ASPO Plc STOCK EXCHANGE RELEASE February 12, 2015 at 07:45 am

ASPO GROUP'S FINANCIAL STATEMENT RELEASE, JANUARY 1 TO DECEMBER 31, 2014

Aspo 2014: Operating profit at a record high
(Figures from the corresponding period in 2013 are presented in brackets.)

January–December 2014
- Aspo Group's net sales grew to EUR 482.9 million (EUR 476.3 million)
- Operating profit increased to EUR 23.4 million (EUR 10.8 million)
- Profit before taxes grew to EUR 19.0 million (EUR 6.6 million)
- Profit for the period stood at EUR 18.4 million (EUR 8.6 million)
- Earnings per share were EUR 0.57 (EUR 0.28)

Aspo Q4: Operating profit showing strong growth
October–December 2014
- Aspo Group's net sales totaled EUR 122.6 million (EUR 120.3 million)
- Operating profit stood at EUR 5.5 million (EUR 3.8 million)
- Profit before taxes was EUR 4.0 million (EUR 2.6 million)
- Profit stood at EUR 3.7 million (EUR 4.4 million)
- Earnings per share were EUR 0.11 (EUR 0.14)

The fourth-quarter operating profit includes expenses of EUR 1.5 million from preparations for the listing of Leipurin Plc and other projects, and EUR 0.4 million in doubtful receivables from Indian ABG Shipyard regarding the warranty repair of m/s Alppila.

The Board of Directors proposes to the Annual Shareholders' Meeting that EUR 0.40 per share (EUR 0.21) be distributed as dividends.

Our 2015 estimate is based on industrial production in Finland and the EU continuing to show a downward trend, and the continuation of the crisis between Russia and Ukraine. Our experience and expertise in financial crises have usually strengthened our market position in the east.

We expect the operating environment for Aspo's business operations to remain stable. However, risks in the operating environment on the eastern markets have increased due to the crisis between Russia and Ukraine, and therefore we will be prepared, for example, for notable currency fluctuation, possible problems in the Russian banking system, and the deepening of the financial crisis. Aspo's euro-denominated costs are expected to decrease significantly due to the tight cost control in Russia, Ukraine, and the other CIS countries as well as due to the devaluation of the local currencies. In Finland, we estimate our annual costs to decrease by about EUR 2.5 million.

Guidance for 2015
Aspo expects to reach a good result.

KEY FIGURES

	1-12/2014	**1-12/2013**
Net sales, MEUR	482.9	476.3
Operating profit, MEUR	23.4	10.8
Share of net sales, %	4.8	2.3
Profit before taxes, MEUR	19.0	6.6
Share of net sales, %	3.9	1.4
Profit for the period, MEUR	18.4	8.6
Personnel at the end of period	879	869

	1-12/2014	1-12/2013
Earnings per share, EUR	0.57	0.28
EPS adjusted for dilution, EUR	0.57	0.30
Equity per share, EUR	3.42	3.39
Return on equity, % (ROE)	17.8	8.9
Equity ratio, %	35.2	34.4
Gearing, %	101.0	98.2

AKI OJANEN, ASPO'S CEO:

“We have improved our comparable operating profit for more than ten quarters in succession. We achieved a gigantic leap in Aspo's profitability, and were very close to reaching the Group's financial targets in terms of return on equity, gearing and operating profit. Our operating profit was at a record high, earnings per share doubled, and operational cash flow grew significantly to EUR 22 million. We succeeded in reaching our goal to produce good earnings per share despite the cycle and conditions. Return on equity was 18%, which is an excellent achievement. Our fourth quarter's result was very strong even though it was weakened by non-recurring costs and exchange rate losses.

According to our strategy, we strive to make value-producing structural changes. Our objective to list Leipurin Plc as a separate listed company failed when November turned to December after the Russian ruble deteriorated, resulting in uncertainty among investors over the development of companies operating in Russia. After the listing process was cancelled, the Board of Directors of Aspo Plc did not propose that the shares of Leipurin be distributed as additional dividends in the extraordinary shareholders’ meeting in December.

Being a conglomerate, we are able to make bold decisions. The investments of ESL Shipping in unique additional ice-strengthened vessels have proven their worth. Our determination and skills to seek growth in Russia, Kazakhstan, Belarus and Ukraine have shown their strength. We are able to quickly react to changing situations. Of our businesses, the record-breaking result of Telko, in particular, with operating profit being EUR 10 million, is an indication of our sensitivity to different situations and the strength of our current market position.”

ASPO AS A COMPANY

Aspo is a conglomerate that owns and develops business operations in northern Europe and growth markets, focusing on demanding B-to-B customers. Aspo’s strong company brands – ESL Shipping, Leipurin, Telko and Kaukomarkkinat – aim to be market leaders in their sectors. They are responsible for their own operations and customer relationships, and the development of these. Together they generate Aspo’s goodwill. Aspo’s Group structure and business operations are continually developed without any predefined schedule.

Aspo’s operating segments are: ESL Shipping, Leipurin, Telko, and Kaukomarkkinat. Other operations consist of Aspo Group’s administration, the financial and ICT service center, and a small number of other operations that do not belong to the business units.

The Group reports its net sales on the basis of the following geographical division: Finland; Scandinavia; the Baltic countries; Russia, Ukraine and other CIS countries; and other countries.

OPERATIONAL PERFORMANCE IN 2014

The development of industrial production in Finland and the EU continued to be poor throughout 2014. The crisis between Russia and Ukraine continued to escalate. Financial sanctions imposed by the EU and the USA, and Russia's counter-sanctions weakened the overall financial situation, particularly during the latter half of the year. The currencies of Russia, Ukraine, Kazakhstan and Belarus fell steeply. At the end of 2014, the price of oil fell into a speedy decline, reaching a historically low level. Interest rates remained low in 2014.

ESL Shipping

ESL Shipping is the leading dry bulk cargo company in the Baltic Sea region. At the end of the year, the company's fleet consisted of 15 vessels, of which the company owned 13 in full, one was leased and one was time-chartered.

	10-12/2014	10-12/2013	Change	1-12/2014	1-12/2013
Net sales, MEUR	23.2	22.1	1.1	85.2	77.8
Operating profit, MEUR	5.2	4.1	1.1	16.0	7.6
Personnel	226	210	16	226	210

International dry bulk freight rates remained low in 2014. During the year, both of ESL Shipping's Supramax vessels operated, not only in the Baltic Sea, but also largely in special markets in the Canadian and Russian arctic. Other ships operated in the Baltic Sea and in European traffic, and offered unloading and loading services at sea. ESL Shipping's operations in the Baltic Sea are mainly based on long-term contracts and established customer relationships.

ESL Shipping's net sales in January–December increased to EUR 85.2 million (77.8). The shipping company continued to significantly improve its efficiency and fuel economy, and increased transportation volumes of new highly profitable customers outside the Baltic Sea region. Both of the shipping company's Supramax vessels operated in the Russian arctic during the fall season. The vessels and their expert crews proved their operating capabilities in highly demanding conditions. The shipping company's operating profit improved significantly in 2014 to EUR 16.0 million (7.6). The volume of cargo carried by ESL Shipping in January–December amounted to 12.1 million tons (11.6). During the first quarter, the shipping company fully purchased m/s Kallio, previously owned jointly with a Swedish shipping company.

ESL Shipping's net sales during the fourth quarter increased from the previous year's level to EUR 23.2 million (22.1). Operating profit grew significantly to EUR 5.2 million (4.1), including a cost provision of EUR 0.4 million for a doubtful receivable regarding the warranty repair of m/s Alppila. The volume of cargo carried by ESL Shipping in October–December amounted to 3.5 million tons (3.3). All ship units were fully employed during the fourth quarter, and the shipping company increased its capacity through the use of a one time-chartered ship in order to respond to seasonal demand. Unloading and loading services for larger ocean liners at sea by smaller ships were exceptionally active during the period under review. The highly successful operational management of these services that require special expertise and vessels significantly improved the shipping company's profitability.

Transportation volumes within the steel industry continued to be low when reviewed in the long-term, but higher than in the corresponding period the year before. The steel industry showed increasing demand for marine operations requiring special expertise and vessels. In the energy industry, transportation volume was clearly higher than the year before because of the decrease in the price of coal and operating rates that were higher than expected during the summer. However, warmer-than-usual weather during the fourth quarter reduced the need for coal. Nordic water supply has been close to the previous year's level, but the market price of electricity has been low in Nordic countries, which in turn has reduced the use of coal.

The improvement of profitability has been affected, not only by the increase in transportation volume and capacity, but also by the shipping company's investments in fuel economy and energy savings. The entire personnel of the shipping company have taken part in training events and operational development activities. As a result, the shipping company succeeded in reducing its carbon footprint by approximately 5% of carbon dioxide in 2014, despite the increasing transportation volume and mileage. Furthermore, other operational costs associated with the fleet and the company have been reduced further.

During the review period, the shipping company completed the ship-specific modifications required by the Sulphur Directive for all of its vessels. Now the vessels can use light marine diesel oil, new low-sulphur heavy oil mixes meeting the Sulphur Directive or heavy fuel oil, depending on the navigation area and availability. One of the ships had a light bottom contact in December, which did not result in any personal injuries or environmental damage. The shipping company has full insurance coverage for average-related repairs and stoppages.

The ship time-chartered in the fall was returned to its owner at the beginning of January 2015 as agreed. The shipping company and ABG Shipyard in India have negotiated concerning the compensation payable for repairs made to m/s Alppila during the warranty period. The vessel was delivered to ESL Shipping in 2011. The negotiations have not proceeded in the way the shipping company had hoped and, therefore, the shipping company has commenced legal proceedings against ABG Shipyard. Following the precautionary principle, the shipping company made a cost provision of EUR 0.4 million during the fourth quarter.

Leipurin
Leipurin serves the bakery industry and other food industry by providing product development services, raw materials needed for baking, and equipment from individual machines to full-scale baking lines. Leipurin operates in Finland, Russia, the Baltic countries, Poland, Ukraine, Belarus, and Kazakhstan. In Russia, its operations cover all geographic areas. In its procurement operations, Leipurin operates both internationally and by developing local procurement.

	10-12/2014	10-12/2013	Change	1-12/2014	1-12/2013
Net sales, MEUR	36.1	36.5	-0.4	134.9	136.3
Operating profit, MEUR	0.5	1.3	-0.8	4.4	5.2
Personnel	297	300	-3	297	300

Prices of bakery raw materials fell clearly in 2014, reducing net sales. The prices of main grain-based volume raw materials continued their decrease through the fall harvest season, and the prices of flours, sugar, grease and oil decreased from the reference period, which had an impact on the level of net sales, particularly towards the end of the year.

Net sales of Leipurin fell slightly in January–December and stood at EUR 134.9 million (136.3). Operating profit decreased to EUR 4.4 million (5.2). Euro-denominated net sales of operations in Russia, Ukraine and other CIS countries grew by approximately 6% to EUR 41.4 million (39.2) despite the challenging market situation and the steep decline of the ruble. In Russia, ruble-denominated net sales increased by 29%. The operating profit margin remained at a normal level in eastern growth markets despite exchange rate losses, being more than 5%. Euro-denominated net sales of bakery raw materials increased in the eastern market area by approximately 7% to EUR 32.4 million (30.4). The high profitability of bakery raw materials remained at the previous year's level. The profitability of machine sales fell.

Net sales during the fourth quarter were at the reference period's level at EUR 36.1 million (36.5), while operating profit decreased to EUR 0.5 million (1.3). The most significant reason for the decrease in profitability was the strong devaluation of the ruble, which caused exchange rate losses of EUR 0.9 million during the quarter, of which EUR 0.7 million was accumulated in November–December. Leipurin issued a separate stock exchange release on December 3, 2014 regarding the exchange rate losses of EUR 0.3 million suffered in November and the lowered profit estimate for the fourth quarter.

Net sales of bakery raw materials fell during the fourth quarter by 7% and operating profit by 34%. In Russia, euro-denominated net sales decreased exceptionally compared with the reference period due to the steep decline in the value of the ruble. Net sales of machine sales exceeded the reference period in the fourth quarter, which reflects heavy seasonal fluctuation that is characteristic to the operations. The heavy fall of the ruble, a significant increase in interest rates, and the rapidly deteriorating economic situation in Russia caused orders to be postponed, because of which the order book for 2015 is below the reference period. The objective of Leipurin to increase local purchasing operations within the Russian Customs Union succeeded, and the share of local purchasing from all purchases made in Russia grew significantly, being close to 40% of all raw material purchases.

In Finland, more emphasis was placed on the Out-of-home market. In the Baltic region, profitability went up from the reference period.

Telko

Telko is the leading expert and supplier of plastic raw materials and industrial chemicals in the Baltic Sea region. The company operates in Finland, the Baltic countries, Scandinavia, Poland, the Czech Republic, Slovakia, Ukraine, Russia, Belarus, Kazakhstan, and China. Procurement operations are international. Business is based on representation by the best international principals and on the expertise of the personnel. Telko cooperates with its regional customers to develop their production and competitiveness.

	10-12/2014	10-12/2013	Change	1-12/2014	1-12/2013
Net sales, MEUR	55.8	53.5	2.3	226.8	230.2
Operating profit, MEUR	2.8	0.5	2.3	9.9	5.8
Personnel	258	249	9	258	249

The cyclical dependency of Telko on changes in economy or oil prices has decreased. This is based on long-term investments in product development when working with customers, and the increase in the total sales of technical plastics and demanding industrial lubricants.

The prices of raw materials sold by Telko fell in 2014, which reduced net sales. As a result of the significant decrease in oil prices, the fall of raw material sales prices accelerated towards the end of the year. Decreasing raw material prices typically reduce Telko's net sales and profitability. Uncertainty in eastern markets continued throughout the year. The fall of Russian and Ukrainian currencies increased uncertainties, while improving the competitiveness of local production compared to imported raw materials. The decline in currencies in Russia, Belarus, Kazakhstan and Ukraine reduced euro-denominated costs, which in turn improved profitability. The fall of industrial production continued in western markets.

Net sales of Telko fell slightly in 2014 and stood at EUR 226.8 million (230.2). Regardless of the decrease in oil prices and the crisis between Russia and Ukraine, Telko's operating profit was record high in 2014.

Euro-denominated net sales in Russia, Ukraine and other CIS countries fell by 5% in 2014, but regarding local currencies, net sales increased significantly. Net sales in this market area amounted to EUR 106.9 million (113.1). The ruble-denominated net sales in Russia grew by 15%.

Net sales in western markets increased slightly. The sales volume of plastics remained at the previous year's level in all market areas, whereas the volume of industrial chemicals decreased.

Operating profit improved significantly, being EUR 9.9 million (5.8). The operating profit rate increased in both eastern and western markets. The operating profit rate exceeded 5% in Russia, Ukraine and CIS countries. The improvement of profitability in western markets was affected by previously implemented cost savings. In eastern markets, the increase was substantially affected by both the good management of currency positions in the middle of a challenging market situation, and the utilization of Telko's strong market position.

During the fourth quarter, Telko's net sales improved by 4% to EUR 55.8 million (53.5). Operating profit grew significantly, being EUR 2.8 million (0.5). The key reason for the improvement of operating profit was that profitability in Russia, Ukraine and other CIS countries was better than the year before and that cost efficiency improved in western markets. During the fourth quarter, Russian economic outlook became significantly pessimistic, while the prices of raw materials sold continued to fall. The Russian and Ukrainian currencies that are important to Telko decreased notably. Thanks to Telko's good operational preparedness, it was able to react quickly to the decrease in exchange rates, which is why it did not have any significant impact on operating profit during the review period.

Kaukomarkkinat

Kaukomarkkinat supplies products and systems that improve efficiency for the real estate and industrial sectors, as well as tools for professionals. The goal is to increase the energy efficiency, process efficiency and safety of our customers, as well as the profitability of their operations. The business is based on an in-depth understanding of customer needs, an extensive network of principals, and the ability to combine products and systems into functional entities. Kaukomarkkinat operates in Finland, Poland, Latvia, Russia, China, and Vietnam.

	10-12/2014	10-12/2013	Change	1-12/2014	1-12/2013
Net sales, MEUR	7.5	8.2	-0.7	36.0	32.0
Operating profit, MEUR	-0.2	-1.2	1.0	0.1	-3.6
Personnel	69	80	-11	69	80

The objective of Kaukomarkkinat was to stabilize operations into black figures after the loss-producing year 2013. Net sales increased to EUR 36.0 million (32.0). The 2014 operating profit was positive and amounted to EUR 0.1 million (-3.6). The company was able to improve its profitability in Finland by focusing on its basic competence areas and by improving the efficiency of the organization. The personnel's expertise and products designed for demanding conditions produced better profitability. Tablets and laptops for special conditions, special IT equipment for the healthcare sector and a more compact product range offered in the local energy sector showed the strongest growth. In local energy equipments, the overall market fell in Finland due to the uncertain economic situation and the decrease in electricity prices. Operations outside Finland and their suitability for Kaukomarkkinat were re-evaluated. Frequency converter operations were sold in Poland.

The fourth quarter is usually poor in terms of profitability due to seasonal cycles. Net sales fell from the reference period and stood at EUR 7.5 million (8.2), while profitability improved significantly, with operating profit being EUR -0.2 million (-1.2). In Finland, the profitability of special IT equipment within the healthcare sector improved substantially. Project operations in China and sales to the paper industry in China and Russia produced a loss.

Managing Director Jukka Nieminen resigned on October 27, 2014, after which Kimmo Liukkonen has been the acting Managing Director. Expenses of EUR 0.2 million arising from the replacement of the managing director were registered during the fourth quarter.

Other operations

Other operations include Aspo Group's administration, the financial and ICT service center, and a small number of other functions not covered by other business units.

	10-12/2014	10-12/2013	Change	1-12/2014	1-12/2013
Net sales, MEUR	0.0	0.0	0.0	0.0	0.0
Operating profit, MEUR	-2.8	-0.9	-1.9	-7.0	-4.2
Personnel	29	30	-1	29	30

Operating profit of other operations decreased by EUR 2.8 million from the previous year. The significant decline was caused, in particular, by the Leipurin listing project and other expert costs arising from other projects carried out during the year, totaling EUR 1.5 million. The 2014 allocated cost of the share-based incentive plan calculated on the basis of Aspo's results was higher than the year before.

The operating profit of other operations in October–December fell from the reference period to EUR -2.8 million (-0.9).

NET SALES

January–December

Aspo Group's net sales in January–December were at the previous year's level, being EUR 482.9 million (476.3). Net sales of ESL Shipping and Kaukomarkkinat increased, whereas net sales of Telko and Leipurin fell from the reference period.

October–December

Aspo Group's net sales in October–December amounted to EUR 122.6 million (120.3). During the fourth quarter, ESL Shipping and Telko managed to increase their net sales, while the net sales of Leipurin and Kaukomarkkinat fell.

Net sales by segment, MEUR

	10-12/2014	10-12/2013	Change	1-12/2014	1-12/2013
ESL Shipping	23.2	22.1	1.1	85.2	77.8
Leipurin	36.1	36.5	-0.4	134.9	136.3
Telko	55.8	53.5	2.3	226.8	230.2
Kaukomarkkinat	7.5	8.2	-0.7	36.0	32.0
Other operations	0.0	0.0	0.0	0.0	0.0
Total	122.6	120.3	2.3	482.9	476.3

There is no considerable inter-segment net sales.

Net sales by market area, MEUR

	10-12/2014	10-12/2013	Change	1-12/2014	1-12/2013
Finland	40.5	42.4	-1.9	162.0	156.7
Scandinavia	12.7	10.5	2.2	47.9	43.4
Baltic countries	15.7	12.5	3.2	55.7	49.8
Russia, Ukraine + other CIS countries	39.0	38.2	0.8	153.0	153.0
Other countries	14.7	16.7	-2.0	64.3	73.4
Total	122.6	120.3	2.3	482.9	476.3

Net sales improved in all of Aspo's market areas in the EU in 2014. The full-year net sales in Russia, Ukraine and other CIS countries were at the previous year's level and increased slightly during the fourth quarter. The ruble-denominated net sales in Russia grew by 20% in 2014. The most significant factors decelerating growth in eastern markets during the fourth quarter were the declining local currencies and the decrease in the prices of raw materials sold by Telko.

EARNINGS

January–December

Aspo Group's operating profit in January–December amounted to EUR 23.4 million (10.8). ESL Shipping’s operating profit increased to EUR 16.0 million (7.6). The operating profit of Leipurin fell to EUR 4.4 million (5.2). Telko's operating profit improved by EUR 4.1 million to EUR 9.9 million (5.8). The operating profit of Kaukomarkkinat amounted to EUR 0.1 million (-3.6).

The operating profit of other operations weakened and was negative at EUR -7.0 million (-4.2).

October–December

Aspo Group's operating profit in October–December amounted to EUR 5.5 million (3.8). ESL Shipping’s operating profit stood at EUR 5.2 million (4.1). The operating profit of Leipurin amounted to EUR 0.5 million (1.3). Telko's operating profit was EUR 2.8 million (0.5). The operating profit of Kaukomarkkinat showed a loss, being EUR -0.2 million (-1.2). The operating profit of other operations was negative and amounted to EUR -2.8 million (-0.9).

Operating profit by segment, MEUR

	10-12/2014	10-12/2013	Change	1-12/2014	1-12/2013
ESL Shipping	5.2	4.1	1.1	16.0	7.6
Leipurin	0.5	1.3	-0.8	4.4	5.2
Telko	2.8	0.5	2.3	9.9	5.8
Kaukomarkkinat	-0.2	-1.2	1.0	0.1	-3.6
Other operations	-2.8	-0.9	-1.9	-7.0	-4.2
Total	5.5	3.8	1.7	23.4	10.8

Through the change in the company form of the insurance company Försäkringsaktiebolaget Alandia, ESL Shipping received shares in the new insurance company on the basis of its insurance premiums. Within Aspo Group, the shares were recognized at their probable fair value. The recognition did not have any impact on the consolidated profit for the year but it reinforced the Group's equity by approximately EUR 2.5 million.

Earnings per share

Earnings per share were EUR 0.57 (0.28). Equity per share was EUR 3.42 (3.39).

Financial targets

Aspo is aiming at an operating profit level which is closer to ten than five, an average return on equity of over 20%, and gearing of up to 100%.

In 2014, the operating profit rate was 4.8% (2.3), return on equity was 17.8% (8.9), and gearing was 101.0% (98.2).

ASSETS AND LIABILITIES BY SEGMENT

The assets and liabilities of the business segments are presented in the tables below.

Segments’ assets, MEUR

	12/2014	12/2013
ESL Shipping	119.4	112.7
Leipurin	63.7	64.4
Telko	68.3	69.0
Kaukomarkkinat	19.4	22.4
Unallocated items	27.5	34.0
Total	298.3	302.5

Segments’ liabilities

	12/2014	12/2013
ESL Shipping	12.2	10.7
Leipurin	17.7	19.6
Telko	25.3	23.0
Kaukomarkkinat	4.9	5.6
Unallocated items	134.1	140.3
Total	194.2	199.2

INVESTMENTS

The Group's investments in January–December stood at EUR 18.7 million (4.9), the majority of which consisted of the acquisition of the m/s Kallio vessel. Of investments made in the reference period, the majority consisted of the dockages of ESL Shipping's vessels.

Investments by segment, acquisitions excluded, MEUR

	10-12/2014	10-12/2013	Change	1-12/2014	1-12/2013
ESL Shipping	0.6	0.1	0.5	16.0	2.2
Leipurin	0.3	0.1	0.2	0.7	0.7
Telko	0.6	0.3	0.3	1.8	1.3
Kaukomarkkinat	0.0	0.0	0.0	0.2	0.5
Other operations	0.0	0.1	-0.1	0.0	0.2
Total	1.5	0.6	0.9	18.7	4.9

FINANCING

The Group's financial position remained at a good level in 2014. The Group's cash and cash equivalents amounted to EUR 19.3 million (28.5). The consolidated balance sheet included a total of EUR 124.4 million (130.0) in interest-bearing liabilities. Non-interest-bearing liabilities totaled EUR 69.8 million (69.2).

Aspo Group's gearing was 101.0% (98.2) and equity ratio was 35.2% (34.4). In 2014, the most significant factors affecting the financial position were the acquisition of the m/s Kallio vessel at EUR 13 million in January, and the dividend of EUR 6.4 million paid in April.

The Group's operational cash flow improved, totaling EUR 22.0 million (16.0). The significant improvement of operational profitability increased the cash flow. The change in working capital was negative at year-end, being EUR -8.1 million (0.3).

Cash flow from investments during the financial period was EUR -14.5 million (-3.5), i.e., the Group's free cash flow amounted to EUR 7.5 million (12.5).

The amount of committed revolving credit facilities signed between Aspo and its main financing banks stood at EUR 60 million at the end of the financial period. At year-end, EUR 3 million of the revolving credit facilities and EUR 23 million of the commercial paper program of EUR 80 million were in use.

In 2015, a term loan of EUR 15 million will fall due. No other significant loan agreements will expire in 2015.

Aspo has hedged its interest rate risk by means of an interest rate swap subject to hedge accounting. Its fair value on December 31, 2014 was EUR -0.8 million. Changes in fair value have been recognized in other comprehensive income, and the financial instrument is at level 2 of the fair value hierarchy.

Convertible capital loan

In 2009, Aspo Plc issued a EUR 15 million convertible capital loan. The loan period was from June 30, 2009, to June 30, 2014. The loan was repaid in one installment on June 30, 2014, since the repayment conditions outlined in Chapter 12 of the Finnish Companies Act and the loan terms were met. The loan had a fixed interest rate of 7%.

A total of EUR 4.75 million of loan units were converted into Aspo shares during the loan maturity period. The amount of repayable principal was EUR 10.25 million on the date of maturity.

Hybrid instrument

On November 18, 2013, Aspo issued an EUR 20 million hybrid bond. The coupon rate of the bond is 7% per annum. The bond has no maturity but the company may exercise an early redemption option after three years from the issuing date. The issue was aimed primarily for domestic institutional investors.

A hybrid bond is an instrument which is subordinated to the company's other debt obligations and which is treated as equity in the IFRS financial statements. The hybrid bond does not confer to its holders the rights of a shareholder and does not dilute the holdings of the current shareholders.

Related party loans

Aspo Plc has granted a EUR 2.9 million loan to Aspo Management Oy, which was established in

2010 as part of a shareholding plan for the Group. The interest on the loan receivable is 3% and the loan is market-based. The commitment arrangement was dissolved in November 2014 through a share swap so that Aspo Management Oy is currently a subsidiary wholly owned by Aspo Plc. The company has been consolidated in the financial statements during the commitment period.

RISKS AND RISK MANAGEMENT

During the review period, Aspo's operating environment became more unstable. The poor global economy spanning several years has not recovered as expected. Of large economies, the recent development in the USA has been positive, and growth in China has decelerated, while the prices of basic raw materials have gone down. The decrease in the price of oil has reduced the Russian economy, and the many-year difficulties faced by the EMU, together with the financial crisis in Greece and the slump within industrial production, have deteriorated the financial operating conditions of European companies. The poor global economic situation, combined with the decelerating trade in Russia, keeps the Finnish economy low, and increases strategic and operational risks. Changes in the operating environment in Ukraine and Russia, and the sanctions imposed on Russia by the United States and the EU, together with their counter-sanctions, have increased strategic, operational, financing, and loss risks. Currently, the direct impact of the sanctions on Aspo has remained minor but their subsequent impact on economic stability, together with the global market prices of raw materials and rapid and strong fluctuations in exchange rates, has increased uncertainty within Aspo’s most rapidly growing markets and risks within all risk categories.

Strategic risks

The future impact of financial sanctions on Aspo's customer base and its principals' service range is difficult to estimate. However, an increase in raw material prices and the prices of end products caused by fluctuations in exchange rates alone may reduce demand for Aspo's products in Russia, Ukraine and other CIS countries. As a result of an increase in the prices of imported products, consumer demand has slowed down and the economy has started to decelerate trade in Russia and the Ukraine. Even though the weakening currencies decelerate euro-denominated growth in net sales, euro-denominated costs will also decrease in Russia and Ukraine where Aspo's profitability has remained at a good level.

The deteriorating economic situation is reflected, not only in trade, but also in the financing markets and payments in Russia and Ukraine. Aspo has reacted to the weakened situation in the Ukraine starting from the fall of 2013 when stocks were decreased and the turnover time of trade receivables was reduced. Aspo will take similar action in Russia. Items denominated in foreign currencies have been converted into euros, and any changes in exchange rates have rapidly been transferred to prices. The situation is being monitored continuously.

A key element in Aspo's strategy is the implementation of various structural changes. The listing of Leipurin operations on the Helsinki stock exchange that was started at the end of 2013 was nearing completion, until the situation in Russia came to a head and halted its progess. As investors reduced their risks in Russia and the value of the ruble fell, the Board of Directors of Aspo stated that the listing was no longer possible and the initial public offering process was interrupted. If the current Russian situation continues or weakens, structural changes within Aspo may become more difficult as was the case in the Leipurin listing process.

Financial sanctions or any other obstacles caused by the current situation in Russia may, in part, reduce coal transportation volumes, resulting in a decrease in unloading services for large ocean liners at sea. The social objective to reduce the consumption of coal in energy production has increased in significance, which may reduce the need to transport Russian coal. As a result, it is more difficult to estimate future transportation volumes. A decrease in international freight indices and an increase in international vessels in specific size categories have increased uncertainty over the profitability of shipping companies.

In addition to the political atmosphere, strategic risks are caused by the outlook and production solutions of industrial customers. The current decisions on energy production structures affected by the environmental policy and other political choices may cause changes in industry and energy production, which may decrease the use of fossil fuels and increase alternative forms of energy. The flow of goods in the Baltic Sea may change as a result of the cost structures, changes in the customer structure, such as centralization, or other reasons. These changes may have negative consequences on operations as the need for transportation decreases, but they may also be seen as significant opportunities. Despite changes in the freight rates of global maritime transport, competition for cargo may become more intense in the Baltic Sea area, as well.

Strategic risks are affected by changes in cargo prices, investment trends, and changes in retail structures, especially in western markets. In eastern markets, risks are increased by such factors as political instability, social structures or their lack of reaction to the difficulties encountered by business operations. Rapid changes in economic structures may cause risks due to changes in the customer or principal structure or technologies, and due to unutilized opportunities that require a quick response. Despite the aggravation of the political situation and the alarming direction of economic development, Aspo's strategic risks are evened out by the distribution of business operations over four segments, its engagement in business operations in a broad geographical area, and its ability to react quickly to changing situations.

Operational risks

Operational risks have remained unchanged due to the economic uncertainty in the business environment. These include risks related to supply chains and individuals. The focus of Aspo’s growth is on emerging market areas, where growth risks are affected by factors, such as the level of and changes in the global market prices for raw materials, exchange rates, interest rate levels, industrial and commercial investments, customer liquidity, changes in legislation and import regulations, and inactivity of the authorities. Economic growth and any deceleration or decrease in production may have an impact on demand for raw materials in the eastern markets. Currently, the political instability in Ukraine is disturbing commercial activities and, if the situation continues, Aspo's growth in Ukraine will slow down. There may be a similar trend in Russia if purchasing power decreases. Furthermore, consumer behavior is reflected in the risks generated through B-to-B customers and their risk levels. The growth opportunities presented by emerging markets boost interest among competitors in launching or expanding business in these areas. The challenges posed by emerging markets and the aggravation of the situation in Ukraine have also caused competitors to withdraw, which creates new opportunities for Aspo.

Hedging against exchange rate changes, particularly in emerging markets, is not possible in all situations, and especially without interruptions. Changes in exchange rates may also reduce equity on the balance sheet as a result of translation differences. While changes in credit loss risks vary between business areas and customers, credit loss risks in general have grown, and to some extent they have also been realized.

The quantity and probability of loss risks are assessed regularly. The amounts insured are sufficient in view of the scope of Aspo's operations, but insurance companies may restrict the validity of insurance policies in areas with military operations. The coverage of life and health insurance policies has been increased in Ukraine.

Internal control and risk management

One of the responsibilities of Aspo's Audit Committee is to monitor the efficiency of the Group's internal supervision, internal audits, and risk management systems. The Audit Committee monitors the risk management process and carries out necessary measures to prevent strategic risks, in particular. In accordance with the internal supervision principles approved by the Board of Directors, risk management is part of Aspo's internal supervision, and its task is to ensure the implementation of the Group's strategy, development of financial results, shareholder value, dividend payment ability, and continuity in business operations. The operational management of the business areas is responsible for risk management. The management is responsible for specifying sufficient measures and their implementation, and for monitoring and ensuring that the measures are implemented as part of day-to-day operational control. Risk management is coordinated by Aspo's CFO, who reports to the Group CEO.

Aspo Group's financing and financing risk management are centralized in the parent company in accordance with the financing policy approved by the Board of Directors.

A more detailed account of the risk management policy and the most significant risks has been published in the 2013 Annual Report and on the company's website. Financing risks are described in more detail in notes to the financial statements.

PERSONNEL

Personnel by segment, year-end

	12/2014	12/2013	Change
ESL Shipping	226	210	16
Leipurin	297	300	-3
Telko	258	249	9
Kaukomarkkinat	69	80	-11
Other operations	29	30	-1
Total	879	869	10

At the end of the year, Aspo Group had 879 employees (869). The number of personnel has increased in Aspo's growth areas, particularly in Russia, Ukraine and other CIS countries, with a growth of approximately 6%. ESL Shipping’s personnel increased due to the manning of the new vessel.

Rewarding

Aspo Group applies a profit bonus system which was adopted in 2013. The profit bonus system applied to Finnish personnel is linked with the personnel fund so that the bonus can be invested in the personnel fund or withdrawn in cash. The long-term goal of the funding system is that the personnel will become a significant shareholder group in the company. All persons working at Aspo Group's Finnish companies are members of the personnel fund.

In 2010, Aspo’s Board decided on a shareholding plan for Aspo Group's management. The purpose of the plan was to enable considerable long-term ownership in Aspo for those involved in the plan. For shareholding purposes, the participants acquired a company called Aspo Management Oy, whose entire stock they owned. Aspo Management Oy acquired 114,523 Aspo shares from the participants at market price. In addition, Aspo assigned 322,637 shares at EUR 7.93 per share to the company in a directed share issue. As part of the arrangement, the Board decided to grant Aspo Management Oy a EUR 2,800,000 interest-bearing loan to finance the share purchase. Aspo Management Oy also subscribed to 62,452 shares in Aspo’s rights issue and raised an additional loan of EUR 324,750.40 from Aspo to finance the purchases. In October 2013, Aspo Management Oy purchased 10,000 Aspo Plc shares, after which the company owns a total of 509,612 Aspo shares. After the system reached its objective in terms of long-term ownership, a decision to dissolve the system was made in October 2014. The system was dissolved through a free share issue where a total of 100,626 treasury shares in Aspo Plc were directed at shareholders and, through the share swap, Aspo Plc received all shares in Aspo Management Oy.

In 2012, Aspo's Board of Directors decided on a share-based incentive plan for about 30 persons. The plan lasted for three years, but the Board of Directors decided on the performance criteria and participants each year. The potential reward was based on Aspo Group's earnings per share (EPS) key figure for each performance year of the plan (2012 to 2014). The prerequisite for participation in the plan was that the person acquired Aspo shares, or held Aspo shares or Aspo Management's shares, up to the number predetermined by the Board of Directors, and undertook to follow the rules of the plan. No share bonus was paid for the 2012 vesting period since Aspo's result remained below the targeted level. The Aspo Plc has transferred 19,492 Aspo company-held shares to employees included in the share-based incentive plan for the 2013 vesting period. On the basis of the 2014 earnings period, individuals covered by the system will receive 95,140 shares held by the company as a share-based bonus, as well as money equaling the value of the shares at most in order to pay taxes.

RESEARCH AND DEVELOPMENT

Aspo Group's R&D focuses mainly on developing operations, procedures and production technology without a separate organization, which means that the development investments are included in normal operational costs and are not itemized.

ENVIRONMENT

Aspo Group's operations do not have any significant environmental impact. The Group companies follow Aspo's environmental policy with the main principle of continuously improving operations. Throughout its operations, Aspo supports the principles of sustainable development.

Aspo looks after the environment by taking initiatives and continuously monitoring the laws and recommendations connected to its operation and any revisions to these. Aspo wants to be a pioneer in all of its operations and also anticipates future developments in environmental regulations.

MANAGEMENT AND AUDITORS

Aspo Plc's Annual Shareholders' Meeting re-elected Matti Arteva, Mammu Kaario, Roberto Lencioni, Gustav Nyberg, Kristina Pentti-von Walzel, and Risto Salo to the Board of Directors for a one-year term. Esa Karppinen was not available for a further board membership. At the Board's organizing meeting held after the Annual Shareholders' Meeting, Gustav Nyberg was elected to carry on as Chairman of the Board and Matti Arteva as Vice-Chairman. At the meeting the Board also decided to appoint Roberto Lencioni Chairman of the Audit Committee and Mammu Kaario and Kristina Pentti-von Walzel as committee members.

In 2014, the Board of Directors arranged 17 meetings, of which six were teleconferences. The average participation rate was 99%.

eMBA Aki Ojanen has acted as the CEO of the company.

The authorized public accounting firm Ernst & Young Oy has been the company's auditor. Harri Pärssinen, APA, has acted as the auditor in charge.

SHARE CAPITAL AND SHARES

Aspo Plc's share capital on December 31, 2014 was EUR 17,691,729.57 and the total number of shares was 30,975,524 of which the company directly or indirectly held 573,385 shares; that is, 1.9% of the share capital. Of these company-held shares a total of 509,612 were held by the subsidiary Aspo Management Oy. Aspo Plc has one share series. Each share entitles the shareholder to one vote at the shareholders' meeting. Aspo's share is quoted on NASDAQ OMX Helsinki Oy's Mid Cap segment under industrial products and services.

During January-December 2014, a total of 4,871,593 Aspo Plc shares with a market value of EUR 30.2 million were traded on Nasdaq Helsinki, in other words, 15.7% of the stock changed hands. During the year, the stock reached a high of EUR 7.52 and a low of EUR 5.21. The average price was EUR 6.20 and the closing price at year-end was EUR 5.69. At the end of the year, the market value excluding treasury shares was EUR 173.0 million.

The number of Aspo Plc shareholders was 8,150 at year-end. A total of 531,165 shares, or 1.7% of the share capital, were nominee registered or held by non-domestic shareholders.

Flagging notification

Aatos Vehmas announced on January 23, 2014 that his holdings have decreased below 5% of the voting rights and share capital of Aspo Plc. According to the notification the shares have been transferred as part of an internal arrangement of Vehmas family's ownership.

DECISIONS AT SHAREHOLDERS' MEETINGS

Dividend

The Annual Shareholders' Meeting of Aspo Plc held on April 3, 2014 decided, according to the Board of Directors' proposal, to pay a dividend of EUR 0.21 per share. The payment date was April 15, 2014.

An extraordinary shareholders' meeting of Aspo Plc was organized on December 11, 2014. The Board of Directors of Aspo Plc proposed, in the notice of the meeting, that it be authorized, according to its discretion, to pay an additional dividend to shareholders in Leipurin shares, cash or a combination of the two. However, the Board of Directors decided to discontinue the listing process of Leipurin Plc, temporarily interrupt the application for trading on Leipurin Plc shares on the stock exchange list of NASDAQ OMX Helsinki Oy, and cancelled its proposal to the extraordinary shareholders' meeting regarding the authorization to pay an extra dividend. At the extraordinary shareholders' meeting, the cancellation of the authorization was approved, and no extra dividend was paid.

Authorization of the Board of Directors to decide on the acquisition of treasury shares

The Annual Shareholders' Meeting on April 3, 2014 authorized the Board of Directors to decide on the acquisition of no more than 500,000 of the company-held shares using the unrestricted shareholders' equity of the company. The authorization includes the right to accept company-held shares as a pledge.

The shares shall be acquired through public trading, for which reason the shares are acquired otherwise than in proportion to the holdings of the shareholders and the consideration paid for the shares shall be the market price of the Aspo's share at the time of repurchase. Shares may also be acquired outside public trading for a price which at most corresponds to the market price in public trading at the time of acquisition. The authorization includes the Board's right to resolve on a directed repurchase or the acceptance of shares as a pledge, if there is a compelling financial reason for the company to do so as provided for in Chapter 15, section 6 of the Finnish Limited Liability Companies Act. The shares shall be acquired to be used for the financing or execution of corporate acquisitions or other transactions, for execution of the company's share-ownership programs or for other purposes determined by the Board.

The Board may not exercise the authorization to acquire company-held shares or to accept them as a pledge if after the acquisition the company or its subsidiary would possess or have as a pledge in total more than ten (10) percent of the company's stock. The authorization is valid until the Annual Shareholders' Meeting in 2015 but not more than 18 months from the approval at the Shareholders' Meeting.

The Board of Directors shall decide on any other matters related to the acquisition of company-held shares.

The authorization will supersede the authorization for the acquisition of company-held shares which was granted to the Board of Directors by the Annual Shareholders' Meeting on April 10, 2013.

Authorization of the Board to decide on a share issue of the treasury shares

The Annual Shareholders' Meeting in 2012, authorized the Board of Directors to decide on a share issue involving one or more installments, carried out through the transfer of treasury shares. A maximum of 834,529 shares may be transferred on the basis of the authorization. The authorization is valid until September 30, 2015.

In 2014, the Aspo Board of Directors has used its authorization as the company transferred 19,492 treasury shares related to the share-based incentive plan. In October 2014, the Aspo Board of Directors decided on a directed share issue in which Aspo transferred, in deviation from the shareholders' pre-emptive subscription rights, 100,626 Aspo shares held by the company to the shareholders of Aspo Management Oy, in order to acquire the whole share stock of Aspo Management Oy to Aspo Plc.

Authorization of the Board to decide on a rights issue

The Annual Shareholders' Meeting in 2012, authorized the Board to decide on a rights issue. The authorization also includes the right to decide on a directed share issue. The total number of new shares to be offered for subscription may not exceed 1,500,000. The authorization is valid until September 30, 2015.

DIVIDEND PROPOSAL

The parent company's distributable funds totaled EUR 36.690.325,55 on December 31, 2014.

The Board of Directors proposes to the 2015 Annual Shareholders' Meeting that a dividend of EUR 0.40 per share be paid for the financial year that ended on December 31, 2014, and that no dividend is to be paid on the Aspo shares held by the company or its subsidiaries.

OUTLOOK FOR 2015

The slow growth in global economy and industry within the EU will continue. Uncertainty will continue in eastern growth markets that are important areas for Aspo, and any future development and resulting financial impacts are difficult to evaluate. Currencies are expected to remain volatile, while inflation will increase significantly. Russia's GDP is expected to fall substantially. Oil prices are expected to remain low, even if the price moved slightly higher. In general, the prices of raw materials will remain at a low level. The Group will continue to increase its market shares in the strategically important eastern growth markets after some of its competitors have withdrawn from the markets. International dry bulk freight rates are expected to remain low.

Our 2015 estimate is based on industrial production in Finland and the EU continuing to show a downward trend, and the continuation of the crisis between Russia and the Ukraine. Our experience and expertise in financial crises have usually strengthened our market position in the east.

We expect the operating environment for Aspo's business operations to remain stable. However, risks in the operating environment on the eastern markets have increased due to the crisis between Russia and the Ukraine, and therefore we will be prepared, for example, for notable currency fluctuation, possible problems in the Russian banking system, and the deepening of the financial crisis. Aspo's euro-denominated costs are forecast to decrease significantly due to the tight cost control in Russia, the Ukraine, and the other CIS countries as well as due to the devaluation of the local currencies. In Finland, we estimate our annual costs to decrease by about EUR 2.5 million.

Guidance: Aspo expects to reach a good result.

ESL Shipping

International dry bulk freight rates are expected to remain low in 2015. In particular, the market freight prices of large vessels are at a historical low, and make the market situation of standard non-ice-strengthened vessels a challenging one. A significant part of the company's transportation capacity has been secured in the Baltic Sea through long-term contracts. The strong decline in the value of the Russian ruble in relation to US dollar and the euro improves the international competitiveness of raw materials exported from Russia, and transportation volumes from Russia are expected to grow or remain unchanged.

Transportation volumes within the steel industry are expected to be higher than the year before, while the heavy season variation in demand forces the capacity of the pusher system to be adapted during the open water season as in previous years. The need for transportation within the energy industry in 2015 depends on the competitiveness of coal, demand for energy during the winter, the market price of electricity, and the size of the Nordic water supply. Demand for unloading and loading services for large ocean liners at sea has been high, and is expected to continue at the same level. The shipping company is negotiating over possibilities to discover new optional market areas and applications for its pusher fleet, for example, from the transportation of biofuels in the Baltic Sea. The shipping company will continue to expand its customer base outside the energy and steel sectors, particularly towards the transportation of mining, agricultural and bioenergy products where the independent load handling capacity and ice-strengthening of the vessels can be utilized. The company will also expand its operating area and reduce the impact of seasonal and industrial cycles.

Entered into force at the beginning of 2015, the Sulphur Directive may reduce the number of ships operating in the Baltic Sea.

In 2015, four ship units will be docked as planned. The dockage of m/s Pasila was scheduled to be carried out in summer, but due to a bottom contact it was performed earlier in January in connection with average repairs.

Leipurin

The prices of bakery and other food raw materials are estimated to remain stable until the 2015 harvest season. The prices of vegetable oil-based raw materials are expected to remain low or rise slightly.

The operating environment in Russia is difficult to evaluate. The strong decline in the value of the Russian ruble at the end of 2014 raised the prices of imported raw materials and, in the short-term, may steer demand towards cheaper local products. Leipurin has strongly developed its local purchasing. Its objective is to increase the current share of 40% to 50% by summer 2015. Locally acquired products include Leipurin branding products where the sales margin is higher than among imported raw materials. The strong decline in the external value of the ruble has reduced the euro-denominated cost structure of Leipurin in Russia, which in turn improves the weakened profitability.

The order book involving project deliveries in machine sales is lower than in the reference period. The situation dealing with sales and ordering decisions will be improved by identifying and developing customer-specific financing solutions. In the long-term, the structural change within the Russian bakery industry and trade offers good opportunities to increase machine sales. Demand for high-quality healthy bread is expected to grow in Russia. The long-term outlook on bakery raw materials and machine sales has remained unchanged.

Investments made by the bakery sector in frozen bakery products are expected to continue in Europe, which creates opportunities for the sale of spiral freezers to increase within the machine manufacturing operations of Leipurin.

No significant changes are expected in the volumes of bakery raw materials in Finland and the Baltic region. In Finland, Leipurin is planning on improving the efficiency of its operations. Cost savings in Finland are expected to be EUR 0.7 million annually starting from summer 2015.

Telko

In western markets, industrial fields important to Telko are not expected to grow significantly in 2015. Growth in industrial demand is estimated to remain low or decrease in Russia and the Ukraine. The volatility of the raw materials sold by Telko and the fluctuations in the exchange rates of eastern currencies are expected to continue. Oil prices are estimated to remain low. The future development of raw material prices has an impact on the development of net sales. Declining eastern currencies reduce Telko's euro-denominated costs, which in part improves profitability. The share of technical plastics from Telko's net sales has increased, which has reduced the cyclical nature of operations and improved profitability. In Finland and Scandinavia, the efficiency of operations has been improved further, which will reduce cost levels and improve profitability in 2015.

Telko will continue its strategic expansion in growth markets. It will open new units in large metropolises in Russia. Telko will continue to investigate a logistics terminal investment in Russia. The heavy fall of the ruble has reduced the euro-denominated price of the planned investment. The terminal would allow Telko to serve new industrial fields through new products.

In plastic raw materials and industrial lubricants, investments in organic growth will be continued.

Kaukomarkkinat

The objective of Kaukomarkkinat is to develop the range of energy-efficient building systems in Finland. Kaukomarkkinat offers heating solutions through a diverse range of heat pumps and solar power, and systems for the recovery, distribution and control of heat. Demand for cooling solutions will grow, even though general construction volumes have decreased. Demand for energy efficiency solutions will increase in the near future through new energy regulations.

IT solutions based on special expertise in demanding working environments connected to wireless communications will grow. Kaukomarkkinat is looking for growth in rugged computers, special IT equipment within the healthcare sector, and demanding AV solutions. Kaukomarkkinat will operate with an effective organization in Finland. Lower costs and productive sales enable a significant improvement in profitability.

The suitability of international operations for Kaukomarkkinat will be evaluated in 2015.

Legal proceedings

ESL Shipping is seeking, through legal proceedings, a refund from the State of Finland for fairway dues charged before 2006. According to ESL Shipping, Finland has not complied with the EU's fairway dues legislation. The requirement concerns fairway dues charged in 2001–2004, the value of which totals approximately EUR 3.0 million, and related interest and legal fees. The result of the legal proceedings is uncertain and the date of the final decision cannot be estimated. A possible reimbursement is not included in the financial statements.

The shipping company and ABG Shipyard in India have been involved in negotiations concerning the compensation payable for repairs made to m/s Alppila during the warranty period. The vessel was delivered to ESL Shipping in 2011. The negotiations have not proceeded in the way the shipping company had hoped and, therefore, the shipping company has commenced legal proceedings against ABG Shipyard.

Helsinki February 11, 2015

ASPO Plc

Board of Directors

ASPO GROUP INCOME STATEMENT

	10-12/2014		10-12/2013	
	MEUR	%	MEUR	%
Net sales	122.6	100.0	120.3	100.0
Other operating income	0.2	0.2	0.5	0.4
Depreciation and write-downs	-2.8	-2.3	-2.6	-2.2
Operating profit	5.5	4.5	3.8	3.2
Financial income and expenses	-1.5	-1.2	-1.0	-0.8
Profit before taxes	4.0	3.3	2.6	2.2
Profit for the period	3.7	3.0	4.4	3.7
Other comprehensive income				
Items that may be reclassified to profit or loss in subsequent periods				
Translation differences	-7.3		-0.8	
Cash flow hedges	0.1		0.0	
Available-for-sale financial assets	3.1			
Income tax on other comprehensive income	-0.6		0.0	
Other comprehensive income for the period, net of taxes	-4.7		-0.8	
Total comprehensive income	-1.0		3.6	
Profit attributable to shareholders	3.7		4.4	
Non-controlling intrerest	0.0		0.0	
Total comprehensive income attributable to shareholders	-1.0		3.6	
Non-controlling interest	0.0		0.0	
Earnings per share, EUR	0.11		0.14	
EPS adjusted for dilution, EUR	0.11		0.14	

	1-12/2014		1-12/2013	
	MEUR	%	MEUR	%
Net sales	482.9	100.0	476.3	100.0
Other operating income	0.8	0.2	0.8	0.2
Depreciation and write-downs	-11.2	-2.3	-10.8	-2.3
Operating profit	23.4	4.8	10.8	2.3
Financial income and expenses	-4.4	-0.9	-4.1	-0.9
Profit before taxes	19.0	3.9	6.6	1.4
Profit for the period	18.4	3.8	8.6	1.8
Other comprehensive income				
Items that may be reclassified to profit or loss in subsequent periods				
Translation differences	-12.7		-2.8	
Cash flow hedges	0.0		0.3	
Available-for-sale financial assets	3.1			
Income tax on other comprehensive income	-0.6		-0.1	
Other comprehensive income for the period, net of taxes	-10.2		-2.6	
Total comprehensive income	8.2		6.0	
Profit attributable to shareholders	18.4		8.6	
Non-controlling intrerest	0.0		0.0	
Total comprehensive income attributable to shareholders	8.2		6.0	
Non-controlling interest	0.0		0.0	
Earnings per share, EUR	0.57		0.28	
EPS adjusted for dilution, EUR	0.57		0.30	

ASPO GROUP BALANCE SHEET

	12/2014 MEUR	12/2013 MEUR	Change %
Assets			
Non-current assets			
Intangible assets	12.3	13.2	-6.8
Goodwill	44.4	45.3	-2.0
Tangible assets	111.4	103.4	7.7
Available-for-sale financial assets	3.2	0.2	1500.0
Long-term receivables	4.0	4.2	-4.8
Shares in associated companies	0.0	2.2	-100.0
Total non-current assets	175.3	168.5	4.0
Current assets			
Inventories	47.3	47.8	-1.0
Sales and other receivables	56.4	57.7	-2.3
Cash and bank deposits	19.3	28.5	-32.3
Total current assets	123.0	134.0	-8.2
Total assets	298.3	302.5	-1.4
Shareholders' Equity and Liabilities			
Shareholders’ equity			
Share capital	17.7	17.7	0.0
Other shareholders’ equity	86.4	84.9	1.8
Shareholders’ equity attributable	104.1	102.6	1.5
to equity holders of the parent	0.0	0.7	-100.0
Long-term liabilities	83.3	93.8	-11.2
Short-term liabilities	110.9	105.4	5.2
Total shareholders' equity and liabilities	298.3	302.5	-1.4

STATEMENT OF CHANGES IN SHAREHOLDERS EQUITY

A = Share capital
B = Premium fund
C = Fair value fund
D = Other funds
E = Repurchased shares
F = Translation difference
G = Retained earnings
H = Total
I = Non-controlling interest
J = Total shareholders' equity

MEUR	A	B	C	D	E	F	G	H	I	J
Balance at 31.12.2013	17.7	4.3	-0.6	33.7	-4.3	-3.3	55.1	102.6	0.7	103.3
Comprehensive income:										
Profit for the period							18.4	18.4		
Translation difference						-12.7		-12.7		
Cash flow hedge*			0.0					0.0		
Available-for-sale financial assets*			2.5					2.5		
Total comprehensive income			2.5			-12.7	18.4	8.2		
Transactions with owners:										
Conversion of convertible capital loan				0.0				0.0		
Repayment of convertible capital loan				-1.7			1.7	0.0		
Dividend payment							-6.4	-6.4		
Interest on hybrid instrument							-1.6	-1.6		
Share-based payment					0.2		0.4	0.6		
Change in non-controlling interest					0.7		0.0	0.7	-0.7	
Total transactions with owners				-1.7	0.9		-5.5	-6.3		
Balance 31.12.2014	17.7	4.3	1.9	32.0	-3.4	-16.0	67.6	104.1	0.0	104.1
Balance at 31.12.2012	17.7	4.3	-0.8	13.7	-4.2	-0.5	59.3	89.5	0.7	90.2
Comprehensive income:										
Profit for the period							8.6	8.6		
Translation difference						-2.8		-2.8		
Cash flow hedge*			0.2					0.2		
Total comprehensive income			0.2			-2.8	8.6	6.0		
Transactions with owners:										
Dividend payment							-12.7	-12.7		
Share repurchase					-0.1			-0.1		
Hybrid instrument				20.0			-0.1	19.9		
Share-based payment							0.0	0.0		
Total transactions with owners				20.0	-0.1		-12.8	7.1		
Balance at 31.12.2013	17.7	4.3	-0.6	33.7	-4.3	-3.3	55.1	102.6	0.7	103.3

* net of taxes

ASPO GROUP CASH FLOW STATEMENT

	1-12/2014 MEUR	1-12/2013 MEUR
OPERATIONAL CASH FLOW		
Operating profit	23.4	10.8
Adjustments to operating profit	12.7	10.9
Change in working capital	-8.1	0.3
Interest paid	-4.0	-3.8
Interest received	0.3	0.5
Taxes paid	-2.3	-2.7
Total operational cash flow	22.0	16.0
INVESTMENTS		
Investments in tangible and intangible assets	-17.5	-3.6
Gains on the sale of tangible and intangible assets	0.2	0.4
Gains on the sale of business operations	0.9	
Purchases of subsidiary shares	-0.3	-0.3
Disposal of associated companies	2.2	
Total cash flow from investments	-14.5	-3.5
FINANCING		
Change in short-term borrowings	-12.3	-21.0
Change in long-term borrowings	5.3	8.9
Hybrid instrument	-1.4	20.0
Share repurchase		-0.1
Dividends paid	-6.4	-12.7
Total financing	-14.8	-4.9
Increase / Decrease in liquid funds	-7.3	7.6
Liquid funds in beginning of year	28.5	21.4
Translation difference	-1.9	-0.5
Liquid funds at period end	19.3	28.5

ASPO GROUP CONTINGENT LIABILITIES

	12/2014 MEUR	12/2013 MEUR
Securities on group liabilities	122.6	109.6
Leasing liabilities	29.3	34.8
Guarantees given on behalf of associated companies and joint ventures	0.2	3.6
Derivative contracts, fair values, net		
-Interest rate swaps	-0.8	-0.8

ACCOUNTING PRINCIPLES AND FINANCIAL REPORTING

Aspo Plc’s financial statement release has been prepared in accordance with the principles of IAS 34 Interim Financial Reporting. As of 1 January 2014, Aspo applies certain new or amended IFRS standards and IFRIC interpretations as described in the 2013 financial statements. The adoption of these new or amended standards has not had any substantial impact on the reported figures. In this financial period, Aspo has reclassified the internal long-term loans belonging to the Telko segment of Telko's subsidiary in Kazakhstan as net investments into international operations under IAS 21. A corresponding principle has been applied since 2011 to the long-term loans of Telko's Belarusian and Ukrainian subsidiary. In other respects, the same accounting principles have been adopted in the interim report as in the Financial Statements on December 31, 2013. The calculation principles of key figures are explained on page 98 of the 2013 Annual report. The information in this report is unaudited.

PRESS AND ANALYST CONFERENCE

A press and analyst conference will be arranged today, Thursday February 12 , 2015 at 10.00 at the Akseli Gallen-Kallela cabinet at Hotel Kämp, Pohjoisesplanadi 29, 00100 Helsinki.

ANNUAL SHAREHOLDERS' MEETING

The Aspo Plc Annual Shareholders' Meeting is scheduled to be held on Thursday, April 9, 2015, at 14.00 in Helsinki.

FINANCIAL INFORMATION IN 2015

The 2014 Annual Report will be published during week 14 at the latest in Finnish and in English. You can read and order the report on our website at www.aspo.com. Aspo Plc will publish three Interim Reports in 2015: for the first quarter on May 6, 2015, for the second quarter on August 13, 2015, and for the third quarter on October 28, 2015.

Helsinki, February 12, 2015

ASPO Plc

Aki Ojanen	Arto Meitsalo
CEO	CFO

For more information:
Aki Ojanen, 09 521 4010, 0400 106 592
aki.ojanen (a)aspo.com

DISTRIBUTION:
Nasdaq Helsinki
Key media
www.aspo.com