

## Scanfil's Q1 Profits Up, Sales Down

Written by Mike Buetow

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**SIEVI, FINLAND** – EMS provider **Scanfil** reported first-quarter profits rose 16% from a year ago to 3.6 million euros despite a 4% drop in sales to 50 million euros. Operating profit rose 31% to 4.7 million euros.

For the quarter, telecom made up 63% of sales, down from 70% a year ago, while industrial electronics rose seven points to 37%. Industrial sales were driven by environmental concerns, energy prices and urbanization. Telecom demand was down mainly due to program changes at one customer.

Scanfil's Chinese subsidiaries' sales accounted for 32% of the Group's sales during the period, down two points from 2007.

By region, sales were Finland (47%), rest of Europe (25%), Asia (26%), and US (1%).

In a press release, Scanfil president Harri Takanen said, "Sales are off to a satisfactory start in 2008." However, Scanfil guided for flat sales in 2008.

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Scanfil shareholders have approved a board proposal to split the company, with one part transferred to an investment company and a subsidiary formed for its contract manufacturing business. The EMS business – Scanfil EMS Oy – would be wholly owned by Scanfil PLC.

Earlier in the month, Scanfil signed a preliminary agreement to sell its Oulu, Finland, plant facilities later this year, a move the company said would be accretive to its earnings.