oy
Authorized Public Accountants

Ilkka Haarlaa
Authorized Public Accountant

### To the Shareholders of Aspocomp Group Oyj

We have audited the accounting, the financial statements and the corporate governance of Aspocomp Group Oyj for the period Jan1.– Dec 31. 2002. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets and notes to the financial statements, have been prepared by the Board of Directors and the Managing Director. Based on our audit we express an opinion on these financial statements and on corporate governance.

We have conducted the audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. The purpose of our audit of corporate governance is to examine that the members of the Board of Directors and the Managing Director have legally complied with the rules of the Companies' Act.

In our opinion the financial statements have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements. The financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company's result of operations as well as of the financial position. The financial statements with the consolidated financial statements can be adopted and the members of the Board of Directors, the Managing Director of the parent company and his Deputy can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the distributable assets is in compliance with the Companies' Act.

Vantaa, February 27, 2003

PricewaterhouseCoopers Oy
Authorised Public Accountants

Ilkka Haarlaa
Authorised Public Accountant

# Board of Directors

Jorma Eloranta

Karl Van Horn

Aimo Eloholma

Roberto Lencioni

Gustav Nyberg

Tuomo Lähdesmäki

**Mr. Jorma Eloranta**
b. 1951, Master of Science degree in Technology
Chairman
Member of the Compensation Committee and the Nomination Committee
President and CEO, Kvaerner Masa-Yards Inc.

**Mr. Karl Van Horn**
b. 1935, Master of Science degree in Economics
Vice-Chairman
Member of the Compensation Committee and the Audit Committee
Chairman, Arlington Capital Investors Ltd.

**Mr. Aimo Eloholma**
b. 1949, Master of Science degree in Technology
Board Member
Member of the Nomination Committee
President of International Operations, TeliaSonera Abp

**Mr. Roberto Lencioni**
b. 1961, Master of Laws degree
Board Member
Managing Director, Oy Gard Services (Baltic) Ltd.

**Mr. Gustav Nyberg**
b. 1956, Master of Science degree in Economics
Board Member
Member of the Audit Committee
President and CEO, Aspo Plc

**Mr. Tuomo Lähdesmäki**
b. 1957, Master of Science degree in Engineering, MBA
Board Member
Senior Partner, Boardman Oy

# Executive Committee


Jarmo Niemi


Pertti Vuorinen


Jari Ontronen


Reijo Savolainen


Hannu Päärni


Sami Holopainen

**Mr. Jarmo Niemi**
b. 1953, Master of Science degree
in Electronics
President & CEO

**Mr. Pertti Vuorinen**
b. 1949, Bachelor of Science degree
in Economics
CFO

**Mr. Jari Ontronen**
b. 1954, Bachelor of Science degree
in Engineering
Senior Vice President,
Operations, PWB

**Mr. Reijo Savolainen**
b. 1955, Bachelor of Science degree
in Engineering
Senior Vice President, EMS

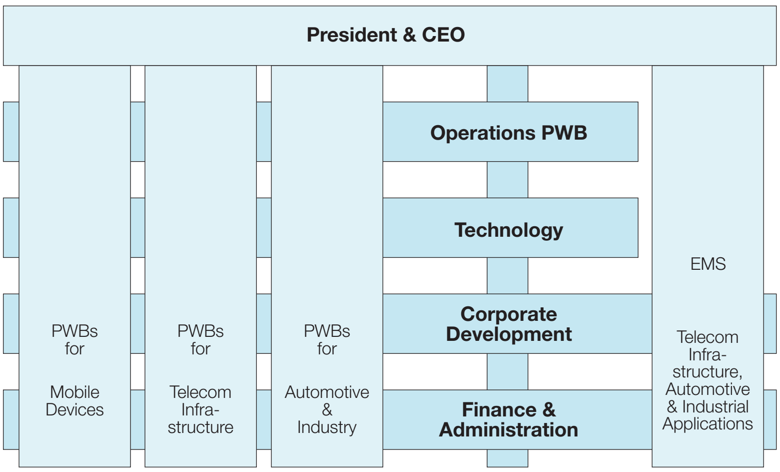
**Mr. Hannu Päärni**
b. 1951
Senior Vice President,
Technology, PWB

**Mr. Sami Holopainen**
b. 1972, Licenciate of Science
(Technology)
Vice President,
Corporate Development

## Auditors

PricewaterhouseCoopers Oy
Authorized Public Accountants

## Aspocomp Group's Organization



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**Aspocomp Group is not responsible for the statements presented by the above listed analysts.**

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# Notice to the Shareholders >>>

## Contents