Annual Report 2003

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ASPOCOMP

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The Aspocomp Group’s offering includes high-tech electronic components and services such as manufacturing and designing printed circuit boards as well as manufacturing of mechanics and modules. Aspocomp’s products are used in the electronics industry as in mobile devices, telecommunications infrastructure, cars and in other industrial applications.

Notice to the Shareholders

ANNUAL GENERAL MEETING

Aspocomp Group Oyj Annual General Meeting will be held on Friday, April 2, 2004 at 2:00 p.m. The meeting will take place at the Palace Gourmet in the Conference Hall, Eteläranta 10, 10th floor, Helsinki, Finland.

Any shareholder, who has been officially registered by the Finnish Central Securities Depository no later than March 23, 2004, 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 March 30, 2004 at 4:00 p.m. The address is Aspocomp Group Oyj, PO Box 230, FI-01511 Vantaa, Finland. Telephone +358 9 7597 0724/ Ms Marian Ärväs, telefax +358 9 7597 0720 and e-mail: yhtiokokous@aspocomp.com.

PAYMENT OF DIVIDENDS

The Board of Directors will propose to the shareholders that a dividend of EUR 0.30 per share be distributed. The dividend will be paid to the shareholders who are registered by the Finnish Central Securities Depository. The Board of Directors suggests the dividend clearance date to be April 7, 2004 and the dividends to be paid on April 16, 2004.

FINANCIAL INFORMATION IN 2004

Aspocomp Group Oyj plans to release interim reports for the fiscal year 2004 on

- May 10, 2004
- August 5, 2004
- November 4, 2004

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Products' high quality is ensured during each production phase. In the picture there are printed circuit boards' buried inner layers on their way to the optical inspection.

Aspocomp's Executive Committee: 2003 a Difficult Year, 2004 Showing Promise

Aspocomp's key strategic goals are to expand its value offering and increase its market share in the electronic component market. How was the strategy developed, and in what direction is it taking the Company?

Acting CEO Pertti Vuorinen, how would you sum up 2003?

”2003 was undeniably a very difficult year in many ways. But, by the end of the year, things have taken a major turn for the better, with the last quarter clearly above the previous quarter. We've made hard decisions, but we're moving forward”, explains **Pertti Vuorinen**, who has served as the acting CEO since last August.

”In addition to the closure of the French factory in 2002, our capacity in Europe has been reduced with last summer's sale of the Teuva plant and the significant downsizing of Padasjoki PCB plant operations. Aspocomp's President and CEO Jarmo Niemi resigned from his position, which of course shifted responsibility and obligations to the entire Executive Committee”, says Vuorinen.

”Compared to last year, the numbers prove that we made the right decisions. The direction is right. Our financial position is solid, which gives us security”, explains Vuorinen.

Has the Aspocomp strategy changed?

”Aspocomp's strategy is updated every year. We constantly monitor our operations, because we live in a rapidly changing world. There are some hundred people of various positions and from various parts of the Group involved, so we'll come up with a broad, comprehensive vision. Last autumn we gathered background information, based on which we will fine-tune and update our strategic policies to meet the current situation. But our basic thinking hasn't changed.”

”Throughout the strategy process we empowered participants to rethink our current operations”, says **Sami Holopainen**, Vice President, Corporate Development. ”We will place further emphasis on sales support, technical marketing and customer service in general. Especially our research and development plays a vital role in this as we are constantly developing state-of-the-art printed circuit board manufacturing techniques and also looking for new ways to add value to the bare circuit board. Actually, we are already piloting techniques to embed active components inside the printed circuit board. In this respect we believe that we are one of the leading companies in the world.”

”Aspocomp is the customer's partner, participating in the design and production of printed circuit boards as well as in prototype production and, in the Mechanics and Modules segment, actual assembly”, explain **Jari Ontronen**, Senior Vice President, Operations, PCB and **Reijo Savolainen**, Senior Vice President, Mechanics and Modules.

Hannu Päärni, Senior Vice President, Technology (on the left), Pertti Vuorinen, Chief Financial Officer and Sami Holopainen, Vice President, Corporate Development.

”We still aim to achieve profitable, steady growth”, continues Vuorinen. ”We offer the electronics industry a comprehensive range of services – our strength is identifying and understanding the needs of the customer. We develop products together with our customers.”

”We have also invested in the rapidly growing Asian market. Approximately 30% of our net sales come from Asia, and this figure is expected to continue growing.”

Were the French and Finnish plant investments mistakes then?

”Those investments were made based on prevailing circumstances and the best prospects for future at that time. At the time, the investments were well justified”, states Vuorinen. ”At the end of the 1990s demand for printed circuit boards outstripped production capacity. It was sensible to invest in production capacity, particularly in Europe. Just a few years ago, it was still widely believed that the production technology was and would stay European. In recent years great strides have been made in printed circuit board technology, which has resulted in the transfer of production to Asia, where production costs are much lower.”

”The printed circuit board market changed when the information technology industry took a major turn for the worse in the first quarter of 2001. The demand for printed circuit boards collapsed. This resulted in excess production capacity all over the world and a drop in printed circuit board prices”, explains Ontronen. ”The printed circuit board market is not expected to reach 2000 levels until the year 2007”, says Vuorinen.

”Market overcapacity and the simultaneous increase in technological expertise have resulted in a situation where cost-efficient production has become the key. The advantage of the Asian units is their competitive cost structure and the rapid improvement of their technological know-how”, explains **Hannu Päärni,** Senior Vice President, Technology, PCB.

The printed circuit board market has enjoyed growth particularly in Asia. ”If you want to be where the market is, near the customer, you have to set up shop in Asia”, emphasises Ontronen.

Is the manufacture of printed circuit boards heading toward cheap mass production?

”You have to understand that there are different printed circuit boards for different applications,” explains Ontronen. ”The printed circuit board is not a new invention – it's been around for decades. Even though they have become more advanced and are still being developed, there are still applications for which the use of new, highly advanced printed circuit boards would be pointless. In these types of applications the size of the product isn't a decisive factor. Correspondingly, when there is little space available, you should use technologically advanced HDI (High Density Interconnection) printed circuit boards.”

Aspocomp manufactures HDI printed circuit boards in Oulu and Salo in Finland and Suzhou in China. ”The average sales price for Aspocomp printed circuit boards is better than the industry average”, states Vuorinen. ”Our higher sales price is based on our outstanding technological expertise”, explains Päärni.

”New technologies always produce a technological standard within a few years of their advent. That's exactly what happened with the first-generation HDI printed circuit boards,” states Holopainen. ”In order to survive on the market a company should not only keep up with developments, it should ideally stay one step ahead”, says Holopainen.

So, is Aspocomp withdrawing from Finland and Europe?

”No. Aspocomp's product and service range is extensive and we do research and development work in co-operation with our customers. Our largest customers, such as Nokia, Sanmina-SCI, Elcoteq, Siemens and Ericsson are global multi-industry corporations”, assures Päärni.

”We have made a major investment in research and development. We maintain our own printed circuit board technology development units in Salo and Oulu. We also do some HDI printed circuit board layout design work for our customers. This work is done in Europe, close to our customers' research and development operations”, explains Holopainen.

Aspocomp is involved in two research and development companies. Why?

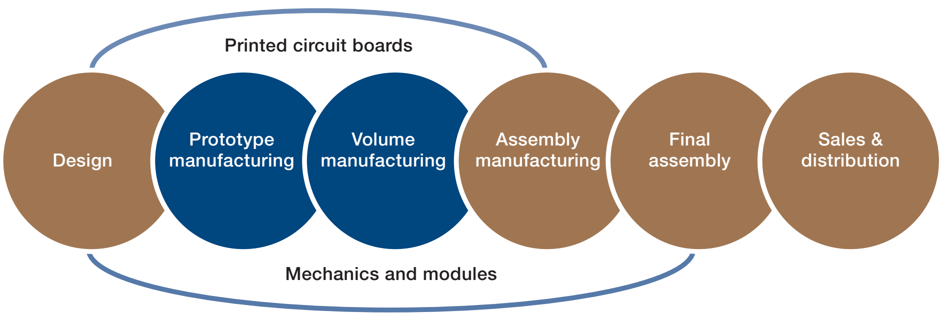
”Our goal is to achieve horizontal consolidation and co-operation in Aspocomp's value chain”, states Ontronen. ”Right now, the chain is extremely scattered – there just aren't any strong players. There are a couple thousand manufacturers of printed circuit boards. Printed circuit boards could be extremely revolutionary in terms of technical solutions, they can be fitted with active components or more commonly used technologies. The customer's needs are the deciding factor. But integration in the value chain is slow.”

”On the other hand, expansion in the value chain brings with it that sought after added value, both for our customers and for our shareholders”, adds Vuorinen.

”Together with Elcoteq, we are involved in the development of printed circuit board technologies at Imbera Electronics. The company examines possibilities for including active components as part of the printed circuit board structure. Eventually, this allows designers of electric gadgets to pack more functions into ever smaller space. Imbera Electronics is kicking off commercialization programmes for some of its innovations this year”, says Holopainen.

”Aspocomp and Perlos own Asperation. Asperation has already released some of its innovations, such as an integrated speaker and a microphone in mobile device housing structures.”

Aspocomp's Value Chain



Jari Ontronen, Senior Vice President, Operations, PCB (on the left) and Reijo Savolainen, Senior Vice President, Mechanics and Modules.

”The idea of the joint development companies is to come up with innovations, which combines the specific knowledge and capabilities of both parent companies. With different companies involved, there are more ideas generated, possibly resulting in solutions, whose invention would've taken more time working alone or never would've been discovered at all”, says Holopainen, explaining the nature of the R&D joint ventures.

The goal is profitable growth. How is this achieved?

”Aspocomp is the world's fifth-largest manufacturer of HDI printed circuit boards, and I believe that our cost-efficient production of HDI boards will be a real competitive factor in the near future”, assures Ontronen. ”Currently, only a few percent of all the printed circuit boards used in the world are advanced HDI boards. The HDI printed circuit board market is growing by some 20% every year.”

”Aspocomp's growth is supported by its extensive printed circuit board expertise in Asia and Finland”, adds Ontronen.

”Geographically, the Asian market is becoming increasingly important. Growth in the region has been strong and is expected to continue. If you consider the printed circuit boards according to their intended use, 2004 looks more promising than 2003. The automotive and industrial electronics industries, which are vital to our operations, are experiencing steady growth, the mobile device market is still growing, and the long sluggish telecommunications market has been showing gradual signs of recovery during this year”, forecasts Vuorinen.

Will Aspocomp focus on a particular technology or market?

”The specific role of each production facility was sharpened during our strategy process. The Oulu plant serves the telecommunications industry. The Sriracha plant in Thailand supplies printed circuit boards for both the telecommunications and automotive industries, but with Oulu focusing on technological development, Sriracha concentrates its efforts in volume production”, explains Holopainen.

”Of the two Suzhou production lines in China, one is a cost-efficient consumer electronics printed circuit board producer and the other manufactures advanced HDI printed circuit boards for the mobile device industry. The Salo plant also produces HDI printed circuit boards for the mobile device industry”, explains Ontronen.

Aspocomp's Executive Committee: 2003 a Difficult Year, 2004 Showing Promise

"Aspocomp's in-house technology centres are located in the Salo printed circuit board plant and Oulu module plant. It is therefore natural that also small-batch prototypes are produced at these plants. The Asian plants are focused on volume production with larger production runs", explain Ontronen and Savolainen.

"The Mechanics and Modules segment operates in Klaukkala and Oulu in Finland. Klaukkala is home to the mechanics plant, while the Oulu plant is focused on modules", explains Savolainen. Even though the printed circuit board market has been hit by hard times in recent years, the Mechanics and Modules segment has done some strong work. Since 2002, operating profits in the segment have increased by five million Euro.

"Although the Mechanics and Modules segment isn't an actual part of Aspocomp's core operations, it supports the common strategy", states Savolainen. "As a niche supplier we are a very profitable operator."

"Mechanics and Modules has allowed us to go against the trends in the printed circuit board manufacture", says Savolainen.

The consecutive years of loss are behind you now. Where is the money for regrowth coming from?

"Aspocomp has come through many difficult years. Fortunately, production rationalisation measures have been taken immediately whenever a need arose. We have a few years in the red behind us, but cash flow has stayed in the black the whole time", explains Vuorinen.

"Aspocomp's balance sheet is strong and our key figures are in order. Our equity ratio is over 57% and gearing is 20%. And, when Aspocomp's available liquid assets are nearly EUR 30 million, even the CFO can sleep easy", says Vuorinen.

"Our market situation is clearly better than a year ago. We anticipate significant growth for the year 2004 and we believe that the operating profit will be well into the black", assures Vuorinen.

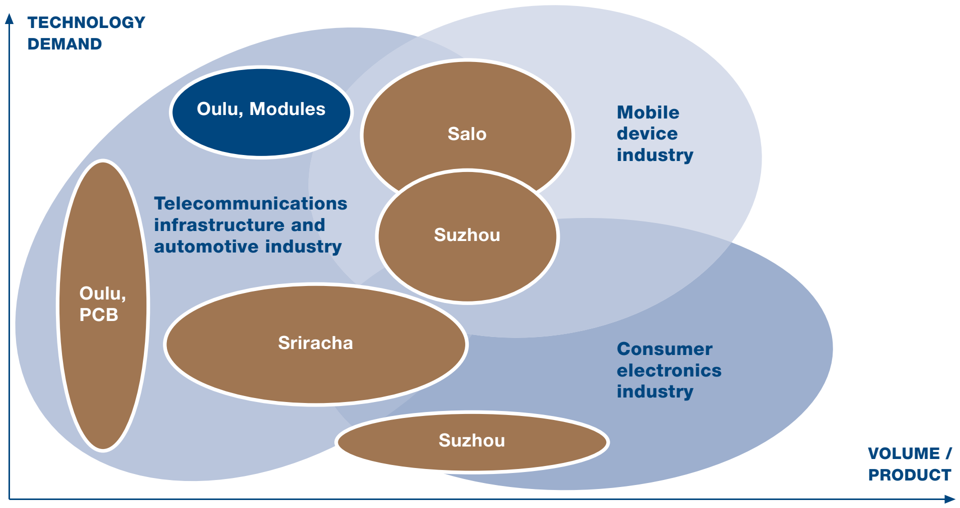
How has the Company fared without CEO since August?

"The Executive Committee has collectively and effectively made up for the lack of a CEO. When there are only six members of the Executive Committee, and one is taken away, you really do feel it. On the other hand, when the basics are in order, it's not all down to a single person. Then the team can move forward", explains Vuorinen.

At the beginning of April, Ms Maija-Liisa Friman will assume the duties of the President and CEO at Aspocomp.

Vuorinen thanks all personnel in Finland and abroad. Our employees are capable and committed. I've felt that I wasn't bearing the responsibilities of the CEO alone – I had the entire staff behind me. For that I would like to extend my warmest thanks to everyone."

Aspocomp's Factory Roles 2003



Board of Directors

Mr Tuomo Lähdesmäki
Born 1957, M.Sc. (Eng.), MBA
Senior Partner, Boardman Oy. Chairman of the Board since 2003, independent Member of the Board since 2002 (term expiring in 2004). Member of the Board's Compensation and Nomination Committees. Shareholdings in Aspocomp Group Oyj: 11,894 shares.
No holdings or rights based on a share-related compensation system of the Company.
Key positions of trust: Chairman of the Board: VTI Technologies Oy and Turku University Foundation. Member of the Board: Amer Group Plc, Eltel Networks Corporation and Orion Corporation.
Primary working experience: Management positions: Elcoteq Network Corporation, 1997–2001, Leiras Oy, 1991–1997, Swatch Group, 1990–1991, Nokia Corporation, 1983–1989.

Mr Jorma Eloranta
Born 1951, M.Sc. (Tech.)
President and CEO, Metso Corporation. Vice-Chairman of the Board, independent Member of the Board since 1999, Chairman of the Board 2000–2003 (current term expiring in 2004, not available for re-election). Member of the Board's Compensation and Nomination Committees. Shareholdings in Aspocomp Group Oyj directly and through corporations in which he exercises influence: 1,463 shares. No holdings or rights based on a share-related compensation system of the Company. Key positions of trust: Technology Industries of Finland, Confederation of Finnish Industry and Employers (TT). Primary working experience: Management positions: Kvaerner Masa-Yards Inc., 2001–2004, Patria Industries Group, 1997–2001, Jaakko Pöyry Group, 1996–1997, Finvest Oy, 1985–1995.

Mr Aimo Eloholma
Born 1949, M.Sc. (Eng.)
Head of International Operations, TeliaSonera International. Independent Member of the Board since 2000 (current term expiring in 2004).
Shareholdings in Aspocomp Group Oyj: 631 shares.
No holdings or rights based on a share-related compensation system of the Company.
Key positions of trust: Chairman of the Board: OJSC Megafon (Russia). Member of the Board: OAO Telecominvest (Russia), Turkcell A.S. (Turkey), Fintur Holdings B.V. (the Netherlands).
Primary working experience: Deputy CEO, Sonera Corporation, 2001–2003.
Management and specialist positions, Sonera Corporation and its predecessors, 1973–2001.

Mr Karl Van Horn
Born 1935, M.Sc. (Econ.), B.Sc. (Eng.)
Chairman, Arlington Capital Investors Ltd.
Member of the Board since 1999 (current term expiring in 2004),
Vice-Chairman of the Board 2000–2003.
Member of the Board's Audit Committee.
No shareholdings in Aspocomp Group Oyj or holdings or rights based on a share-related compensation system of the Company.
Primary working experience: Investment management.

Mr Roberto Lencioni
Born 1961, LL.M.
Managing Director, Oy Gard (Baltic) Ab. Independent Member of the Board since 1999 (current term expiring in 2004). Shareholdings in Aspocomp Group Oyj: 3,727 shares.
No holdings or rights based on a share-related compensation system of the Company.
Key positions of trust: Member of the Board: Aspo Plc, Autotank Ltd, Aspokem Ltd and ESL Shipping Ltd. Primary working experience: Management positions, Oy Baltic Protection Alandia Ab, 1990–2002. Managing Director, Oy Baltic Insurance Brokers Ab, 1994–2001. Sales Manager, Aspocomp Oy, 1988–1990. Group Lawyer, Aspo Group, 1986–1988. HUS-Companies Ltd, Member of the Board 1983–1986, Chairman of the Board 1983–1984.

Mr Gustav Nyberg
Born 1956, M.Sc. (Econ.), eMBA
President and CEO, Aspo Plc.
Member of the Board since 1999 (current term expiring in 2004).
Member of the Board's Audit Committee.
Shareholdings in Aspocomp Group Oyj: 45,631 shares.
No holdings or rights based on a share-related compensation system of the Company.
Key positions of trust: Member of the Board: The Associations of Finnish Technical Traders.
Primary working experience: Management positions, Elfa International Ab, 1985–1995 and Finnboard, 1979–1984.

Executive Committee

Ms Maija-Liisa Friman
Born 1952, M.Sc. (Chem. Eng.)
President and Chief Executive Officer from April 1, 2004 on.
Member of the Executive Committee. Shareholdings in Aspocomp Group Oyj: 4,000 shares, holdings and rights based on the share-related compensation system of the Company.
Key positions of trust: Member of the Board: Metso Corporation, Rautaruukki Corporation and Sponda Plc.
Primary working experience: Managing Director, Vattenfall Oy, 2000–2004. Managing Director, Gyproc Oy, 1993–2000. International management positions, Kemira Group in Finland, in Mexico and in the USA, 1978–1993.

Mr Pertti Vuorinen
Born 1949, B.Sc. (Econ.)
Chief Financial Officer, Acting CEO from August 14, 2003–March 31, 2004.
Member of the Executive Committee since 1999.
Shareholdings in Aspocomp Group Oyj: 12,600 shares, holdings and rights based on the share-related compensation system of the Company.
Key positions of trust: Member of the Board in the Aspocomp Group companies.
Primary working experience: Chief Financial Officer, Aspo Group, 1990–1999. Chief Financial Officer, Huolintakeskus Ltd, 1989–1990. Chief Financial Officer, Mallasjuoma Ltd, 1986–1989. Management positions in financing, Orion Group, 1979–1986.

Mr Jari Ontronen
Born 1954, B.Sc. (Eng.)
Senior Vice President, Operations, PCB. Member of the Executive Committee since 1999.
Shareholdings in Aspocomp Group Oyj: 2,111 shares, holdings and rights based on the share-related compensation system of the Company.
Key positions of trust: Member of the Board: Compocoat Finland Oy, Cibo-Print Oy, Galvatek Technology Oy, P.C.B. Center (Thailand) Co., Ltd. and Suomen PCS Oy.
Primary working experience: Manager, BU Telecom, Aspocomp Oy, 1999–2001. Manager, Business Unit 2, Aspocomp Oy, 1998–1999. Plant Manager, Aspocomp Oy, 1998–1991. Production Manager, Aspocomp Oy, 1987–1991. Production Manager, Wihuri Oy Wipak, 1983–1987.

Mr Reijo Savolainen
Born 1955, B.Sc. (Eng.)
Senior Vice President, Mechanics and Modules,
Member of the Executive Committee since 1999.
Shareholdings in Aspocomp Group Oyj: 500 shares, holdings and rights based on the share-related compensation system of the Company.
Primary working experience: Vice President, Aspocomp Oy EMS, 1998–2000.
Manager of the Mechatronics business unit, Aspocomp Oy, 1997–1998.
Managing Director, Member of the Board, Aspomec Oy, 1994–1997.
Sales Manager, Aspomec Oy, 1989–1994.

Mr Hannu Päärni
Born 1951
Senior Vice President, Technology. Member of the Executive Committee since 1999.
Shareholdings in Aspocomp Group Oyj: 1,940 shares, holdings and rights based on the share-related compensation system of the Company
Key positions of trust: Member of the Board: ACP Holdings Co., Ltd., Asperation Oy, Imbera Electronics Oy and P.C.B. Center (Thailand) Co., Ltd.
Primary working experience: Development Manager, Aspocomp Oy. Purchasing Manager, Aspocomp Oy. Quality Manager, Aspocomp Oy.

Mr Sami Holopainen
Born 1972, Lic.Sc. (Tech.)
Vice President, Corporate Development. Member of the Executive Committee since 2002.
Shareholdings in Aspocomp Group Oyj: 2,400 shares, holdings and rights based on the share-related compensation system of the Company.
Key positions of trust: Member of the Board: Asperation Oy and Imbera Electronics Oy.
Primary working experience: Prior to joining Aspocomp in 2000 Sami Holopainen has worked in several research projects related to organizational development and IT at the department of Industrial Engineering and Management in the Helsinki University of Technology.

Waste water treatment is an essential part of the printed circuit board manufacturing process. In the picture copper is recovered from the waste water with electrolysis.

Aspocomp and Corporate Responsibility

Aspocomp's aim is to ensure long-term profitability by providing high-quality products and services. Solid balance sheet gives a good ground for responsible actions related to the environmental and social issues.

ASPOCOMP AND SUSTAINABILITY

Sustainability from a company's perspective includes the responsibility for the impact of the business in relation to the surrounding society and the different interest groups. Aspocomp's activities are in line with the prevailing legislation, business ethics and the business processes based on the Company's strategy.

Communications of the financial issues on a regular basis comply with the legislation and guidelines. It is supported by the systematic information gathering and reporting.

Information regarding the environmental issues is gathered systematically and it is reported accordingly to the authorities and customers. Aspocomp co-operates with different companies in order to further develop actions related to environmental protection and recycling.

Information related to the social responsibility is gathered for example through personnel surveys. According to the latest survey Aspocomp is seen as an employer that continuously develops the products and processes. Aspocomp's activities are based on sustainability and environmental aspects.

ASPOCOMP'S VALUES

- Customer satisfaction
- Creative atmosphere and commitment
- Sustainable environmental development

Aspocomp's values form a foundation for responsibility in all activities.

Superior customer satisfaction is achieved through continuous development of deliverables and operations. Creative atmosphere and high personal commitment are accomplished with empowerment and respect of individual. Sustainable environmental development is guiding all the Group operations.

ENVIRONMENT

Aspocomp develops its environment in accordance to the principles for environmental management of the Business Charter for Sustainable Development defined by the International Chamber of Commerce. All production sites take care of their environmental issues with the help of their own certified environmental management systems. Aspocomp printed circuit board factory in China gained ISO 14001 certificate in June 2003.

The environmental effects of the production are taken into account
- by using environmentally friendly technology
- by continuously minimizing wastes and water usage
- by searching actively new ways to utilize and recycle the production waste

A good example of the above-mentioned is the reducing of the rinsing water consumption at the Salo printed circuit board factory in Finland. Actions based on theoretic calculations lead to a 15% reduction of the rinse water consumption during the year 2003. At the same time a model was created to further optimise and follow up the water consumption of the printed circuit board production process.

Environment is an important part in the supplier and subcontractor selection process. Aspocomp carries out management systems audits. The aim is to develop environmental issues together in a sustainable way.

Developing more smaller and dense products is one way to look after the environmental issues. Aspocomp is studying and developing new production processes and technologies for printed circuit boards.

For example manufacturing of embedded resistors is a very prevailing technology, which has been studied and tested at Aspocomp since 2002. In via fill technology the micro vias are plated with copper which improves surface planarity and assists fine lines in printed circuit boards. The technique also facilitates densification and stacked-via designs.

PERSONNEL

Aspocomp's competent and international personnel amount to about 3,300 persons in Finland, China and Thailand.

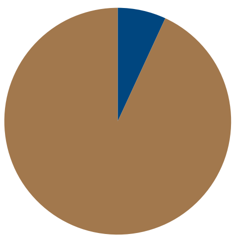
Aspocomp strives for a creative working atmosphere with possibilities to personal competence development and responsibilities on individual tasks. The strategic target is common for everyone and personal commitment is the most important motivation factor on all the organizational levels.

Personnel surveys have been conducted at Aspocomp on a regular basis from the year 1997. Purpose of the surveys is to receive information and comments e.g. on the working environment, work-content-related issues and motivation.

According to the survey of 2003 working at Aspocomp is interesting and challenging and can be measured in high motivation. Motivation is also enhanced through co-operative atmosphere as well as respect for the colleagues.

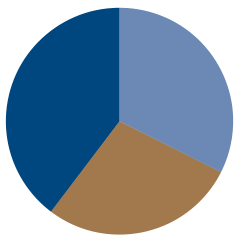
Supportive resources are organized into separate functions, each serving the operations and sales as

Personnel by Business Segment



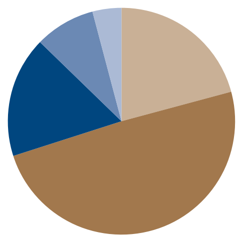
PCB	3,190
Mechanics and modules	236

Personnel by Geographical Area



China	1,111
Europe	955
Thailand	1,360

Employee Distribution by Age Group



Under 20	713
20–30	1,687
30–40	590
40–50	295
Over 50	141
Total	3,426

Production processes of the printed circuit board factories are developed continuously. High-quality products and services require competent co-operation at every process phase.

effectively as possible. Co-operation within the organization is good and flexible also in the changing business environment.

Aspocomp motivates its personnel by various incentive systems. The factory personnel belong to a result-related bonus system and persons working in supportive functions are included in the economic value added based bonus system. The management and certain key persons are included in a shareholding based incentive scheme. A person is able to belong only to one incentive system at a time.

RISK MANAGEMENT

Aspocomp started a project in 2002 to recognize and list internal risks as well as risks in its business environment. The most challenging external risks are related to the price pressures and the changes in the geographical location of the markets. The internal organization of the core business and the change management play also an important role in the Aspocomp's risk map. As a result of our global operations, management of the credit and currency risks grows in importance.

Instead of defining a separate risk policy the risk management is included in the strategic and operative planning of Aspocomp. The plans are updated on a regular basis and they are handled and approved by the Board of Directors, as stated in the Corporate Governance. The risk management is a part of the Aspocomp Management System.

Aspocomp uses the state-of-the-art technology. In the picture there are electrolytic plating line's copper anodes, which are one part of the process in which laser micro vias are fully plated with copper.

Financial Statements

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 circuit board and mechanics and modules technologies as well as related services for the electronics industry, primarily in Europe and Asia.

NET SALES

The Group's net sales were EUR 182.3 million (EUR 182.9 million for the previous year). Widening the customer base according to the Aspocomp Group's strategy continued as planned. The share of the sales to Company's five biggest customers, Nokia, Sanmina-SCI, Elcoteq, Siemens and Ericsson, was 59% (the share of the five biggest in 2002 was 68%).

The share of offshore operations in net sales was EUR 56.3 million (EUR 39.3 million). The share of the Chinese operations in offshore operations net sales was EUR 31.0 million (EUR 16.2 million) and of the Thai operations EUR 25.3 million (EUR 23.1 million).

Printed circuit board (PCB) operations accounted for EUR 142.5 million (EUR 150.0 million) and Mechanics and Modules (MM) generated EUR 39.8 million in sales (EUR 32.9 million). PCB sales decreased by 5% (16.2%) as MM sales increased by 21% (decrease of 23%).

FINANCIAL PERFORMANCE

The Group generated an operating loss totalling EUR 5.3 million (loss EUR 23.2 million) or 2.9% (–12.7%) of net sales. The loss after financial items totalled EUR 6.6 million (loss EUR 25.9 million). On the EBIT level, PCB operations generated a loss of EUR 11.1 million (loss EUR 24.0 million) while MM operations produced a EUR 5.8 million profit (profit EUR 0.8 million). The corresponding margins were –7.8% (–16%) for the PCB segment and 14.7% (2.4%) for MM.

The operating loss for the period includes the EUR 4.3 million's non-recurring costs, EUR 3.6 million of which resulted from the downsizing of the Padasjoki printed circuit board factory.

The Group's net financial expenses totalled EUR 1.3 million (EUR 2.7 million). The Group income statement by quarter is presented below on a table.

The Group's loss before extraordinary items and taxes totalled EUR 6.6 million (loss EUR 25.9 million), and its pre-tax loss was EUR 6.6 million (loss EUR 25.9 million). The net loss for the year stood at EUR 0.9 million (loss EUR 18.6 million).

Earnings per share totalled EUR –0.09 (EUR –1.86) and the equity per share totalled EUR 10.20 (EUR 10.85). The cash flow from operations was EUR 25.4 million (EUR 26.0 million).

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 29.8 million (EUR 19.7 million). Gross investments for the period totalled EUR 13.8 million (EUR 19.8 million) or 7.6% (10.8%) of net sales. The investments were in Asia, EUR 7.2 million and in Europe, EUR 6.6 million.

Net financial expenses totalled 0.7% of net sales (1.5%). Net interest-bearing debts totalled EUR 24.8 million (EUR 40.5 million) including financial leasing liabilities of EUR 26.3 million (EUR 30.5 million). Non-interest-bearing debts totalled EUR 37.1 million (EUR 26.1 million). The Group's equity ratio was 57.1% (61%).

R&D JOINT VENTURES

The research and product development companies Asperation Oy and Imbera Electronics Oy made good

The Group Income Statement by Quarter

EUR million	Q1	Q2	Q3	Q4	2003
Net sales	41.1	42.1	48.6	50.5	182.3
Other operating income and expenses	0.2	0.2	0.3	0.5	1.2
Other expenses	35.8	38.9	41.6	42.7	159.1
Depreciation	7.1	9.7	6.6	6.3	29.7
Operating loss	–1.7	–6.3	0.7	2.0	–5.3
Financial expenses	–0.5	–0.3	–0.3	–0.2	–1.3
Profit before extraordinary items	–2.2	–6.6	0.4	1.8	–6.6

progress according to their plans during the period under review.

Asperation Oy, a research and product development company jointly owned by Aspocomp Group Oyj and Perlos Corporation, announced its first year achievements to investors, analysts and media on September 19, 2003 in Helsinki. The company showcased two new product prototypes, a speaker and a microphone, both of which can be integrated into the casing of a mobile phone. Size, weight, cost, manufacturability, acoustic quality and design flexibility in product design of mobile devices are all obviously key issues that these solutions address admirably.

The principles and manufacturing processes of the aforesaid innovations are filed for patents.

Imbera Electronics Oy, jointly owned by Aspocomp Group Oyj and Elcoteq Network Corporation, concentrates on the development and commercialization of Integrated Module Board (IMB) technology. The target of the company is to develop an innovative production process using IMB technology to integrate active components inside the printed circuit board structure.

SHARES AND SHAREHOLDERS

The Aspocomp Group Oyj's Annual General Meeting of April 4, 2003, authorized the Board of Directors to decide on acquiring and conveying 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. The Board of Directors has not used the authorizations.

The Aspocomp Group Oyj's Annual General Meeting of April 4, 2003, decided that a dividend of EUR 0.25 per share will be distributed for the fiscal year 2002.

The Extraordinary General Meeting held on December 10, 2003, decided that an extra dividend of EUR 0.05 per share, total of EUR 497,051.30, will be distributed for the fiscal year 2002.

The confirmed tax surplus of Aspocomp Group Oyj on December 31, 2002 was EUR 12.8 million and the confirmed loss was EUR 29.3 million.

The Board of Directors of Aspocomp Group Oyj has at its meeting of November 20, 2003 defined a long-term dividend policy for the Company. In its consideration, the Board of Directors weighed the dividend target in relation to the Company's long-term result and cash flow expectations after maintenance investments. The Board of Directors aim at annually proposing a dividend distribution that on the long-term distributes a minimum EUR 0.30 dividend per share per financial year, subject to the current number of issued shares.

The number of Aspocomp's issued shares on December 31, 2003, was 10,041,026 and the share capital was EUR 10,041,026. 100,000 shares were in the possession of the Company. The number of shares adjusted for the treasury shares was 9,941,026. During the period from January 1 to December 31, a total of 2,462,800 shares with a value of EUR 21,696,045.81 were traded on the Helsinki Exchanges. The share price reached a high of EUR 12.25 and a low of EUR 6.11 between January 1 and December 31, 2003. The average price was EUR 8.81. The closing price on December 31, 2003, was EUR 11.60 and the market capitalization of the company was EUR 115,315,901.60. The nominee-registered portion of the shareholding was 12.43% and the foreign portion 1.04% at the end of the period.

On September 18, 2003 the insurance company If Skadeförsäkring Holding Ab announced that the share of the If P&C Insurance Company Ltd in the voting rights and share capital of Aspocomp Group Oyj decreased to less than 5%.

On September 18, 2003 the insurance company Sampo Plc announced that the share of the insurance company Sampo Life in the voting rights and share capital of Aspocomp Group Oyj has exceeded 10%.

PERSONNEL

The Group increased in personnel during the year. The number of personnel employed by the Group averaged 3,330 between January 1 and December 31, 2003, compared with 3,075 for the corresponding period last year. There were a total of 3,426 people working for the Group at year's end (2,907). Within the parent company, there were a total of 16 people at year's end and the personnel averaged 15 individuals during the year.

A proposal related to the personnel negotiations of the Padasjoki printed circuit board factory was given on April 9, 2003 and the negotiations were concluded on May 26, 2003. After the negotiations the operations of the factory were notably downsized as a consequence of the changes in the business environment. A part of the personnel was relocated to the other Group factories, about 30 persons continue to run the Padasjoki operations and about 40 persons were redundant.

The Padasjoki factory's share of the Group personnel in 2002 was about 3%.

As a result of the sale of the fixed assets and inventories related to the printed circuit board business of the Teuva factory, the whole personnel of the factory is employed by Cibo-Print Oy. The number of the personnel of the Teuva PCB factory on August 31, 2003 was about 80. Aspocomp Oy's share in Cibo-Print Oy is 19.1%.

The Aspocomp Group has incentive systems that cover the whole personnel. In Finland factory personnel belong to a result-related bonus system and other personnel is included in the economic value added (EVA) based bonus system. The Group companies in China and in Thailand have their own incentive systems.

The management and certain key persons are included in a new shareholding based incentive scheme started during the period. Precondition for belonging to the incentive scheme is that the participants to the scheme own Aspocomp Group Oyj shares. The bonus is based on the share price increase of the Aspocomp Group Oyj share during the next two years and the potential bonus will be paid in June 2005, provided that the person is still employed by the Aspocomp Group.

A person is able to belong only to one incentive system at a time.

At the Extraordinary Aspocomp Group Oyj General Meeting 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 subscription period with the A Options started 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 subscription price is EUR 25, net of pre-subscription dividends paid on the stock, the current subscription price being EUR 23.70. The Board of Directors of Aspocomp Group Oyj is preparing to cancel the Warranty Program of 1999 and to nullify the A and B Options.

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 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.

LITIGATIONS

Legal actions related to the closing of the French company Aspocomp S.A.S. are still in process. According to the expert opinion available, the writs of summons and the claims presented therein are unfounded. As a consequence, it is estimated that the writs of summons will have no effect on the profitability position of the Company, its balance sheet or financial position.

IFRS IMPLEMENTATION

The Aspocomp Group will implement reporting according to the IFRS from the beginning of the year 2005. The Aspocomp Group has already from the year 1999 recorded all the financial leasing agreements as assets and liabilities. The value of inventories includes the variable expenses as well as their share of the fixed expenses of purchasing and manufacturing costs. The deferred taxes have been recorded. Employee benefits of the Finnish subsidiaries have been mainly recorded. It is es-

Personnel	On Average 2003	On Average 2002	Number 31.12.2003	Number 31.12.2002
Europe	1,053	1,503	955	1,076
Thailand	1,296	862	1,360	973
China	981	710	1,111	858
Total	3,330	3,075	3,426	2,907

timated that the changes in the accounting principles will not have a significant effect on the Financial Statements of the Group.

MANAGEMENT AND AUDITORS

The Aspocomp Group Oyj Board gathered 16 times during the fiscal year. The average attendance of the Directors at the Board meetings was 97%. The Board of Directors from April 4, 2003 on:

- Chairman, Member of the Board's Compensation Committee and the Nomination Committee
  Mr Tuomo Lähdesmäki
- Vice-Chairman, Member of the Board's Compensation Committee and the Nomination Committee
  Mr Jorma Eloranta
- Member Mr Aimo Eloholma
- Member Mr Roberto Lencioni
- Member, Member of the Board's Audit Committee
  Mr Gustav Nyberg
- Member, Member of the Board's Audit Committee
  Mr Karl Van Horn

The term of Mr Gustav Nyberg was due to expire at the Annual General Meeting on April 4, 2003. He was re-elected to continue as a Board Member. Terms of all the other Members are due to expire at the Annual General Meeting to be held on April 2, 2004.

According to the Annual General Meeting's decision the Chairman of the Board is paid an annual reward of EUR 36,000, the Vice-Chairman EUR 24,000 and the Board Members each an annual reward of EUR 12,000. The Members of the Board of Directors decided that they acquire directly or indirectly Aspocomp Group Oyj shares with 40% of their gross remuneration during the time period from May 6 to June 15, 2003. The purchases were made within the limits set by the insider regulations. The Board Members have decided not to convey the acquired shares before the Annual General Meeting of 2004.

The Board has nominated three Committees from among its Members. The memberships are stated above.

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 64,883 shares, i.e. 0.65% of the total shares outstanding.

The total shareholdings of the Deputy CEO amount to 12,600 shares, or 0.13% of the total shares outstanding. This executive is included in the shareholding based incentive system of the Company.

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.

The President and Chief Executive Officer of Aspocomp Group Oyj, Mr Jarmo Niemi requested to resign from his post effective August 14, 2003. The Board of Directors of Aspocomp Group Oyj accepted Mr Niemi's request to resign and agreed with him that he will be at the Board's disposal until the end of the year 2003. The duties of Chief Executive Officer of the Company are for the time being performed by Mr Pertti Vuorinen, Chief Financial Officer and Deputy CEO.

After the period, on February 2, 2004, the Board of Directors of Aspocomp Group Oyj has appointed Ms Maija-Liisa Friman as the new President and CEO of the Company. Ms Friman will take up her new appointment on April 1, 2004.

PROSPECTS FOR 2004

The mobile phone market is estimated to grow faster than during the year 2003. In the automotive and industrial business the steady yearly growth is estimated to continue. The telecommunication infrastructure market is expected to recover during the year.

The capacity situation in the PCB business is expected to improve and the industry to enter into a new growth trend during 2004.

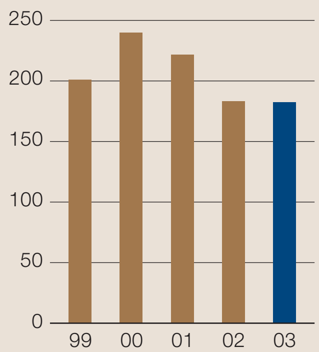
Aspocomp's net sales are expected to increase meaningfully in 2004, with the growth being stronger towards the end of the year. The Asian share of the Group net sales is expected to be around 40% in 2004 on a full year basis. During the year 2004 Asperation Oy and Imbera Electronics Oy are planning for commercialization.

The result of the fiscal year 2004 is expected to be positive. The beginning of the year remains challenging but clearly better than in 2003. The financial status is expected to continue to be stable.

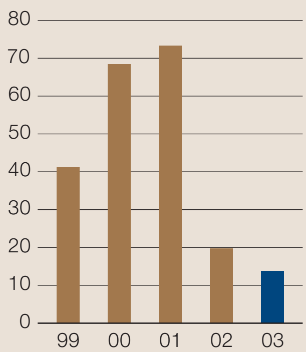
Consolidated Income Statement

EUR 1,000	Note	2003	2002
Net sales	1.1	**182,313**	**182,934**
Change in inventory of finished goods and work in progress +/–		–1,270	–464
Other operating income	1.2	1,214	1,042
Materials and services	1.3	–80,024	–75,367
Personnel expenses	1.4	–42,472	–41,774
Depreciation and reduction in value	1.5	–29,728	–30,387
Other operating costs and expenses	1.6	–34,181	–58,327
Share of the loss of affiliate companies		–1,143	–872
Operating profit/loss		**–5,292**	**–23,215**
Financial income and expenses	1.7	–1,338	–2,730
Profit/loss before extraordinary items		**–6,630**	**–25,945**
Extraordinary items +/–	1.8	0	0
Profit/loss before appropriations and taxes		**–6,630**	**–25,945**
Direct taxes	1.9	3,548	3,705
Minority interest		2,226	3,680
Profit/loss for the year		**–856**	**–18,559**

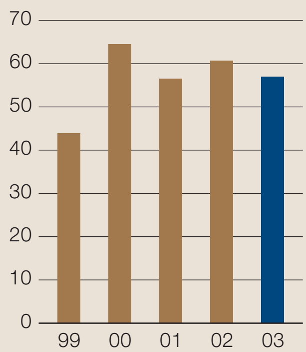
Net Sales, EUR million



Investments, EUR million



Equity Ratio, %



Consolidated Balance Sheet

EUR 1,000	Note	Dec. 31, 2003	Dec. 31, 2002
ASSETS			
Non-current assets	*2.1*		
Intangible assets		4,153	5,660
Tangible assets		105,177	131,335
Investments	*2.2*	1,682	1,586
Total non-current assets		**111,012**	**138,581**
Current assets			
Inventories	*2.3*	20,789	19,984
Receivables	*2.4*		
Long-term receivables		90	0
Short-term receivables		52,553	43,939
Investments	*2.5*	20,840	0
Cash and bank deposits		8,942	19,658
Total current assets		**103,215**	**83,581**
Total assets		**214,227**	**222,162**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity	*2.6*		
Share capital		10,041	10,041
Share premium account		83,948	83,948
Own shares fund		758	758
Retained earnings		8,258	32,405
Net profit/loss for the period		–856	–18,559
Total shareholders' equity		**102,149**	**108,593**
Minority interest		**20,456**	**27,310**
Mandatory reserves	*2.8*	**1,672**	**2,131**
Liabilities			
Long-term liabilities	*2.9*	28,692	38,415
Short-term liabilities	*2.10*	61,258	45,711
Total liabilities		**89,950**	**84,127**
Total liabilities and shareholders' equity		**214,227**	**222,162**

Consolidated Cash Flow Statement

EUR 1,000	2003	2002
Cash flow from operations		
Operating profit/loss	–5,292	–23,215
Adjustments to operating profit/loss	30,896	52,972
Change in net working capital	2,377	–1,550
Interests	–2,556	–2,297
Dividends received	5	18
Other financial items	0	163
Taxes paid	–70	–81
Cash flow from operations	**25,361**	**26,011**
Investments		
Purchases of shares and holdings	–1,824	–1,370
Purchases of other fixed assets	–11,990	–18,468
Sale of shares	0	50
Sale of other fixed assets	2,516	137
Total cash flow from investments	**–11,297**	**–19,652**
Cash flow before financing	**14,063**	**6,359**
Financing		
Decrease in long-term financing	–6,986	–6,711
Increase/decrease in short-term financing	4,950	–3,815
Dividends paid	–2,982	0
Purchase of own shares	0	–758
Minority interest in the subsidiary share issue	0	2,582
Total financing	**–5,018**	**–8,702**
Increase/decrease in liquid funds	**9,045**	**–2,343**
Liquid funds as of January 1	19,658	20,273
Currency exchange differences in liquid funds	1,080	1,728
Liquid funds as of December 31	**29,783**	**19,658**

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% 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 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.

The income statements of foreign subsidiaries are converted into euros using a fixed exchange rate. Regarding subsidiaries located in countries not having the Euro as an official currency 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 the year 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 at current value if it is lower.

NET SALES

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

Accounting Principles

RESEARCH AND DEVELOPMENT COSTS

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

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 e.g. 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 differences in exchange rates have been recorded in the income statement.

DIFFERENCE BETWEEN TAX AND ECONOMIC DEPRECIATION

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 are integrated for the years 1996–1998 as presented in the division prospectus of Aspo Plc. 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

EUR 1,000	2003	2002
1. NOTES TO THE INCOME STATEMENT		
1.1 Net sales by segment and market area		
Net sales by segment		
Printed circuit boards	142,473	149,983
Mechanics and Modules	39,840	32,951
Total	**182,313**	**182,934**
Net sales by market area		
Finland	72,868	61,887
Other Europe	47,209	40,071
Asia	31,348	31,916
North America	30,888	49,061
Total	**182,313**	**182,934**
1.2 Other operating income		
Gains on the sale of fixed assets	125	134
Other income	1,089	908
Total	**1,214**	**1,042**
1.3 Materials and services		
Materials and supplies (goods)		
Purchases during the fiscal period	73,709	68,545
Change in inventories	1,638	2,758
Total	**75,347**	**71,303**
Outsourced services	4,677	4,064
Total	**80,024**	**75,367**

Notes to the Consolidated Financial Statements

EUR 1,000	2003	2002
1.4 Notes related to personnel		
Personnel costs		
Salaries and wages	33,619	33,820
Bonuses	931	278
Pension costs	4,588	4,149
Other personnel costs	3,334	3,527
Total	**42,472**	**41,774**
Management salaries and benefits		
The Deputy CEO and the Board Members	442	355
Employees of the Group during the fiscal period		
Office employees	978	890
Non-office employees	2,352	2,185
Total	**3,330**	**3,075**
Pension liabilities of the Deputy CEO and of the Board Members		
The Deputy CEO has the option to retire at the age of 60.		
1.5 Depreciation and write-downs		
Depreciation of tangible and intangible assets	29,728	30,387
Total	**29,728**	**30,387**
1.6 Other operating expenses		
Rental expenses	1,510	1,530
Other expenses	32,671	56,797
Total	**34,181**	**58,327**

EUR 1,000	2003	2002
1.7 Financial income and expenses		
Income from long-term investments		
Dividend income from others	8	18
Total income from long-term investments	**8**	**18**
Interest and other financial income		
From others	1,682	793
Total interest and other financial income	**1,682**	**793**
Interest and other financial expenses		
To others	3,028	3,541
Total interest and other financial expenses	**3,028**	**3,541**
Total financial income and expenses	**–1,338**	**–2,730**
Interest and financial income includes currency gains (net)	**0**	**58**
1.8 Extraordinary items		
Extraordinary income	0	0
Extraordinary expenses	0	0
Total	**0**	**0**
1.9 Direct taxes		
Accrued taxes	–70	–81
Change in deferred taxes	3,618	3,786
Total	**3,548**	**3,705**
Taxes on operational income	3,548	3,705
Taxes on extraordinary items	0	0
Total	**3,548**	**3,705**

2. NOTES TO THE BALANCE SHEET

2.1 Fixed and other long-lived assets

2.1.1 Intangible and tangible assets

	Intangible assets			
EUR 1,000	Intangible rights	Goodwill	Other long-lived assets	Total
Fixed assets				
Acquisition cost Jan. 1, 2003	4,091	4,788	4,211	13,090
Increase	232	487	466	1,185
Decrease	–597	–188	–825	–1,610
Transfers between items	–425	0	368	–57
Translation difference	–17	0	–377	–393
Acquisition cost Dec. 31, 2003	**3,285**	**5,087**	**3,842**	**12,215**
Total accumulated depreciation Jan. 1, 2003	2,772	2,795	1,859	7,426
Accumulated depreciation of decreases and transfers	–390	–188	–328	–906
Depreciation of the year	370	673	602	1,645
Translation difference	–1	0	–103	–104
Accumulated depreciation Dec. 31, 2003	**2,751**	**3,280**	**2,030**	**8,062**
Book value Dec. 31, 2003	**534**	**1,807**	**1,812**	**4,153**

Machinery and equipment balance sheet value December 31, 2003

2.2 Investments

EUR 1,000	Own shares	Shares in acquired and affiliated companies	Other shares	Total
Acquisition cost Jan. 1, 2003	758	718	111	1,586
Increase	0	1,350	150	1,500
Decrease	0	–1,405	0	–1,405
Acquisition cost Dec. 31, 2003	**758**	**663**	**261**	**1,682**
Book value Dec. 31, 2003	**758**	**663**	**261**	**1,682**

Tangible assets

Land	Buildings	Machinery and equipment	Other tangible assets	Advances and fixed assets under construction	Total
3,967	44,447	194,313	730	250	243,708
1	1,261	9,934	274	4,678	16,148
0	–245	–20,161	–2	–103	–20,512
0	43	122	0	–166	0
–287	–838	–8,720	–164	–425	–10,435
3,682	**44,667**	**175,488**	**837**	**4,235**	**228,909**
0	10,478	101,652	244	0	112,373
0	–237	–14,704	0	0	–14,940
48	4,251	23,634	146	4	28,083
197	–126	–2,423	–81	648	–1,784
245	**14,367**	**108,159**	**308**	**652**	**123,732**
3,437	**30,300**	**67,329**	**529**	**3,583**	**105,177**
		67,329			

Group companies

	Group interest %	Parent Company interest, %	Parent Company shares and holdings Number of shares	Face value EUR 1,000	Book value EUR 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 Ltd., China	51.00	0.00			
P.C.B. Center (Thailand) Co., Ltd., Thailand	56.40	51.00	4,080,000	1,042	7,824
Calcorp Ltd., Thailand	56.40	0.00			
Aspocomp Oy, Finland	100.00	100.00	55,000	9,250	15,717
Total					**59,211**

EUR 1,000	2003	2002
2.3 Inventories		
Materials and supplies	8,468	8,305
Work in progress	5,497	6,611
Finished goods	5,494	4,247
Other inventories	1,330	820
Total	**20,789**	**19,984**
2.4 Receivables		
Long-term receivables		
Receivables from affiliated companies	50	0
Receivables from others	40	0
Total long-term receivables	**90**	**0**
Short-term receivables		
Accounts receivable	39,396	31,508
Loans receivable	0	1 198
Deferred receivables	5,768	6,059
Calculated tax receivables		
On confirmed losses	5,000	3,000
Other tax receivables	2,390	2,174
Total short-term receivables	**52,553**	**43,939**

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 5.0 million has been recorded. The rest of calculated tax receivables derives from timing differences.

2.5 Investments		
Repurchase value	20,877	0
Book value	20,840	0
Difference	**37**	**0**

EUR 1,000	2003	2002
2.6 Shareholders' equity		
Share capital January 1	10,041	10,142
Invalidation of own shares	0	–101
Share capital December 31	**10,041**	**10,041**
Contingency fund January 1	83,948	83,847
Invalidation of own shares	0	101
Contingency fund December 31	**83,948**	**83,948**
Own shares fund January 1	758	0
Increase during the fiscal year	0	758
Own shares fund December 31	**758**	**758**
Retained earnings January 1	13,846	37,609
Dividends	–2,982	0
Invalidation of own shares	0	–1,010
Transfer to own shares fund	0	–758
Conversions	–2,605	–3,436
Retained earnings December 31	**8,258**	**32,405**
Net profit/loss for the year	**–856**	**–18,559**
Total shareholders' equity	**102,149**	**108,593**
Share of the accumulated excess depreciation and voluntary reserves transferred to equity	0	785
Distributable unrestricted equity	**7,402**	**13,061**
2.7 Appropriations		
Accumulated depreciation in excess of plan December 31	0	1,105
Nominal tax liability	0	320
Voluntary reserves in equity December 31	**0**	**785**

EUR 1,000	2003	2002
2.8 Mandatory reserves		
Employee benefit costs	786	755
Reserves for unemployment pension	886	704
Aspocomp Oy Espoo plant's closing costs	0	615
Other mandatory reserves	0	58
Total	**1,672**	**2,131**
2.9 Long-term liabilities		
Loans from financial institutions	28,692	38,095
Total	**28,692**	**38,095**
Nominal tax liabilities		
Tax liabilities on appropriations	0	320
Total	**0**	**320**
Total long-term liabilities	**28,692**	**38,415**
Liabilities with maturities longer than 5 years	**0**	**0**
2.10 Short-term liabilities		
Loans from financial institutions	25,849	20,863
Pension loans	0	1,177
Payables	23,178	14,627
Deferred payables	12,231	9,044
Total short-term liabilities	**61,258**	**45,711**
3. OTHER NOTES		
3.1 Securities, contingent liabilities and other liabilities		
Liabilities secured by real estate		
Loans from financial institutions	4,613	4,156
Mortgages	6,190	1,176
Securities on behalf of others	1,766	1,766
Total securities given	**7,956**	**2,942**
Other securities		
Bank guarantees	353	300
Other guarantees	1,900	0
Machinery guarantees	22,129	0
Total other securities	**24,382**	**300**

EUR 1,000	2003	2002
Operational leasing agreements		
Payables in the next year	48	38
Payables in the following years	130	40
Total operational leasing agreements	**178**	**78**
Financial leasing agreements		
Balance sheet value		
Buildings	14,481	15,987
Machinery and equipment	3,583	6,264
Total financial leasing agreements	**18,064**	**22,251**
Long-term liabilities	22,780	26,901
Short-term liabilities	3,499	3,625
Total liabilities	**26,279**	**30,526**
Unpaid lease payments		
Year 2003	0	4,954
Year 2004	4,109	4,880
Year 2005	1,722	2,371
Year 2006	478	707
Year 2007	193	193
Year 2008	188	0
Following years	271	477
Total unpaid lease payments	**6,961**	**13,582**
Residual value liability on financial leasing agreements	19,661	20,123
Total unpaid financial leases and residual value	**26,621**	**33,705**

According to Chapter 14 A, 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.

3.2 Derivative contracts		
Foreign currency forward contracts		
Market value	–47	0
Nominal value	4,566	0
Electricity forward contracts		
Market value	–30	0
Nominal value	670	0

Parent Company Financial Statements

INCOME STATEMENT

EUR 1,000	Note	2003	2002
Other operating income	*1.1*	2,108	1,898
Personnel costs	*1.2*	–1,491	–1,126
Depreciation and write downs	*1.3*	–124	–111
Other operating expenses	*1.4*	–1,891	–6,375
Operating profit/loss		**–1,399**	**–5,714**
Financial income and expenses	*1.5*	1,744	–17,392
Profit/loss before extraordinary items		**345**	**–23,106**
Extraordinary Items +/–	*1.6*	**5,500**	**16,450**
Profit/loss before appropriations and taxes		**5,845**	**–6,656**
Appropriations	*1.7*	5	3
Direct taxes	*1.8*	0	0
Net profit/loss for the period		**5,850**	**–6,653**

BALANCE SHEET

EUR 1,000	Note	Dec. 31 2003	Dec. 31 2002
ASSETS			
Non-current assets			
Intangible assets	*2.1*	22	39
Tangible assets	*2.1*	451	459
Investments	*2.2*	62,579	61,229
Total non-current assets		**63,052**	**61,727**
Current assets			
Receivables	*2.3*		
Long-term receivables		90	0
Short-term receivables		36,537	85,063
Investments	*2.4*	20,840	0
Cash and bank deposits		2,722	13,584
Total current assets		**60,190**	**98,648**
Total assets		**123,242**	**160,375**
LIABILITIES AND SHAREHOLDERS' EQUITY			
Shareholders' equity	*2.5*		
Share capital		10,041	10,041
Share premium fund		83,948	83,948
Own shares		758	758
Retained earnings		16,269	25,904
Net profit/loss for the fiscal year		5,850	–6,653
Total shareholders' equity		**116,866**	**113,998**
Appropriations	*2.6*	**0**	**5**
Liabilities			
Long-term liabilities	*2.7*	3,575	7,177
Short-term liabilities	*2.8*	2,800	39,194
Total liabilities		**6,376**	**46,371**
Total liabilities and shareholders' equity		**123,242**	**160,375**

CASH FLOW STATEMENT

EUR 1,000	2003	2002
Cash flow from operations		
Operating loss	–1,399	–5,714
Adjustments to operating loss	124	106
Change in net working capital	–301	–564
Interest received	1,744	1,951
Net cash flow from operations	**168**	**–4,222**
Cash flow from investments		
Purchase of holdings	0	–2,687
Purchase of shares	–1,350	–1,260
Purchase of other fixed assets	–131	–122
Sale of other fixed assets	31	35
Total cash flow from investments	**–1,449**	**–4,034**
Cash flow before financing	**–1,281**	**–8,256**
Financing		
Decrease in long-term debt	–3,691	–4,737
Increase in short-term debt	12,433	6,553
Payment of dividends	–2,982	0
Repurchase of own shares	0	–758
Received Group contribution	5,500	16,450
Total financing	**11,259**	**17,508**
Increase/decrease of liquid funds	**9,978**	**9,252**
Liquid funds as of January 1	13,584	4,332
Liquid funds as of December 31	**23,562**	**13,584**

Notes to the Parent Company Financial Statements

EUR 1,000	2003	2002
1. NOTES TO THE INCOME STATEMENT		
1.1 Other operating income		
Gains on the sale of fixed assets	0	16
Other income	2,108	1,881
Total	**2,108**	**1,898**
1.2 Notes related to personnel		
Personnel costs		
Salaries	1,204	924
Pension costs	211	159
Other personnel costs	77	43
Total	**1,491**	**1,126**
Management salaries and benefits		
Board of Directors and the President and CEO (the Deputy CEO)	442	355
Personnel December 31, 2003		
Office employees	16	14
Total	**16**	**14**
Employees of the parent company during the fiscal period		
Office employees	15	14
Total	**15**	**14**
Pension liabilities of the Board of Directors and the Deputy CEO		
The Deputy CEO of the Parent Company has the option to retire at the age of 60.		
1.3 Depreciation and write-downs		
Depreciation of tangible and intangible assets	124	111
Total	**124**	**111**
1.4 Other operating costs		
Rental costs	132	129
Other expenses	1,760	6,246
Total	**1,891**	**6,375**

EUR 1,000	2003	2002
1.5 Financial income and expenses		
Interest and other financial income		
From Group companies	28	273
From others	2,991	2,838
Total interest and other financial income	**3,020**	**3,111**
Reduction in value of investments under non-current assets		
Reduction in value of the loan receivable from Aspocomp S.A.S.	0	19,342
Total reduction in value of investments under non-current assets	**0**	**19,342**
Interest and other financial expenses		
To Group companies	93	143
To others	1,183	1,018
Total interest and other financial expenses	**1,276**	**1,160**
Total financial income and expenses	**1,744**	**–17,392**
Interest and other financial income includes currency gains (net)	**1,600**	**2,210**
1.6 Extraordinary items		
Group contribution	5,500	16,450
Total extraordinary items	**5,500**	**16,450**
1.7 Appropriations		
Accumulated depreciation in excess of plan	5	3
Total appropriations	**5**	**3**
1.8 Direct taxes		
Taxes on operational income	0	0
Total direct taxes	**0**	**0**

2. NOTES TO THE BALANCE SHEET
2.1 Non-current assets
2.1.1 Intangible and tangible assets

	Intangible assets			Tangible assets		
	Intangible assets	Other long-lived assets	Total	Land	Machinery and equipment	Total
EUR 1,000						
Fixed assets						
Acquisition cost Jan. 1, 2003	76	22	98	220	458	678
Increase	15		15		116	116
Decrease					–31	–31
Transfers					0	
Acquisition cost Dec. 31, 2003	**91**	**22**	**113**	**220**	**542**	**762**
Accumulated depreciation Jan. 1, 2003	41	17	59		218	218
Accumulated depreciation on transfers and decrease						
Planned depreciation	29	3	32		93	93
Accumulated depreciation Dec. 31, 2003	**70**	**20**	**91**		**311**	**311**
Book value Dec. 31, 2003	**21**	**1**	**22**	**220**	**231**	**451**

2.2 Investments

EUR 1,000	Group shares and holdings	Own shares	Other shares	Total
Acquisition cost January 1, 2003	59,211	758	1,260	61,229
Increase	0	0	1,350	1,350
Acquisition cost December 31, 2003	**59,211**	**758**	**2,610**	**62,579**
Book value December 31,2003	**59,211**	**758**	**2,610**	**62,579**

Group companies

			Shares owned by the Parent Company		
	Group interest %	Parent Company interest, %	Number of shares	Face value EUR 1,000	Book value EUR 1,000
Aspocomp GmbH, Germany	100.00	100.00	1,000	5	41
Aspocomp Oy, Finland	100.00	100.00	55,000	9,250	15,717
P.C.B. Center (Thailand) Co., Ltd., Thailand	56.40	51.00	20,400,000	4,105	7,824
Aspocomp Chin-Poon Holding Ltd., the Virgin Islands	51.00	51.00	32,844,000	26,005	35,629
Total					**59,211**

Other shares and investments

	Parent Company interest, %	Number of shares	Face value EUR 1,000	Book value EUR 1,000
Aspocomp Group Oyj		100,000	100	758
Asperation Oy	50.00	6,196	155	1,505
Imbera Electronics Oy	50.00	2,202	55	1,105
Total				**3,368**

EUR 1,000	2003	2002
2.3 Receivables		
Long-term receivables		
Loan receivables from Group companies	50	0
Other loan receivables	40	0
Total	**90**	**0**
Total long-term receivables	**90**	**0**
Short-term receivables		
Receivables from Group companies		
Accounts receivable	0	20
Loans receivable	32,519	81,021
Total	**32,519**	**81,041**
Receivables from others		
Loan receivables	0	50
Deferred receivables	4,018	3,972
Total	**4,018**	**4,022**
Total short-term receivables	**36,537**	**85,063**

EUR 1,000	2003	2002
2.4 Investments		
Repurchase value	20,877	0
Book value	20,840	0
Difference	**37**	**0**

EUR 1,000	2003	2002
2.5 Shareholders' equity		
Share capital January 1	10,041	10,142
Invalidation of own shares	0	–101
Share capital December 31	**10,041**	**10,041**
Share premium account January 1	83,948	83,847
Invalidation of own shares	0	101
Share premium account December 31	**83,948**	**83,948**
Own shares fund January 1	758	0
Increase in own shares fund	0	758
Own shares fund December 31	**758**	**758**
Retained earnings January 1	19,251	27,672
Invalidation of own shares	0	–1,010
Transfer to own shares fund	0	–758
Dividends paid	–2,982	0
Retained earnings December 31	**16,269**	**25,904**
Net profit/loss for the period	**5,850**	**–6,653**
Total shareholders' equity	**116,866**	**113,998**
Distributable unrestricted equity	**22,119**	**19,251**

EUR 1,000	2003	2002
2.6 Appropriations		
Accumulated depreciation	0	5
2.7 Long-term liabilities		
Loans from financial institutions	3,575	7,177
Total long-term liabilities	**3,575**	**7,177**
2.8 Short-term liabilities		
Loans from financial institutions	2,384	2,871
Payables	98	62
Deferred payables	307	680
Total	**2,788**	**3,612**
Intra-Group debts		
Deferred payables	12	
Loans from Group companies		35,582
Total short-term liabilities	**2,800**	**39,194**

3. OTHER NOTES

3.1 Securities, Contingent liabilities and other liabilities	2003	2002
Other securities and liabilities		
Guarantees for leasing liabilities	22,265	27,349
Counter guarantees	353	300
Others	1,900	
Total	**24,518**	**27,649**

According to Chapter 14 A, 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.

3.2 Derivative contracts

No derivative contracts.

Key Figures

ASPOCOMP GROUP FINANCIAL PERFORMANCE AND KEY FIGURES 1999–2003

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

	2003	2002	2001	2000	1999
Net sales, EUR million	182.3	182.9	221.8	239.8	201.3
Operating profit after depreciation, EUR million	–5.3	–23.2	–27.4	21.6	21.5
Share of net sales, %	–2.9	–12.7	–12.3	9.0	10.7
Profit before extraordinary items and taxes, EUR million	–6.6	–25.9	–29.9	21.2	20.1
Share of net sales, %	–3.6	–14.2	–13.5	8.8	10.0
Profit before taxes, EUR million	–6.6	–25.9	–29.9	22.0	19.4
Share of net sales, %	–3.6	–14.2	–13.5	9.2	9.6
Net profit for the period, EUR million	–0.9	–18.6	–26.9	16.2	13.7
Share of net sales, %	–0.5	–10.1	–12.1	6.7	6.8
Return on equity (ROE), %	–2.4	–14.9	–18.7	13.2	23.2
Return on investment (ROI), %	–5.2	–10.2	–11.5	15.2	21.6
Equity ratio, %	57.1	61.0	56.5	64.6	43.9
Gearing, %	20.3	30.0	35.7	0.6	56.4
Gross investments in fixed assets, EUR million	13.8	19.8	73.3	68.3	41.1
Share of net sales, %	7.6	10.8	33.0	28.5	20.4
Personnel, year end	3,426	2,907	3,178	1,948	1,858
Personnel, average	3,330	3,075	3,314	2,007	1,886
Earnings per share (EPS), EUR	–0.09	–1.86	–2.66	1.59	1.64
Earnings per share (EPS), EUR (diluted)				1.52	
Equity per share, EUR	10.20	10.85	13.01	15.96	7.87
Nominal dividend per share (Board's proposal)*	0.30 *	0.30	0.00	0.50	0.50
Dividend per earnings, %			0.00	31.45	30.40
Effective dividend yield, %	2.59	4.80	0.00	1.67	1.35
Price / earnings ratio (P/E)				18.9	22.5
Share prices (adjusted)					
average, EUR	8.81	7.56	14.49	54.10	23.73
low, EUR	6.11	4.22	8.90	24.50	21.50
high, EUR	12.25	13.25	30.00	86.96	37.66
Closing share price, at the end of period, EUR	11.60	6.25	12.06	30.00	37.00
Market value of total shares outstanding, at the end of period, EUR million	115.3	62.1	121.1	304.3	324.5
Number of shares traded, thousands	2,462.8	2,309.0	3,110.0	3,560.8	805.3
Number of shares traded, % of total	24.8	23.1	30.8	35.1	9.2
Share trading volume, EUR million	21.7	17.5	45.1	192.7	19.1
Total number of shares thousands					
registered at the end of period,	10,041	10,041	10,142	10,142	8,770
outstanding	9,941	9,941	10,041		
average,	9,941	9,985	10,111	9,578	
average, diluted				9,988	

Calculation of the Key Figures

Return on equity (ROE), % = $\frac{\text{Profit before extraordinary items and taxes – direct taxes}}{\text{shareholders' equity + minority interest (average)}} \times 100$

Return on investment (ROI), % = $\frac{\text{Profit before extraordinary items and taxes + interest and other financial costs}}{\text{balance sheet total – non-interest bearing liabilities (average)}} \times 100$

Equity ratio, % = $\frac{\text{Shareholders' equity + minority interest}}{\text{balance sheet total – advances received}} \times 100$

Gearing, % = $\frac{\text{Interest-bearing liabilities – cash, bank deposits and other investments}}{\text{shareholders' equity + minority interest}} \times 100$

Average personnel = Average number of personnel as of the month end

Earnings per share (EPS), EUR = $\frac{\text{Profit before extraordinary items and taxes – direct taxes} \pm \text{minority share}}{\text{average number of shares outstanding at the year end}}$

Equity / share, EUR = $\frac{\text{Shareholders' equity}}{\text{number of shares outstanding at the year end}}$

Dividend / share, EUR = Dividend paid in period

Dividend / earnings, % = $\frac{\text{Dividend per share}}{\text{earnings per share}} \times 100$

Effective dividend yield, % = $\frac{\text{Dividend per share}}{\text{the year end price for the fiscal year}} \times 100$

Price earnings ratio (P/E) = $\frac{\text{Year end share price}}{\text{earnings per share}}$

Average share price = $\frac{\text{Total share turnover}}{\text{adjusted number of shares changing hands during the period}}$

Market value of shares = Total number of shares outstanding x the year end price for the fiscal year

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.

The number of the nominee registered shares and the foreign ownership as of December 31, 2003 was 1,351,768 shares or 13.46% of the holdings and votes.

If Skadeförsäkring Holding Ab sent a notification on September 18, 2003 stating that its holdings in the voting rights and share capital of Aspocomp Group Oyj falls below 5 per cent.

Sampo Plc sent a notification on September 18, 2003 stating that the holdings in the voting rights and share capital of Aspocomp Group Oyj of the Insurance Company Sampo Life exceeds 10 per cent.

Major Shareholders as of December 31, 2003

Shareholder	Number of shares	Holdings and votes, %
Sampo Life Insurance Company Limited	1,313,376	13.08
Nordea Bank Finland Plc (nominee registered shares)	1,210,364	12.05
Nyberg Otto Henrik Bernhard	900,000	8.96
Varma Mutual Pension Insurance Company	530,900	5.29
Kaleva Mutual Insurance Company	500,000	4.98
Vehmas Aatos Ensio	398,456	3.97
Vehmas Tapio	374,131	3.73
Vehmas Kerttu Anna-Liisa	333,080	3.32
Investment Fund Pohjola Finland Value	310,000	3.09
Pohjola Non-Life Insurance Company Ltd	270,000	2.69
Estlander Henrik	242,146	2.41
Suomi Mutual Life Assurance Company	218,900	2.18
FIM Fenno Fund	100,550	1.00
OP-Suomi Kasvu Mutual Fund	100,450	1.00
Aspocomp Group Oyj	100,000	1.00
Ulkomarkkinat Oy	84,000	0.84
Sampo Suomi Osake Trust Fund	83,600	0.83
Suomi Life Insurance Company	80,000	0.80
Ingman Finance Oy Ab	80,000	0.80

MANAGEMENT SHARE OWNERSHIP

The Board Members and the Deputy to CEO held total of 77,483 shares or 0.77% of shares outstanding as of December 31, 2003.

CHANGES IN CONTACT INFORMATION

Please inform changes in your address or other information directly to the custodian of your book-entry account.

INVESTOR RELATIONS

Aspocomp serves equally all the stakeholders on the market in accordance with the Finnish Securities Market Act. Your investor relations contact is:

Mr Pertti Vuorinen
Chief Financial Officer
Tel. +358 9 7597 0714
Fax +358 9 7597 0720
pertti.vuorinen@aspocomp.com

DIVIDEND POLICY

The Board of Directors of Aspocomp Group Oyj has at its meeting of November 20, 2003 defined a long-term dividend policy for the company. In its consideration, the Board of Directors weighed the dividend target in relation to the company's long-term result and cash flow expectations after maintenance investments. The Board of Directors aim at annually proposing a dividend distribution that on the long-term distributes a minimum EUR 0.30 dividend per share per financial year, subject to the current number of issued shares.

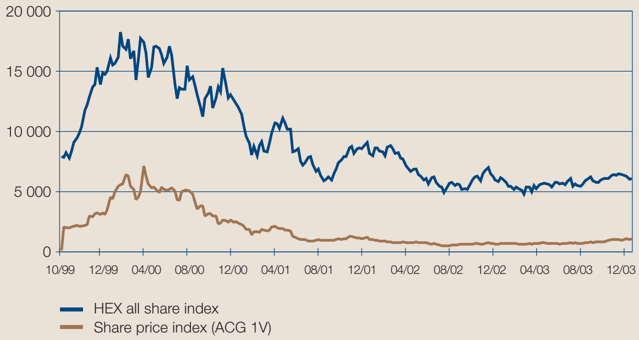
Distribution of the Share Ownership on December 31, 2003

By number of shares

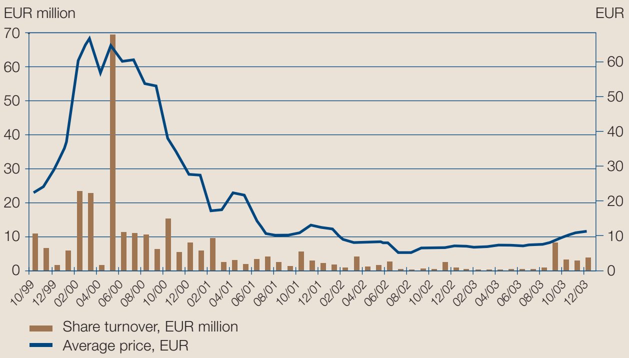
Number of shares	Number of shareholders	% of shareholders	Total number of shares	% of share capital
1 – 100	572	28.39	36,407	0.36
101 – 500	755	37.47	218,073	2.17
501 – 1 000	278	13.80	219,906	2.19
1 001 – 10 000	341	16.92	954,819	9.51
10 001 – 100 000	55	2.73	1,807,980	18.01
100 001 – 500 000	10	0.50	2,847,713	28.36
500 001 –	4	0.20	3,954,640	39.38
Shares in trust and awaiting clearance			1,488	0.01
Number of issued shares	2,015	100.00	10,041,026	100.00

Shareholder breakdown	Total holding, %	Total shares, %
1. Households	85.37	37.01
2. Companies	10.10	8.82
3. Financial and insurance institutions	1.59	44.05
4. Non-profit organizations	1.59	3.42
5. Non-domestic	1.04	1.04
6. Public sector organizations	0.30	5.66
Shares in trust and awaiting clearance		0.01
Total	100.00	100.00

HEX All-Share Index and Share Price Index (ACG 1V) October 1, 1999–December 31, 2003



Share Turnover and Average Price October 1, 1999–December 31, 2003



Corporate Governance

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. THE 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.
Among the above-mentioned issues 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. THE 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 above-mentioned criteria
– 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

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.

4.1 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. THE 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.

5.1 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 co-operate 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. HEX, the Finnish Central Chamber of Commerce and the Confederation of Finnish Industry and Employers have announced a new recommendation for Corporate Governance of Listed Companies. The new recommendation enters into force on July 1, 2004. The Aspocomp Group prepares amendments in accordance to the new recommendation and will apply the amended Corporate Governance latest from July 1, 2004 on.

Proposal of the Board for the Distribution of Earnings

The Group has a total of EUR 7,402,110.30 in its unrestricted earnings account, of which EUR 7,402,110.30 is distributable. The parent company has a total of EUR 22,119,165.74 in its unrestricted equity account. As of December 31, 2003 there were a total of 10,041,026 registered shares outstanding, 100,000 of which were in the possession of the Company.

The Board proposes that:

– a dividend of EUR 0.30 / share to be paid out on each of the 9,941,026 shares outstanding	EUR 2,982,307.80
– to be held in the parent company's retained earnings account	EUR 19,136,857.94
	EUR 22,119,165.74

BOARD SIGNATURE

Vantaa, February 11, 2004

Tuomo Lähdesmäki
Chairman

Jorma Eloranta
Vice-Chairman

Aimo Eloholma

Roberto Lencioni

Gustav Nyberg

Karl Van Horn

Pertti Vuorinen
Acting CEO, CFO

Auditors' Comment and Auditors' Report

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, 2004

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 1.1. - 31.12.2003. 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 and the deputy Managing Director of the parent company 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, 27 February 2004

PricewaterhouseCoopers Oy, Authorized Public Accountants
Ilkka Haarlaa, Authorized Public Accountant

Events on Year 2003

FEBRUARY

The Aspocomp Group published its financial performance on 2002. Net sales for the period totalled EUR 182.9 million and operating loss EUR 23.2 million. Earnings per share were EUR –1.86 and the equity ratio was 61.0%. The company expected the uncertain market situation to continue during 2003 and the growth focus of the electronics industry to be in Asia, where Aspocomp's market position was also expected to increase.

APRIL

The Annual General Meeting of Aspocomp Group Oyj decided that a dividend of EUR 0.25 per share will be distributed for the fiscal year 2002. The Annual General Meeting decided to authorize the Board to acquire and convey own shares as well as to decide on new issues and/or convertible loans.

The Annual General Meeting decided that the fees for the Board Members would be paid on an annual basis. The Board of Directors decided that each Board Member would acquire Aspocomp Group Oyj shares with the net annual fee. The Members decided not to convey the shares before the Annual General Meeting of 2004.

Aspocomp Group Oyj Board of Directors elected from among its Members Mr Tuomo Lähdesmäki as the Chairman. The Board of Directors approved a new share price based incentive scheme for the management and certain key persons. The potential bonus is based on the share price increase of the Aspocomp Group Oyj share during the next two years.

Aspocomp Oy, the Finnish subsidiary of Aspocomp Group Oyj, started personnel negotiations regarding the possible closing of its Padasjoki printed circuit board factory. The negotiations concerned all the personnel groups, total of about 80 persons, at the factory.

MAY

Aspocomp Group released interim report for the first quarter. The reported net sales totalled EUR 41.1 million and operating loss totalled EUR 1.7 million. The Company expected the full year net sales to grow and the free cash flow after investments to be clearly positive.

The personnel negotiations regarding possible closing of the Aspocomp Oy printed circuit board factory in Padasjoki ended. As a consequence of the negotiations the operations of the factory were notably downsized and about half of the personnel either continued to run the Padasjoki operations or were relocated to the other Group factories.

JUNE

All factories are certified according to the ISO 14001 standard.

JULY

Aspocomp Group published its interim report for the first six months of the year. The net sales for the period totalled EUR 83.2 million and the operating loss EUR 8.0 million. The non-recurring cost related to the downsizing of the Padasjoki factory totalled EUR 3.6 million. The Company expected the net sales and the EBIT during the latter half of 2003 to be higher than during the first half, without the non-recurring costs. Cash flow from operations was expected to be clearly positive.

AUGUST

The Board of Directors of Aspocomp Group Oyj accepted Mr Jarmo Niemi's request to resign from his post as President and CEO of the Company. The duties of Chief Executive Officer of the company are performed by Mr Pertti Vuorinen, Chief Financial Officer and Deputy CEO of Aspocomp Group Oyj, until the new CEO is nominated.

SEPTEMBER

Aspocomp Oy, the Finnish subsidiary of Aspocomp Group Oyj, sold the fixed assets and inventories related to the printed wiring board business of its Teuva factory to Cibo-Print Oy. The closing date was in the beginning of September. Aspocomp Oy became a shareholder of Cibo-Print Oy with a 19.1% share.

OCTOBER

The Aspocomp Group published its interim report for the first nine months of the year. Net sales totalled EUR 131.8 million and the operating loss EUR 7.3 million for the period. The company expected the net sales to increase and the profit to continue its growing during the fourth quarter of the year 2003. The result for the fiscal year 2003, before the non-recurring costs, was expected to be slightly positive, but after the non-recurring costs negative. The financial status was expected to be stronger.

NOVEMBER

The Board of Directors of Aspocomp Group Oyj defined the Company's long-term dividend policy. Directors aim at anually propose a dividend distribution that on the long-term would distribute a minimum of EUR 0.30 dividend per share per financial year, subject to the current number of issued shares.

DECEMBER

The Extraordinary General Meeting decided that an extra dividend of EUR 0.05 per share was distributed for the fiscal year 2002. Thus the dividend per share for the fiscal year 2002 totalled EUR 0.30.

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