



**RESULTS IN EVERY
BUSINESS CYCLE**

Aspo achieved an all-time high result despite the dramatic operating environment.

**PROFITABLE
GROWTH**

ESL Shipping has expanded into the Arctic region and special services.

**SPECIALIZATION AS
A COMPETITIVE EDGE**

Telko's record result is the outcome of making the right strategic choices.

2014

Annual Report



COMPANY



ESL Shipping transports dry bulk cargoes. We provide a year-round supply of raw materials to our customers, even in the most demanding conditions.

CUSTOMERS

Our key customers are companies in the steel industry as well as energy producers. Our vital raw material deliveries make us an essential part of our customers' value chains. We also offer other related services, such as cargo handling at sea or in ports.

STRENGTHS

Our ice-strengthened, self-discharging vessels are designed specifically to operate in demanding conditions. Our sufficiently large and interchangeable fleet ensures efficient operations and flexible and reliable service for our customers.



LEIPURIN supplies raw materials, machinery and services to bakeries and other food industry segments. We provide our customers with services for all stages of production: from R&D to boosting operational efficiency.

Our key customers include bakeries, the food industry and the HORECA business. Leipurin offers R&D services, raw materials based on in-house product development, machines developed in-house, as well as raw materials and machines made by leading international suppliers.

The company's unique business model combines expertise-based test bakery operations and a wide range of first-class raw materials with advanced machinery and equipment. Expertise can, for example, be utilized in planning new recipes and developing product characteristics.



TELKO is an expert in the plastic raw materials and chemicals required in industry. Our services cover procurement, distribution, technical support and the development of production processes.

In plastics, our customers include the packaging industry, electronics and electricity and companies manufacturing plastic parts for consumer products. Our chemicals customers include companies in the paint, printing, packaging and chemical industries. We deliver products made by leading international suppliers.

Telko has an extensive product range and robust expertise in the raw materials customers require in their production processes. Our efficient logistics cover global procurements and local warehouses that enable rapid and customized deliveries.



KAUKOMARKKINAT is a specialist in its industry's best high-technology products, systems and customer-tailored solutions.

Customers include building system suppliers and organizations that utilize professional electronics, such as industrial and service companies, hospital districts, and public organizations.

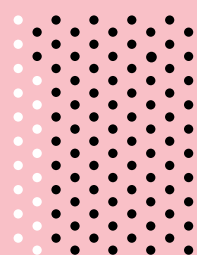
Kaukomarkkinat's in-depth understanding of customer needs, extensive network of suppliers, and strong technological expertise combined with the best products of leading-edge suppliers are the basis for our operations.

ASPO IS A CONGLOMERATE THAT OWNS THE LEADING BRANDS IN THEIR FIELDS OF BUSINESS

Aspo is a conglomerate that owns the subsidiaries ESL Shipping, Leipurin, Telko, and Kaukomarkkinat in full. Our subsidiaries operate under their own brands and provide value for their customers. Aspo ensures that the group formed by the subsidiaries generates value for Aspo's shareholders.

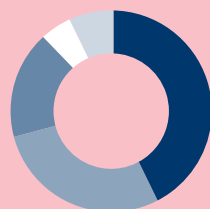
All subsidiaries serve demanding business-to-business clients, playing a pivotal role in their value chains. They all seek to be the market leader in their field. Success entails robust expertise and enduring partnership with our customers.

SHARE OF GROUP NET SALES



18%

NET SALES DISTRIBUTION BY COUNTRY

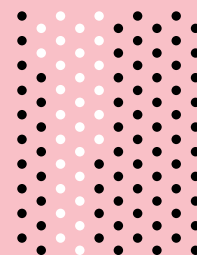


Cargoes by country

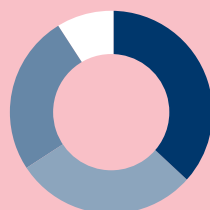
- Sweden 43%
- Russia 28%
- Finland 17%
- Latvia 5%
- Other countries 7%

KEY FIGURES

	2014	2013
Net sales, MEUR	85.2	77.8
Operating profit, MEUR	16.0	7.6
Personnel Dec. 31	226	210

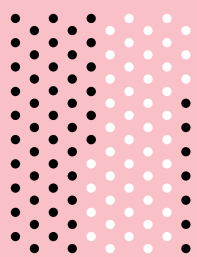


28%

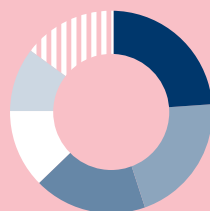


- Finland 37%
- Russia 29%
- Baltic countries 25%
- Other countries 9%

	2014	2013
Net sales, MEUR	134.9	136.3
Operating profit, MEUR	4.4	5.2
Personnel Dec. 31	297	300

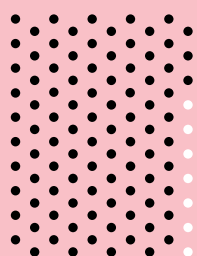


47%

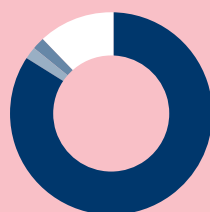


- Russia 24%
- Finland 21%
- Ukraine 18%
- Scandinavia 12%
- Baltic countries 10%
- Other countries 15%

	2014	2013
Net sales, MEUR	226.8	230.2
Operating profit, MEUR	9.9	5.8
Personnel Dec. 31	258	249



7%

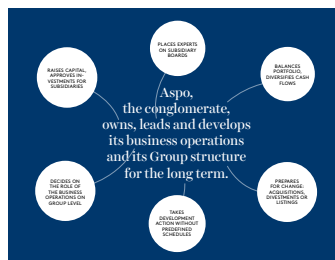


- Finland 84%
- Baltic countries 2%
- Russia 2%
- Other countries 12%

	2014	2013
Net sales, MEUR	36.0	32.0
Operating profit, MEUR	0.1	-3.6
Personnel Dec. 31	69	80



PAGE 2
CEO's Review



PAGE 4
Aspo's Strategy



PAGE 6
◆ ESL Shipping



PAGE 14
◆ Leipurin



PAGE 22
◆ Telko



PAGE 30
◆ Kaukomarkkinat

- 1 Aspo in Brief
- 2 CEO's Review
- 4 Aspo's Strategy
- 6 ESL Shipping
- 14 Leipurin
- 22 Telko
- 30 Kaukomarkkinat
- 36 Responsibility
- 38 Corporate Governance
- 46 Summary of Releases

FINANCIAL STATEMENTS

- 50 Report of the Board of Directors

CONSOLIDATED FINANCIAL STATEMENTS, IFRS

- 60 Consolidated Statement of Comprehensive Income
- 61 Consolidated Balance Sheet
- 62 Consolidated Cash Flow Statement
- 63 Statement of Changes in Shareholders' Equity
- 64 Notes to the Consolidated Financial Statements
- 93 Key Figures

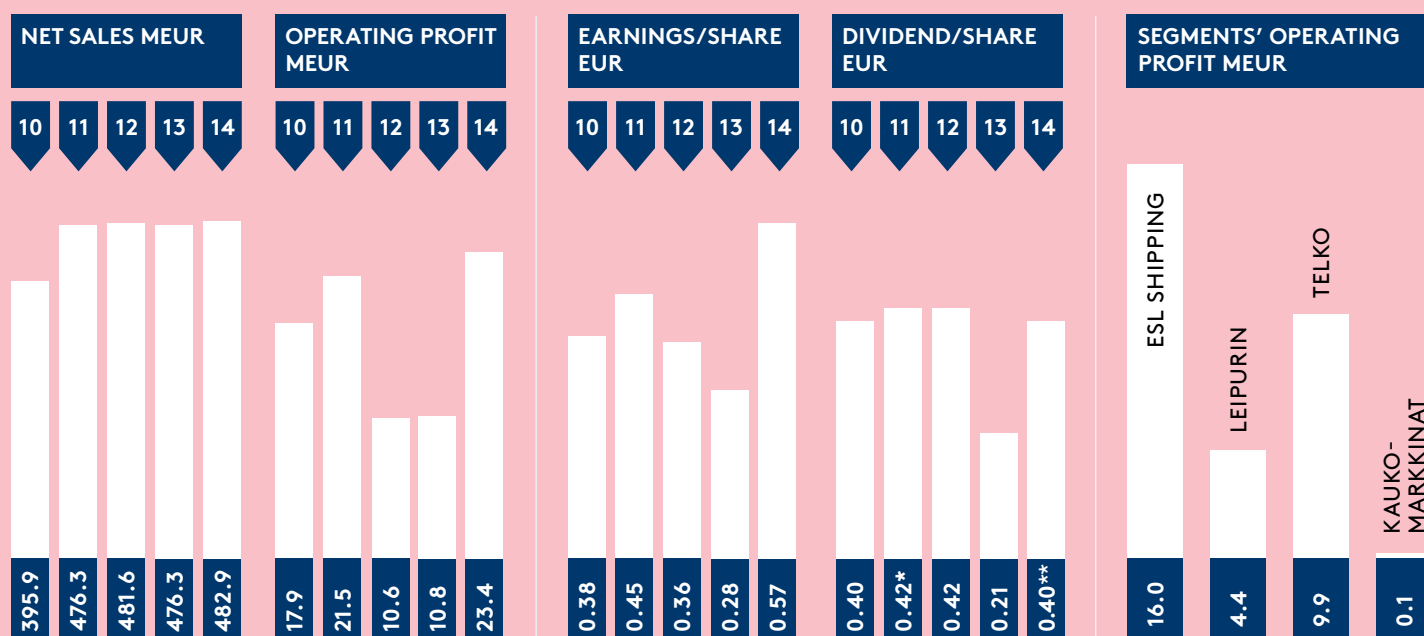
PARENT COMPANY'S FINANCIAL STATEMENTS, FAS

- 95 Parent Company's Income Statement
- 96 Parent Company's Balance Sheet
- 97 Parent Company's Cash Flow Statement
- 98 Notes to the Parent Company's Financial Statements
- 104 Shares and Shareholders
- 106 Dividend Proposal of the Board
- 107 Auditor's Report
- 108 Information for Investors

ASPO DEVELOPS ITS BUSINESS OPERATIONS AND GROUP STRUCTURE

Aspo is a conglomerate that owns, leads and develops its business operations and Group structure for the long term without any predefined schedules. Aspo operates in northern Europe and eastern growths markets. We are engaged in trade and logistics. As a conglomerate, Aspo forms a balanced portfolio with diversified cash flows according to

business and geographical region. This structure also evens out any economic fluctuations because different subsidiaries follow different economic cycles. The conglomerate structure also offers an excellent platform for acquisitions and divestments of business operations, and other structural changes.



* REPAYMENT OF CAPITAL
** BOARD'S PROPOSAL

KEY FIGURES

	2014	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
Earnings/share, EUR	0.57	0.28
Diluted earnings/share, EUR	0.57	0.30
Equity/share, EUR	3.42	3.39
Return on investment, % (ROI)	9.9	4.6
Return on equity, % (ROE)	17.8	8.9
Equity ratio, %	35.2	34.4
Gearing, %	101.0	98.2
Personnel, December 31	879	869

ASPO'S FINANCIAL TARGETS

- OPERATING PROFIT LEVEL CLOSER TO 10% THAN 5%.
- AVERAGE RETURN ON EQUITY OF OVER 20%.
- GEARING OF UP TO 100%.

ASPO'S DIVIDEND POLICY

- AT LEAST HALF OF THE ANNUAL PROFIT DISTRIBUTED IN DIVIDENDS ON AVERAGE.



Records are made to be broken

In 2014, Aspo reached an all-time high result, despite dramatic changes in its operating environment.

Aspo's strong performance is based on its solid strategy, successful investments and hard work.

Aspo's strategy is to own, lead and develop its business operations. Our businesses form a balanced whole, which also decentralizes risks. This is an indication of the benefits of operating in multiple business fields.

During the past decade, we have invested in all of our businesses. For example, in 2010, we invested EUR 70 million in new vessels for ESL Shipping and the modernization of its older vessels. This has allowed the shipping company to expand into new market areas and offer profitable new services. Being a conglomerate, Aspo is able to make larger investments that would otherwise be unreachable for individual businesses.

We are developing our businesses over the long term. The competitive benefits of all of our businesses are based on unique expertise and services that make them even more important partners for their customers. Our strong position in eastern markets is also the result of our long-term work. In recent years, Leipurin and Telko have expanded determinedly to all key economic areas in Russia and other eastern growth markets. Both of them have been able to grow profitably, even in the past year's highly turbulent environment.

The past year witnessed the escalation of the crisis between Russia and Ukraine, tighter economic sanctions and, ultimately, the record crash of the Russian ruble. At the same time, the freight market remained at a historical low. Being able to produce a record-breaking result in such a demanding environment proves that our success lies more firmly in our own hands. And that is the way it should be: we need to be able to produce good results even in poor market situations.

Aspo produces value by developing its business operations and the Group structure. Business development is a never-ending process – structural changes are made when they increase Aspo's shareholder value.

In 2014, we prepared the listing of Leipurin Plc as an independent listed company. The listing process was cancelled because the collapse of the Russian ruble caused great uncertainty in the markets. It was an unfortunate, but not very dramatic, situation because, even after the listing, we would have remained the largest shareholder of Leipurin. We will continue to develop the company and increase its value as determinedly as before. Similarly, structural changes still make up a significant part of Aspo's strategy – whenever they serve the benefits of Aspo's shareholders.

Forward on all fronts

All of our businesses developed well in 2014, with ESL Shipping and Telko being our brightest stars.

ESL Shipping moved strongly forward. The shipping company expanded its operations into the Russian Arctic and new added-value services, such as loading and unloading of ships at sea. These new transports and services have clearly improved the profitability of ESL Shipping. What is more, the shipping company has continually improved the efficiency of its operations.

Leipurin continued its profitable growth in Russia, Ukraine, and other CIS countries, regardless of the significant decline in their currencies. According to its objectives, Leipurin has increased local purchasing operations, which in part protects the company from exchange rate fluctuations. In Russia, local raw materials already accounted for nearly 40 percent.

Telko achieved the best result in its history, even though the prices of key raw materials fell. Telko has systematically

increased the role of technical plastics that require a high level of expertise. These products do not follow any price cycles and, for example, the decline in oil prices has barely affected the company. Telko has successfully evolved into an expert organization which solves its customers' problems.

Kaukomarkkinat did what we promised a year earlier. The business has now become stable and started to produce a profit. The company has found product areas where it is able to build larger packages for its customers to produce clear added value. In the future, Kaukomarkkinat will focus on strengthening this profitable business.

Eastern markets accounted for nearly one-third of Aspo's net sales. Euro-denominated growth was strongest in the Baltic region and Scandinavia, with net sales increasing by more than 10 percent in both areas.

Stability through services

Aspo's good performance is the result of years of hard work. It all starts from each business' correct strategy and good leadership. Each of our business operations has developed individual strengths based on their unique expertise.

All of our subsidiaries have expanded their operations to services that are significant to their customers and produce clear added value. Through its test bakeries, Leipurin is firmly involved in the product development of its customers, while Telko has a similar role as a specialist in demanding technical raw materials. ESL Shipping loads ships at sea in challenging conditions, and Kaukomarkkinat delivers ever-larger solution packages and associated services.

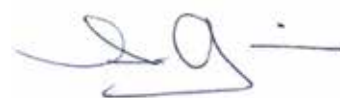
Thanks to our services, we are able to produce good results even when the general economic situation is poor. For example, changes in raw material prices are not as significant for our business operations as they were five years ago. This has been an obvious strategic choice, the impact of which is now reflected in our results.

Business management is emphasized in irregular situations. The operating environment in eastern markets will continue to be highly uncertain. We have a long history in operating in the east, and have weathered a number of crises. Every country we operate in is a home market for us, and we take good care of our personnel and customers. As a result, we have usually been able to strengthen our market position when facing a crisis.

Mostly, I wish to thank our personnel for our record-breaking result. I would also like to thank our customers, suppliers, partners, and shareholders. In this market situation, we can be happy with the level of Aspo's operating profit and return on equity. Our improvement proves that we are doing the right things – and we are doing them well.

However, records are made to be broken. We are happy, but we are hungry for more. I believe that so far we have only witnessed the first signs of Aspo's full potential.

Helsinki, February 17, 2015



Aki Ojanen, CEO

Aspo's strategy aims at a long-term increase in the shareholder value

Aspo is a conglomerate which owns, leads and develops its business operations and Group structure for the long term without any predefined schedules.

Aspo's strategic foundation blocks are:

- Aspo is a conglomerate that owns, leads and develops its business operations and Group structure for the long term without any predefined schedules. Aspo's subsidiaries operate under their own brands and produce value for their customers. Aspo is responsible for the Group as a whole, thus producing value for Aspo's shareholders.
- As a conglomerate, Aspo has balanced its portfolio by diversifying cash flows across business operations and geographical regions. This structure also evens out any economic fluctuations because the subsidiaries follow different economic cycles attributable to their business areas. The conglomerate structure also offers an excellent platform for divestments, acquisitions, and other restructuring arrangements.
- Aspo operates in trade and logistics. All business operations have strong positions based on expertise in the value chains of demanding b-to-b customers, and the objective of each business is to strengthen its position in the rapidly growing eastern markets. In our conglomerate, subsidiaries easily learn and benefit from one another's experiences.

Ownership is reflected in leadership

Aspo **owns** its business operations in full. Full ownership produces synergies and offers the best

possible starting point to develop each business over the long term. Similarly, funding is easier to obtain and optimize.

As owner, Aspo obtains and allocates capital, and decides on investments made by its subsidiaries. Aspo also defines the market areas in which each subsidiary operates. Furthermore, the Group decides upon the business transactions of its subsidiaries and any divestments on different business areas. The Group views operations more objectively from the owner's point of view.

The conglomerate structure is reflected in Aspo's leadership: the **management system**, emphasizing the role of the Board of Directors of each subsidiary, comprises a significant part of the Aspo strategy.

In the Aspo management system, subsidiaries have their own Boards of Directors, consisting of experts from outside the Group. Aspo's CEO is the Chairman of each subsidiary's Board of Directors; as Chairman he promotes development at the Group level.

Not only has the role of the subsidiary Boards been strengthened, the Boards now do more than merely monitor management performance. They continuously monitor their operating environments to be able to anticipate changes and to react to opportunities presented therein. Most importantly, the Boards are responsible for planning the subsidiary strategies and selecting management for the subsidiary. These selections also largely determine how Aspo succeeds as a whole.

Aspo's Group Executive Committee develops the synergies between the Group and its subsidiaries.

“ASPO DEVELOPS ITS BUSINESS OPERATIONS AS WELL AS GROUP STRUCTURE.”

The Group Management and Managing Directors of all subsidiaries sit on this committee. It prepares new development focuses that either concern the entire Group or at least two of the businesses and their synergies.

Development at all levels

Aspo **develops** its businesses and the entire Group structure.

Each *business* has its own strategy that has been approved by the subsidiary's Board of Directors and is presented in this Annual Report under each business operation.

Aspo develops the *whole* made up of the businesses it owns, thus Aspo decides which business makes investments, which produces cash flow and which builds new operations.

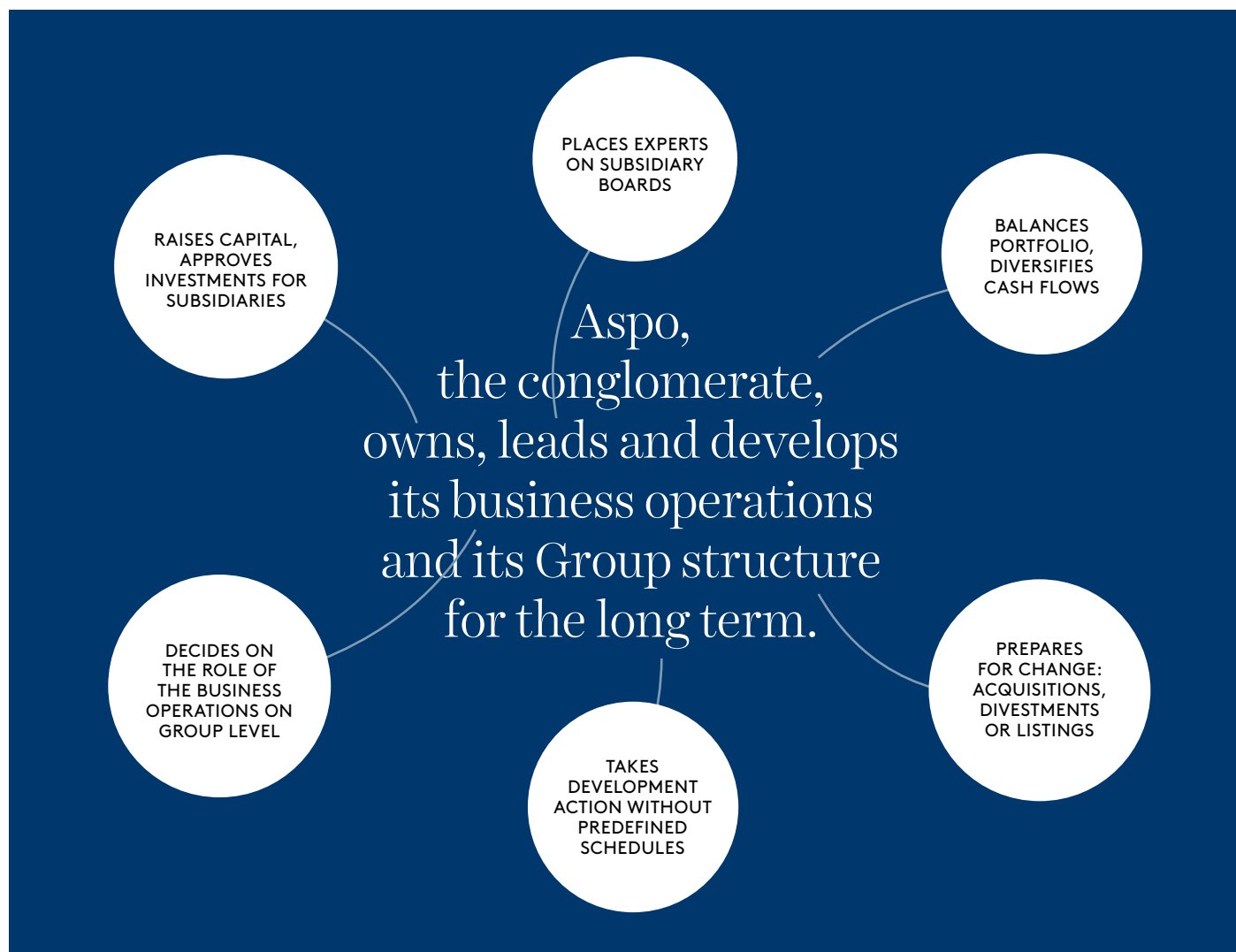
The Group structure is also developed by making *structural changes*. Throughout its history, Aspo has acquired and sold several businesses, listed a single company, and divided one into two independent listed companies. The objective of each struc-

tural change is to increase the company's value. No structural change has a predefined schedule.

When developing its structure, Aspo always focuses on strengthening the opportunities of current businesses for growth and on what new potential suitable for the Group's strengths exist in the market. Aspo has a fine track record in businesses that require special expertise in technical b-to-b trading, logistics, value chains, and eastern markets. In addition, services must have a significant role in new businesses. Similarly, they need to be able to utilize any global changes within their industry.

In addition to business development and structural changes, Aspo produces value by being as efficient as possible in terms of capital. The Group ensures that it always has the resources required to carry out strategic measures that increase shareholder value.

Creating shareholder value is the basis of all operations at Aspo. Its conglomerate structure has proven to be an excellent strategy for increasing shareholder value over the long term. So regardless of changes in focus among businesses or in Group structure, Aspo remains Aspo.





Towards new markets

The expansion of ESL Shipping's operating area is reflected in the work of **Kirsi Ylärinne**, who is responsible for fleet operations.

Kirsi Ylärinne has recently returned from Canada where she met potential customers, and she is currently investigating matters related to m/s Arkadia, which operates in the Russian Arctic.

A large LNG port is being built on the Yamal Peninsula in northern Russia; ESL Shipping is transporting materials for the project from Kirkenes, Norway. At the end of October, there was already ice some twenty centimeters thick, and Ylärinne needed to check whether Arkadia required help from icebreakers.

"They have only begun building up infrastructure in Yamal, so there's more to arrange than usual," Ylärinne says between calls. Rapid changes are part of everyday operations for the shipping company.

In addition to Russia, the company has gained experience in Canadian Arctic areas. It is constantly analyzing new transport opportunities.

"The Arctic region offers the opportunity to utilize the shipping company's ice-strengthened Supramax ships year-round, particularly during those months when the Baltic Sea is open."

Routes in Arctic areas might be open for only three months a year. The shipping period can be extended using ice-strengthened ships, which has helped the shipping company sign new shipping agreements.

Another growth area for ESL Shipping deals with cargo handling services at sea, such as the loading and unloading of large ocean liners. These services are particularly important for the shipping company's profitability, which has

improved significantly - despite historically low international freight price levels. In addition to added value services, the profitability development has been affected by operational efficiency that has been better than expected. Special attention has been paid to reducing fuel costs.

"We are operating more economically without any hurry if none is needed. Furthermore, cleaning the bottoms of ships at the correct time produces benefits of up to ten percent in reduced fuel consumption once friction-causing fouling has been removed."

As fuel can make up nearly half of all operational costs, energy efficiency is under continuous improvement.

Skilled ships as competitive advantage

Regardless of new shipping in Arctic areas, the Baltic Sea remains ESL Shipping's main market area. The shipping company's long-standing customer relationships are based on operational quality and cost-efficiency.

Ship operations are often affected by a number of factors, such as the weather and various port situations. When the plan of one ship changes, it usually affects the operations of other ships as well.

"WE ARE OPERATING MORE ECONOMICALLY WITHOUT ANY HURRY IF NONE IS NEEDED."

“Our ships are interchangeable, which enables flexible operations.”

According to Ylärinne, one of ESL Shipping’s competitive advantages is the seamless combination of ships and expertise – a combination called “a skilled ship.”

“Our ships are technically advanced with experienced crews. We know how to operate in extreme cold and in ice conditions, and we know what unloading and other special services require. Expertise also means that we do not take any unnecessary risks.”

Working around the clock

ESL Shipping has three operators responsible for ship routing, each of whom covers their own ships of the same size. Ylärinne is responsible for Supramax vessels Arkadia and Kumpula. She is also the supervisor for all ship masters.

“I maintain close contacts with ship captains and help them solve any problems they face. They know that they can call me at any time of the day.”

When Ylärinne is not working, she does not head out to sea but stays on the beach. The former beach volleyball professional still practices two times a week, and also has time for artistic gymnastics. However, her thoughts are also out at sea outside office hours.

“This is a full-time job independent of time or place. I also handle the matters of my ships during weekends.”

A trained sea captain, Ylärinne worked previously on Neste Oil tankers before relocating onshore some ten years ago to be responsible for operations and chartering. Ylärinne became familiar with the Arctic during her years at sea when her ships carried cargo to Greenland.

“My experience at sea helps me understand ship conditions. We speak the same language, which makes cooperation easier.”

Good experience from a mixed crew

Ylärinne meets ship captains regularly. Currently, she is visiting m/s Kallio, which is unloading its coal cargo in Hanasaari, Helsinki, next to the ESL Shipping office.

The m/s Kallio used to be the m/s Credo, which the shipping company acquired at the beginning of 2014. At the same time, the ship was entered into the Finnish Register of Ships and had a mixed crew; alongside Finnish sailors, the ship also has Filipino employees.

“We’ve had excellent experiences with a mixed crew,” says ship captain **Jari Kivioja**.

Ylärinne came onboard to discuss the standardization of their agreement terms with the Filipino sailors, as the manning company included in the ship transaction was to be replaced by the company responsible for the manning of the shipping company’s other mixed-crew ships.

The negotiations went well and most of the sailors wanted to continue working on the ship.

During the visit, Ylärinne described Kallio’s ship-specific results to captain Kivioja. A more economical operating method has reduced fuel costs; thus improving the ship’s results.

“We are considering more closely whether or not we are in a hurry. That is already an everyday part of our operations,” Kivioja says.

“The better understanding ship captains have of all ship-specific costs, the more impact they can have. Explaining the income statement has had a positive influence on ship profitability,” Ylärinne says.

When Kallio is moored, new frequency converters are installed in its engine room, thanks to which the current produced by the ship’s shaft generator can also be used in the ship’s power network. As a result, the backup engine does not need to be kept running, which in turn reduces fuel costs. The payback period of the energy efficiency investment is less than two years.

“We know how to operate in extreme cold and in ice conditions,” Kirsi Ylärinne says.





◇ | 1

INCREASING DEMAND FOR UNLOADING SERVICES

Loading and unloading at sea comprise an ever more important part of ESL Shipping's operations. Large ocean liners cannot access the shallowest ports on the Baltic Sea when fully laden. When unloading, a part of the ocean liner's cargo is transferred to the hold of an ESL Shipping vessel, which carries the cargo to port. This same process works in reverse when loading ocean liners.

ESL Shipping's vessels have been designed so that they can work right next to another ship, even in challenging conditions. They are equipped with sufficiently tall and long-armed cranes to operate effectively and safely. In addition to having the correct equipment, it is as important to have skilled and experienced workers – a special service, such as ship unloading, requires high expertise.

Ship loading is carried out frequently outside the ports of St. Petersburg and Kokkola, while unloading is often performed in Raahel and Luleå. In the future, this service can also be marketed outside the Baltic Sea region.

◇ | 2

AN EXPERT IN ARCTIC AREAS

During the week before the interview, Kirsi Ylärinne attended an Arctic shipping seminar in Canada where she met local shippers and authorities. For example, the Baffinland region has numerous mines with attractive opportunities for shipping.

“Baffinland requires experts in winter shipping. The conditions there are extremely demanding with old sea ice and icebergs. Transportation requires a shipping company like us which has a modern fleet and employees who are thoroughly competent when working under winter conditions.”

Only a small number of all the world's shipping companies are capable of working in Arctic areas. Aside from ESL Shipping, no other European dry bulk cargo carriers attended the seminar in Canada. ESL Shipping also benefits from the fact that the same sulphur content regulations are applied to the east coast of North America as to the Baltic Sea.



◇ | 3

SPECIAL SERVICES IMPROVE PROFITABILITY

Kirsi Ylärinne meets ship captains regularly. She discussed the ship's finances and current crew matters with Harri Höckert, the captain of m/s Eira. CFO Kimmo Valtonen (left) also attended the negotiation to explain the ship-specific result.

Eira's profitability has improved by loading and unloading at sea. Not only the services are productive in themselves, furthermore savings come through fuel costs and port fees.

"We load or unload two to five ships a month. For example, ship loading is often performed outside the port of Kokkola. Kokkola exports pellets from Kostomuksha and iron oxide from Siilinjärvi on ships of 60,000–80,000 dwt or even up to 120,000 dwt," Höckert says.



◇ | 4

EFFICIENT OPERATIONS AT PORTS

M/s Kallio is unloading its 18,500 ton coal cargo delivered from Vysotsk to the Hanasaari power plant of Helsingin Energia. The process takes approximately 13 hours, after which the ship returns to Vysotsk to carry another coal cargo to Naantali.

All of ESL Shipping's vessels are equipped with cranes to make them independent of the



loading and unloading services offered at ports. This makes port visits faster and operations more efficient. The professional crew can handle all situations, even unexpected ones.

"Our Supramax vessels carry stone material to the Yamal Peninsula. At the final unloading stages, bucket loaders drive aboard ship to pile up cargo from the edges of the cargo hold so that it can be unloaded more easily. Once, port officials prevented loader drivers from entering the ship. In order to resolve the situation, our crane operators sat behind the controls of the loaders, and the entire cargo was unloaded on schedule. We also received special thanks from the charterer," Kirsi Ylärinne says.



Raw materials delivered efficiently and reliably by sea

ESL Shipping transports dry bulk cargoes in the Baltic Sea region as well as other selected sea ice regions, specializing in raw materials for industry. ESL Shipping's vital raw material deliveries make it an essential part of its customers' logistics chain.

Typical customer relationships are long-term and based on mutual trust. The shipping operations were launched in 1949.

ESL Shipping's geared vessels are specifically designed to operate in demanding conditions. The company's ice-strengthened and shallow draft ships safely enter the shallowest of ports fully laden. Bow thrusters and onboard cranes reduce its dependence on tugboats and the cargo handling facilities of ports. This results in fast and cost-effective port visits.

At the end of 2014, ESL Shipping's fleet consisted of 15 vessel units, with a combined tonnage of about 287,000 tons. Of the vessels, the company owned 13 in full, one was leased and one was time-chartered. In 2014, the vessels made some 1,500 port calls. A detailed presentation of the vessels is available at www.eslshipping.com.

The shipping company has joined the Finnish tonnage tax system.

Position in the value chain

ESL Shipping transports raw materials that industry needs for production purposes. Customer companies in the steel industry, for example, do not have extensive raw material stocks, which means that well-timed and reliable raw material deliveries have a key role for them. This means that ESL Shipping has a pivotal position in the value chain of its customers.

ESL Shipping's key customer accounts are based on long-term agreements that allow the company to develop its operations and systematically upgrade its fleet. In addition to industry, ESL Shipping's customers include various raw material suppliers and other raw material carriers.

ESL Shipping offers not only transportation, but also special marine services, such as loading and unloading of large ships at sea.

Strategy

ESL Shipping's strategy focuses on ensuring the year-round supply of raw materials to their customers, even in demanding weather conditions. The company is known for reliable, on-time deliveries and cultivating firm partnerships based on mutual trust.

To provide flexible and reliable service, ESL Shipping has a large, interchangeable fleet. This helps the company operate efficiently, enhancing profitability.

Compared with the rest of the world, the Baltic Sea region is a relatively stable market area where any variations in demand for raw materials are more controlled and customer relationships are longer. Changes in ocean freight rates have a delayed and less significant impact on the



"ESL SHIPPING OFFERS ALSO SPECIAL MARINE SERVICES."



region. Long-term contracts help the company to manage changes in ship fuel prices. If necessary, it also uses futures markets to protect itself from price risks. Due to these precautions, changes in fuel prices and currency exchange rates do not have a major impact on the company's earnings.

As a rule, ESL Shipping is responsible for the operations of all its vessels. Although the company owns most of its vessels, it also flexibly utilizes other forms of freighting.

Customers and added value

ESL Shipping's key customers operate in the steel, energy, and chemicals industries. Company's main deliveries for the steel industry include iron ore and pellets, coking coal, and lime-

stone. It also supplies energy producers with energy coal and the chemicals industry with ilmenite and limestone.

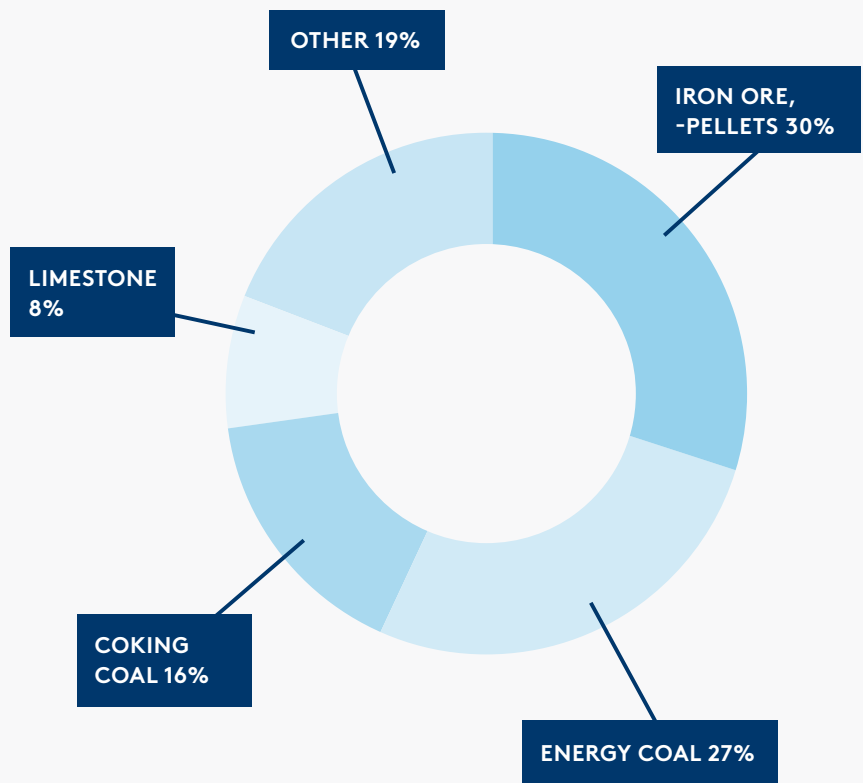
The number of coal shipments varies from one year to the next. Demand for energy coal is impacted by factors such as the level of activity in energy-intensive industry and the temperature in winter. In general, no major changes are expected in the use of coal in the near future. The shipping company's fleet is also suitable for the transportation of dry biofuels, such as pellets.

ESL Shipping's competitive edge comes from the flexible and efficient services it can provide thanks to its expert staff, close and enduring customer relationships, good reputation, and a sufficiently large and modern fleet of different-sized vessels. Except for time-chartered vessel, the vessels sail under the Finnish flag.

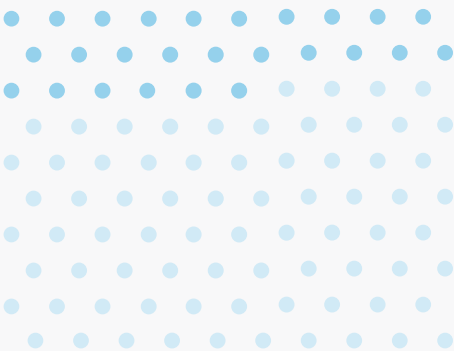
ESL SHIPPING
KEY FIGURES

20
14

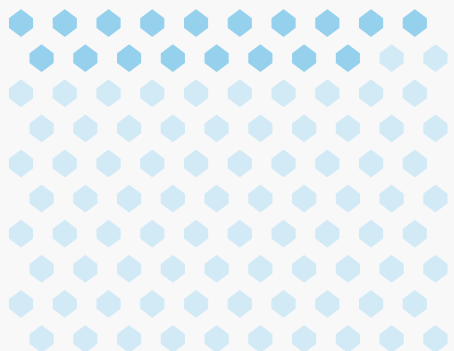
TRANSPORTS BY PRODUCT CATEGORY



SHARE OF GROUP PERSONNEL 26%

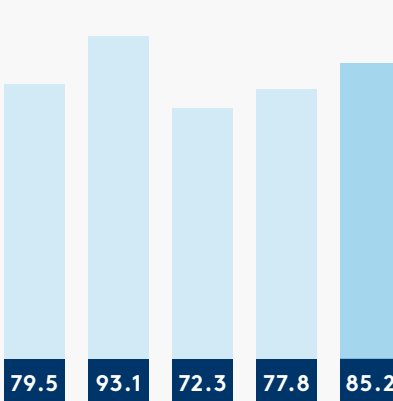


SHARE OF GROUP NET SALES 18%



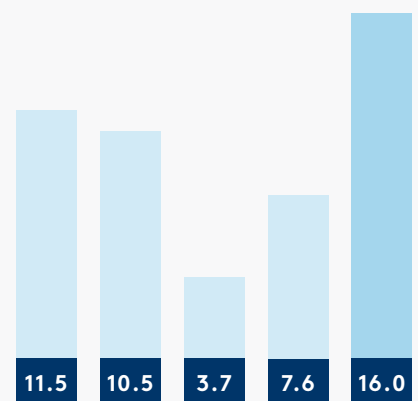
NET SALES MEUR

2010 2011 2012 2013 2014

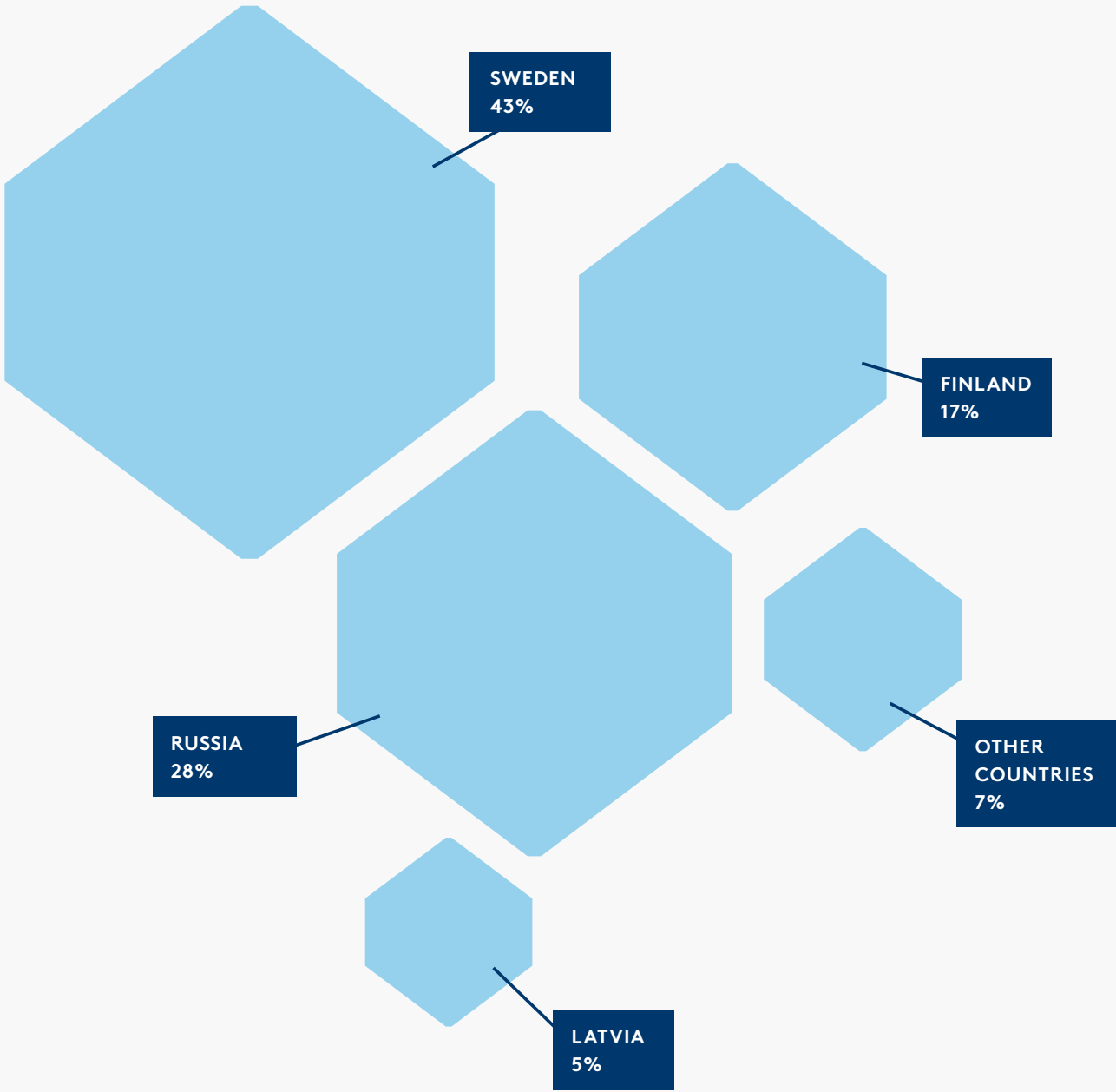


OPERATING PROFIT MEUR

2010 2011 2012 2013 2014



CARGOES BY COUNTRY





An expert in three fields

Leipurin is strongly involved in the strategic development of its customers' business operations, and the planning of their production and investments.

In this development, the company's 11 test bakeries located in different market areas are in a key position.

Kai Renlund, a bakery consultant who works at the Vantaa test bakery, helps customers in their product development processes. Renlund has worked in the bakery industry for 30 years, acting as a product manager at large industrial bakeries, among other things. Thanks to his background, he knows how to help his customers at all stages of the production process, from raw materials and recipes to machine selection and the commissioning of production lines.

"Recipes are always product-specific. It all starts from customer needs – the qualities they want to have in their products. We will then find the correct raw materials and offer help in developing their recipes."

Once Leipurin has planned tasty recipes, customers no longer need to think about how different raw materials behave in production. As a result, they can focus on baking and selling their products to shops.

Leipurin is an enjoyable workplace for Renlund: he can utilize his vast experience and know-how for a large customer base and in a wide variety of projects.

"Product development is incredibly interesting. This is a front row seat to the development of the baking industry: new raw materials and



"This is a lookout spot towards the development of the bakery industry," says Kai Renlund.

machines. Above all, we work with people. It is wonderful to serve customers and provide useful ideas for further development.”

Test bakeries at the core of operations

Leipurin provides its customers with a full service, combining unique expertise and a large range of high-quality raw materials with first-class machinery and equipment.

In our test bakeries, parts become a seamless whole that shows in daily operations: planning new recipes and products, testing the raw materials and machines we market, organizing customer visits, and general training events.

Test bakeries test every single new ingredient added to the company’s product range.

“With regard to bread enhancements, we test how they fulfill the qualities promised by our suppliers and, when it comes to fillings and jams, we test their heat resistance, among other things. Of course, we also test the flavor of each product. What is essential is that we know every product we sell inside-out. As a result, we are able to serve our customers in the best possible manner.”

During company-specific customer visits, test bakeries bake new products for testing purposes. At the same time, customers have the opportunity to test new bakery machines.

Test bakeries also train Leipurin employees. As suppliers’ test bakers visit to talk about new upcoming products, our bakery consultants in the various Leipurin countries share their expertise in meetings with them. The most recent meeting focused on fine baking with the demanding ingredient rye.

“We are working on our customers’ front lines. It is impossible to succeed there without first-class and up-to-date expertise. That is why we are continuously developing our professional skills.”

Leipurin benefits from industry trends

The test bakery is at the crest of consumer trends. Leipurin benefits from a great many of them, such as the increase in demand for healthier products and the growing popularity of out-of-home eating. In-store bakeries also offer considerable potential.

“Currently, rising trends include high-fiber breads and gluten-free products. High-quality gluten-free raw materials are readily available

around the world. Their taste does not differ much from ordinary products,” Renlund says.

Out-of-home eating has increased demand for easily carried snack products, such as sandwiches and rolls. As these products compete with fast food, healthiness is an important sales argument. The convenience food industry is a significant customer in this product group: companies within the industry have a long tradition in baking.

In the restaurant industry, there are new operators to which Leipurin is a highly attractive partner thanks to its full service offerings. With regard to larger customer accounts, Leipurin has taken on the entire value chain – it has delivered and installed production lines, created product ideas, delivered the raw materials required, and trained the staff.

The trend is to discover a southern European look and taste for in-store bakery products to differentiate them from basic supermarket products on bread shelves.

“Bread baked in-store can have a crust and it can also look handmade. This requires yet again slightly different raw materials and its own expertise.”

A problem-solving triathlete

The three dimensions in the Leipurin business model – service, raw materials, machinery – define Renlund’s daily work. The three-way division is also familiar outside the workplace where the father of three trains for full triathlons – he is already a veteran when it comes to shorter distances.

In creative work, such as product development, ideas do not look for time or place. After all, Renlund has come up with solutions for tricky customer problems while running or riding his bike.

“The desire to solve a problem is the basis of all operations. You need to be open to all new things. You also need to be open-minded because you can never know where the solution lies. Above all, you need to think that nothing is impossible.”

“TO SOLVE CUSTOMERS’ PROBLEMS IS THE BASIS OF ALL OPERATIONS.”



△ | 1

EXPERTISE IN SPECIALTY PRODUCTS

With regard to specialty products, honing recipes requires a high level of expertise. For example, baking the ever more popular gluten-free products is a more challenging process due to the shelf life of the products.

In its test bakeries, Leipurin has developed and refined gluten-free raw materials so that they are more suitable for industrial production.

“By testing a variety of options, we can usually find a recipe which has the qualities desired by our customers in specialty products,” Renlund says. The buns in the photo are an excellent example of this.

△ | 2

MACHINES UNDER PRACTICAL TESTING

In the test bakery, customers can test Leipurin’s own special machines, as well as machinery and equipment supplied by the company’s suppliers. Rye-Expert, the automatic cutter of Leipurin, has been specifically designed for rye dough and low-gluten dough.

The dough is extruded through a nozzle using a rotating dosing plate, while the doser blade cuts the dough into pieces.

“This can be used to make round or long rye bread and smaller bread pieces,” Renlund says.

“Machine investments are always major decisions. Here, customers can test machines in a real environment and bake the products they want.”



△ | 3

HEALTHY PRODUCTS FOR EASTERN MARKETS

Demand for high-quality and healthy bread is rising rapidly in Russia. Consumers are showing growing interest in high-fiber rye and oat bread. Changing consumption preferences are reflected in investments of bakeries, in how they upgrade their product development and production.

What is more, the structural change in trade, such as the increase in hypermarkets, supports the consumption of high-quality bread. Together, all these changes build demand for the overall solutions offered by Leipurin.

In Russia, Leipurin is present in all significant economic areas. The company is the market leader in St. Petersburg and runner-up in Moscow.



△ | 4

ASSISTING CUSTOMERS WITH DEVELOPMENT

Leipurin cooperates closely with its customers for the manufacture of new products that interest consumers and traders. Test bakeries have visitors every week; all customer-specific test baking is strictly confidential.

“Customer-specific test baking is what this work is all about. It is wonderful to work together with others. We refine recipes, test different raw materials and, above all, test-bake various end products,” Renlund says.



“TEST BAKING IS WHAT THIS WORK IS ALL ABOUT.”

Test bakeries test every single new ingredient added to the company's product range.

Integrate raw materials, machines and services – our model

Leipurin delivers food raw materials, production machinery and services associated with product development and manufacture. Therefore, the company is able to serve its customers at all production stages.

Leipurin operates in nine countries. Russia, Kazakhstan, Belarus and Ukraine form the Leipurin East unit. Finland, Estonia, Latvia, Lithuania and Poland make up the Leipurin West unit. The Machinery unit sells machinery and equipment manufactured by the unit and its suppliers.

Leipurin is showing its strongest growth in Russia and other rapidly developing eastern economies. Demand for western-style bread is increasing in those regions, pushing industry to upgrade production and product development. In Russia, the company has offices and warehouses in 15 cities, the regional operative centres and test bakeries are located in St. Petersburg, Moscow, Ekaterinburg, and Novosibirsk.

Position in value chain

Leipurin is involved in all stages of the value chain of baking, ranging from recipe preparation and product development to the delivery of raw materials and machinery and the improvement of operational efficiency.

Leipurin is strongly involved in the development of its customers' business operations and the planning of their production and investments, particularly through its 11 test bakeries operating in various market areas, which help the company's customers develop new recipes and products.

Leipurin provides bakeries and other food industry with branded products from different raw material producers, as well as raw materials which are based on the company's own product

development and recipes, and are marketed under the Leipurin product brand.

Its product range comprises both volume products and technical products. Examples of volume products include flour, fat and starch. Volume products involve opportunities for new accounts and large volumes help improve the efficiency of logistics. Examples of technical products include enzyme-based bread enhancements and other mixes which give bread a good appearance, size and structure. Technical products require special expertise and add value throughout the value chain.

Leipurin supplies machinery and full manufacturing lines for all stages of the production process, from making dough to product packaging. The machinery is either manufactured by Leipurin, or by significant international suppliers. The Leipurin unit in Nastola, Finland specializes in designing and manufacturing machines.

Strategy

End-to-end service is the key to the company's competitiveness. The business model combines test bakery operations based on unique expertise and a wide range of first-class raw materials with high-quality machinery and equipment.

The company's expertise, covering the entire value chain, offers a detailed picture of the food



**“IN RUSSIA,
THE COMPANY
HAS OFFICES IN
15 CITIES.”**



market and the taste preferences of consumers. As a result, Leipurin is able to tailor a local and correct range of products and services for each market and customer.

For example, Leipurin can improve the cost-effectiveness of its customers and help them get their products onto store shelves. Global procurement and efficient logistics help to maintain customers' raw material costs at a competitive level. Leipurin draws on its expertise to assist customers in making even more appealing products that consumers will love.

Customers and added value

Leipurin's customers include bakeries, in-shop bakeries in retail shops, the food industry and companies who function at Out-of-Home market including restaurants, coffee shop chains and workplace canteens. The company supplies raw materials, machinery, and equipment as well as expertise in preparation and R&D.

First-class customer service is the company's competitive advantage in raw material sales.

Customers are offered the highest possible quality, safe products competitively priced, a comprehensive product range, the industry's leading suppliers, and reliable, cost-effective logistics. The product range is tailored according to local taste preferences in different market areas.

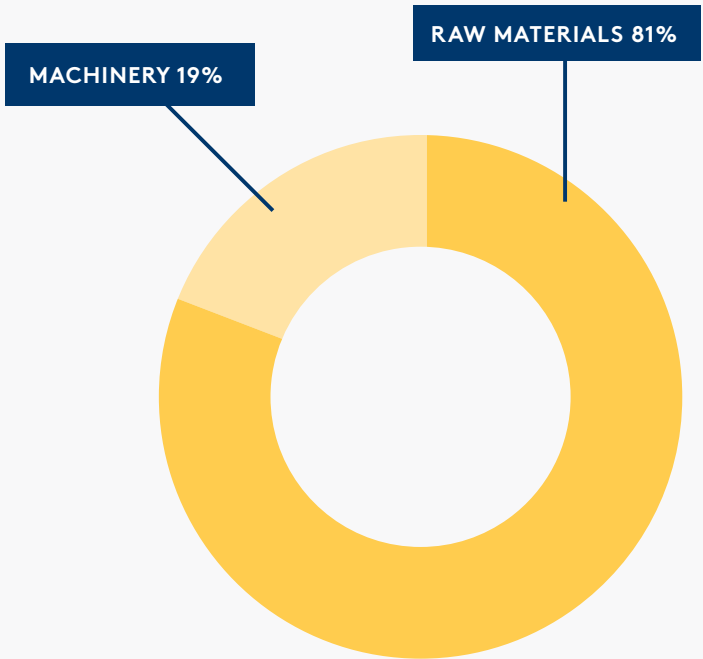
Leipurin delivers machinery and equipment for all phases of the baking industry's production process. The company also delivers full manufacturing lines and bake-off units. Leipurin's suppliers are the highest-profile equipment manufacturers in the business. Leipurin also designs and manufactures special machinery, and spiral systems for the cooling, freezing and leavening processes throughout the food industry. Their advantages include reliability, energy efficiency and a high level of hygiene. The product development of Leipurin's own machines is often carried out in close collaboration with the company's customers.

Expert consulting, R&D and customer training are core services of Leipurin. This baking know-how is translated into new products at eleven test bakeries, which do test baking of new products, among other things.

LEIPURIN
KEY FIGURES

20
14

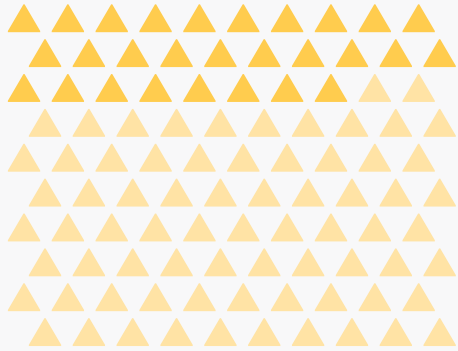
NET SALES DISTRIBUTION



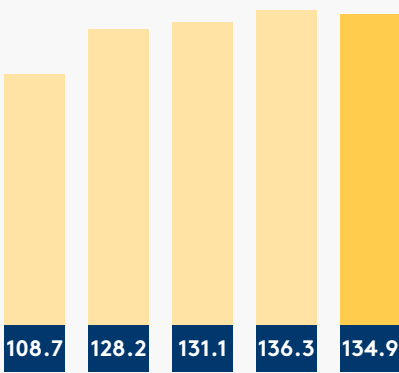
SHARE OF GROUP PERSONNEL 34%



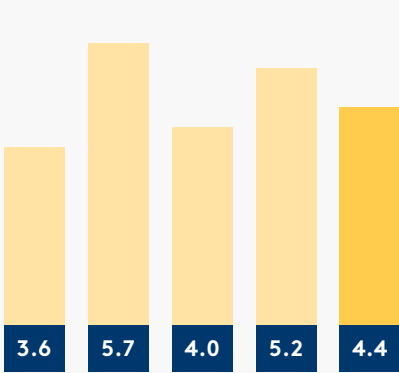
SHARE OF GROUP NET SALES 28%



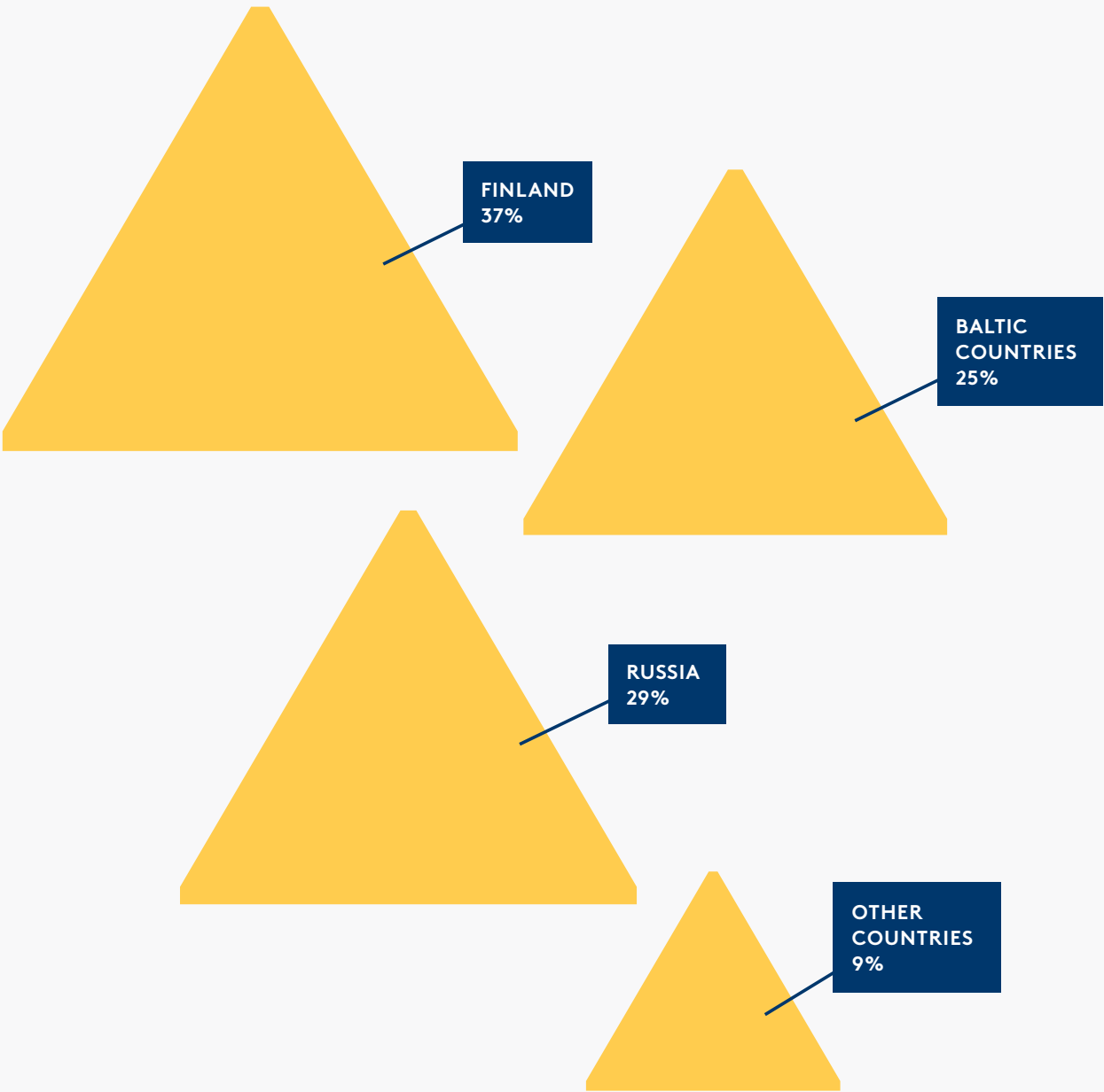
NET SALES MEUR



OPERATING PROFIT MEUR



NET SALES DISTRIBUTION BY COUNTRY





Hunting for growth

When **Svetlana Mironenko** was asked for a reason for Telko's long-term success in eastern markets, we did not have to wait long for the answer. "People".

"We have excellent people who possess great skills and believe in hard work. That is what produces results."

Mironenko, a native Ukrainian who works as a development director, is an excellent example of a committed professional. She joined Aspokem, the predecessor of Telko nine years ago as a sales manager at the then one-year-old Kiev office. Currently, her tasks are to find new opportunities for growth for Telko and to take care of new supplier relations.

The expansion of the product range plays a central part in Telko's growth strategy. The expansion works on two fronts to reach this goal. On one front, Telko is currently searching for products that supplement its existing product range and enable the company to better serve its customers, following the one-stop-shop principle. On the other front, the company is expanding its product range into industrial fields completely new to Telko.

"Great growth potential for chemicals awaits in the mining industry, the food and feed industry, personal care, detergents and cleaners. For plastics, in the medical industry and in the automotive industry, already significant for us, there is a lot of potential in specialty products requiring a high level of expertise," Mironenko says.

Growth through new suppliers

New suppliers are needed in order to expand the product range. New supplier relationships can be set up in a number of ways.

"Our analyses and various exhibitions are important channels. Often, suppliers also contact us. Typically, a division of a large supplier has good experiences working with us, and the supplier wants to expand cooperation into new product areas."

What makes Telko a particularly attractive partner is its strong position in eastern markets. The company is the largest western distributor in Russia, and it intends to further expand by opening offices that cover the most significant Russian economic areas.

"Suppliers appreciate our strong local expertise, our stable financial position and our western-style transparent operating method," Mironenko says.

Local expertise is emphasized in specialty products. Telko's experts have an excellent understanding of customer needs and the types of raw materials that help all of our customers improve their end products or increase efficiency in their production processes.

Expertise as a competitive advantage

In the implementation of growth strategy, the efficient organization of new supplier's product sales is key. Cooperation must be effortless. This is one of the most important – and personally the most rewarding – tasks for Mironenko.

"At first, we make sure that all Telko sales-

**"SUPPLIERS
APPRECIATE OUR
STRONG LOCAL
EXPERTISE."**

persons who sell a supplier's products have sufficient knowledge of the products and that they receive the technical support they need from the supplier. We organize training events with suppliers and exchange success stories between different operating countries within Telko."

"However, this only places us at a theoretical level: it is essential to visit customers together with our suppliers to see how raw materials behave in production. This increases both our expertise and the trust between all parties involved."

Successful supplier relations are characterized by open communications. Open discussion of both success stories and failures benefits all parties. As a result, products and services can be made even better.

"We at Telko possess a mass of information. The more efficiently we share our knowledge of different market areas, the better we are able to serve our suppliers and customers."

Mironenko plays a key role in securing and coordinating open communications. The Ukrainian crisis has added an extra challenge. The Aspo Code of Conduct approved in 2011 prohibits any form of discrimination; it has helped to clarify mutual communications.

"We take a professional attitude towards work. We do not discuss politics. In such a situation, the significance of close personal relationships is emphasized."

Ambitious goals

Mironenko's team consists of development managers from Russia and Ukraine, and purchasing managers operating from China and Finland. On the day of this interview, she holds a video conference with **Konstantin Lagunov** and **Kirill Plotitsyn**, development managers at the Kiev and St. Petersburg offices; they reviewed sales results and estimates of different products from various suppliers. In addition to discussing everyday matters, Mironenko motivates her team members to do better and better.

"We need to be cautious not to be overly satisfied. We must constantly look for new opportunities because, typically, only 25 percent of all projects started with potential customers advance to actual sales. Some projects produce immediate results, while some may take up to three years. We need to be patient and work hard," Mironenko says in encouragement.

The final slide of the conference opens up on the screen. It has a powerful message: "If you are not afraid of your goals, you have not set them high enough." Lagunov and Plotitsyn nod in agreement. The slogan is also Mironenko's personal motto.

"You need to go boldly to new areas. My curious nature has helped me in this. It's rewarding to get to know new people and things."

Mironenko, who has studied economy and

financing, has learned the world of plastics and chemicals through work-related experience. When Telko was established, Mironenko was responsible for plastic raw materials in Ukraine. Currently, most of her work is spent with suppliers that manufacture chemicals.

"In plastics, our growth segments are clear and easier to resource. In chemicals, the number of products and suppliers is practically infinite. As the field is dispersed, more coordination is needed."

Telko's procurement activities are international. In addition to western manufacturers, the product range includes raw materials from Chinese, Russian, Indian, and South Korean manufacturers. By decentralizing purchases, Telko is looking for various logistics flows and optimizing logistics costs. It also helps the company to hedge against currency risks.

"We have people who possess great skills and believe in hard work," Svetlana Mironenko says.





1

0 | 1

THE GROWING ROLE OF CHINA

For Telko, China is both a market area for engineering plastics and an increasingly important sourcing market. For example, the bulk of chemicals needed by Telko's building industry customers operating in eastern markets are imported from China.

Svetlana Mironenko is in a videoconference, discussing the price development of raw materials with Jacky Chen, a purchasing manager who works at the Shanghai office.

"There are many traders in China, but we want to be in direct contact with raw material manufacturers that have competitive prices and can offer an even level of quality. This requires a lot of work, but every success is a reward."

0 | 2

AN EXPERT IN MATERIALS

Mironenko literally shines with curiosity and enthusiasm. She has designed and manufactured the silver jewelry she wears.

"Some five years ago, Telko's management team had a meeting in Fiskars village. During our stay, I visited a local silversmith and got excited. I attended a course at the local community college in Parainen to practice the manufacture of ceramics and silver jewelry."

Now, her jewelry has its own BYSS trademark and website. However, her tight schedule at work keeps jewelry production as a hobby: she only has time to fill orders made by her colleagues.

"This hobby helps me at work. It has made me realize what types of needs industry has for different materials."



2

0 | 3

EXPERTISE MUST BE SHARED

When Mironenko was promoted to become Telko's development director five years ago, she also moved to Parainen, Finland. She is already fluent in the regional language, Swedish.

"I do much of my work at my home office, and I can attend most of our internal meetings through videoconferencing. However, when building new relationships, it is important to meet people face to face."

A few times a month, Mironenko travels to meet European partners and Telko employees particularly in Russia, Ukraine and Belarus.

"Every part of our organization is filled with special expertise. The more efficiently we can utilize this expertise, the better we can succeed. That is why open communication is important," Mironenko says. Here, she is talking with Juri Kopponen at the Helsinki office.



"WHEN SELLING SPECIALTY PRODUCTS, TELKO IS ALSO SELLING ITS EXPERTISE."

0 | 4

SPECIALTY PRODUCTS IMPROVE RESULTS

Telko's objective is to increase the portion of specialty products. Their price development is relatively stable and they have a higher sales margin. When selling specialty products, Telko is also selling its expertise and service.

"For the paint industry, we have found chemicals that significantly help improve the key features of end products. These additives make paints' color brighter or better protect the top layer against scratches and pores," Mironenko says.

"In the construction industry, the properties of different tile adhesives and mortars can be improved using our binding and thickening agents and plastisizers. As a result, mortars have better resistance against challenging conditions, such as low temperatures or high humidity."

New products delivered by Telko also include fully biodegradable and, therefore, environmentally friendly solvents suitable for industrial cleaning. The market has a number of such technically advanced products that offer added value to customers – this provides Telko with high potential for profitable growth.



Svetlana Mironenko and Robert Söderholm in the meeting.

Industrial raw materials expert

Telko is the expert link between producers of plastic raw materials and industrial chemicals and the companies that use them.

Telko operates in Finland, Sweden, Denmark, Norway, Estonia, Latvia, Lithuania, Russia, Belarus, Kazakhstan, Ukraine, Poland, Czech Republic, Slovakia, and China. To ensure efficient logistics, Telko has a refinery terminal in Rauma in Finland and numerous local warehouses in its business countries.

Thanks to its long-term customer and supplier relationships, Telko has gained specialized expertise in the raw materials customers need in their production processes. The company's extensive product range and diverse customer base provide an exceptionally comprehensive view of the markets and their key factors. This enables the company to assist its customers in their business challenges and serve them as a real partner that provides added value. Telko's extensive customer service also covers technical support and the development of production processes.

Position in the value chain

In the value chain, Telko operates between raw material manufacturers and the industry that uses the raw materials. Telko's role has strengthened in many respects, as raw material manufacturers have focused on industrial production and given up their own regional sales and marketing operations.

The company's key suppliers are well-known producers of plastic raw materials and chemicals such as ExxonMobil Chemical, BASF, LyondellBasell, BP Castrol, EMS, Samsung, LG,

Total Petrochemical, AkzoNobel, and Lubrizol. Procurement is international: Telko's range includes raw materials not only from European producers, but also from many Russian, Chinese, Korean, and Indian companies. Telko is always on the lookout for new suppliers producing high-quality and competitive raw materials.

In plastics, Telko's operating model is to provide efficient services to large companies and SMEs. SMEs manufacturing plastic components have to react rapidly to their own customers' requirements. For this reason, it's vital for them to be able to rely on a flexible and local distributor like Telko. Telko's technical expertise helps customers design and develop even better and more competitive products.

In chemicals, Telko is a reliable logistics link between raw material producers and end-users. Telko also creates added value through technical competence, customer-specific product tailoring and different kinds of services.

Strategy

Telko's strategy is to expand, particularly in Russia and other growth markets in the East. In the long-term, the growth of the national economies and retail in those markets has led to a direct increase in the demand for raw materials and chemicals. The growth strategy is implemented

**“TECHNICAL
COMPETENCE IS A
CLEAR COMPETITIVE
EDGE FOR TELKO.”**





by expanding operations, both geographically and into new customer segments. Telko is now the largest western distributor in Russia and Ukraine.

Telko's product and supplier management focuses on products that require technical competence, such as special chemicals and raw materials for technical plastics. Technical competence is a clear competitive edge for Telko. It is demonstrated through the company's expertise related to raw materials and customers' production processes. Added value is also created through customer-specific product tailoring and product-related services. Tailored products are marketed under the Telko brand.

Customers and added value

Telko supplies both engineering and commodity plastics to companies in the packaging, construction, and electricity and electronics indus-

tries, as well as to plastics industry companies manufacturing consumer products.

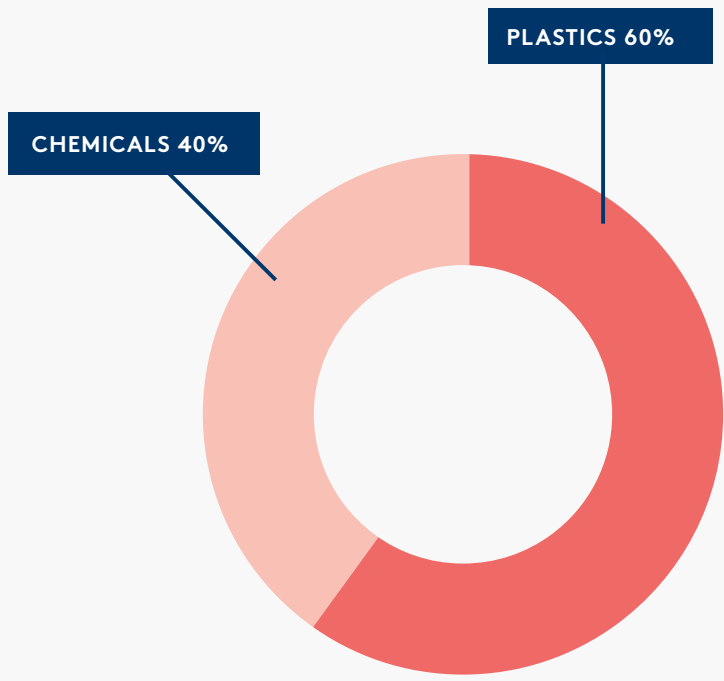
In chemicals, Telko supplies lubricants and industrial, specialty, and automotive chemicals. Telko's customers include companies in the paint, printing, packaging, detergent, cosmetics, construction, and chemical industries. Telko's operations are focusing more on special chemicals. Environmental products are also a growing business.

All in all, Telko has about 7,000 customers. Telko's product range, expertise, and logistics generate added value for its customers. Telko is a highly sought-after partner thanks to its operations in exciting eastern growth markets and its strong technical expertise in raw materials and their suitability for various production processes. Efficient logistics cover global procurements of raw materials, local warehouses that enable rapid, flexible, and customized deliveries, and end-to-end management of the delivery chain.

TELKO
KEY FIGURES

20
14

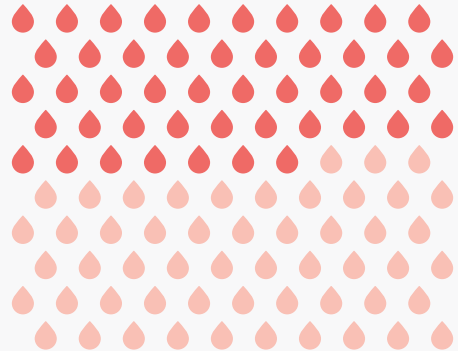
NET SALES DISTRIBUTION



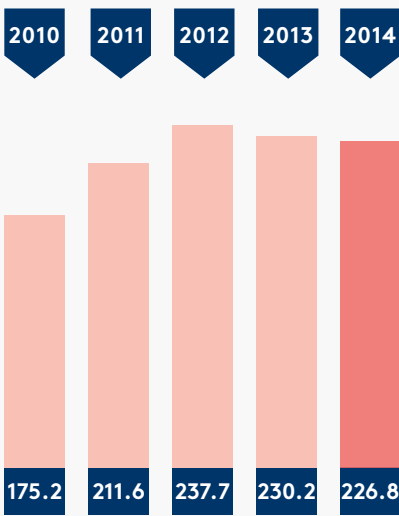
SHARE OF GROUP PERSONNEL 29%



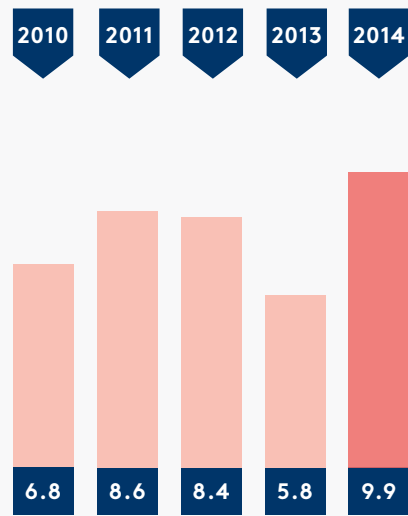
SHARE OF GROUP NET SALES 47%



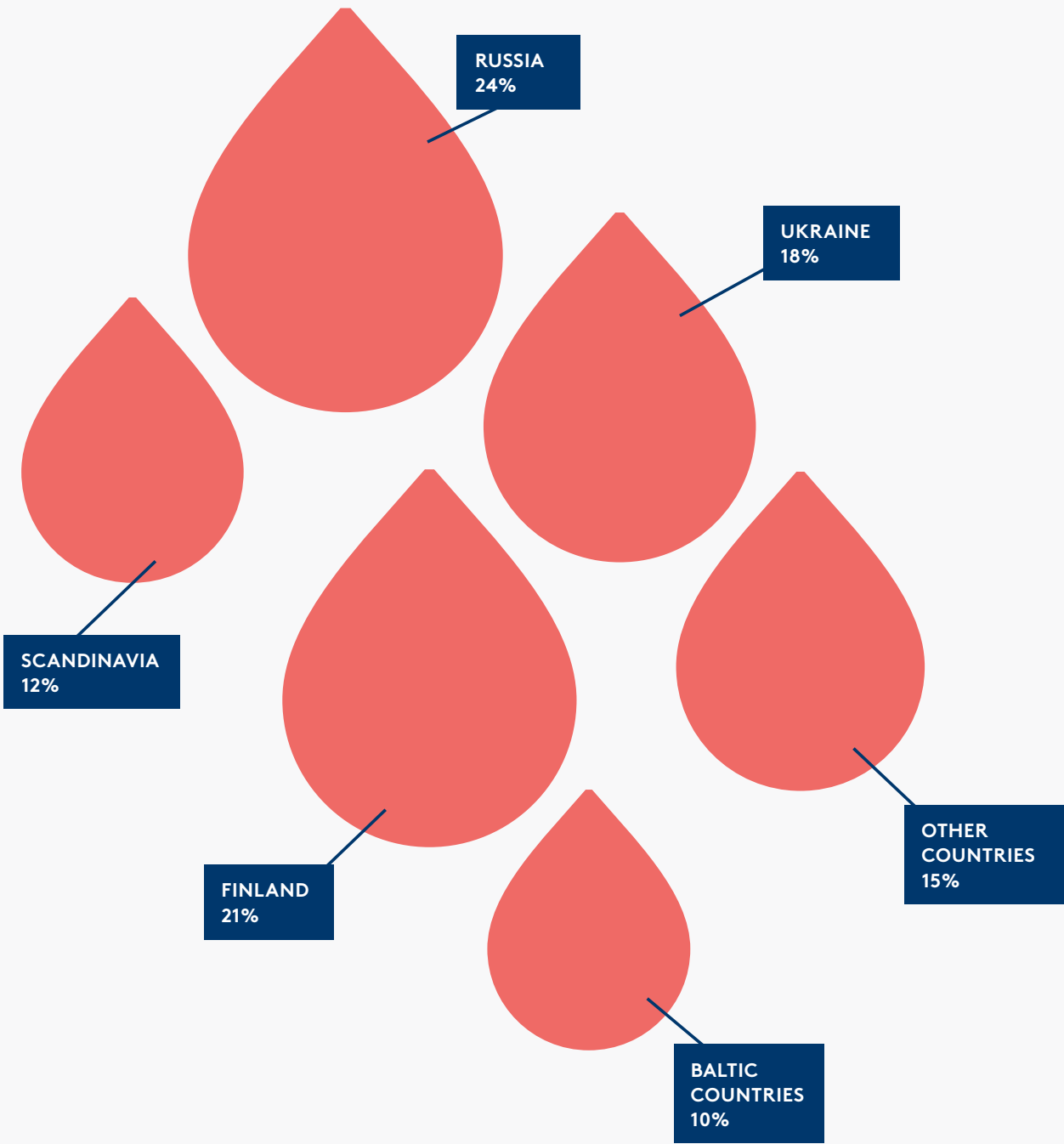
NET SALES MEUR



OPERATING PROFIT MEUR



NET SALES DISTRIBUTION BY COUNTRY



pp. 30–35
KAUKO-
MARKKINAT

A passionate innovator

Juha Alasaari joined Kaukomarkkinat in spring 2012 to develop healthcare equipment operations. At the time, the product range consisted of individual operating room screens, while now the company has built system-level solutions based on its expertise.

Kaukomarkkinat's customers include Finland's largest hospital districts, and business operations are showing profitable growth.

"I was given a free hand to start building new operations. At first, we studied customer needs and identified the leading products around the world. We acquired distribution rights for the products and built our own unique solutions around them."

"When it comes to suppliers, one success leads to another: after we were able to distribute a few leading brands, we became a more attractive partner to other number-one products."

After getting NDS high-resolution screens into its product range, Kaukomarkkinat added to it the leading brand in hospital computers, Baaske. When HUS, the Hospital District of Helsinki, recently tested all computers available on the market, every Baaske model did excellently – making it the obvious choice as the Hospital District's workstation solution.

"Through these hospital computers, we were able to build larger solutions for HUS, such as movable medical carts. In addition to our products, they involve our planning, manufacturing and services."

From products to solutions

The conceptualization of the medical cart originated from clear customer needs. The cart can easily be moved from one treatment area to another, improving the efficiency of the use of space and operations at hospitals. Previously, similar carts have been assembled at hospitals, but the compatibility of different device suppliers and different devices presented challenges. This resulted in more costs and took valuable time away from patient care.

"We deliver complete product packages directly to our customers' doorsteps on time as agreed. At the same time, we are better able to pay attention to customer-specific wishes in our assembly. Among other things, we have built cart solutions that improve ergonomics and the comfort of use. This, in turn, increases customer satisfaction."

"OUR SPECIAL EXPERTISE IS WHAT MAKES US AN ATTRACTIVE AND RESPECTED PARTNER."

Alasaari received the best possible feedback when he was told that physicians are coming to work earlier than before in order to get their hands on carts delivered by Kaukomarkkinat instead of the older and poorer carts.

Kaukomarkkinat is responsible for the functionality of the entire delivery chain: the definition of cart components, acquisition, assembly, commissioning and training. The carts are delivered under the Kaukomarkkinat brand.

IT solutions in healthcare offer a perfect example of the Kaukomarkkinat strategy. The company uses single first-class products to build larger system-level solutions and associated services that produce clear added value for customers. This is how things are done in other central product areas, such as local energy and reinforced computers designed for professional use. This is the operating model which competitors are unable to duplicate.

The success in healthcare IT is the sum of many different parts. Operations are guided by focus on the customer; the company is engaged in an open dialog with its suppliers, and the company is continuously developing its processes, such as purchases and inventory turnover.

Close partnerships

Alasaari has a master's degree in economics, and he has become familiar with healthcare procedures, equipment and legislation in his practical work.

"While being a highly interesting business field, intense study is required. We can also learn through our close cooperation with our customers and suppliers. For example, an expert working for one of our suppliers is involved in defining a new EU directive on healthcare equipment. These relationships provide us significant benefits."

"Our customers can rely on us having identified all matters related to equipment and its certification. The more we know, the better we are able to help our customers in the acquisition of systems. Our special expertise is what makes us an attractive and respected partner."

Alasaari always has thorough discussions with new suppliers over their culture and practices.

"The better we know each other, the better we can serve our customers. This can be seen in customer-specific product tailoring and the flexibility required in urgent deliveries."

A strong owner increases trust

"Being owned by Aspo is one of our strengths. As a result, our suppliers trust us, and we have the resources needed to offer larger packages. This further increases our competitiveness and makes us an even more attractive partner," Alasaari says.

The 2014 objective of Kaukomarkkinat was to stabilize operations. This objective has successfully been fulfilled, with the company being able to focus on new opportunities for growth and the reproduction of productive operating models.

"We are the market leader in IT in healthcare areas. One option is to expand our product range toward medical devices that are significantly more valuable as acquisitions."

Alasaari sees a number of other opportunities in healthcare IT.

"For example, technology can be utilized in remote diagnoses. There could be a service center for specialists in Finland which medical center physicians located in different parts of the country could make contact via video calls, allowing them to identify diseases without using any slow and expensive specialist referrals. The obstacle is not the technology but rather general attitudes and ideas."

"We deliver a complete product package directly to the customer's doorstep," Juha Alasaari says.



Σ | 1

AGILE PRODUCT DEVELOPMENT

IT solutions for healthcare are developed at Kaukomarkkinat by Janne Orava (from left), Otto Kainulainen, Juha Alasaari and Joonas Kantoniemi. The team swears by agile operations. As a result, it is possible to react to customer needs as quickly as possible.

Agile operating methods are emphasized particularly in product development.

“Often times, the customer has a clear need and wish, but they may not be able to define it into a concrete product. That is when we build a demo to show what the solution could be like. In this way, the customer can give us feedback on the basis of which we can develop the solution further.”



Σ | 2

FAITH IN DOING

Juha Alasaari is a walking example of an entrepreneurial attitude.

“There are no ideas without passion. I’ve always wanted to try new things.”

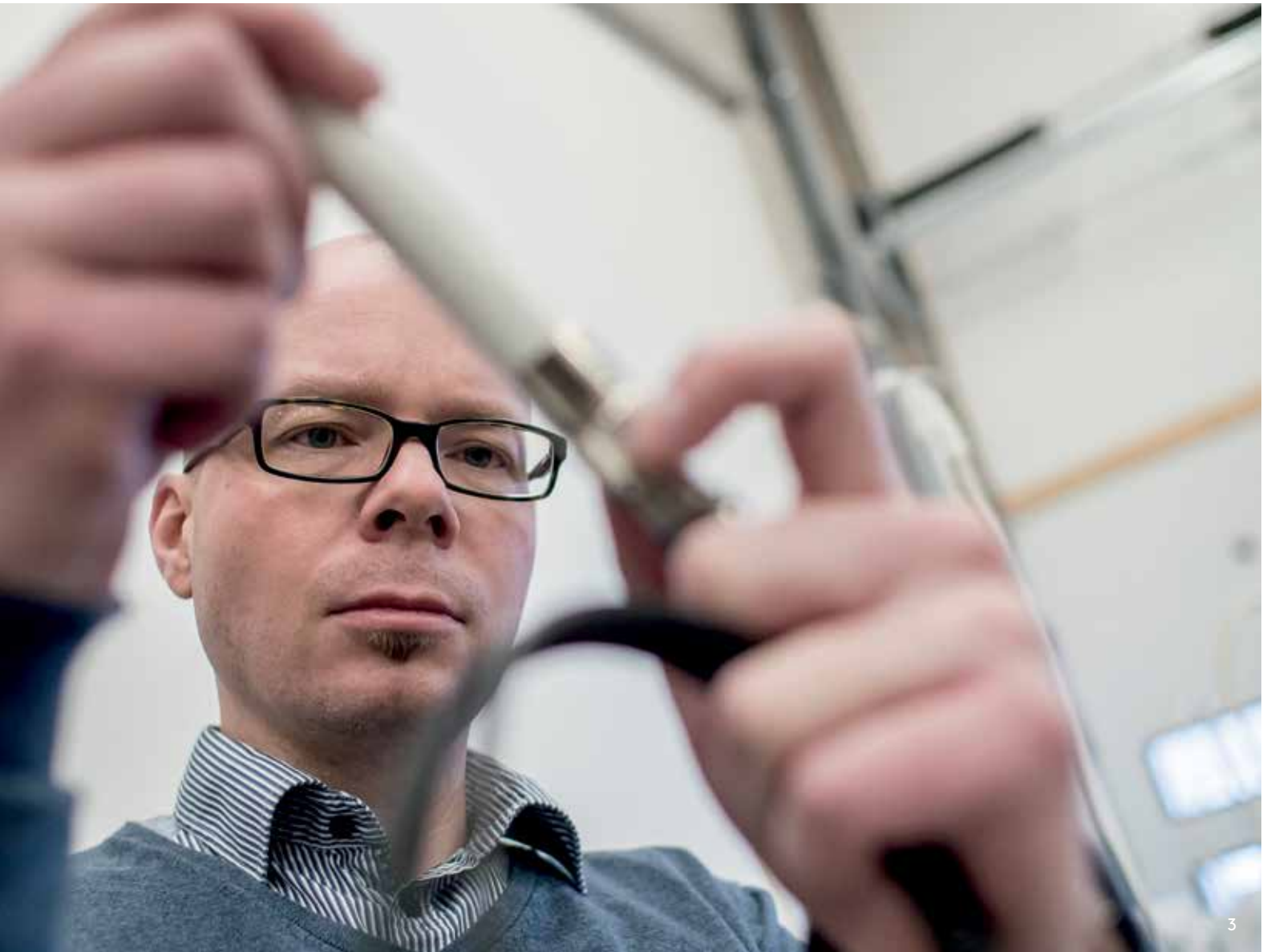
At the beginning of the new millennium, Alasaari was involved in a voice recognition startup. And, in his personal life, his desire to experiment led him to build a house.

“I built a wooden house for our family without any prior experience. I wanted to prove to myself that this is something I can do. It made me realize, that if a customer wants to see a concrete example of a new solution, it won’t take long to build a demo. In this, a column drill is an excellent tool.”



The movable medical cart was conceptualized by Kaukomarkkinat.





3

Σ | 3

TIME IS MONEY

The majority of hospitals have been built to be solid. Due to their thick walls, there are problems with WLAN connections. When a connection to the patient information system breaks, physicians completing their rounds lose time. Problems with poor availability have widespread consequences.

“We wanted to resolve any connection problems by finding a sufficiently powerful base station antenna. We tested a variety of options and succeeded in building a solution, thanks to which medical cart connections are fast and reliable – sometimes even better than in the hospital’s fixed network.”

Σ | 4

A WASHABLE KEYBOARD

Products used in a hospital environment are regulated by the Medical Devices Act. For example, computers equipped with a fan cannot be used on medical carts – after all, they accumulate dust and bacteria, making them susceptible to spreading hospital superbugs.

Similarly, it must be possible to easily disinfect keyboards. Keyboards delivered by Kaukomarkkinat can even be washed in a dishwasher.

Additionally, hardware used in treatment areas must be safe in terms of electricity, and they must not disturb sensitive medical devices. Understanding all of these regulations comprises part of the Kaukomarkkinat expertise.

“THERE ARE NO IDEAS WITHOUT PASSION.”

Solutions improving efficiency

Central business lines for Kaukomarkkinat are local energy solutions, IT solutions in healthcare sector and professional electronic equipments. In addition the company also offers audiovisual systems and efficiency-improving industrial solutions.

The business is based on an in-depth understanding of customer needs, an extensive network of principals, and solid expertise in a variety of technologies. The packages the company supplies utilize the best products from cutting-edge suppliers.

Kaukomarkkinat was established in 1947. It was the first Finnish company to open an office in China and also the first to start importing Japanese products.

Position in the value chain

A system supplier such as Kaukomarkkinat operates between equipment manufacturers and end customers. The system supplier understands the needs of the end customer and has the competence to tailor the package of products and technology solutions the customer needs.

Especially when the market offers a variety of products and technologies does the system supplier's role grow. The abundance of products and information creates a demand for well-planned and conceptualized total solutions. These solutions help customers boost their operations. Suppliers receive valuable feedback from Kaukomarkkinat on the kinds of features and compatibilities the equipment requires.

Strategy

Kaukomarkkinat's strategy is to act as a comprehensive system supplier. Identifying customer needs and tailoring suitable packages to meet them form the essence of Kaukomarkkinat's operations. Putting the package together requires an approach which does not depend on a product or on a technology.

The company's network of suppliers, comprising the most competitive manufacturers in their respective sectors, is a core advantage for Kaukomarkkinat. Its relations with suppliers are based on long-term collaboration and trust. As a result, the company is well aware of what

kind of products and technology solutions will enter the market in the future.

In all its business areas, Kaukomarkkinat delivers products and services that help customers enhance their processes and boost operational efficiency. Customers get faster and more efficient production processes, cost savings, energy efficiency, and solutions with a competitive edge.

Customers and added value

Customers in local energy solutions include residential and commercial buildings, contractors, hardware store chains and wholesalers, as well as retailers. The products and systems include various heat pumps, solar energy collection systems and photovoltaic solutions, energy storage systems and solutions associated with heat distribution and building automation. The competitive advantages include an understanding of customer needs, expert service, leading manufacturers in the sector and their know-how, as well as a wide range of solutions.

In IT solutions for healthcare sector, customers include the largest hospital districts and other operators in the field. Products include special computers and displays which are suitable for strict requirements of healthcare regulations. Individual system level solutions like the medical cart have been developed round these products.

In professional electronics customer organizations include public institutions, industrial corporations, service companies, and operators. Products include rugged computers and tablets designed for demanding field conditions, as well as wireless devices. The company's solutions help its customers improve their productivity and customer service.

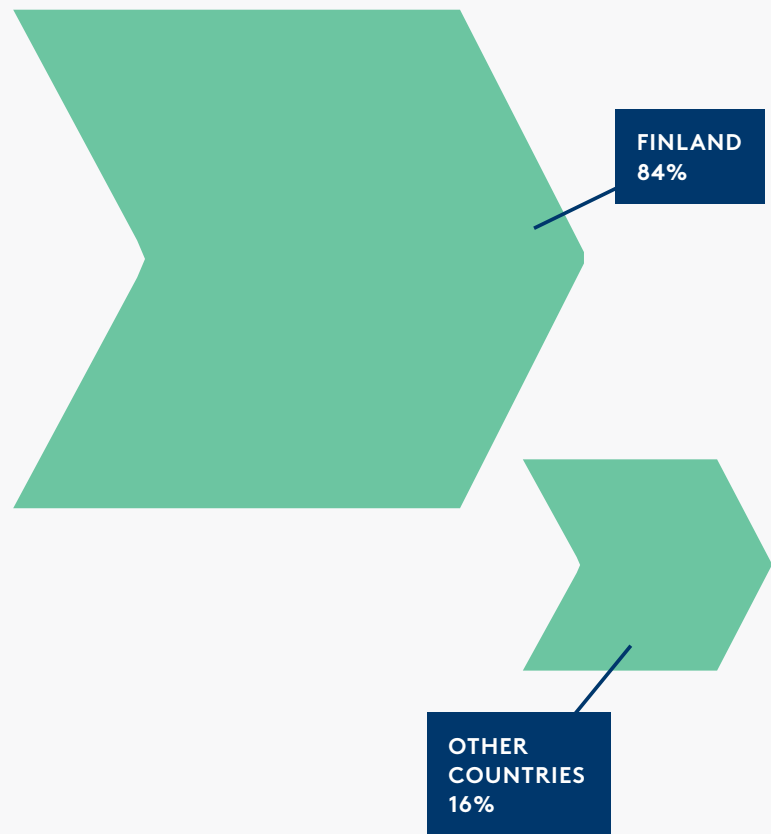
Other functions include AV systems and energy-efficiency products for the industry. Reliable products, robust expertise, and decades of experience in customer and supplier relationships give Kaukomarkkinat a competitive edge.



Rugged tablets are suitable for demanding field conditions.

KAUKO-MARKKINAT
KEY FIGURES
2014

NET SALES DISTRIBUTION BY COUNTRY



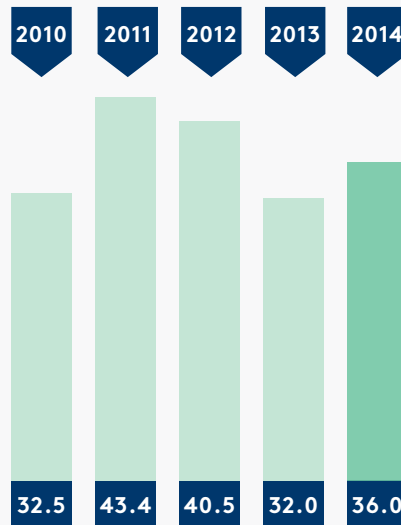
SHARE OF GROUP PERSONNEL 8%



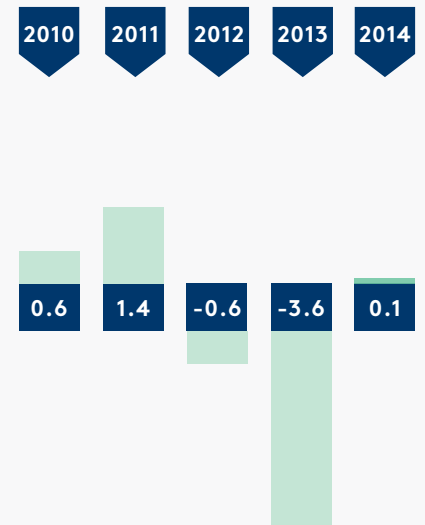
SHARE OF GROUP NET SALES 7%



NET SALES MEUR



OPERATING PROFIT MEUR



Responsibility increases intangible capital

Responsibility is central to all Aspo's operations in every country of operation.

Aspo aims to be a good corporate citizen in all its countries of operation. Among other things, Aspo always pays its taxes to the country where the profit has been made. The Group does not have companies which would be outside its geographical operating area. Our transparent operating model also serves investors and other stakeholders of ours.

Aspo is mainly engaged in trade and logistics, where close customer relationships and understanding their businesses are vitally important. This is why much of Aspo's value lies in the expertise of our personnel and in our customer and supplier relationships. Development of this intellectual capital is one of the key principles of Aspo's personnel management.

Aspo's intangible capital consists of structural capital, relationship capital and human capital.

Structural capital consists of the structures, systems, and processes we use to ensure that vital expertise is not tied to any individual, but is as widely available as possible in the Group.

For instance, Aspo has made major investments in the Group's shared IT systems to allow subsidiaries to develop their key accounts and enhance their internal processes. The ERP system, and the CRM system that has been built on top of it, serve to increase the open flow of information and thereby enable us to take a more systematic approach to developing functions that are important to our customers.

The structural capital also includes different measurements: for example, the customer satisfaction of different businesses is regularly measured.

Relationship capital comprises expertise in dealing with customers, suppliers, and other stakeholders. Most of our customer relationships are very long-standing partnerships based on mutual trust. The same goes for our supplier partnerships, many of which have also lasted for decades.

Focus on leadership

Human capital covers personnel matters, such as competence and personal development, job satisfaction, recreational activities, and rewards.



Aspo does everything in its power to create a supportive working environment and promote professional development. A good atmosphere starts with good management. About forty managers from the parent company and business units have participated in Aspo's voluntary manager training program.

In parallel with the training program, a manager forum is organized, as well. The manager forum provides the participants with an insight into other businesses, and managers can engage in practical experience exchange and discussions on the management culture. One of the key objectives of the manager forum is to promote a culture of dialogue within the Group: this forum allows us to quickly address new development ideas, for example.

We regularly assess personnel satisfaction with their own tasks, the quality of management, and Aspo as an employer. The results of

Ongoing operational improvement is a core principle of our environmental policy.

the atmosphere survey are presented to the entire personnel. The managers discuss more detailed results with the employees reporting to them, all the way up to team level. Any problems are quickly addressed. The atmosphere survey produced is also always used to identify new subjects for development.

Aspo has established a personnel fund to provide an incentive for the personnel. All persons working at Aspo Group's Finnish companies are members of the personnel fund. Employees may invest the performance bonus in the personnel fund or withdraw the bonus in cash. The objective for the fund is that the personnel will become a major shareholder group in Aspo.

The actions of the personnel are also guided by Aspo's code of conduct. The code of conduct describes the norms that Group personnel are expected to abide by in their activities. They also provide instructions for situations where the personnel must make personal and ethical decisions.

The code of conduct addresses the legality of operations, business relations, personnel and safety and the company's assets and property. The code of conduct is available in full on Aspo's website.

Environmental reputation as a competitive edge

Good environmental reputation is an important facet of intellectual capital. Ongoing operational improvement is a core principle of our environmental policy. Aspo wants to address critical environmental issues beyond the minimum requirements of laws and regulations. We conduct environmental impact evaluations and product life cycle and risk analyses to predict and prevent any harmful impact on the environment.

The Group's environmental policy serves as a foundation on which each business develops its own practices. Each Group company handles its own environmental issues, with the managing director usually holding primary responsibility.

Aspo aims to use technologies that have minimum environmental impact and to avoid hazardous consequences. Our employees are trained and encouraged to work in an environmentally responsible way. Aspo also takes part in a variety of social responsibility projects. All these projects have at least one thing in common – they concern Aspo's operations in the Baltic Sea region. For instance, we have collaborated with the Keep the Archipelago Tidy Association.

Aspo Group's headquarters are located in the Lintulahdenvuori office building, which has been granted a platinum LEED environmental certificate. LEED (Leadership in Energy and Environmental Design) is a global environmental certification for the design, construction, use, and maintenance of buildings.

It is estimated that eco-efficient buildings consume 30–50 percent less energy than ordi-

nary buildings. Eco-efficiency also leads to lower building operating costs.

ESL Shipping's operations and all its vessels are certified in accordance with the International Maritime Organization's International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention (ISM). ESL Shipping also has ISO 14001 environmental certification. Well-equipped ships enhance safety, furthermore, the company's experienced personnel are very familiar with the ports, channels, and conditions of the Baltic Sea.

Ships are the most ecological mode to move large quantities of cargo. Relative to the size of cargo and the distance a large cargo ship travels, the carbon dioxide emissions of a ship is less than 20% of the emissions of tractor-trailers, and less than 1% of the emissions of jet aircraft.

ESL Shipping has worked systematically in order to improve the energy-efficiency of its fleet. Vessels cruise speed and, therefore, fuel economy has been optimized according to prevailing situations without decreasing customer service level. All vessels now meet the requirements set out in the EU Sulphur Directive.

Leipurin has paid particular attention to the quality and safety of food ingredients and the environmental impact of its operations. In Finland, Leipurin's operational manual is ISO 9001 certified for both raw materials and machines. Certification has also committed the company to continually improving its operations. Leipurin takes environmental issues into account when choosing raw material suppliers, too.

Telko's good environmental reputation is a key factor in its success. Strict quality standards ensure that it can effectively protect both the company's reputation and that of its suppliers and customers.

Telko has a certified quality system complying with the ISO 9001 standard. In addition, Telko is committed to complying with the chemical industry-oriented Responsible Care Program. Due to the program, Telko is committed to the continued voluntary improvement of environmental, health and safety issues. The company's commitment has been verified by an external ESAD assessment. Telko was also the first security and quality-assessed chemical industry company in Russia. Telko has signed the Ethical and Business Principles of the European Association of Chemical Distributors FECC.

Kaukomarkkinat provides equipment and services that improve energy efficiency. Environmental issues play a highly important role for the company's principals: their commitment to sustainable development is evident in all their operations, all the way from product design and manufacture to recycling.

**“GOOD ATMOSPHERE
STARTS WITH GOOD
MANAGEMENT.”**



Board Members

Updated information on changes in the shareholding of public insiders is available on the company's website www.aspo.com.



1. GUSTAV NYBERG

born 1956, Chairman

not independent of the company, independent of its major shareholders
B.Sc. (Econ.), eMBA

Full-time chairman of the Board since 2009, member of the Board since 2008

Key Work Experience

CEO, Aspo Plc 1999–2008

Management positions, Elfa International Ab, 1985–1995

Management positions, Finnboard, 1979–1984

Key Positions of Trust

Member of the Board: Foundation for Economic Education, Stiftelsen Svenska handelshögskolan, Oy Havsudden Ab

Member of the Negotiation body: The Finnish Lifeboat Institution

Member of the Consultative Committee: Meripuolustussäätiö

Holdings and Fees

Shareholdings in Aspo on December 31, 2014: 701,524 or 2.26% of the total number of shares, Oy Havsudden Ab: 3,142,941 shares or 10.15% of the total number of shares.

Aspo's hybrid bond 2013: 1.0 M€, Oy Havsudden Ab: 1.9 M€

No holdings or rights based on a share-based incentive plan.

Fees in 2014: EUR 186,000 (including voluntary pension insurance scheme)

2. MATTI ARTEVA

born 1945, Vice Chairman

independent of the company and its major shareholders
Engineer

Vice Chairman of the Board since 2000, member of the Board since 1999

Key Work Experience

Senior Adviser, Rautaruukki Oyj, 2005

President, Rautaruukki Oyj Metal Products, 2003–2004

CEO, Asva Oy, 1993–2003

Marketing and management positions, Aspo Oy, 1975–1993

Manager, Oy Telko Ab, 1970–1975

Key Positions of Trust

Chairman of the Board: Europress Group Oy

Holdings and Fees

Shareholdings in Aspo on December 31, 2014: 200,000 or 0.65% of the total number of shares.

No holdings or rights based on a share-based incentive plan.

Fees in 2014: EUR 43,200

3. MAMMU KAARIO

born 1963

independent of the company and its major shareholders

LL.M, MBA

Investment Manager, Korona Invest Oy, 2011–

Member of the Board since 2012

Member of the Audit Committee since 2012

Key Work Experience

Partner, Unicus Oy, 2005–2010

Member of the Board, Esperri Care Oy, 2005–2010

Director, Conventum Corporate Finance Oy, 1998–2004

Vice President, Prospectus Oy, 1994–1998

Vice President, Kansallis-Osake-Pankki, 1988–1994

Key Positions of Trust

Chairman of the Board: Pilke päiväkodit Oy

Member of the Board: Ponsse Oyj, Enfo Oyj, Invalidiliiton Asumispalvelut Oy

Holdings and Fees

Shareholdings in Aspo on December 31, 2014: 10,000 or 0.03% of the total number of shares.

Aspo's hybrid bond 2013: 0.1 M€

No holdings or rights based on a share-based incentive plan.

Fees in 2014: EUR 33,700



4. ROBERTO LENCIONI

born 1961

independent of the company and its major shareholders

LL.M.

Managing Director, Oy Gard (Baltic) Ab, 2003–

Member of the Board since 1999

Chairman of the Audit Committee since 2010

Key Work Experience

Management positions, Oy Baltic Protection Ab, 1990–2002

Managing Director, Oy Baltic Insurance Brokers Ab, 1994–2001

Sales Manager, Aspocomp Oy, 1988–1990
Group Lawyer, Aspo Group, 1986–1987

Holdings and Fees

Shareholdings in Aspo on December 31, 2014: 10,687 or 0.03% of the total number of shares.

Aspo's hybrid bond 2013: 0.2 M€

No holdings or rights based on a share-based incentive plan.

Fees in 2014: EUR 33,700

5. KRISTINA PENTTI-VON WALZEL

born 1978

independent of the company and its major shareholders

M.Sc. (Econ.), B.Sc. (Pol. Sc.)

Director, Ajatuspaja Libera, 2013–

Member of the Board since 2009

Member of the Audit Committee since 2010

Key Work Experience

Campaign Director/Fundraising, HANKEN School of Economics, 2008–2011

Work experience placements in the Ministry for Foreign Affairs of Finland, various positions in personnel management and the financial services industry for companies such as Mandatum Stockbrokers Ltd and Fortum Corporation, 1999–2006

Key Positions of Trust

Member of the Board: Lemminkäinen Corporation, CMI Crisis Management Initiative, Foundation of Economic Education Council Member: Stiftelsen Svenska handelshögskolan

Holdings and Fees

Shareholdings in Aspo on December 31, 2014: 8,000 or 0.03% of the total number of shares.

No holdings or rights based on a share-based incentive plan.

Fees in 2014: EUR 33,700

6. RISTO SALO

born 1951

independent of the company and its major shareholders

M.Sc. (Tech.)

Chairman of the Board, Hollming Oy, 2005–

Member of the Board since 2008

Key Work Experience

President, Hollming Oy, 1992–2005

Management positions, Finnyards Oy, 1992

Management positions, Hollming Oy, 1977–1991

Key Positions of Trust

Member of the Consultative Committee: Mutual Pension Insurance Company Varma

Holdings and Fees

Shareholdings in Aspo on December 31, 2014: 165,160 or 0.53% of the total number of shares, Hollming Oy 273,969 or 0.88% of the total number of shares, Ratus Oy 572 or 0.002% of the total number of shares.

No holdings or rights based on a share-based incentive plan.

Fees in 2014: EUR 28,800

In addition, in the Board of Directors was included in 2014

Esa Karppinen, Member of the Board until April 3, 2014

Group Executive Committee

AKI OJANEN

born 1961, eMBA

CEO, Aspo Plc, 2009–

Key Work Experience

COO, Aspo Plc, 2007–2008

General Director, Itella Logistics Oy, 2005–2007

CEO, Kuusakoski Oy, 2003–2005

Management positions, Kuusakoski Oy, 1999–2003

General Manager, Canon North-East Oy, 1996–1998

Management positions, Canon Oy, 1988–1996

Key Positions of Trust

Chairman of the Board: ESL Shipping Ltd, Leipurin Plc, Telko Ltd, Kaukomarkkinat Ltd, The Association of Finnish Technical Traders

Member of the Board: 3 Step IT Group Oy, Federation of Finnish Commerce, Finnish Coal info Hiilitieto ry, Finland-China Trade Association

Holdings

Shareholdings in Aspo on December 31, 2014: 54,481 or 0.18% of the total number of shares

ARTO MEITSALO

born 1963, M.Sc. (Econ.)

CFO, Aspo Plc, 2009–

Managing Director, Aspo Services Ltd, 2013–

Key Work Experience

President, Kauko-Telko Ltd, 2008

CFO, Kauko-Telko Ltd, 2007

Director, Kaukomarkkinat Ltd, 2005–2007

Group Controller, Kaukomarkkinat Ltd, 2002–2005

Financial Accountant, Bank of Finland, 1993–2002

Financial Accountant, Kaukomarkkinat Ltd, 1989–1993

Key Positions of Trust

Member of the Committee: The Association of Finnish Technical Traders, Finance Committee; Federation of Finnish Commerce, Trade Policy Committee

Member of the Board: Silmäsaatiö

Holdings

Shareholdings in Aspo on December 31, 2014: 32,072 or 0.10% of the total number of shares

HARRI SEPPÄLÄ

born 1964, eMBA

Group Treasurer, Aspo Plc, 2008–

Key Work Experience

Senior Vice President, Sampo Bank Plc, 2006–2007

First Vice President, Sampo Bank Plc, 1999–2006

Management positions, Postipankki, 1989–1999

Holdings

Shareholdings in Aspo on December 31, 2014: 61,711 or 0.20% of the total number of shares

KALLE KETTUNEN

born 1964, M.Sc. (Tech.), MBA

Managing Director, Telko Ltd, 2009–

Key Work Experience

Managing Director, Eka Chemicals Ltd, 2003–2009

Marketing Director Europe, Eka Chemicals Ab, 2007–2009

Managing Director, Eka Chemicals Suzhou (China) Ltd, 2001–2002

Sales management positions, Eka Chemicals Ltd, 1995–2000

Production Manager, Yhtyneet Paperitehtaat Oy, 1990–1995

Holdings

Shareholdings in Aspo on December 31, 2014: 24,802 or 0.08% of the total number of shares

MATTI-MIKAEL KOSKINEN

Born 1972, M.Sc. (Econ.)

Managing Director, ESL Shipping Ltd, 2013–

Key Work Experience

Managing Director, Meriaura Ltd, 2007–2013

Chartering Manager, Deputy Managing

Director, Meriaura Ltd, 2004–2006

Consultant, The World Bank, 2004

Project researcher, Turku School of Economics and Business Administration, 2003–2004

Key Positions of Trust

Member of the Board: Finnish Shipowners' Association, Finnish Coal info Hiilitieto ry, Finnish Waterway Association

Holdings

Shareholdings in Aspo on December 31, 2014: 9,054 or 0.03% of the total number of shares

PAUL TAIMITARHA

born 1957, M.Sc. (Econ.)

Managing Director, Leipurin Plc, 2013–

Key Work Experience

Managing Partner, Mirror Learning Oy, 2006–2013

Managing Director, Fazer Amica, 2003–2005

Managing Director, Fazer Bakeries, 2000–2004

Director, Unilever Van den Berg Foods, 1988–2000

Management positions, Oy Wärtsilä Ab, 1984–1988

Sales Director, Unilever Paasivaara Oy, 1982–1984

Key Positions of Trust

Chairman of the Board: Potwell Oy

Member of the Board: Oy Halva Ab, Mirror Learning Oy

Holdings

Shareholdings in Aspo on December 31, 2014: 7,500 or 0.02% of the total number of shares

In addition, in the Group Executive Committee was included in 2014

Jukka Nieminen, Managing Director, Kaukomarkkinat Ltd until October 27, 2014

BOARD MEMBERS AND MANAGING DIRECTORS IN GROUP COMPANIES ON MARCH 1, 2015

ESL SHIPPING LTD

Aki Ojanen	chairman
Mikko Niini	member
Lasse Rikala	member
Ulla Tapaninen	member

Matti-Mikael Koskinen,
Managing Director

LEIPURIN PLC

Aki Ojanen	chairman
Jukka Havia	member
Matti Lappalainen	member
Kaisa Poutanen	member
Harri Sivula	member

Paul Taimitarha, Managing Director

TELKO LTD

Aki Ojanen	chairman
Kari Blomberg	member
Johan von Knorring	member
Timo Petäjä	member

Kalle Kettunen, Managing Director

KAUKOMARKKINAT LTD

Aki Ojanen	chairman
Pirja Heiskanen	member
Risto Kyhälä	member

Kimmo Liukkonen, Managing Director (acting)

Corporate Governance

Members of the Aspo Board of Directors and Group Executive Committee and their controlled corporations own in total approximately 15 per cent of Aspo's stock.

Aspo's decision-making and administration comply with the Finnish Companies Act, securities market legislation, other regulations concerning public limited companies, Aspo Plc's Articles of Association, and the rules and regulations of NASDAQ OMX Helsinki Ltd. Aspo follows the Finnish Corporate Governance Code for listed companies that was issued by the Securities Market Association in 2010. The document is available on the Securities Market Association's website www.cgfinland.fi.

Aspo Plc's separate Corporate Governance Statement and a separate remuneration statement for 2014 have been published on Aspo's website www.aspo.com.

Group structure

The Aspo Group's parent company, Aspo Plc, is a Finnish public company domiciled in Helsinki. The main responsibility for Aspo Group's administration and operations lies with Aspo Plc's organs, which are the Shareholders' Meeting, the Board of Directors and the CEO. The highest decision-making power is exercised by the shareholders at the Shareholders' Meeting.

Aspo Plc's task is to own, manage and develop the operations of its subsidiaries and other operational units, centrally administer the Group companies, take care of issues related to financing and strategic planning, and plan and implement financially expedient investments.

The Group's operational business is carried out in the Group companies (ESL Shipping Ltd, Leipurin Plc, Telko Ltd and Kaukomarkkinat Ltd) and in their subsidiaries in Finland and abroad.

Shareholders' Meeting

The Annual Shareholders' Meeting is arranged every year on a date set by the Board of Directors and it deals the issues that are the Annual Shareholders' Meeting's responsibility as outlined in the Articles of Association, the Board proposals and possible other proposals to the Shareholders' Meeting. The Annual Shareholders' Meeting, for instance, confirms the financial statements, elects the Board members and the auditor, and decides on profit distribution and the remuneration of Board members and the auditor.

Shareholders are, according to the Companies Act, entitled to bring issues to be discussed to the Shareholders' Meeting if they demand this in writing from the Board of Directors well in advance so that the issue can be included in the notice of the meeting.

The Board of Aspo Plc calls the Shareholders' Meetings. The notice of the meeting is published in a stock exchange release and in newspapers determined by the Board at the earliest two months before and at the latest 21 days before the meeting. In addition, the notice of the meeting and the following information are published on the company's website 21 days before the Shareholders' Meeting at the latest:

- total number of shares and votes by share class on the date of the notice of the meeting
- documents to be presented to the Shareholders' Meeting
- decision proposal of the Board of Directors or some other competent organ
- any issue that is included in the agenda of the Shareholders' Meeting but for which no decision is proposed

The decisions of the Shareholders' Meeting are published after the meeting in a stock exchange release. The minutes of the Shareholders' Meeting with the voting results and appendices related to the decisions are published on the company's website within two weeks of the Shareholders' Meeting.

Board of Directors

According to the Articles of Association, Aspo Plc's Board of Directors comprises no fewer than five and no more than eight members. The number of members of the Board is determined at the Shareholders' Meeting, where its members are also elected. The members of the Board of Directors elect a chairman and a vice chairman from amongst themselves. In the 2014 Annual Shareholders' Meeting, six Board members were elected. The term of the members ends at the conclusion of the Annual Shareholders' Meeting following the election.

The Board constitutes a quorum when more than half of the members, including either the chairman or vice chairman, are present.

The duties and responsibilities of the Board of Directors are set out in the Articles of Association, the Finnish Companies Act and other applicable legislation. Aspo Plc's Board of Directors has confirmed written standing orders which state that the matters to be handled by the Board include, but are not limited to:

- Aspo Group's strategic policies and divisional strategies
- Group structure
- matters to be presented to Shareholders' Meetings
- interim reports and consolidated financial statements
- Group business plans, budgets and investments
- expanding and scaling back operations, acquisitions/divestitures of companies or operations
- Group risk management, insurance and financial policies
- Group environmental policy
- management remuneration and incentive systems
- appointment of the CEO
- monitoring the financial and financing situation of Aspo Group

The Board carries out an annual self-evaluation of its operations and working methods.

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

Board committees

The Board has established an Audit Committee with the objective of preparing issues related to the company's financial reporting and monitoring. The Audit Committee does not have independent decision-making authority, but the Board makes the decisions on the basis of preparations by the committee. The Audit Committee consists of the chairperson and at least two members, who the Board appoints from among the Board members for one year at a time. The Board of Directors has appointed Roberto Lencioni chairman of the Audit Committee and Mammu Kaario and Kristina Pentti-von Walzel as committee members.

The tasks of the Audit Committee are:

- monitoring the financial statement reporting process
- supervising the financial reporting process
- monitoring the effectiveness of internal control and risk management systems
- handling internal control's plans and reports
- handling the description of the main principles of the financial reporting process related to internal control and risk management systems included in the company's Corporate Governance Statement
- monitoring the statutory audit of the financial statements and consolidated financial statements
- assessing the independence of the audit firm
- assessing the auxiliary services offered by the audit firm
- preparing the decision on the election of the auditor

The Audit Committee will convene regularly at least twice a year. In 2014, the audit committee had six meetings.

Aspo has no other committees besides the Audit Committee.

Remuneration for Board members

The Annual Shareholders' Meeting decides on the remuneration and cost

compensation principles for the Board members every year.

The 2014 Annual Shareholders' Meeting confirmed the chairman of the Board's monthly remuneration to be EUR 15,500. It was resolved that the vice chairman be paid a monthly remuneration of EUR 3,600 and the other members of the Board of Directors EUR 2,400 per month. It was also resolved that EUR 700 per meeting be paid to the members of the Audit Committee. Board members having a full-time position in an Aspo Group company are not paid a fee.

Travel is compensated for in accordance with Aspo's general travel regulations. In 2014, the Aspo Plc Board members received a total of EUR 384,020 in fees (including both statutory and voluntary pension payments of the Board chairman).

The majority of Aspo's Board members are independent of the company and its main shareholders.

Chairman of the Board

The full-time chairman of the Aspo Plc Board is Gustav Nyberg, B.Sc. (Econ.), eMBA (58). He is, in addition to his Chairman duties, also responsible for the progress of the strategy process and participates in IR operations.

Aspo Plc's Board of Directors elects a chairman from among the Board members, appoints the full-time chairman of the Board, and agrees upon the terms of employment defined in a written executive contract. The full-time chairman does not receive the board member's compensation decided by the Annual Shareholders' Meeting while the executive contract is in force. The total compensation paid to the full-time chairman under the executive contract shall not exceed the compensation for the Chairman of the Board established by the decision of the Annual Shareholders' Meeting.

Chief Executive Officer

The Board of Directors appoints Aspo Plc's CEO. The CEO of Aspo is Aki Ojanen, eMBA (54). The CEO is responsible for the management and development of the Group's business in accordance with the instructions of the Board of Directors. The CEO presents matters and reports to the Board of Directors. The CEO is responsible for the Group administration in accordance with the

instructions of the Board of Directors, and for the company accounting complying with applicable legislation and the reliable arrangement of the company finances. He also serves as the chairman of the Boards of Group companies and acts as the operational supervisor of the managing directors of Group companies. He is also responsible for internal control as the superior of the CFO and for Group risk management, which is coordinated by the CFO.

The terms of the CEO's employment relationship have been agreed in writing in the CEO agreement. The period of notice applied in the employment relationship of the CEO is six months. If notice is given by the company, severance pay corresponding to 18 months' salary will be paid in addition to the salary for the notice period.

In 2014 the CEO was paid EUR 715,270 in salary, bonuses and fringe benefits. The share of bonuses for 2013 was EUR 166,516, the share of share-based payments was EUR 39,479, the share of statutory pension payments was EUR 94,849 and the share of voluntary pension insurance payments was EUR 71,979.

Group Executive Committee

The CEO is assisted by the Group Executive Committee, which is responsible for developing the strategic structure of Aspo Group and its earnings, as well as prepares the policies and shared practices. The Group Executive Committee consists of the Group CEO, Group CFO, Group Treasurer, and the Managing Directors of the Group companies. The Group Executive Committee convenes at least six times a year. The members of the Group Executive Committee are public insiders.

In addition to the CEO, the Group Executive Committee in 2014 consisted of CFO Arto Meitsalo, Group Treasurer Harri Seppälä as well as Matti-Mikael Koskinen, Managing Director of ESL Shipping Ltd, Kalle Kettunen, Managing Director of Telko Ltd, Jukka Nieminen, Managing Director of Kaukomarkkinat Ltd (until October 27, 2014) and Paul Taimitarha, Managing Director of Leipurin Plc. In 2014, the Group Executive Committee received a total of EUR 2,150,728 in salaries, bonuses and fringe benefits. The share of bonuses for 2013 was EUR 280,099, the share of share-based payments was EUR 121,718, the share of statutory pension payments was EUR 294,209 and



the share of voluntary pension insurance payments was EUR 130,259.

Rewarding

Aspo Group has a personnel fund. All persons working at Aspo Group's Finnish companies are members of the personnel fund. Aspo's business units pay part of their earnings as bonuses to the personnel. Employees may invest the performance bonus in the personnel fund or withdraw the bonus in cash. The long-term goal of the funding system is that the personnel will become a significant shareholder group in the company.

The Aspo Plc management bonus program consists of the employees' fixed monthly salary, a short-term bonus paid on the impact of their tasks on the company result, and long-term rewards including management pension benefits and a share-ownership plan.

Aspo Plc's Board of Directors makes decisions on the salaries, other financial benefits, and the basis of the bonus scheme for the Group's CEO and the Group Executive Committee members.

Bonus plan based on the company result (short-term incentive program)

Aspo has a result-based incentive plan for the management, including about 30 employees in addition to the Group Executive Committee members. The maximum bonus may differ up to a sum equivalent to three to eight months

of the employee's salary. The maximum bonus of the CEO is a sum equivalent to eight months' salary. The criteria used in the bonus scheme include Group-level requirements and the development preconditions of the area for which the executive has responsibility. The fulfilling of the bonus scheme criteria is monitored annually. The payments paid according to the bonus plan are approved by Aspo Plc's Board of Directors. Bonuses recognized annually are paid after the completion of the annual financial statements.

Share-ownership plan (long-term incentive program)

In 2012, Aspo's Board of Directors decided on a share-based incentive plan for about 30 persons. The aim of the plan is to combine the objectives of shareholders and those within the plan in order to increase the company's value, to commit the persons to the company and to offer them a competitive incentive plan based on a long-term holding of the company's shares.

The plan includes three performance periods, i.e. the calendar years 2012, 2013 and 2014. The Board of Directors will decide on the plan's earning criteria and their objectives at the beginning of each period. Participation in the plan and obtaining a reward for 2014 required that the person acquired Aspo's shares or held the number of shares in Aspo or Aspo Management Oy up to the number predetermined by the Board.

The reward over the 2014 earnings period was based on the Aspo Group's earnings per share (EPS) indicator.

The shares paid during the earnings periods cannot be transferred during the commitment period, which ends within two years of the earnings period. If a person's employment or official relationship ends during the commitment period, the person must gratuitously return any shares paid as reward to the company. The amount of rewards paid on the basis of the Board's original decision corresponds with the value of 936,000 shares in Aspo Plc (including the proportion paid in cash). The proportion allocated for 2012, corresponding to one-third of the shares did not generate any reward. The amount of share bonus for the 2013 vesting period corresponded to approximately 38,511 shares in Aspo Plc on the date of decision. On the basis of the 2014 earnings period, individuals covered by the plan will receive 94,786 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.

Shareholding program (long-term incentive)

Aspo had 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. Aspo Management Oy, who was owned by the persons involved in the plan, acquired 509,612 Aspo shares. The plan was not dissolved in spring 2014 in line with the original plan. After the system reached its objective in terms of long-term ownership, a decision to dissolve the system was made in October 2014. The shareholders of Aspo Management Oy and Aspo agreed on a share swap by which the management's ownership was converted to direct share ownership. In the share swap, Aspo acquired all the shares in Aspo Management, and the shareholders of Aspo Management received shares in Aspo in return. To implement the share swap, the Aspo Board of Directors decided on a directed share issue in which Aspo transferred 100,626 Aspo shares held by the company.

Aspo does not have a separate stock option plan. Remuneration statement can be found at www.aspo.com.

Supplementary pensions

The Chairman of the Board of Directors, the CEO and two directors of the Group

Executive Committee at Aspo Plc are eligible for a payment-based group pension insurance plan. The retirement age is 60 whereupon the payment of contribution ends. The receiving of a pension ends at the age of 70. The pension is determined in accordance with the accrued insurance savings at the time of retirement. The receiving of pension can be postponed, at most, until the age of 70. In that case, the pension is determined on the basis of insurance savings adjusted in accordance with the value development of related investment objects.

If employment ends before the contractual retirement age as a result of a notice given by the employer due to production and financial reasons, the person is entitled to a paid-up policy – a paid-up insurance that corresponds to insurance savings accrued by the end of the person's employment. The person is always entitled to a paid-up policy that corresponds to his or her own share of contribution.

In 2014, on the part of the Chairman of the Board the cost of the group pension insurance plan totaled EUR 87,220 and it is included in his total remuneration. On the part of the CEO the cost of the group pension insurance plan totaled EUR 71,979 or 10% of the annual salary. The costs of the voluntary group pension insurance plans totaled EUR 217,479.

Auditing

According to the Articles of Association, the Annual Shareholders' Meeting elects the auditor, which must be an auditing firm approved by the Central Chamber of Commerce. The term of the auditor ends at the conclusion of the Annual Shareholders' Meeting following the election.

The auditor elected by the Shareholders' Meeting is responsible for instructing and coordinating the auditing work throughout the Group. The auditor provides the company's shareholders with the auditor's report in connection with the annual report, in accordance with legislation. The members of the Board also receive other possible auditing reports.

The 2014 Annual Shareholders' Meeting elected the APA firm Ernst & Young Oy as the auditor. APA Harri Pärssinen acted as the principal auditor. In 2014, companies belonging to the EY chain in Finland and abroad were paid a total of EUR 233,274 in compen-

sation for performing audits for Aspo Group. In addition, other services were acquired for EUR 641,596.

Internal control

Aspo's internal control includes the control that is built in to the business processes, the Group's management system and financial reporting covering the entire Group. Internal control is an integral part of the company's management, risk management and administration.

The aim of internal control is to create sufficient certainty of goals and objectives being reached in the following issues:

- operational profitability and efficiency and capital control
- reliability and completeness of financial and operational information
- compliance with laws, regulations and agreements, as well as ethical principles and social responsibility
- securing and responsible management of assets and brands

The responsibility to arrange the control lies with the Board and the CEO both at Group level and in the business segment. The Group's Board is responsible to the shareholders and the CEO to the Board. The chain of responsibility continues throughout the organization so that each Aspo employee is responsible to his/her superior for control. Group company controllers have supervision responsibility concerning compliance with legislation and Group instructions. As well as to the segment management, they also report to the CFO. The CFO reports to the CEO and Board on possible findings. The internal control functions support the Group management in their control task and the aim is to offer the Group management sufficient surety that the control is working.

Financial reporting

The control of financial reporting is based on monitoring of business processes. The information for financial reporting is created as business processes progress, and responsibility for correct information is shared by all participants in the process. The financial reporting process is decentralized and monitored by the Audit Committee.

The financial statements of the Group are compiled according to the IFRS standards; those of the parent company and Finnish subsidiaries according to the Finnish accounting standards. Each separate company complies with the legislature of the country where it is located, but reports based on the Aspo's internal accounting regulations. Separate companies may have their own accounting framework, but all information is consolidated on the basis of a common framework to the business area level, where their reliability is assessed and then transferred to Group level. Aspo Group's information is verified, and assessed on monthly basis. At each phase the unit responsible for the quality and generation of information will assess its reliability. The Group-level inspection and balancing mechanisms are used on both monthly and quarterly bases.

The systems required for financial reporting are decentralized and used according to the principles of internal control of Aspo Group. Achieving the set targets is followed on a monthly basis with the reporting system. In addition to actual and comparison figures, it provides up-to-date forecasts. The reports are provided to the Aspo Board of Directors monthly. The Board of Directors assesses the Group's position and future based on the provided information. The Board of Directors is responsible for the contents and publication of the financial statement.

In 2014, the Group continued to update and integrate the reporting systems in order to improve the level of internal control.

Besides internal control, the reliability of reporting and processes are assessed by an independent, external audit corporation.

Internal auditing

The purpose of internal auditing is to support evaluation and confirmation of the Group to verify the efficiency of risk management, control, management and administration. Internal auditing assists the Board of Directors and organization in achieving the Group targets and in ensuring and developing the control system.

The Board of Directors approves the principles of internal auditing as part of internal control. The Group CFO is responsible for internal auditing, and reports the findings to the CEO and the

Board of Directors. Internal auditing is organized corresponding to the size of the Group. Externally purchased services with special skills will be used for demanding assessments. The target is to accomplish two or three risk-based audits annually. The audits are based on risk assessment as defined in the risk analyses of individual business units. The objects of the assessment and auditing process are profitability and efficiency of activities, reliability of financial and activity reporting, compliance issues and securing of assets.

The Audit Committee, appointed by the Board of Directors, monitors the operations and efficiency of the company's internal supervision in its meetings. The committee also processes the plans and reports of the internal auditing.

Risk management

The target of risk management is to ensure the fulfillment of Group strategy, development of financial results, shareholder value, dividend payment capability and business continuity. The Group management is responsible for risk management. The operational management of the business areas is responsible for defining sufficient measures and their implementation, and for monitoring and ensuring that the measures are implemented as part of normal operational control. Risk management is coordinated by the Group CFO, who reports to the Group CEO.

The Audit Committee appointed by the Board monitors the efficiency of the risk management systems and processes the plans and reports of the risk management.

Each business area has a separate risk management program and a corresponding business continuity plan. Business risks and their management are dealt with in the executive teams of the business units. The functions common to the whole Group will ensure that sufficient risk assessment and reporting procedures are incorporated into the processes they are responsible for. In terms of certain risks, the risk management principles and main content have been defined in Group-level policies and guidelines.

Risk management is essentially based on the aforementioned procedures of internal controls, where the chain of responsibility extends throughout the Group. The most important factors in business risk manage-

ment are a profound understanding of the business and command of the tools which are used for daily business operations and their control. Characteristic risks in each business area are identified in the business units, assessed in the business unit management teams, and reported to the units' Boards and, if need be, also to the Aspo Board of Directors or the Audit Committee. The Group CEO acts as the Chairman of the Boards of Group companies.

Risks are continuously assessed and their management is discussed in the business unit executive teams. Risk assessments are updated according to Aspo's management policy and the most noteworthy findings are presented in the quarterly interim reports. Larger projects always include a separate risk analysis. The most significant risks for the Group are assessed once a year and the results are presented in the annual report.

Financial risks and the management principles and organization of financial risks are presented in Note 26 to the financial statements.

Insider management

Aspo Group follows NASDAQ OMX Helsinki Oy's insider instructions. Aspo's Board has also confirmed insider regulations for Aspo Plc, including instructions for permanent insiders and project-specific insiders. Aspo Plc's public insiders include the Board members, the CEO, the members of the Group Executive Committee and the auditor. Aspo Plc's permanent company-specific insiders include the vice presidents of subsidiaries, secretary to the Board, people responsible for Group finances and financing and other persons who, due to their work, regularly receive insider information. In addition a project-specific insider register is kept on persons participating in the preparation of insider projects.

Permanent insiders are not allowed to trade in securities issued by the company for 21 days before the publication of interim reports or annual reports, nor on the day of publication.

The Group CFO is responsible for the control and monitoring of insider issues. The holdings of members of the public insiders and changes to these holdings are published on the company's website at www.aspo.com. Aspo Plc's insider register is maintained by Euroclear Finland Ltd.

Summary of 2014 releases

In 2014, Aspo Pcl published a total of 36 stock exchange releases of which four were interim reports. The stock exchange releases are available on the company's website www.aspo.com. Some information in the releases may partially be out of date.

STOCK EXCHANGE RELEASES

Jan. 9, ESL Shipping acquires ice-strengthened dry cargo vessel from Sweden

ESL Shipping Ltd has today purchased m/s Credo, a 20,000 dwt dry cargo vessel, which it previously owned jointly with the Swedish Donsöshipping KB. After the transaction the vessel will be renamed m/s Kallio and transferred from the Swedish flag into the Finnish Register of Ships.

Jan. 22, Changes to the Board of Directors of Aspo Leipurin Ltd

The Board of Directors of Leipurin Ltd has been reinforced through the appointment of three specialist members outside the Group. Jukka Havia (45), M.Sc. (Econ.); Kaisa Poutanen (59), D.Sc. (Tech.); and Matti Tikka-koski (60), M.Sc. (Econ.) have been appointed to the Board as new members.

Jan. 23, Notice of change in Aspo holdings pursuant to Chapter 2 Section 10 of the Securities Markets Act

Aatos Vehmas has announced that his holdings have decreased below five per cent (5%) of the share capital and the voting rights in Aspo Plc. Aatos Vehmas has decreased his ownership by 300,000 shares and the corresponding 300,000 voting rights. Following the transfer Aatos Vehmas owns 1,343,394 shares in Aspo, his percent of

share capital is 4.34% and percent of votes is 4.34%.

Feb. 4, Risto Vidgren appointed CFO for Leipurin Ltd

Risto Vidgren, M.Sc. (Accounting and Finance), (age 46), has been appointed CFO for Leipurin Ltd, as of February 5, 2014. Previously, Vidgren has worked inter alia in Tulikivi Corporation and Itella Corporation.

Feb. 7, Publication of Aspo Plc's Financial Statement Release and invitation to a press conference

Aspo Plc will publish its Financial Statement Release for 2013, on Thursday February 13, 2014, approximately at 11.00 a.m. A press conference will be held at 14.30.

Feb. 13, Aspo Group Financial Statement Release January 1-December 31, 2013

Aspo: Operating profit increased in Q4 and 2013. Aspo Group's net sales were EUR 476.3 million. Operating profit was EUR 10.8 million. Profit before taxes were EUR 6.6 million. Profit for the period was EUR 8.6 million and earnings per share were EUR 0.28. The Board of Directors proposes a dividend of EUR 0.21 per share.

Feb. 21, New shares in Aspo Plc entered into the Trade Register

One loan unit of Aspo Plc's Convertible Capital Loan 2009 has been converted into 8,074

new shares in Aspo Plc. The new shares have been entered into the Trade Register on February 21, 2014. After the Trade Register entry of the new shares, the number of the company's shares is 30,975,524 shares. The shares entered into the Trade Register will be applied for public trading on February 24, 2014.

Mar. 11, Invitation to the Annual Shareholders' Meeting

The shareholders of Aspo Plc are invited to attend the Annual Shareholders' Meeting to be held on Thursday, April 3, 2014, at 14.00 p.m.

Mar. 26, Transfer of own shares

The Aspo Plc has transferred 19,492 Aspo shares held by the company to employees included in the performance period 2013 of the share-based incentive plan 2012-2014. The transfer is based on the share issue authorization of the Annual Shareholders' Meeting held on April 3, 2012. The shares have been transferred according to the share-based incentive plan without compensation. After the transfer Aspo Plc holds a total of 164,399 Aspo shares.

Mar. 26, Aspo Annual Report and Corporate Governance Statement 2013 published

Aspo's Annual Report 2013, comprising the financial statements, the Report of the Board of Directors and the Auditors' report is now available in Finnish and English.

Apr. 3, Decisions of the Aspo Annual Shareholders' Meeting

The Annual Shareholders' Meeting of Aspo Plc on April 3, 2014, approved the parent company's and consolidated financial statements 2013 and discharged the members of the Board of Directors and the CEO from the liability. The shareholders approved the payment of a dividend totaling EUR 0.21 per share.

Apr. 7, ESL Shipping signs EUR 10 million ship financing agreement

ESL Shipping Ltd has signed a EUR 10 million ship financing agreement with Pohjola Bank Plc on April 7, 2014. The loan will be repaid in one installment after four years.

Apr. 10, Advance information on Aspo Group's net sales and operating profit in January-March 2014

Operating profit increased rapidly and stood at EUR 3.8 million (January-March 2013: EUR 0.9 million) in Q1. The Aspo guidance remains unchanged: Aspo will improve its operating profit.

Apr. 28, Invitation to the press conference on Aspo's Interim Report

Aspo Plc's Interim Report for January-March 2014 will be published on Monday, May 5, 2014, at about 10.00 a.m. A press conference will be held at 14.30.

May 5, Aspo Group Interim Report January 1 to March 31, 2014

Operating profit increased strongly and stood at EUR 3.8 million. Aspo Group's net sales were EUR 108.0 million and operating profit was EUR 3.8 million. Profit before taxes were EUR 2.6 million and earnings per share were EUR 0.07.

Jun. 17, Aspo to list the Leipurin business in 2014

At the end of 2013, Aspo Plc expressed its intention to review the preconditions for listing Leipurin Ltd on the NASDAQ OMX Helsinki. Aspo aims to list Leipurin on the Helsinki Stock Exchange during the fourth quarter of 2014. Aspo will remain a minority shareholder of Leipurin.

Aug. 4, Aspo amends guidance as a result of strong profit development

Aspo Plc amends its outlook for 2014. New guidance for 2014, issued on August 4, 2014: Aspo's operating profit will increase significantly in 2014 compared to 2013 and amount to EUR 17-20 million (operating profit for 2013: EUR 10.8 million). Previous guidance reiterated on May 5, 2014: Aspo will improve its operating profit.

Aug. 12, Invitation to the press conference on Aspo's interim report

Aspo Plc's Interim Report for January-June 2014 will be published on Monday, August 18, 2014, at about 10.00 a.m. A press conference will be held at 13:30.

Aug. 18, Aspo Group Interim Report January 1 to June 30, 2014

Operating profit continues strong growth. Aspo Group's net sales were EUR 230.7 million and operating profit was EUR 10.1 million. Profit before taxes was EUR 7.6 million and earnings per share were EUR 0.24.

Aug. 27, ESL Shipping responds to increased demand by time-chartering additional capacity

ESL Shipping Ltd, responds to its increased sea transport demand by time-chartering dry bulk carrier m/s Nassauborg until the end of the year.

Sep. 24, Leipurin listing preparations proceeding, target to complete listing during Q4

Aspo Plc's Board of Directors will propose an Extraordinary Shareholders' Meeting to be summoned later during 2014. The Board of Directors will propose that the Shareholders' Meeting would authorise the Board of Directors to pay an extra dividend in Leipurin's shares or in cash or combination of these two during 2014. The planned initial public offering includes the share issue of Leipurin and the sale of Leipurin's shares by Aspo to the public in Finland and to institutional investors in Finland and abroad. In addition, as a part of the initial public offering of Leipurin, Aspo Board of Directors plans to distribute Leipurin's shares as dividends to Aspo's shareholders. Aspo will remain a minority shareholder of Leipurin.

Oct. 10, Aspo signed EUR 40 million revolving credit facility agreement

Aspo Plc has signed a revolving credit facility agreement amounting to EUR 40 million. The credit is being granted by Pohjola Bank plc. The maturity is three years, and the agreement will replace a revolving credit facility agreement of the same amount, which will expire in 2015. The agreed facility has been taken for general corporate purposes.

Oct. 17, Invitation to the press conference on Aspo's interim report

Aspo Plc's Interim Report for January-September 2014 will be published on Tuesday,

October 28, 2014, at about 10.00 a.m. A press conference will be at 14.00.

Oct. 17, Aspo amends guidance as a result of strong profit development

Aspo Plc amends its outlook for 2014. New guidance for 2014, issued on October 17, 2014: Aspo's operating profit will increase significantly in 2014 compared to 2013 and amount to EUR 22-24 million (operating profit for 2013: EUR 10.8 million). Previous guidance from August 4, 2014: Aspo's operating profit will increase significantly in 2014 compared to 2013 and amount to EUR 17-20 million (operating profit for 2013: EUR 10.8 million).

Oct. 27, New Managing Director for Kaukomarkkinat Ltd

Jukka Nieminen, M.Sc. (Tech.), Managing Director of Kaukomarkkinat Ltd, has announced that he will resign from his position. Kimmo Liukkonen, M.Sc. (Tech.) (age 49) has been appointed as the acting Managing Director of Kaukomarkkinat Ltd until further notice. Kimmo Liukkonen is a board member of Kaukomarkkinat Ltd. The recruitment process for a new Managing Director has commenced.

Oct. 28, Aspo Group Interim Report January 1 to September 30, 2014

Operating profit continues strong growth. Aspo Group's net sales were EUR 360.3 million and operating profit was significantly to EUR 17.9 million. Profit before taxes was EUR 15.0 million and earnings per share were EUR 0.46.

Oct. 29, Aspo Plc acquires all the shares in Aspo Management Oy from its management through a share swap

Aspo and the shareholders of Aspo Management have agreed on a share swap where the management's ownership

will become a direct ownership in Aspo. In the share swap, Aspo will acquire all the shares in Aspo Management, and the shareholders of Aspo Management will receive shares in Aspo in return. To implement the share swap, the Aspo Board of Directors has decided on a directed share issue in which Aspo transfers, in deviation from the shareholders' pre-emptive subscription rights, 100,626 Aspo shares held by the company to the shareholders of Aspo Management against share consideration.

Nov. 20, Leipurin Plc applies for listing on the NASDAQ OMX Helsinki Ltd

The Board of Directors of Leipurin Plc, and the Board of Directors of its sole shareholder Aspo Plc, have decided on 19 November 2014 to apply for listing of the shares in Leipurin on the Official List of NASDAQ OMX Helsinki Ltd as previously announced. Leipurin and Aspo will separately announce about the share issue and the share sale related to the listing. The subscription price range of the shares offered for subscription in the offering is preliminarily EUR 2.10 - 2.60 per share. The maximum amount of new shares of Leipurin to be issued in the offering is 2,128,000 shares and the maximum amount of shares of Leipurin to be sold is 11,313,000 shares.

The company has submitted a prospectus related to the offering and the planned distribution of dividends as shares of Leipurin to be approved by the Finnish Financial Supervisory Authority.

Nov. 20, Aspo Plc: Invitation to the Extraordinary Shareholders' Meeting

The shareholders of Aspo Plc are invited to attend the Extraordinary Shareholders' Meeting to be held on Thursday, 11 December 2014, at 10.00 a.m.

Nov. 20, Leipurin Plc's listing application submitted to NASDAQ OMX Helsinki Ltd

Leipurin Plc has today submitted an application to NASDAQ OMX Helsinki Ltd to admit to trading the shares of Leipurin on the regulated market of the Official List of the Helsinki Stock Exchange. Trading in shares on the Prelist of the Helsinki Stock Exchange is expected to commence on or about 9 December 2014 and on the Official List on or about 11 December 2014 under the share trading code LEIPA.

Nov. 20, Reclassification on reporting affects Aspo's financial reporting and guidance

Prior to the offering, Aspo was the only shareholder in the Leipurin. If both the offering and the issue of scrip dividends planned to be realised in connection with the offering are carried out in full, Aspo's proportion of the company's shares and the number of votes is estimated to diminish to 49.5 percent, if the Over-Allotment Instalment agreed upon by Aspo and the lead manager of the offering is not used.

Aspo Group's financial information regarding the continuing operations is presented in the release, the purpose of which is to illustrate Aspo's certain key figures excluding the Leipurin business.

Nov. 20, Leipurin Plc publishes a prospectus related to the share issue, share sale and issue of scrip dividend

The Board of Directors of Leipurin Plc and the Board of Directors of its sole shareholder Aspo Plc, have decided on 19 November 2014 to arrange a share issue and a share sale, together and apply for listing of the shares in Leipurin on the Official List of NASDAQ OMX Helsinki Ltd. The Finnish Financial Supervisory Authority has today approved the prospectus related to the offering and the planned distribution of dividends as shares in Leipurin.

Dec. 3, The initial public offering of Leipurin Plc is interrupted and the listing is cancelled for the time being

The Board of Directors of Leipurin Plc and the Board of Directors of its sole shareholder Aspo Plc have decided to interrupt the initial public offering announced on November 20, 2014 and cancel for the time being the introduction of Leipurin for public trading in the official list of NASDAQ OMX Helsinki Ltd. Leipurin published a stock exchange release regarding the downgrading of its fourth quarter result compared with the earlier published result forecast.

"The collapse of the external value of the Russian Ruble, starting from November 24, 2014, against the Euro by about 17%, has increased the uncertainty among investors regarding the development of companies operating in Russia. Although the business of Leipurin in Russia carries little risk, the investment atmosphere of institutional investors regarding the listing of Leipurin has turned negative. Aspo will assess the possibilities for listing Leipurin at a later stage".

Aspo returns to the guidance issued on October 17, 2014: Aspo's operating profit will increase significantly in 2014 compared to 2013 and amount to EUR 22-24 million (operating profit for 2013: EUR 10.8 million). The guidance includes the expenses of preparations for the listing of Leipurin, estimated at EUR 1.2 million.

Dec. 8, Proposal of the Board of Aspo Plc to Extraordinary Shareholders' Meeting regarding payment of dividend

The Aspo Board of Directors has decided to cancel its proposal to the Extraordinary Shareholders' Meeting concerning the authorization for the Board to pay an extra dividend. Aspo does not intend to pay extra dividend in

accordance with its previously announced plan.

Dec. 11, Decisions of the Aspo Extraordinary Shareholders' Meeting

Due to the cancellation of the initial public offering of Leipurin Plc, on December 8, 2014, the Aspo Board of Directors decided to cancel its proposal to the Extraordinary Shareholders' Meeting concerning the authorization for the Board to pay an extra dividend. There were no other proposals for decisions on the agenda for the Shareholders' Meeting. The Meeting approved the cancellation of the authorization and therefore no extra dividend will be paid.

Dec. 11, Aspo's financial information in 2015

The Aspo Group Annual Accounts Bulletin for 2014 will be released on Thursday, February 12, 2015. The Annual Report will be published on week 14 at the latest. Aspo will publish three Interim Reports in 2015: May 6, August 13 and October 28. The Annual Shareholders' Meeting is tentatively scheduled for Thursday, April 9, 2015.

PRESS RELEASES

Jun. 19, Harri Sivula appointed Board member of Leipurin Ltd

M.Sc. (Admin.) Harri Sivula has been appointed Board member of Leipurin Ltd as of June 18, 2014. M.Sc. (Econ.) Matti Tikkakoski has announced that he will retire from the Leipurin Board.

Jul. 16, Aspo's Kaukomarkkinat divests frequency converter business in Poland

Kaukomarkkinat has sold its frequency converter business to Vacon Plc. The business includes the import, export and maintenance operations of frequency converters and related equipment in Poland. The goal is to complete the deal by September 1, 2014.

Aug. 26, ESL Shipping to operate in Russian Arctic areas

ESL Shipping, part of Aspo Group, continues to expand its operating area. The shipping company's Supramax vessel m/s Kumpula (of iceclass 1A) has successfully delivered the company's first cargo in Russian Arctic waters. Loading took place in Kirkenes, Norway, and the destination of the cargo was the port of Sabetta, located on the eastern side of Yamal peninsula.

Oct. 29, Leipurin to strengthen its position in eastern growth markets by opening a test bakery in Minsk

Leipurin Plc will open a test bakery in Minsk on October 29, 2014. The Minsk test bakery will operate in cooperation with the federal bread institute of Belarus.

Financial Statements 2014

CONTENTS

50 **Report of the Board of Directors**

Consolidated Financial Statements, IFRS

60 Consolidated Statement of Comprehensive Income
61 Consolidated Balance Sheet
62 Consolidated Cash Flow Statement
63 Statement of Changes in Shareholders' Equity
64 Notes to the Consolidated Financial Statements
93 Key Figures

Parent Company's Financial Statements, FAS

95 Parent Company's Income Statement
96 Parent Company's Balance Sheet
97 Parent Company's Cash Flow Statement
98 Notes to the Parent Company's Financial Statements
104 Shares and Shareholders
106 Dividend Proposal of the Board
107 Auditor's Report
108 Information for Investors

Report of the Board of Directors

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.

During the financial period, Aspo planned to list Leipurin Plc on the stock exchange list of the NASDAQ OMX Helsinki Ltd. However, the public offering was interrupted on December 3, 2014, and the listing process was canceled for the time being. The cancellation was caused by the collapse of the external value of the Russian ruble and the resulting uncertainty among investors over the development of companies operating in Russia.

Operational performance

The development of industrial production in Europe and in Finland 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.

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 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. 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). The shipping company fully purchased m/s Kallio, previously owned jointly with a Swedish shipping company.

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. Furthermore, other operational costs associated with the fleet and the company have been reduced further.

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.

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 2014 and stood at EUR 134.9 million (136.3). Operating profit decreased to EUR 4.4 mil-

lion (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.

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.

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 other 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.

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

Net sales by segment

	2014 MEUR	2013 MEUR	Change MEUR	Change %
ESL Shipping	85.2	77.8	7.4	9.5
Leipurin	134.9	136.3	-1.4	-1.0
Telko	226.8	230.2	-3.4	-1.5
Kaukomarkkinat	36.0	32.0	4.0	12.5
Other operations	0.0	0.0	0.0	
Total	482.9	476.3	6.6	1.4

Net sales by market area

	2014 MEUR	2013 MEUR	Change MEUR	Change %
Finland	162.0	156.7	5.3	3.4
Scandinavia	47.9	43.4	4.5	10.4
Baltic countries	55.7	49.8	5.9	11.8
Russia, Ukraine + other CIS countries	153.0	153.0	0.0	0.0
Other countries	64.3	73.4	-9.1	-12.4
Total	482.9	476.3	6.6	1.4

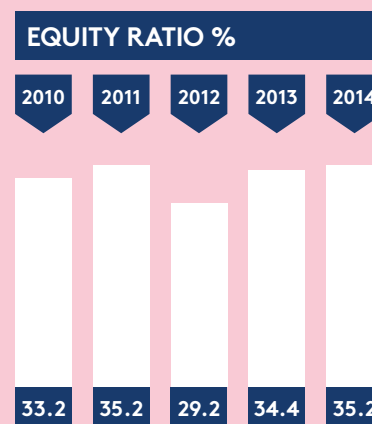
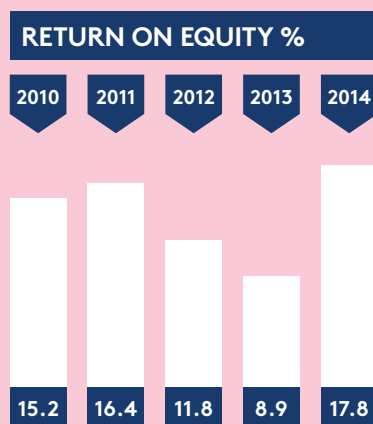
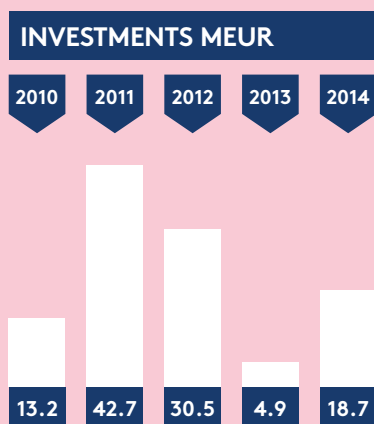
Operating profit by segment

	2014 MEUR	2013 MEUR	Change MEUR	Change %
ESL Shipping	16.0	7.6	8.4	110.5
Leipurin	4.4	5.2	-0.8	-15.4
Telko	9.9	5.8	4.1	70.7
Kaukomarkkinat	0.1	-3.6	3.7	102.8
Other operations	-7.0	-4.2	-2.8	-66.7
Total	23.4	10.8	12.6	116.7

Investments by segment*

	2014 MEUR	2013 MEUR	Change MEUR
ESL Shipping	16.0	2.2	13.8
Leipurin	0.7	0.7	0.0
Telko	1.8	1.3	0.5
Kaukomarkkinat	0.2	0.5	-0.3
Other operations	0.0	0.2	-0.2
Total	18.7	4.9	13.8

* excluding business acquisitions



network of principals, and the ability to combine products and systems into functional entities. Kaukomarkkinat operates in Finland, Poland, Latvia, Russia, China, and Vietnam.

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 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.

Managing Director Jukka Nieminen resigned on October 27, 2014, after which Kimmo Liukkonen has been the acting Managing Director.

Other operations

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

Operating profit of other operations decreased by EUR 2.8 million from the previous year and amounted to EUR -7.0 million negative (-4.2). 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 approximately 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.

Net sales

Aspo Group's net sales 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.

Net sales improved in all of Aspo's market areas in the EU in 2014. Net sales in Russia, Ukraine and other CIS countries were at the previous year's level. The ruble-denominated net sales in Russia grew by 20%.

Earnings

Aspo Group's operating profit 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).

Through the change in the company form of the insurance company Försäkringsaktiebolaget Alandia, ESL Shipping received shares in the new insur-

ance company on the basis of its insurance premiums. Within Aspo Group, the shares were recognized at their 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 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 10% than 5%, 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).

Investments

The Group's investments 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.

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 Group's 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 key management. 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 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 progress. 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.

Business risks

Considering probability and impact, the most significant short-term operation risks are associated with business operations and, in particular, customer permanence, the correct volume of capacity, the maintenance of the sales margin level, secured growth, and key personnel. Risk management comprises a significant part of Aspo's continuous operations and operational processes. It is supplemented by sufficient insurance cover against loss risks.

Short-term business risks are associated with the consequences of the global economic slump that can also be seen as structural changes in the markets. The Group pays continuous attention to credit loss and exchange rate risks, and the sufficiency of working capital.

ESL Shipping

The main business risks for ESL Shipping are unfavorable changes in demand and competitive position, changes in material

flows, cyclic variation in energy production, labor conflicts, optimizing capacity and shipments, and an emergency or accident at sea. With long-term customer contracts and the constant monitoring and development of operations, ESL Shipping has been able to manage its risks moderately.

The international dry bulk cargo market will remain a highly challenging one. The imbalance between supply and demand is increasing competition and may keep cargo prices at a historical low. The transport needs of energy industry customers in 2015 depend on the competitiveness of coal prices, winter's energy demand, the market price of electricity, and the volume of Nordic water reserves. Demand for transportation varies from year to year, and may be lower than in the year before, focusing more on the latter half of the year. In the steel industry, overall production is expected to improve slightly from 2014, but structural changes and the global market may cause rapid changes in the situation. Transportation volumes to other industrial fields are expected to remain unchanged. ESL Shipping has prepared to serve its customers through having sufficient capacity.

Fuel price fluctuations are taken into consideration in long-term contracts. Where necessary, forwards are employed in foreign exchange transactions in order to protect against changes in exchange rates.

Leipurin

The most significant risks in the Leipurin segment's operating area are associated with exchange rates. If these risks are realized, their impact on prices, particularly in Russia, may cause changes in demand. There are also exchange rate risks in Ukraine, other CIS countries and Poland. Drastic changes in exchange rates have short-term effects on profitability. It is possible to react to the direct effects of exchange rate changes through price increases in exported products and by developing local purchasing operations. Other operational risks include international food crises and import restrictions. Strategic risks include obstacles related to free trade that could slow down the growth in the Russian trade, and its operational risks relating to potential changes in the markets and consumers' behavior.

Telko

In line with its strategy, Telko grows in the emerging markets (Russia, Ukraine, Belarus, Kazakhstan, Uzbekistan and China). The economic and industrial growth of these countries has a significant impact

Personnel

	2014	2013	2012
Average personnel during the financial year	882	878	858
Total salaries and benefits during the financial year, MEUR	36.6	33.9	33.1

Average personnel by segment

	2014	2013
ESL Shipping		
Office staff	22	22
Crew members	200	190
	222	212
Leipurin		
Office staff	254	267
Non-office workers	45	42
	299	309
Telko		
Office staff	224	220
Non-office workers	17	18
	241	238
Kaukomarkkinat		
Office staff	85	86
Non-office workers	4	4
	89	90
Other operations		
Office staff	31	29
Total	882	878

on Telko's ability to generate profit. Rapid changes in the emerging markets increase Telko's strategic and operational risks. Risks associated with emerging markets may primarily be realized in changes in value through funding granted to subsidiaries and capital investments. Any political instability in Telko's market areas, such as Ukraine and Russia, may temporarily reduce sales and profitability.

The insecure situation in the financing sector may increase both credit loss and exchange rate risks in all of Telko's market areas.

Risks are also caused by rapid fluctuations in the world market prices of raw materials. Abruptly decreasing prices may weaken the profitability of stock products and increase the need for write-downs on inventories. Telko monitors the adequacy of its stock products on a regular basis.

Other potential business-related risks include acquisitions between raw material suppliers, reorganization of distribution channels and changes in the legislation concerning the chemical industry.

Kaukomarkkinat

The business operations of Kaukomarkkinat involve normal commercial risks and risks related to overseas operations. The operation of Kaukomarkkinat consists of several product groups, customer segments and market areas that diversify risks. As a reseller Kaukomarkkinat represents a number of suppliers independent of each other, the largest of which play a significant role.

Changes in demand are the most significant risk for Kaukomarkkinat. Selling of products based on energy conservation may suffer if energy prices change or due to public sector actions. The most significant exchange rate risks are associated with an increase in import prices in Finland and other operating countries. In China, the economic situation and currency value changes may affect customers' willingness to invest.

Financial risks

Aspo Group's financing and financial risk management are carried out centrally by the parent company in accordance with

the treasury policy approved by the Board of Directors.

Refinancing risk

Refinancing risk is managed by decentralizing interest-bearing debt with respect to the counterparty, the form of financing, and maturity.

Liquidity risk

Liquidity risk is managed by securing the Group's sufficient cash funds together with binding revolving credit facilities and other financing reserves.

Interest rate risk

The company hedges against interest rate changes by binding interest-bearing debt partly to floating rate loans and partly to fixed rate loans. In addition, interest rate derivatives are used for hedging against interest rate risks.

Credit risks

The Group uses terms of payment based on advance payments and bank guarantees to hedge against credit risks.

Currency risk

Within Aspo Group, the currency risk is primarily controlled through customer and supplier agreements at the business level, and secondarily using currency derivatives.

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.

Personnel

At the end of the period, the number of personnel at Aspo Group was 879 (869) and the average during the period was 882 (878). The average number of officials was 616 (624) and of employees, 266 (254). The number of personnel in the parent company consisting of officials was 7 (7) at year-end and 7 (10) on average during the period.

Of Aspo Group's personnel, 51% (50) work in Finland, 2% (3) in Scandinavia, 7% (7) in Baltic countries, 33% (31) in Russia, Ukraine and other CIS countries, and 7% (9) in other countries. Men make up 61% (61) and women 39% (39) of the workforce. Of Aspo Group's employment contracts, 97% (96) are full time. During the financial year, 113 (156) new employment contracts were signed. The cost of all employment benefits within the Group in 2014 amounted to EUR 43.5 million (41.0).

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 owned 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 directed share issue without consideration 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) indicator for each earnings period 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 reward was paid for the 2012 earnings period since Aspo's result remained below the targeted level. Aspo Plc has transferred 19,492 treasury shares to employees included in the share-based incentive plan for the 2013 earnings 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 reward, 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 and certification

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.

ESL Shipping

In all of its operations, ESL Shipping complies with national and international laws, regulations and agreements. Environmental responsibility and safety comprise significant parts of ESL Shipping's operations. The shipping company invests in long-term development, combining a high level of expertise with an understanding of the environmental impact caused by its operations. Its operations are supported by ISM and ISPS systems audited regularly by the authorities, and the ISO 14001 environmental management system, audited by Bureau Veritas.

ESL Shipping has worked systematically in order to improve the energy-efficiency of its fleet. 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. During the financial year, 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.

Leipurin

Leipurin paid particular attention to the quality and safety of food ingredients and the environmental impact of its operations. In Finland, Leipurin's operational manual is ISO 9001 certified for both raw materials and machines. Certification also has committed the company to continually

improving its operations. Leipurin takes environmental issues into account when choosing its suppliers, too.

Telko

Telko's good environmental reputation is a key factor in its success. Strict quality standards ensure that Telko can effectively protect both the company's reputation and that of its suppliers and customers.

Telko has a certified quality system complying with the ISO 9001 standard. In addition, Telko is committed to complying with the chemical industry-oriented Responsible Care Program. Due to the program, Telko is committed to the continued voluntary improvement of environmental, health and safety issues. The company's commitment has been verified by an external ESAD assessment. Telko is also the first security- and quality-assessed chemical industry company in Russia. Telko has signed the Ethical and Business Principles of the European Association of Chemical Distributors FECC.

Kaukomarkkinat

Kaukomarkkinat provides equipment and services that improve energy efficiency. Its products can use renewable energy such as solar energy. Environmental issues play a highly important role for the company's suppliers: their commitment to sustainable development is evident in all their operations, all the way from product design and manufacture to recycling.

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

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, cancel the application for trading on Leipurin Plc shares on the stock exchange list of NASDAQ OMX Helsinki Ltd for the time being, and cancel 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 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 treasury shares using the unrestricted shareholders' equity of the company. The authorization includes the right to accept treasury 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 treasury 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 treasury shares.

The authorization will supersede the authorization for the acquisition of treasury 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 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.

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 treasury 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 Ltd'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.

Events after the financial year

On February 27, 2015, ESL Shipping received a judgement from the Helsinki District Court regarding the refund of the fairway dues. According to the judgement, the Finnish State will be required to refund to ESL Shipping approximately EUR 3.0 million in accordance with the company's claim, as well as legal expenses and inter-

est (more information on "Legal proceedings"). The judgement is not yet final.

On February 23, 2015, Kaukomarkkinat signed an agreement on the sale of its Industrial business line specializing in machine and equipment sales for paper, process and energy industries to NiJuPe Oy, in which the management of the business to be sold holds significant ownership. Business operations have been carried out in Finland, China, Vietnam, Russia, Poland, Latvia and Kazakhstan.

The annual net sales of the divested business is approximately EUR 4 million, of which commission income makes up a significant part. Through the transaction, 23 employees will be transferred to the service of the buyer. Of the international operations of Kaukomarkkinat, project operations in Beijing and an affiliate in Kunshan, China, will not be included in the transaction.

In connection with the transaction, Aspo has evaluated the goodwill of the Kaukomarkkinat segment and will reduce it. As a result, the negative profit effect of the transaction on the Aspo Group is EUR 1.3 million, however resulting in a positive cash flow.

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.

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 has been 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 concerned fairway dues charged in 2001–2004. The Helsinki District Court announced its judgement in the case on February 27, 2015. According to the judgement, the Finnish State will be required to refund to ESL Shipping approximately EUR 3.0 million in accordance with the company's claim, as well as legal expenses and interest. The judgement is not yet final. If the judgement becomes final, it will affect Aspo Group's result for 2015 positively with a corresponding amount. A possible reimbursement is not included in the consolidated 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.

Consolidated Statement of Comprehensive Income

1,000 EUR	Notes	Jan. 1–Dec. 31, 2014	Jan. 1–Dec. 31, 2013
Net sales	1	482,862	476,348
Other operating income	3	841	792
Share of associated companies' and joint ventures' profit or loss	16		55
Materials and services	6	-352,278	-352,762
Change in inventories +/-	6	6,956	-1,778
Employee benefit expenses	4	-43,483	-40,971
Depreciation, amortization and impairment	5	-11,212	-10,830
Other operating expenses	7	-60,294	-60,086
Operating profit		23,392	10,768
Financial income	8	413	760
Financial expenses	8	-4,797	-4,879
Total financial expenses		-4,384	-4,119
Profit before taxes		19,008	6,649
Income taxes	9	-595	1,926
Net profit for the period		18,413	8,575
Other comprehensive income			
Items that may be reclassified to profit or loss in subsequent periods:			
Translation differences		-12,728	-2,835
Cash flow hedges		28	335
Available-for-sale financial assets	14	3,098	
Income tax on other comprehensive income	9	-626	-119
Other comprehensive income for the year, net of taxes		-10,228	-2,619
Total comprehensive income		8,185	5,956
Profit for the year attributable to			
Parent company shareholders		18,413	8,575
Non-controlling interest			
Total comprehensive income attributable to			
Parent company shareholders		8,185	5,956
Non-controlling interest			
Earnings per share to parent company shareholders, EUR	10		
Earnings per share		0.57	0.28
Diluted earnings per share		0.57	0.30

The notes presented on pages 64–94 form an integral part of the consolidated financial statements.

Consolidated Balance Sheet

Assets

1,000 EUR	Notes	Dec. 31, 2014	Dec. 31, 2013
Non-current assets			
Other intangible assets	11	12,283	13,232
Goodwill	12	44,412	45,285
Tangible assets	13	111,398	103,396
Available-for-sale financial assets	14	3,259	170
Receivables	15		201
Shares in associated companies and joint ventures	16		2,156
Deferred tax receivable	17	3,960	3,989
Total non-current assets		175,312	168,429
Current assets			
Inventories	18	47,315	47,825
Accounts receivable and other receivables	19	56,208	57,060
Income tax receivables for the period		205	685
Cash and cash equivalents	20	19,258	28,474
Total current assets		122,986	134,044
Total assets		298,298	302,473

Shareholders' equity and liabilities

1,000 EUR	Notes	Dec. 31, 2014	Dec. 31, 2013
Shareholders' equity			
Share capital	21	17,692	17,692
Premium fund	21	4,351	4,351
Revaluation fund	21	1,844	-656
Invested unrestricted equity fund	21	12,021	11,151
Other funds	21	20,000	22,572
Treasury shares	21	-3,425	-4,224
Translation differences		-16,066	-3,328
Retained earnings		49,289	46,470
Net profit for the period		18,413	8,575
Total shareholders' equity attributable to shareholders		104,119	102,603
Non-controlling interest			703
Total shareholders' equity		104,119	103,306
Long-term liabilities			
Deferred tax liability	17	6,435	8,116
Loans and overdraft facilities	22	76,614	85,055
Other liabilities	23	228	597
Total long-term liabilities		83,277	93,768
Short-term liabilities			
Provisions	25	742	547
Loans and overdraft facilities	22	47,836	44,896
Accounts payable and other liabilities	23	61,912	59,722
Income tax liabilities for the period		412	234
Total short-term liabilities		110,902	105,399
Total liabilities		194,179	199,167
Total shareholders' equity and liabilities		298,298	302,473

The notes presented on pages 64–94 form an integral part of the consolidated financial statements.

Consolidated Cash Flow Statement

1,000 EUR	Jan. 1–Dec. 31, 2014	Jan. 1–Dec. 31, 2013
Operational cash flow		
Operating profit	23,392	10,768
Adjustments to operating profit		
Depreciation, amortization and impairment	11,212	10,830
Gains and losses on sale of tangible assets and investments	-49	-188
Gains and losses on sale of business operations	-104	
Employee benefits	940	90
Change in provisions	598	263
Gains on change in fair value of contingent consideration	-294	-181
Unrealized foreign exchange gains and losses on operating activities	366	168
Share of associated companies' and joint ventures' profit or loss		-55
Change in working capital:		
Inventories	-6,814	2,958
Current receivables	-6,276	8,077
Non-interest-bearing current liabilities	4,980	-10,663
Interest paid	-4,002	-3,789
Interest received	319	467
Income taxes paid	-2,252	-2,708
Operational cash flow	22,016	16,037
Cash flow from investments		
Investments in tangible and intangible assets	-17,470	-3,657
Proceeds from sale of tangible and intangible assets	222	305
Proceeds from sale of available-for-sale financial assets		73
Dividends received	1	1
Subsidiaries acquired, payment of the contingent consideration	-339	-265
Business operations sold	904	
Associated companies sold	2,156	
Cash flow from investments	-14,526	-3,543
Cash flow from financing		
Repurchase of treasury shares		-53
Repayments of short-term loans	-12,307	-20,990
New long-term loans	11,082	15,626
Repayments of long-term loans	-5,803	-6,760
Hybrid instrument	-1,400	20,000
Dividends distributed	-6,363	-12,719
Cash flow from financing	-14,791	-4,896
Change in liquid funds	-7,301	7,598
Liquid funds Jan. 1	28,474	21,398
Translation differences	-1,915	-522
Liquid funds at year-end	19,258	28,474

The notes presented on pages 64–94 form an integral part of the consolidated financial statements.

Statement of Changes in Shareholders' Equity

1,000 EUR	Notes	Share capital	Premium fund	Revaluation fund	Invested unrestricted equity fund	Other funds	Treasury shares	Translation differences	Retained earnings	Total	Non-controlling interest	Total shareholders' equity
Shareholders' equity January 1, 2014	21	17,692	4,351	-656	11,151	22,572	-4,224	-3,328	55,045	102,603	703	103,306
Comprehensive income												
Profit for the period									18,413	18,413		18,413
Other comprehensive income, net of taxes												
Cash flow hedges				22						22		22
Available-for-sale financial assets	14		2,478							2,478		2,478
Translation differences					10			-12,738		-12,728		-12,728
Total comprehensive income			2,500	2,500	10			-12,738	18,413	8,185		8,185
Transactions with owners												
Dividend payment									-6,363	-6,363		-6,363
Conversion of convertible capital loan					47					47		47
Repayment of convertible capital loan					826	-2,572			1,746	0		0
Hybrid instrument									-1,594	-1,594		-1,594
Share-based incentive plan							130		408	538		538
Transfer of funds					-13				13	0		0
Change in non-controlling interest							669		34	703	-703	0
Total transactions with owners					860	-2,572	799		-5,756	-6,669	-703	-7,372
Shareholders' equity December 31, 2014		17,692	4,351	1,844	12,021	20,000	-3,425	-16,066	67,702	104,119	0	104,119
Shareholders' equity January 1, 2013	21	17,692	4,351	-872	11,147	2,572	-4,171	-493	59,241	89,467	703	90,170
Comprehensive income												
Profit for the period									8,575	8,575		8,575
Other comprehensive income, net of taxes												
Cash flow hedges				216						216		216
Translation differences								-2,835		-2,835		-2,835
Total comprehensive income				216				-2,835	8,575	5,956		5,956
Transactions with owners												
Dividend payment									-12,719	-12,719		-12,719
Repurchase of treasury shares							-53			-53		-53
Hybrid instrument						20,000			-101	19,899		19,899
Share-based incentive plan									42	42		42
Transfer of funds					4				-4	0		0
Shareholding plan for Aspo Management Oy									11	11		11
Total transactions with owners					4	20,000	-53		-12,771	7,180		7,180
Shareholders' equity December 31, 2013		17,692	4,351	-656	11,151	22,572	-4,224	-3,328	55,045	102,603	703	103,306

Notes to the Consolidated Financial Statements

Basic Information

Aspo Plc is a Finnish public corporation domiciled in Helsinki. Aspo Plc's shares are listed on NASDAQ OMX Helsinki Ltd.

Aspo is a conglomerate that focuses on sectors requiring extensive specialist knowledge. The Group's operations are organized into independent segments – ESL Shipping, Leipurin, Telko and Kaukomarkkinat. Other operations include Aspo Group's administration, the financial and ICT service center, and a small number of other operations not covered by business units.

The Group's parent company is Aspo Plc. The parent company is domiciled in Helsinki and its registered address is Lintulahdenkuja 10, FI-00500 Helsinki, Finland.

A copy of the consolidated financial statements is available in Aspo Plc's head office at Lintulahdenkuja 10, FI-00500 Helsinki, Finland.

Aspo Plc's Board of Directors has approved the consolidated financial statements for issue at its meeting on February 11, 2015. Pursuant to the Finnish Companies Act, shareholders may either adopt or reject the financial statements at the Annual Shareholders' Meeting held after the issue, or may also decide to modify them.

Accounting Principles

Basis of accounting

Aspo Plc's consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) approved in the EU, applying the standards and interpretations valid on December 31, 2014. The notes to the consolidated financial statements also comply with complementary Finnish Accounting Standards based on Finnish accounting legislation and Community legislation.

All figures in these consolidated financial statements are presented in EUR thousands and based on original acquisition costs of transactions, unless otherwise stated in the Accounting Principles.

Starting from January 1, 2014, the Group has applied the following standards, amendments and interpretations that have no significant effect on reported information:

- IFRS 10 Consolidated Financial Statements

- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interest in Other Entities
- Amendments to IFRS 10, IFRS 11, IFRS 12 Transition Guidelines
- Amendments to IFRS 10, IFRS 12, IAS 27 Consolidation of Investment Entities
- IAS 28 (revised in 2011) Investments in Associates and Joint Ventures
- IAS 32 (amendment) Offsetting Financial Assets and Financial Liabilities
- IAS 36 (amendment) Recoverable Amount Disclosures for Non-Financial Assets
- IAS 39 (amendment) Novation of Derivatives and Continuation of Hedge Accounting
- IFRIC 21 Levies

Principles of consolidation

The consolidated financial statements include the parent company Aspo Plc and all its subsidiaries. The term "subsidiary" refers to a company in which the Group exercises control. The Group's associated companies include companies in which the Group owns 20%–50% of voting rights and at least a 20% holding, or in which the Group otherwise holds significant influence. Joint ventures are companies where the Group exercises joint control with other parties on the basis of an agreement. Associated companies and joint ventures have been consolidated using the equity method. If the Group's share of losses in an associated company or a joint venture exceeds the carrying amount, losses in excess of the carrying amount will not be consolidated unless the Group undertakes to fulfill the obligations of the associated company or joint venture. Unrealized profits between the Group and associated companies and joint ventures are eliminated in accordance with the Group's ownership.

Subsidiaries acquired during the financial year have been consolidated from the time Aspo gained control over them. Divested operations are included up to the time Aspo loses control. Acquired subsidiaries are consolidated using the acquisition method. Consideration and the acquired company's assets and liabilities are measured at fair value at the time of acquisition. Acquisition-related costs are entered as expenses. Any contingent consideration is recognized at fair value upon acquisition and is classified either as a liability or equity. The contingent consideration clas-

sified as a liability is measured at fair value on the last day of each reporting period, and the resulting gain or loss is entered with an effect on earnings. The contingent consideration classified as equity is not remeasured. The goodwill acquisition cost is the amount by which the subsidiary acquisition cost exceeds the net fair value of the acquired identifiable assets, liabilities and contingent liabilities. Acquisitions prior to January 1, 2010 have been recognized in compliance with the regulations valid at the time.

According to IFRS, goodwill is not amortized; instead, it is tested annually for impairment.

Intra-Group transactions, receivables and liabilities and intra-Group profit distribution have been eliminated when preparing the consolidated financial statements.

The statement of comprehensive income presents the distribution of the financial year's profit between the parent company's shareholders and non-controlling shareholders. The interest that belongs to non-controlling shareholders is presented as a separate item under the Group's shareholders' equity.

A unit established for a special purpose

In the consolidated financial statements, Aspo Management Oy has been recognized as a subsidiary on December 31, 2014, and as an entity similar to a subsidiary in 2010–2013. It was established in 2010 to enable significant long-term shareholding within Aspo Plc among participants. Aspo Plc acquired all shares in Aspo Management Oy through a share swap on November 3, 2014. Before the share swap, Aspo Plc held control over Aspo Management Oy through a shareholder and loan contract. On the basis of this, Aspo Management Oy was consolidated in Aspo's consolidated financial statements. The control was a result of the application of contractual terms and conditions, such as the prohibition of transfer and pledge of Aspo Plc's shares managed by the company, and the voting restriction.

Aspo Management Oy's Articles of Association enable participants to only hold securities issued by Aspo Plc or obtained on the basis of them. All transactions carried out by the company required a written permit from Aspo Plc. The company's income statement and balance sheet have

been consolidated in the consolidated financial statements from the start of the arrangement. Before the share swap, the consolidated financial statements handled the investment made by the management in Aspo Management Oy as a portion of the non-controlling shareholders. Aspo Plc's shares held by Aspo Management Oy have been deducted from the Group's shareholders' equity in the consolidated financial statements.

After Aspo Plc acquired all shares in Aspo Management Oy, it is able to merge the company with itself, dissolve the company or retain it as its subsidiary.

Accounting principles provide additional information about the treatment of share-based incentive plans in accounting in connection with share-based payments.

Foreign currency items and their measurement

Foreign currency denominated transactions are recorded at the exchange rates valid on the transaction date. Foreign currency denominated receivables and liabilities outstanding at the end of the year will be measured using the rates of the closing date. The losses and gains arisen from foreign currency denominated transactions and the conversion of monetary items have been recorded in the consolidated statement of comprehensive income. Foreign exchange gains and losses related to business operations are included in the corresponding items above the operating profit. Foreign exchange gains and losses arisen from foreign currency denominated loans are included in financial income and expenses.

Aspo has classified the internal long-term loans of Telko's Belarusian and Ukrainian subsidiaries belonging to the Telko segment as net investments in international operations under IAS 21. In the financial year 2014, the classification was expanded to cover the long-term loans of Telko's Kazakhstani subsidiary. Any unrealized foreign exchange gains and losses related to these investments will be recorded in other comprehensive income.

Foreign subsidiaries

Figures for the performance and financial position of the Group's units are measured in the main currency of the unit's business environment ("functional currency"). The consolidated financial statements are presented in euro, the parent company's functional and presentation currency. In the consolidated financial statements, the income statements of foreign subsidiaries

are translated into euro using the average rate of the financial year. Balance sheet items are translated into euro using the exchange rates valid on the closing date. Translation differences are presented as a separate item under shareholders' equity. When the holding in a subsidiary is divested in its entirety or in part, the accumulated translation differences are recognized in the consolidated statement of comprehensive income as part of the sales gain or loss.

Segment reporting

Aspo's operating segments are ESL Shipping, Leipurin, Telko and Kaukomarkkinat. The operating segments are reported in a manner that is uniform with internal reporting to the chief operating decision maker of the company. The Board of Directors has been designated as the chief operating decision maker. It is responsible for the allocation of resources to operating segments and the evaluation of their results. Inter-segment transactions are carried out at market prices.

Tangible assets

Tangible assets are recognized at original acquisition cost net of cumulative depreciation less possible impairment. For newbuildings, financial expenses arising during construction are capitalized as part of the investment's acquisition cost and are amortized during the useful life of the asset item. Depreciation is calculated on a straight-line basis over the estimated useful life as follows:

Buildings and structures	15–40 years
Vessels	17–30 years
Pushers	18 years
Machinery and equipment	3–10 years
Piping	5–20 years
Other tangible assets	3–40 years

Land is not depreciated.

A previously recorded impairment on tangible assets is reversed if the estimates used in the determination of the recoverable amount change. Carrying amount increased due to the reversal of an impairment loss may not exceed the carrying amount that would have been defined for the asset item if no impairment loss had been recognized in previous years. Sales gains and losses arising from the removal from use and disposal of tangible assets are included in other operating income and expenses.

Goodwill and other intangible assets

Acquired subsidiaries are consolidated in the consolidated financial statements using the acquisition method. The acquisition cost is matched against assets and liabilities on the basis of their fair value at the time of acquisition. The remaining part of the acquisition cost is goodwill. Goodwill is not amortized; instead, its fair value is tested at least annually using the goodwill impairment test based on the value in use (see Goodwill impairment test, Note 12).

No amortization is recognized for intangible assets with indefinite useful lives, but they are tested annually for impairment. The useful lives of the brands that belong to the Leipurin and Telko segments are estimated to be indefinite. The strong image and history of the brands support the management's view that the brands will affect cash flow generation over an indefinable period.

Other intangible assets are measured at original acquisition cost and amortized on a straightline basis during their useful life. The amortization periods for other intangible assets are:

- Software and associated licenses	3–5 years
- Refurbishment costs from premises	5–10 years
- Principal relationships and technology acquired through business combinations	10 years

The Group assesses the balance sheet values of tangible and intangible assets annually, or more often if there are any signs of potential impairment. If such signs exist, the recoverable amount of the asset in question is determined. Impairment is assessed at the level of cash-generating units.

The recoverable amount is the fair value less costs to sell, or the value in use, if higher. The cash-flow-based value in use is determined by calculating the discounted present value of predicted cash flows. The discount rate of the calculations is based on the average cost of capital (WACC), which reflects the market's view of the time value of money and the risks involved in Aspo's business operations.

An impairment loss is recognized in the income statement if the carrying amount of an asset item is higher than its recoverable amount. Where an impairment loss is recognized for an asset item subject to depreciation, the asset item's useful life is re-estimated. An impairment recognized for assets other than goodwill is reversed if the estimates used in the determination of the recoverable amount change to a sub-

stantial extent. Carrying amount increased due to the reversal of an impairment loss may not exceed the carrying amount that would have been defined for the asset item if no impairment loss had been recognized in previous years. An impairment loss recognized from goodwill is not reversed under any circumstances.

Research and development costs

As a rule, research and development costs are recognized as expenses at the time of their occurrence. Development costs arising from the design of new products are capitalized in the balance sheet as intangible assets from the date when the product is technically and commercially feasible and expected to generate financial benefits in the future. Capitalized development costs will be amortized over their useful life. Other development costs are recognized as expenses upon their realization. Any development costs recognized earlier as expenses will not be capitalized during later periods. Aspö Group's R&D focuses, according to the nature of each segment, on developing operations, procedures and products as part of customer-specific operations, which means that development investments are included in normal operational costs and are not itemized.

Inventories

Inventories are measured at acquisition cost or net realizable value, if lower. The acquisition cost is determined using the FIFO (first-in, first-out) method. The acquisition cost of finished goods and work in progress includes raw material purchase costs, direct manufacturing wages, other direct manufacturing costs, and a share of manufacturing overheads (based on regular operating capacity), borrowing costs excluded. Net realizable value is the actual sales price in the ordinary course of business, less costs from the completion of the product, and sales costs.

Leasing agreements – Group as lessee

Leasing agreements where the Group assumes an essential part of the risks and benefits inherent in ownership are classified as financial leasing agreements. Assets acquired through financial leasing agreement are recorded in the balance sheet in the amount equaling the fair value of the leased asset at the start of the agreement or the present value of minimum leases, if lower. Leasing payments are divided into financial expenses and loan repayment. Corresponding leasing liabilities,

less financial expenses, are included in other long-term interest-bearing liabilities. The interest of finance is recognized in the income statement during the leasing period so that the interest rate for the remaining liability is the same for each financial year. Assets leased under financial leasing agreements will be depreciated either over their useful life or over the term of the leasing agreement, if shorter. Financial leasing agreements include lease agreements on the acquisition of machinery and equipment, IT software and vehicles.

Leasing agreements in which the material part of risks and benefits inherent in ownership remain with the lessor are classified as other leases (operational leasing), the rents of which are recognized in the income statement as expenses in equal amounts over the leasing period.

Employee benefits

Statutory pension cover is provided for by taking out insurance with pension insurance companies. In foreign units, the pension cover is arranged in accordance with local legislation and social security regulations. The Group only has defined contribution pension schemes, with any associated payments being entered in the income statement over the financial period to which each specific charge applies.

Share-based payments

The Group has share-based incentive plans for the management, where part of the reward is paid as shares and the rest in cash. Note 29 shows more information on share-based arrangements. Options rights and assigned shares are measured at fair value at the time of assignment and recognized in the income statement as costs divided into even instalments during the validity of the incentive plan. The effects of other than market based terms (e.g. profitability and profit growth target) are not included in the fair value but taken into account in the amount of options or shares to which a right is assumed to be generated, by the end of the period in which the right is generated. A contra entry of the cost is recorded under the shareholders' equity for proportions to be paid in shares, and proportions to be paid in cash are recognized as liabilities. The fair value for the proportion to be paid in cash is remeasured on each reporting day.

Aspö Management Oy was established for the Group's share-ownership arrangement. The company has been consolidated in the consolidated financial statements throughout the arrangement. The Black & Scholes model has been used to calculate

the fair value of the ownership arrangement. The proportion of the fair value belonging to each financial period has been recognized in consolidated financial statements. The arrangement was dissolved in the financial year 2014.

Share capital

Ordinary shares are presented as the share capital. Transaction costs directly resulting from the issuance of new shares or options are recorded, after adjusting their potential tax effects, as a reduction of achieved payments under the shareholders' equity.

When the company buys treasury shares, the compensation paid for the shares and the acquisition related costs are recognized as a reduction in the shareholders' equity. When the shares are sold, the compensation, less direct transaction costs and the possible effect of income taxes, is recognized under the shareholders' equity.

Provisions

A provision is entered into the balance sheet if the Group has, as a result of a past event, a present legal or constructive obligation that will probably have to be fulfilled, and the amount of the obligation can be reliably estimated. Warranty provisions include the cost of product repair or replacement if the warranty period is still effective on the closing date. Warranty and maintenance obligations usually extend over 1–2 years. Warranty provisions are determined on the basis of historical experience.

The amount recorded in provisions is the present value of the costs that are expected to occur when fulfilling the obligation.

Income taxes

The Group's taxes include taxes based on the Group companies' profits for the financial year, adjustment of taxes from previous financial years and changes in deferred taxes. Income taxes are recorded in accordance with the tax rate valid in each country. Deferred tax liabilities or receivables are calculated from the temporary differences between accounting and taxation in accordance with the tax rate in force on the closing date or on the estimated tax payment date. Elements resulting in temporary differences include provisions, depreciation differences and tax losses. Deferred tax receivables are recognized from taxable losses and other temporary differences to the extent that it is likely that they may be utilized in the future. The share of profits or losses of associated companies or joint ventures presented in the comprehensive

income statement is calculated from net profit or loss, and it includes the impact of taxes.

ESL Shipping was included in tonnage taxation retroactively from January 1, 2011. In tonnage taxation, shipping operations shifted from taxation of business income to tonnage-based taxation.

Income recognition principles

Revenue from the sale of products is recognized when the material risks and benefits associated with the ownership of the goods have transferred to the buyer. Revenue from services is recognized once the services have been rendered. Income and costs from construction contracts built according to individual orders are recognized as revenue and expenses on the basis of the percentage of completion method when the outcome of the project is reliably assessable. The stage of completion is defined as the share of realized production and installation hours accumulated by the time of review from the project's estimated production and installation hours. Costs associated with a project, for which no revenue has been recorded, are recognized in inventories under incomplete construction contracts. When it is likely that the project will generate losses, they will be expensed immediately. Aspo Group applies the recognition principle of construction contracts to Leipurin's own machine manufacturing, which comprises only a small part of the Group's operations.

Subsidies

Public subsidies granted to compensate for incurred costs are recognized through profit or loss in the same way as the expenses related to the object of the subsidy are expensed. Subsidies received are presented as net deductions from generated costs. Subsidies related to the acquisition of tangible assets have been recognized as adjustments to acquisition costs. Subsidies are entered as income during the period of use of the asset item in the form of smaller depreciation.

Long-term assets classified as held for sale and discontinued operations

Long-term asset items as well as assets and liabilities related to discontinued operations are classified as held for sale if the amount corresponding to their carrying amount is mainly accumulated from the sale of the asset instead of its continued use. The preconditions for classifying an item as held for sale are met when the sale

is highly probable and the management is committed to the sale.

Immediately prior to classification as held for sale, the asset items in question or disposal groups comprising assets and liabilities are measured in accordance with applicable IFRS standards. From the point of classification onwards, the asset items held for sale are measured at carrying amount or at a fair value, if lower, less the costs to sell.

The results of discontinued operations are recorded as a separate item in the consolidated statement of comprehensive income. The assets held for sale and disposal groups comprising assets and liabilities are recorded in the balance sheet as separate items. In 2013 and 2014, the Group had no operations classified as discontinued.

Accounts receivable

Accounts receivable are recognized at acquisition cost. The Group writes down receivables if there is objective evidence that the receivable cannot be collected in full.

Accounts payable

Accounts payable are recognized at acquisition cost and treated as short-term liabilities if they expire within one year.

Financial assets

Financial assets are classified into loans and other receivables, investments held to maturity, financial assets available for sale, and financial assets recognized at fair value through profit and loss. The classification takes place in connection with the initial acquisition.

Loans and other receivables are recorded on the settlement date, and presented on the balance sheet at amortized cost using the effective interest rate method. Transaction costs are included in the original acquisition cost. Financial assets and liabilities recognized at fair value through profit and loss are recorded on the settlement date and measured at fair value.

Financial assets available for sale and financial assets recognized at fair value through profit and loss are measured at fair value, using quoted market prices and rates, or an imputed present value. Changes in the fair value of financial assets available for sale are recorded in other comprehensive income and presented in the fair value reserve, taking the tax impact into account. When such an asset is sold or impaired, the accumulated changes in fair value are reclassified from shareholders' equity to

profit or loss. Acquisitions or disposals of financial assets available for sale are recorded on the settlement date. If reliable market value is not available, available-for-sale financial assets are recognized at acquisition cost.

Investments in shares are classified as financial assets available for sale.

Financial assets are derecognized when the Group has lost the contractual right to cash flows, or materially moved risks and rewards away from the Group.

An impairment is recognized in liabilities and receivables when the balance sheet value is higher than the recoverable amount.

Financial liabilities

Financial liabilities are recorded on the settlement date and recognized in the balance sheet at fair value, less transaction costs. Interests are allocated on the maturity of the debt in the income statement, using the effective interest rate method. Financial liabilities are classified as current when they fall payable within twelve (12) months of the end of the reporting period.

The fair value of the share in debt of a convertible capital loan is determined by using the market interest rate of a corresponding debt on the date of issue. The share in debt is recognized at amortized cost, until it is completely amortized by converting the loan into shares. The remainder of the money received – in other words, the share of equity less the effect of tax – is recorded under shareholders' equity.

Cash and cash equivalents

Cash and cash equivalents include cash funds, bank deposits and other highly liquid short-term (no more than three months) investments. Overdraft facilities used are presented under other short-term liabilities.

Derivatives

Derivatives are originally booked at fair value on the day the Group becomes a contracting party, and are subsequently further measured at fair value.

The Group has applied hedge accounting to protect predicted foreign currency denominated cash flows arising from the acquisition of tangible assets. The change in the fair value of the effective share of hedging is recorded in other comprehensive income and presented in the hedge fund that is included in the fair value reserve under shareholders' equity. Profits and losses recorded under shareholders'

equity are transferred to the acquisition cost of the asset in question during the financial period when the hedged item is capitalized. Hedge accounting is also applied to interest rate swaps to hedge the future interest rate cash flow as fixed. The change in the fair value of the effective share of hedging is recorded in other comprehensive income and presented in the hedge fund that is included in the fair value reserve under shareholders' equity. Interest rates realized during the financial year of the interest rate swap are recorded in the financial items. Hedge accounting is not applied to other derivatives.

The relation between hedging instruments and hedged objects is documented at the start of hedging. Likewise, documents will be prepared for risk management targets and strategies used as guidelines when launching different hedging actions. At the start of hedging and continuously after this action, the Group prepares an estimate whether the derivatives used in hedging effectively abolish the changes in fair values of the hedged objects or in cash flows. The gain or loss relating to an inefficient share is immediately recognized as financial items of the consolidated statement of comprehensive income. When the hedging instrument expires or is sold or when hedging does not meet the pre-conditions set for the application of hedge accounting, retained gains and losses included at that time in the shareholders' equity remain in the shareholders' equity, and are transferred to the comprehensive income statement only after recording the predicted transaction in the income statement. If the predicted transaction is not anymore expected to realize, the retained gain or loss presented under shareholders' equity is immediately transferred to financial items of the comprehensive income statement.

Changes in the fair value of derivatives associated with financial items are recorded in financial income and expenses. Changes in the fair value of other derivatives are recorded under other operating income and expenses.

Fair value is determined on the basis of quoted market prices and rates, the discounting of cash flows and options' value measurement models.

The fair value of currency forwards is calculated by discounting the predicted cash flows from the agreements in accordance with interest rates of the currencies sold, converting the discounted cash flows at the exchange rates valid on the closing date, and calculating the difference between the discounted values. Fair values of currency options are determined using

commonly adopted option measurement models. The fair value of interest rate swaps is calculated by discounting the predicted cash flows from the agreements by using the market prices valid upon valuation.

Estimates

When preparing consolidated financial statements in compliance with IFRS, the Group's management must make assumptions and estimates that affect the assets and liabilities on the balance sheet at the time of preparation, the reporting of contingent assets and liabilities, and the income and expenses during the financial year. Estimates are used, for instance, to determine the amounts of items reported in the consolidated financial statements, to determine the goodwill and its expected yields and the useful life of tangible and intangible assets, as well as the validity of inventories and assets and liabilities. The estimates are based on information compiled from the business functions, which concerns the respective markets and development of the businesses, the experience of the management, and other justifiable assumptions that constitute the best current assessments of the management, but due to changes in the factors that form the basis for the markets and estimates, it is possible that the final figures may, sometimes significantly, deviate from the assessments used in the consolidated financial statements.

Goodwill impairment test

The Group tests the balance sheet value of goodwill annually or more often if there are any signs of potential impairment. An impairment loss recognized for goodwill is not reversed under any circumstances. Goodwill is allocated to the Group's cash-generating units in which the management monitors goodwill in their internal reporting. The unit's recoverable amount is calculated on the basis of value-in-use calculations. The cash-flow-based value in use is determined by calculating the discounted present value of predicted cash flows. The discount rate of the calculations is determined through the weighted average cost of capital (WACC) that depicts the overall costs of shareholders' equity and liabilities, taking into account the particular risks related to asset items and location of operations. The weighted average cost of capital reflects the Group's average long-term financial structure. An impairment loss is immediately recognized in the income statement if the asset's carrying value is higher than its recoverable amount.

Accounting principles requiring exercise of judgment and main sources of insecurity related to estimates

The estimates made when preparing the consolidated financial statements are based on the management's best assessment on the closing date. The estimates are based on past experience and assumptions regarding the future development of the Group's financial operating environment and its effect on the Group's net sales and cost level. According to the Group's management, goodwill impairment testing, deferred tax receivables and available-for-sale financial assets involve the most significant estimates and assumptions. Goodwill and its testing are discussed in more detail in Note 12.

Application of new or amended IFRS Standards and IFRIC Applications

From the beginning of 2015, the Group applies the following amended standards and interpretations:

- Amendment to IAS 19 Defined Benefit Plans: Employee Contributions
- Annual Improvements to IFRS Standards 2010–2012 and Annual Improvements to IFRS Standards 2011–2013

The adoption of the standards and interpretations is not expected to have any material impact on the reported figures.

In 2016 or later, the Group will adopt the following standards, interpretations and amendments made to existing standards after their approval by the EU:

- IFRS 11 (amendment) Joint Arrangements. Accounting for Acquisitions of Interest in Joint Operations
- IFRS 14 Regulatory Deferral Accounts
- Amendments to IAS 16 and IAS 38 Clarification of Acceptable Methods of Depreciation and Amortization
- Amendments to IFRS 10 and IAS 28 Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- IFRS 15 Revenue from Contracts with Customers
- IFRS 9 Financial Instruments
- Annual Improvements to IFRS Standards 2012–2014

The Group is currently evaluating the probable impact of these standards, interpretations and amendments on future financial statements.

1. NET SALES AND SEGMENT INFORMATION

Aspo's operating segments are ESL Shipping, Leipurin, Telko, and Kaukomarkkinat.

ESL Shipping handles sea transportation of energy sector and industrial raw materials, and offers related services.

Leipurin serves the bakery and other food industry by supplying ingredients, production machinery, and production lines, as well as bakery industry related expertise.

Telko acquires and supplies plastic raw materials and chemicals to industry. Its extensive customer service also covers technical support and the development of production processes.

Kaukomarkkinat specializes in energy efficiency technology, solutions to improve efficiency in the process industry, and professional electronics.

Other operations include Aspo Group's administration, the financial and ICT ser-

vice center, and a small number of other operations not covered by business units.

The segment structure corresponds with the Group's organizational structure and internal reporting, where evaluation principles of assets and liabilities are in accordance with IFRS. The assessment of each segment's profitability is based on the segment's operating profit and net sales to external customers. The Board of Directors is responsible for assessing the segments and making resourcing decisions.

The segment's assets and liabilities are items that the segment uses in its business operations or that can be reasonably allocated to the segment. Items not allocated to segments consist of income statement and balance sheet items associated with income taxes and centralized financing. Investments consist of increases in tangible assets and intangible assets that will be used in more than one financial year. Pricing between segments is based on fair market prices.

1.1 Net sales

1,000 EUR	2014	2013
Sale of goods	391,492	394,328
Sales of services	88,336	81,619
Accrued income from construction contracts	3,034	401
Total	482,862	476,348

1.2 Operating segments

2014

1,000 EUR	ESL Shipping	Leipurin	Telko	Kaukomarkkinat	Unallocated items	Group total
Sales to external customers	85,210	134,856	226,789	36,007		482,862
Inter-segment sales		3	124	14		
Net sales	85,210	134,859	226,913	36,021		482,862
Operating profit	15,960	4,429	9,949	62	-7,008	23,392
Net financial expenses						-4,384
Profit before taxes						19,008
Income taxes						-595
Net profit for the period						18,413
Depreciation on tangible assets	7,475	368	631	176	100	8,750
Amortization on intangible assets	25	798	1,088	533	18	2,462
Segment's assets	119,446	63,708	68,317	19,433	27,394	298,298
Total assets	119,446	63,708	68,317	19,433	27,394	298,298
Segment's liabilities	12,190	17,658	25,282	4,910	134,139	194,179
Total liabilities	12,190	17,658	25,282	4,910	134,139	194,179
Investments	15,993	728	1,758	245	18	18,742

2013

1,000 EUR	ESL Shipping	Leipurin	Telko	Kauko- markkinat	Unallocated items	Group total
Sales to external customers	77,782	136,263	230,245	32,058		476,348
Inter-segment sales			82	12		
Net sales	77,782	136,263	230,327	32,070		476,348
Share of associated companies' and joint ventures' profit or loss	55					55
Operating profit	7,598	5,208	5,848	-3,677	-4,209	10,768
Net financial expenses						-4,119
Profit before taxes						6,649
Income taxes						1,926
Net profit for the period						8,575
Depreciation on tangible assets	7,008	349	697	230	121	8,405
Amortization on intangible assets	38	751	1,093	530	13	2,425
Segment's assets	110,577	64,402	69,034	22,383	33,921	300,317
Shares in associated companies and joint ventures	2,156					2,156
Total assets	112,733	64,402	69,034	22,383	33,921	302,473
Segment's liabilities	10,718	19,567	22,981	5,630	140,271	199,167
Total liabilities	10,718	19,567	22,981	5,630	140,271	199,167
Investments	2,189	735	1,254	550	161	4,889

1.3 Geographic areas

The Group monitors its net sales in accordance with the following geographical division: Finland, Scandinavia, the Baltic countries, Russia, Ukraine and other CIS countries, and other countries. Net sales of the geographical regions is presented as per customer location and their assets as per location. Sales to external customers is defined in accordance with IFRS regulations.

1,000 EUR	Net sales		Assets*	
	2014	2013	2014	2013
Finland	161,937	156,725	169,947	162,943
Scandinavia	47,924	43,405	18	26
Baltic countries	55,736	49,780	499	520
Russia, Ukraine + other CIS countries	153,007	153,061	844	844
Other countries	64,258	73,377	44	106
Total	482,862	476,348	171,352	164,439

* Long-term assets other than financial assets and assets related to taxes.

2. ACQUIRED OPERATIONS

Businesses acquired in 2013 and 2014

No new businesses were acquired in financial years 2013 and 2014.

Contingent considerations from previous financial years

On December 7, 2011, Leipurin Ltd acquired the entire stock of Vulganus Oy at a price of EUR 4.9 million. The transaction price is increased by contingent considera-

tion in accordance with the sales margin that will accumulate during 2012–2014. At the time of acquisition the compensation was estimated to be EUR 1.5 million.

Through the acquisition of Vulganus Oy, the Leipurin segment modernized its bakery machine production and improved its competitiveness in bakery machine operations. Through the transaction, the Group expected to not only obtain sales growth but also cost savings. The goodwill arisen from the acquisition is based on modernizing the

operating approach, the expanding market area, competent staff, and savings caused by synergy.

The table below provides the changes in the contingent consideration.

Changes in the fair value of the contingent consideration result from an additional acquisition price lower than expected. The changes have been recognized as other operating income.

According to the contingent consideration arrangement, Leipurin Plc is obligated to pay the former owners of Vulganus Oy 10.5% of the sales margin that accumulates during 2012, 2013, and 2014. The non-discounted amount of payments, which the Group could be required to make according to this arrangement, was evaluated to be EUR 1.6 million. The fair value of the contingent consideration arrangement has been determined with a 2% discounting interest rate base. According to the terms of the contingent consideration, no minimum or maximum values have been determined for the payable consideration.

Contingent consideration

1,000 EUR	2014	2013
Contingent consideration, January 1	931	1,377
Payment of the contingent consideration	-339	-265
Fair value adjustment	-294	-181
Contingent consideration, December 31	298	931

1,000 EUR	2014	2013
Gains on the sale of tangible assets	52	145
Insurance compensations	96	5
Rents and related remunerations	19	173
Change in fair value of contingent consideration	294	181
Gains on sale of business operations	104	
Other income	276	288
Total	841	792

3. OTHER OPERATING INCOME

4. EMPLOYEE BENEFITS AND PERSONNEL INFORMATION

At the end of the year, the number of employees at Aspo Group was 879 (869) and the average during the year was 882 (878). The average number of office staff was 616 (624) and that of non-office workers 266 (254).

Employee benefit expenses

1,000 EUR	2014	2013
Wages and salaries	35,533	33,846
Pension expenses, defined contribution plans	4,149	4,265
Share-based payments	1,038	90
Other employee benefit expenses	2,763	2,770
Total*	43,483	40,971

*Expenses are decreased by the state subsidy received from the Ministry of Transport and Communications. 5,039 4,605

Information regarding the employee benefits of key management personnel is presented in the Related parties section.

Personnel by segment at year-end

	2014	2013
ESL Shipping	226	210
Leipurin	297	300
Telko	258	249
Kaukomarkkinat	69	80
Other operations	29	30
Total	879	869

Personnel by geographic area at year-end

	2014	2013
Finland	444	431
Scandinavia	19	23
Baltic countries	65	66
Russia, Ukraine + other CIS countries	289	272
Other countries	62	77
Total	879	869

5. DEPRECIATION, AMORTIZATION AND IMPAIRMENT

1,000 EUR	2014	2013
Intangible assets	2,462	2,425
Buildings	211	210
Vessels	7,447	6,971
Machinery and equipment	1,062	1,193
Other tangible assets	30	31
Total	11,212	10,830

1,000 EUR	2014	2013
Purchases during the period		
ESL Shipping	15,331	18,228
Leipurin	106,262	104,042
Telko	195,902	197,044
Kaukomarkkinat	25,662	24,594
Total	343,157	343,908
Change in inventories	-6,956	1,778
Outsourced services		
Leipurin	3,922	4,032
Telko	4,471	4,239
Kaukomarkkinat	728	583
Total	9,121	8,854
Total materials and services	345,322	354,540

6. MATERIALS AND SERVICES

1,000 EUR	2014	2013
Rents	8,282	8,535
ESL Shipping	32,158	32,559
Leipurin	7,042	6,432
Telko	6,137	7,011
Kaukomarkkinat	3,160	3,484
Other operations	3,512	2,064
Loss on sale of tangible assets and investments	3	1
Total	60,294	60,086

7. OTHER OPERATING EXPENSES

Auditors' fees

1,000 EUR	2014	2013
Auditing	233	197
Tax advice	21	66
Other services	621	39
Total	875	302

8. FINANCIAL INCOME AND EXPENSES

The items above operating profit include EUR -2.3 million (-1.1) in exchange rate differences for 2014. Interest expenses include EUR 0.1 million (0.1) in contingent rents recognized as costs arisen from finance leasing agreements during the financial year.

1,000 EUR	2014	2013
Dividend income from available-for-sale financial assets	1	1
Interest income from loans and other receivables	137	183
Foreign exchange gains	275	576
Total financial income	413	760
Interest rate expenses	-3,812	-3,898
Foreign exchange losses	-985	-981
Total financial expenses	-4,797	-4,879
Total financial income and expenses	-4,384	-4,119

9. INCOME TAXES

Taxes in the income statement

1,000 EUR	2014	2013
Taxes for the period	-2,914	-2,065
Change in deferred tax receivables and liabilities	2,316	4,049
Taxes from previous financial years	3	-58
Total	-595	1,926

Reconciliation of the tax expense in the income statement and taxes calculated using the Group's parent company's tax rate 20% (24.5)

1,000 EUR	2014	2013
Profit before taxes	19,008	6,649
Taxes calculated using the parent company's tax rate	-3,802	-1,629
Impact of foreign subsidiaries' tax rates	334	689
Impact of tonnage taxation	3,509	2,347
Losses for which no tax receivable was recognized	-1,963	-379
Utilisation of previously unrecognised tax losses	37	
Re-measurement of deferred tax rate*		944
Taxes from previous financial years	3	-58
Repayment of convertible capital loan	941	
Tax at source	-29	-141
Timing differences, tax-free and non-deductible items	375	153
Taxes in the income statement	-595	1,926
Effective tax rate	3 %	-29 %

*The Finnish corporate tax rate decreased to 20% on January 1, 2014

Income tax on other comprehensive income

1,000 EUR	2014	2013
Cash flow hedges	-6	-119
Available-for-sale financial assets	-620	
Total	-626	-119

1,000 EUR	2014	2013
Undiluted		
Profit of the year attributable to parent company shareholders	18,413	8,575
Interest of the hybrid bond (adjusted by tax effect)	-1,255	-129
Average number of shares during period (1,000)	30,312	30,282
Earnings per share, EUR	0.57	0.28
Diluted		
Profit of the year attributable to parent company shareholders	18,413	8,575
Interest of the hybrid bond (adjusted by tax effect)	-1,255	-129
Interest of the convertible capital loan (adjusted by tax effect)		993
Conversion of convertible capital loan into shares (1,000)		1,664
Shareholding plan for Aspo Management Oy (1,000)		0
Average number of shares during period adjusted by the dilution effect from the convertible capital loan and the shareholding plan for Aspo Management Oy (1,000)	30,312	31,945
Diluted earnings per share, EUR	0.57	0.30

10. EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit or loss belonging to the parent company's shareholders by the weighted average number of outstanding shares during the financial year. When calculating the earnings per share, interest of the hybrid bond, adjusted for tax effect, has been considered as a profit-reducing item. When calculating the diluted earnings per share, the average number of shares was adjusted with the dilutive effect of the equity-based convertible capital loan and the shareholding plan for Aspo Management Oy. At the end of 2014, there were no diluting items.

11. OTHER INTANGIBLE ASSETS

Intangible rights mainly consist of corporate brands described in Note 12. Intangible assets also include software and associated licenses, refurbishment costs from the repair of premises as well as principal relationships and new technology acquired in business combinations.

2014

1,000 EUR	Intangible rights	Other intangible assets	Advance payments of intangible assets	Total
Acquisition cost, Jan. 1	10,041	17,639		27,680
Translation difference	-2	-59		-61
Increases	147	1,270	114	1,531
Decreases	-174			-174
Acquisition cost, Dec. 31	10,012	18,850	114	28,976
Accumulated amortization, Jan. 1	-4,438	-10,010		-14,448
Translation difference	2	42		44
Accumulated amortization of decreases	173			173
Amortization for the period	-59	-2,403		-2,462
Accumulated amortization, Dec. 31	-4,322	-12,371		-16,693
Book value, Dec. 31	5,690	6,479	114	12,283

2013

1,000 EUR	Intangible rights	Other intangible assets	Advance payments of intangible assets	Total
Acquisition cost, Jan. 1	10,019	16,757		26,776
Translation difference	-4	-35		-39
Increases	26	917		943
Acquisition cost, Dec. 31	10,041	17,639		27,680
Accumulated amortization, Jan. 1	-4,351	-7,693		-12,044
Translation difference	2	19		21
Amortization for the period	-89	-2,336		-2,425
Accumulated amortization, Dec. 31	-4,438	-10,010		-14,448
Book value, Dec. 31	5,603	7,629		13,232

Intangible assets leased under finance lease are included in intangible assets as follows

Other intangible assets

1,000 EUR	2014	2013
Acquisition cost, Jan. 1	4,780	3,882
Increases	1,258	898
Acquisition cost, Dec. 31	6,038	4,780
Accumulated amortization, Jan. 1	-2,731	-1,714
Amortization for the period	-1,073	-1,017
Accumulated amortization, Dec. 31	-3,804	-2,731
Book value, Dec. 31	2,234	2,049

12. GOODWILL

Goodwill is allocated to the Group's cash-generating units by business unit, depending on the level of goodwill monitoring in internal reporting. Every unit represents each of Aspo's operating segments. Goodwill is divided into the segments as follows: ESL Shipping EUR 0.8 million (0.8), Leipurin EUR 27.3 million (27.3), Telko EUR 5.1 million (5.1), and Kaukomarkkinat EUR 11.3 million (12.1).

The useful lives of brands included in Leipurin and Telko segments have been estimated to be indefinite. The strong image and history of these brands support the management's view that these brands will affect cash flow generation over an indefinable period. As for impairment, the brands have been tested. According to test results, there are no impairments to be expected.

Impairment testing

Recoverable cash flows in impairment calculations have been defined on the basis of value in use. Cash flow estimates are based on three-year financial plans approved by the Board of Directors. In testing, cash flow estimates are prepared for five years, after

which the cash flow is assumed to grow steadily. With regard to units dependent on Russia, Ukraine and other CIS countries, cash flows cover decreased cash flow expectations. This means that the impact of this region is not reflected in the discount rate used in testing. The terminal value is a growth assumption of 1% (1), apart from the Telko segment for which a value of 1.5% (3) has been used. Telko's growth assumption is based on its operational development being focused on growth markets. The recoverable amount indicated by the tests clearly exceeds the carrying amount of goodwill in each segment. The share of the terminal value varied from 78% to 88% from the recoverable amount, being highest in the Kaukomarkkinat segment. The goodwills of ESL Shipping and other operations are not significant compared to the recoverable amount. No impairment is recognized for the financial year and no impairment occurred according to impairment tests.

When estimating net sales, the assumption is that current operations can be maintained, and net sales will grow in a controlled manner at the rate estimated in financial plans.

The sales margin is estimated to follow net sales growth.

It is estimated that costs will increase slowly as a result of continuous cost management. Fixed costs are expected to grow as much as the rate of inflation at the most.

The discount rate is determined through the weighted average cost of capital (WACC) that depicts the overall costs of shareholders' equity and liabilities, taking into account the particular risks related to the asset items and location of operations. The discount rate is determined before taxes. The decrease in the discount rate from the previous year is mainly caused by a decrease in the risk-free rate. The discount rate (WACC) used in calculations was 6.59% (8.04) before taxes.

Factors influencing impairment testing and sensitivity analysis

Slow economic growth, changes in exchange rates and heavy fluctuation in the operating environment make it more difficult to evaluate the assumptions used in impairment testing. Assumptions are appropriate and tested operations have a sustainable basis. There are no indications of impairment in the business operations' goodwill but the result of future impairment testing depends on the materialization of estimated future cash flows. A substantial negative change in future cash flows, a significant increase in interest rates or a high tying-up rate of capital may result in an impairment of goodwill. It is the management's view that the estimates of future cash flows and the tying-up rate of capital used in the testing are likely.

Each segment has undergone a sensitivity analysis in which the values used as basic assumptions in the testing were lowered. As a result of this, the value of segment's future cash flows has become weaker. The changes and their effects are:

- WACC was raised by 20%, effect 19–22% (18–23).
- EBIT was cut down by 10%, effect approximately 8–13% (7–13).
- Sales growth was cut down by 10% annually, effect 12–23% (14–25).

The sensitivity analysis shows that there are no future impairment losses to be expected.

Goodwill

1,000 EUR	2014	2013
Acquisition cost, Jan. 1	45,285	45,324
Decreases	-800	
Translation difference	-73	-39
Acquisition cost, Dec. 31	44,412	45,285

Allocation of goodwill

1,000 EUR	2014	2013
ESL Shipping	790	790
Leipurin	27,281	27,281
Telko	5,054	5,127
Kaukomarkkinat	11,251	12,051
Other operations	36	36
Total	44,412	45,285

Brands

1,000 EUR	2014	2013
Leipurin	3,148	3,148
Telko	2,155	2,155
Total	5,303	5,303

13. TANGIBLE ASSETS

2014							
1,000 EUR	Land	Buildings	Machinery and equipment	Vessels	Other tangible assets	Work in progress and advance payments	Total
Acquisition cost, Jan. 1	54	5,514	10,771	218,842	843	0	236,024
Translation difference			-754				-754
Increases		321	863	15,948		79	17,211
Decreases		-463	-1,612		-52		-2,127
Acquisition cost, Dec. 31	54	5,372	9,268	234,790	791	79	250,354
Accumulated depreciation, Jan. 1		-2,486	-7,513	-122,307	-322		-132,628
Translation difference			514				514
Accumulated depreciation of decreases		460	1,396		52		1,908
Depreciation for the period		-211	-1,062	-7,447	-30		-8,750
Accumulated depreciation, Dec. 31		-2,237	-6,665	-129,754	-300		-138,956
Book value, Dec. 31	54	3,135	2,603	105,036	491	79	111,398

2013							
1,000 EUR	Land	Buildings	Machinery and equipment	Vessels	Other tangible assets	Work in progress and advance payments	Total
Acquisition cost, Jan. 1	60	5,685	10,420	216,690	555	216	233,626
Translation difference			-190				-190
Increases		24	1,370	2,152	288	113	3,947
Transfers between classes		119	210			-329	0
Decreases	-6	-314	-1,039				-1,353
Acquisition cost, Dec. 31	54	5,514	10,771	218,842	843	0	236,024
Accumulated depreciation, Jan. 1		-2,503	-7,240	-115,336	-291		-125,370
Translation difference			142				142
Accumulated depreciation of decreases and transfers		227	778				1,005
Depreciation for the period		-210	-1,193	-6,971	-31		-8,405
Accumulated depreciation, Dec. 31		-2,486	-7,513	-122,307	-322		-132,628
Book value, Dec. 31	54	3,028	3,258	96,535	521	0	103,396

Tangible assets leased under finance lease are included in tangible assets as follows

Machinery and equipment

1,000 EUR	2014	2013
Acquisition cost, Jan. 1	1,650	1,764
Increases	14	335
Transfers between classes		185
Decreases	-171	-634
Acquisition cost, Dec. 31	1,493	1,650
Accumulated depreciation, Jan. 1	-1,035	-1,095
Accumulated depreciation of decreases	117	441
Depreciation for the period	-275	-381
Accumulated depreciation, Dec. 31	-1,193	-1,035
Book value, Dec. 31	300	615

2014

1,000 EUR	Unlisted shares
Acquisition cost, Jan. 1	170
Increases*	3,097
Decreases	-8
Acquisition cost, Dec. 31	3,259
Book value, Dec. 31	3,259

*Alandia

2013

1,000 EUR	Unlisted shares
Acquisition cost, Jan. 1	198
Increases	8
Decreases	-36
Acquisition cost, Dec. 31	170
Book value, Dec. 31	170

14. FINANCIAL ASSETS AVAILABLE FOR SALE

Through the change in the corporate form of Försäkringsaktiebolaget Alandia insurance company, ESL Shipping Oy obtained 6,775 new shares on the basis of insurance premiums. The shares obtained are intended for temporary ownership and have been classified under available-for-sale financial assets in the consolidated financial statements. The shares are recognized at their fair value (level 3) in other comprehensive income adjusted by the tax impact. The definition of the fair value is based on a valuation conducted by an external expert, on the basis of which the fair value of the shares has been calculated by discounting the net asset value by the liquidity risk.

Other available-for-sale financial assets are unlisted shares. Because their fair value cannot be reliably determined, they have been recognized at their acquisition cost less possible impairment.

Other items included in long-term receivables

1,000 EUR	2014	2013
Long-term loan receivables		201

15. LONG-TERM RECEIVABLES**Shares in associated companies and joint ventures**

1,000 EUR	2014	2013
Balance, Jan. 1	2,156	2,170
Sale of associated companies	-2,156	
Share of associated companies' and joint ventures' profit or loss		55
Translation difference		-69
Balance, Dec. 31		2,156

16. ASSOCIATED COMPANIES AND JOINT VENTURES

ESL Shipping Ltd had a 35% holding in the associated company Credo AB. The company was sold in January 2014 at the carrying amount, and the transaction had no impact on the result. The carrying amount did not include goodwill. The unlisted Credo AB's registered office is in Donsö, Sweden. Kaukomarkkinat Ltd has a 50% holding in the joint venture Roll Systems Oy. The unlisted Roll Systems Oy's registered office is in Valkeakoski, Finland. The company had no net sales for the financial year and the profit was EUR 0.0 million. The company's assets were EUR 0.6 million and liabilities EUR 0.6 million. Due to the loss produced by the company and its subsidiary, the financial statements do not include any consolidated portion of the joint venture's loss.

17. DEFERRED TAXES

Deferred tax on the transition to tonnage taxation is relieved through annual state subsidies during the validity of the Tonnage Tax Act if the preconditions for such relief are met. The amount of tax relief was EUR 0.6 million in 2014, and EUR 2.3 million in 2011–2013.

The balance sheet includes deferred tax receivables of EUR 3.2 million (3.2) from Finnish companies with a negative result for the financial years 2011, 2012 or 2013. These deferred tax assets are recorded on the basis of the management's profit forecast indicating that the realization of the deferred tax assets in question is probable. No deferred tax receivables were recognized on the taxable losses of EUR 8.1 million incurred by Finnish companies in 2014. The utilization period of these taxable losses is 10 years.

The Group had EUR 3.7 million (2.8) in unused taxable losses in foreign subsidiaries, on which no deferred tax receivables had been recognized because the Group is unlikely to accumulate taxable income against which the losses could be utilized before these losses expire. The loss expiry period varies from one country to another. Some losses expire in 2015, while some losses do not have any expiry period set out within the scope of the current legislation. A deferred tax liability of EUR 0.7 million (2.9) has not been recognized from the retained earnings of foreign subsidiaries because they are permanently invested in the countries in question.

Deferred tax receivables

1,000 EUR	2014	2013
Cash flow hedges	159	164
Employee benefits	83	13
Losses available for offsetting against future taxable income	3,355	3,229
Other temporary differences	363	583
Total	3,960	3,989

Deferred tax liabilities

1,000 EUR	2014	2013
Depreciation in excess of plan	199	171
Deferred tax liability due to tonnage taxation	3,706	4,323
Convertible capital loan		1,445
Tangible and intangible assets	1,900	2,163
Available-for-sale financial assets	620	
Other temporary differences	10	14
Total	6,435	8,116

Changes in deferred tax receivables

1,000 EUR	2014	2013
Deferred tax receivables, Jan. 1	3,989	2,865
Items recorded in the statement of comprehensive income		
Unutilized tax losses	126	1,184
Employee benefits	70	8
Other temporary differences	-194	26
Items recorded in other comprehensive income	-6	-119
Items recorded directly to equity	-25	25
Deferred tax receivables, Dec. 31	3,960	3,989

Changes in deferred tax liabilities

1,000 EUR	2014	2013
Deferred tax liabilities, Jan. 1	8,116	10,949
Items recorded in the statement of comprehensive income		
Depreciation in excess of plan	28	4
Deferred tax liability due to tonnage taxation	-617	-1,729
Intangible and tangible assets	-263	-780
Convertible capital loan	-1,445	-324
Other temporary differences	-4	-4
Items recorded in other comprehensive income	620	
Deferred tax liabilities, Dec. 31	6,435	8,116

1,000 EUR	2014	2013
Materials and supplies	828	1,852
Finished goods	44,596	43,339
Other inventories	1,891	2,634
Total	47,315	47,825

18. INVENTORIES

An expense of EUR 0.7 million (0.8) was recognized during the financial year for a write-down of inventories to net realizable value.

1,000 EUR	2014	2013
Accounts receivable	44,189	45,976
Accounts receivable on construction contracts*	690	207
Refund from the Ministry of Transport and Communications	2,814	2,110
Advance payments	3,844	3,728
VAT receivable	687	402
Other deferred receivables	3,984	4,637
Total	56,208	57,060

19. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

The carrying amount is considered to be close to fair value. Accounts receivable do not involve significant credit loss risks. A total of EUR 0.9 million (0.9) were recognized as impairment loss from accounts receivable.

*Aggregated items related to construction contracts:	2014	2013
Accrued income according to the stage of completion	3,034	401
Advances received related to construction contracts	-2,344	-194
Accounts receivable on construction contracts	690	207

1,000 EUR	2014	2013
Bank accounts	19,258	28,474

20. CASH AND CASH EQUIVALENTS

21. SHAREHOLDERS' EQUITY

On December 31, 2014, Aspo Plc's number of shares was 30,975,524 and the share capital was EUR 17.7 million.

The equity portion of Aspo's convertible capital loan is presented under shareholders' equity. The convertible capital loan was repaid on June 30, 2014. Treasury shares held by Aspo Plc and its subsidiary have been recognized as a decrease in shareholders' equity.

On November 18, 2013, Aspo issued a 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. An interest payment obligation is set up if the Annual Shareholders' Meeting decides to distribute dividends. If no dividend is distributed, the company

can decide upon the payment of interest separately. A hybrid bond is an instrument which is subordinated to the company's other debt obligations. In the consolidated financial statements, the loan has been recognized as equity, and interest paid is presented in equity according to its nature. The hybrid bond does not confer to its holders the rights of a shareholder and does not dilute the holdings of the shareholders.

Shareholders' equity consists of the share capital, premium fund, revaluation fund, translation differences, invested unrestricted equity fund, other funds, and retained earnings. Share subscriptions based on the convertible capital loan that were issued during the validity of the old Companies Act (29.9.1978/734) were recognized in the premium fund. The

invested unrestricted equity fund includes other equity-type investments and share subscription price to the extent that it is not recognized in the share capital in accordance with a separate agreement. The revaluation fund includes accumulated changes in the fair value of instruments under hedge accounting and the recognition of available-for-sale financial assets at fair value.

Dividends

After the closing date, the Board of Directors has proposed that a dividend of EUR 0.40 per share be distributed for 2014. A dividend of EUR 0.21 was distributed for 2013 (EUR 0.42 per share for 2012).

Shareholders' equity 2014

1,000 EUR	in 1,000s	Share capital	Premium fund	Invested unrestricted equity fund	Treasury shares	Hybrid instrument	Total
January 1	30,274	17,692	4,351	11,151	-4,224	20,000	48,970
Conversion of convertible capital loan	8			47			47
Repayment of convertible capital loan				826			826
Disposal of shares	101				669		669
Share-based incentive plan	19				130		130
Translation differences				10			10
Transfer from fund				-13			-13
December 31	30,402	17,692	4,351	12,021	-3,425	20,000	50,639
Own shares held by the Group	573						
Total number of shares	30,976						

Shares have no nominal value.

Shareholders' equity 2013

1,000 EUR	in 1,000s	Share capital	Premium fund	Invested unrestricted equity fund	Treasury shares	Hybrid instrument	Total
January 1	30,284	17,692	4,351	11,147	-4,171		29,019
Repurchase of shares	-10				-53		-53
Hybrid bond						20,000	20,000
Transfer to fund				4			4
December 31	30,274	17,692	4,351	11,151	-4,224	20,000	48,970
Own shares held by the Group	693						
Total number of shares	30,967						

Revaluation fund

1,000 EUR	2014	2013
Available-for-sale financial assets	2,478	
Cash flow hedges	-634	-656
Total	1,844	-656

Equity portion of the convertible capital loans

1,000 EUR	2014	2013
Equity portion of the convertible capital loans		2,572

Long-term loans and overdraft facilities

1,000 EUR	2014	2013
Loans	73,718	83,241
Used overdraft facilities	2,896	1,814
Total	76,614	85,055

Short-term loans and overdraft facilities

1,000 EUR	2014	2013
Loans	43,417	32,925
Used overdraft facilities	4,419	1,975
Convertible capital loan		9,996
Total	47,836	44,896

Maturing of financial leasing liabilities

1,000 EUR	2014	2013
Financial leasing liabilities – total amount of minimum rents		
Within one year	834	1,317
After one year and within five years	1,876	1,508
Total	2,710	2,825
Present value of minimum rents in financial leasing liabilities		
Within one year	775	1,276
After one year and within five years	1,813	1,467
Total	2,588	2,743
Future financial expenses	122	82

Other long-term liabilities

1,000 EUR	2014	2013
Long-term derivatives	228	29
Contingent consideration		568
Total	228	597

Accounts payable and other liabilities

1,000 EUR	2014	2013
Accounts payable	36,924	38,073
Advances received, construction contracts	271	469
Advances received, others	1,940	2,088
Salaries and social security contributions	6,783	5,634
Employer contributions	1,339	1,134
Accrued interest	378	595
VAT liability	3,427	3,153
Share-based incentive plan	456	38
Other short-term deferred liabilities	10,394	8,538
Total	61,912	59,722

22. LOANS

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.

A total of 8,074 new shares corresponding to one EUR 50,000 loan unit, were subscribed in 2014.

The convertible capital loan was divided between equity-based and external financing in the consolidated financial statements. The share of the equity-based component is presented in Note 21.

23. ACCOUNTS PAYABLE AND OTHER LIABILITIES

24. PENSION OBLIGATIONS

The Group has provided for statutory pension cover by taking out insurance with pension insurance companies. In foreign units, the pension cover is arranged in accordance with local legislation and social security regulations. The Group's pension schemes are treated as defined contribution plans in the financial statements.

Pension expenses in the income statement

1,000 EUR	2014	2013
Defined contribution plans	4,149	4,265

25. PROVISIONS

The recorded provisions are based on best estimates on the closing date. Warranty provisions are mainly associated with the Group's product warranties, rent provisions to vacant office premises, and pension provisions to direct pension liabilities granted by the Group. Tax provisions are based on any increased expenses arising from ongoing tax inquiries.

Provisions

1,000 EUR	Warranties and maintenance services	Rental agreements	Pension commitments	Tax charges	Total
December 31, 2013	365	144	38		547
Increase in provisions	80	72		45	197
Decrease in provisions			-2		-2
December 31, 2014	445	216	36	45	742

26. FINANCIAL RISKS AND FINANCIAL RISK MANAGEMENT**26.1 Financial risk management principles and organization**

The function of Aspo Group's financial risk management is to protect the operating margin and cash flows, and effectively manage fund-raising and liquidity. Aspo Group aims to develop the predictability of the results, future cash flows, and capital structure, and continuously adapt its operations to changes in the operating environment.

Financial risk management is based on the treasury policy approved by the Board of Directors, which defines the main principles for financial risk management in Aspo Group. The treasury policy defines general risk management objectives, the relationship between the Group's parent company and business units, the division of responsibility, and risk management-related reporting requirements.

The treasury policy also defines the operating principles related to the management of currency risks, interest rate risks, and liquidity and refinancing risks.

Together with the Group Treasurer, the Group CEO is responsible for the imple-

Interest-bearing liabilities by currency

1,000 EUR	2014	2013
EUR	120,961	126,232
USD	2,581	1,521
RUB	415	
Other	493	2,198
Total	124,450	129,951

Accounts receivable by currency

1,000 EUR	2014	2013
EUR	27,303	26,384
SEK	814	816
DKK	1,071	649
LTL	2,096	2,059
PLN	1,383	2,071
RUB	4,951	7,346
UAH	3,578	3,608
USD	2,173	1,687
Other	820	1,356
Total	44,189	45,976

Investments in foreign subsidiaries

1,000 EUR	Shareholders' equity 2014	Shareholders' equity 2013
SEK	-964	-837
DKK	4,840	4,676
RUB	13,456	16,380
NOK	98	147
LTL	1,563	1,360
UAH	-649	1,548
PLN	2,328	1,654
BYR	-687	-501
CNY	-494	-257
KZT	35	-508
EUR	2,985	10,176
Total	22,511	33,838

Cash and cash equivalents and unutilized committed revolving credit facilities

1,000 EUR	2014	2013
Cash and cash equivalents	19,258	28,474
Revolving credit facilities	57,000	50,000
Total	76,258	78,474

mentation of financial risk management in accordance with the treasury policy approved by the Board of Directors. The business units are responsible for recognizing their own financial risks and managing them together with the parent company in accordance with the Group's treasury policy and more detailed instructions provided by the parent company.

26.2 Market risks

Currency risk

The business operations of Aspo Group are decentralized in 14 countries, and the operations take place in 11 different currencies. Aspo Group's currency risk consists of foreign currency-denominated internal and external receivables, liabilities, estimated currency flows, derivative contracts and translation risks related to results and capital. The target of Aspo Group is to decrease the uncertainty related to fluctuations in results, cash flows and balance sheet items.

At the business unit level, currency risk mainly occurs when a unit sells products and services with its domestic currency but the costs are realized in a foreign currency.

In compliance with Aspo's strategy, an increasingly significant part of the net sales of Telko and Leipurin originates from

Russia. In addition, a considerable part of Telko's net sales comes from Ukraine. Therefore, their most extensive currency risks are related to the Russian ruble. If the ruble weakened against the euro, the Russian net sales and result denominated in euro of the Telko and Leipurin segments would decrease. In 2014, the Russian ruble fell clearly from the previous year, and changes between the values of the ruble and the euro reduced the 2014 euro-denominated net sales and result.

The currency risks of ESL Shipping are mainly related to dollar-denominated investments. The shipping company did not have any dollar-denominated vessel investments in 2014. At the closing date, Aspo Group's currency position mainly consisted of internal and external interest-free and interest-bearing receivables and liabilities denominated in foreign currency.

Aspo Group's interest-bearing liabilities decreased in 2014. Interest-bearing liabilities are mainly denominated in euro.

Most of Aspo Group's accounts receivable are denominated in euro. Because a significant part of Telko and Leipurin operations comes from Russia, accounts receivable from this market area comprise the second largest item. Ruble-denominated accounts receivable in Russia increased in

the local currency but, as a result of devaluation, decreased when denominated in euro.

The Aspo Group has investments in foreign subsidiaries. In addition, the equity of foreign subsidiaries increases through profitable business. The total equity of the Group's foreign subsidiaries at the closing date was EUR 22.5 million (33.8). Ruble-denominated investments of EUR 13.5 million (16.4) in subsidiaries operating in Russia were the biggest investment in regard to the currency amount. The devaluation of the ruble reduced the euro-denominated equity of subsidiaries operating in Russia. Despite the significant share of equity being denominated in the Russian ruble, the Group deems that diversifying is at a sufficient level, and there is no need to hedge the translation position associated with the equities of its foreign subsidiaries. The table above shows the Group's share in the subsidiaries' equity by currency.

In addition, long-term intra-Group loan receivables (included in the Telko segment) from Telko's Belarusian, Ukrainian and Kazakhstani subsidiaries have been classified as long-term net investments in foreign business.

Interest rate risk

To fund its operations, Aspo Group uses both fixed-rate and floating-rate liabilities that cause an interest rate risk in Aspo Group's cash flow and profit as a result of changes in the interest rate level. In addition to fixed-rate liabilities, Aspo Group uses interest rate derivatives to decrease a possible growth in future cash flows caused by an increase in short-term market interest rates. The Group's interest-bearing liabilities on December 31, 2014 was EUR 124.4 million (130.0) and cash and cash equivalents stood at EUR 19.3 million (28.5). Aspo Group's credit portfolio is reviewed with regard to average interest rate, the average interest maturity, average loan maturity, and relation between fixed-rate and floating-rate liabilities. At the closing date, the average interest rate on interest-bearing liabilities was 1.5% (2.1), the average interest maturity was 1.6 years (1.9), the average loan maturity was 3.4 years (4.0), and the share of fixed-rate liabilities was 30% (37). In 2014, the average maturity of interest-bearing loans and interest-tying period shortened, and the portion of fixed-rate debts decreased.

Sensitivity to market risks

Aspo Group has exposure to interest rate and currency risks via financial instruments, such as financial assets and liabilities including derivative contracts, included in the balance sheet on the closing date. The currency position varies during the year and, accordingly, the position included in the balance sheet on the closing date does not necessarily reflect the situation during the financial year. The impact of foreign currency denominated sales and purchase transactions made during the year on the income statement is not taken into account in the sensitivity calculations unless they were hedged through derivatives.

The sensitivity analysis is used to analyze the impact of market trends on measurements. The US dollar has posed the highest currency risk for Aspo Group in previous financial periods due to major vessel investments. At present fluctuation between the Russian ruble and euro is the most significant factor causing currency risks for the Group.

The sensitivity calculation regarding changes in the euro/Russian ruble exchange rate is based on the following assumptions:

- The exchange rate change of +/-30%.
- The position includes the ruble-denominated financial assets and liabilities of companies that use the euro as their functional currency and the euro-denominated financial assets and liabilities of subsidiaries operating in Russia, i.e. accounts receivable and other receivables, loans and overdraft facilities used, accounts payable and other liabilities, as well as cash and cash equivalents on the closing date.
- Future cash flows are not taken into account in the position.

The sensitivity calculation resulting from changes in interest rates is based on the following assumptions:

- The interest level changes by one percentage point.
- The position includes floating-rate interest-bearing financial liabilities and assets.
- The calculation is based on balance sheet values on the closing date, and changes in capital during the year are not taken into account.

In the sensitivity analysis, the effects of the income statement are calculated as

Sensitivity analysis for foreign currency and interest rate risk

1,000 EUR	2014 Income statement	2014 Shareholders' equity	2013 Income statement	2013 Shareholders' equity
Currency risk				
+ 30 % strengthening of euro against RUB	-543	-3,105	-1,254	-3,780
- 30 % weakening of euro against RUB	1,009	5,767	2,328	7,020
Interest rate risk				
Change of +100 basic points in the market interest rates	-889	347	-825	491
Change of -100 basic points in the market interest rates	882	-27	825	-495

Ageing analysis of accounts receivable

1,000 EUR	2014	2013
Not matured	32,564	33,380
Matured 1–30 days ago	7,130	7,960
Matured 31–60 days ago	1,861	2,104
Matured more than 60 days ago	2,634	2,532
Total	44,189	45,976

profit before taxes. The equity sensitivity analysis covers the capital invested in the subsidiary with regard to the currency risk and the items subject to hedge accounting with regard to the interest risk.

Market risks also have an impact on Aspo Group through items other than financial instruments. The oil price has an impact on Aspo Group's performance through transportation costs. The Group has hedged against this risk by means of contractual clauses. The fluctuations in raw material prices for chemicals and food also affect the Group's financial performance.

Hedge accounting

The floating interest rate of the term loan that was withdrawn by Aspo Plc in 2011 and that will fall due in 2015 is hedged with an interest rate swap throughout the validity of the loan contract. Said interest rate swap is subject to hedge accounting, and changes in fair value are entered in Aspo Group's equity. In 2014, the hedging relation between the loan hedged and the hedging instrument has been effective. The effective shares of the changes in the fair value of interest rate derivatives subject to hedge

accounting (adjusted by the tax impact) of EUR -0.6 million (-0.7) are recorded in other comprehensive income.

26.3 Liquidity and refinancing risk

The objective of Aspo Group is to ensure sufficient financing for operations in all situations and market conditions. In accordance with the treasury policy, the sources of financing are diversified among a sufficient number of counterparties and different loan instruments. The sufficient number of binding financing agreements and sufficient maturity ensure Aspo Group's current and near-future financing needs.

Aspo Group's most significant financing needs in 2014 were related to the vessel investments by ESL Shipping. ESL Shipping signed a EUR 10 million ship financing agreement. The main financing source of Telko, Leipurin and Kaukomarkkinat is the cash flow from their operations. Liquidity is ensured through cash funds, the issuing of commercial papers and binding overdraft facilities, as well as revolving credit facilities granted by selected cooperation banks. Aspo Plc signed a revolving credit facility agreement of EUR 40 million,

which replaced the expiring agreement of the same amount.

The Group's cash and cash equivalents at the end of the financial year were EUR 19.3 million (28.5). At the closing date, Aspo Plc had a EUR 80 million domestic commercial paper program, of which EUR 23 million was in use. At the closing date, Aspo Plc also had revolving credit facilities granted by selected cooperation banks in the amount of EUR 60 million of which EUR 57 million remained unutilized.

Financial covenants associated with significant financial agreements were not breached during the financial year.

26.4 Credit and counterparty risks

The Group has credit risk from accounts receivables. The Telko and Leipurin seg-

ments have an international and highly diversified customer base, and no considerable customer risk centers. ESL Shipping's accounts receivable are connected to long-term customer relationships with creditworthy companies. The turnover rate of its accounts receivable is high. All segments hedge against credit risks by using, when necessary, payment terms based on advance payments and bank guarantees.

Aspo Group's aim is to have low liquid cash funds. The counterparty risk is managed by selecting well-known and financially solvent domestic and international banks as counterparties. Excess funds are invested in bank deposits and short-term money market instruments. The derivative contract-based counterparty risk is managed by selecting well-known and solvent domestic banks as counterparties.

26.5 Capital management

The objective of the Group is to achieve an optimal capital structure, with which Aspo Group can ensure the operational framework for short- and long-term operations, and a sufficient return on equity.

The main factors affecting the capital structure are possible acquisitions and divestments, Aspo Plc's dividend policy, the vessel investments of ESL Shipping and the profitability of the subsidiaries' operations.

The development of the Group's capital structure is mainly monitored through the equity ratio and gearing. On December 31, 2014, the equity ratio was 35.2% (34.4) and gearing was 101.0% (98.2). During the financial year 2014, Aspo Group's capital structure remained unchanged compared with the previous year.

Maturity analysis

2014

1,000 EUR	Balance	Cash flow				
	sheet value Dec. 31, 2014	2015 ¹	2016	2017	2018	2019-
Loans	-114,547	-44,281	-20,726	-5,429	-19,903	-28,749
Overdraft facilities	-7,315	-4,435	-2,896			
Financial leasing liabilities	-2,588	-834	-763	-622	-353	-138
Accounts payable, other liabilities	-62,140	-61,912	-161	-67		
Derivative instruments						
Interest rate swaps						
In hedge accounting						
Cash flows to be paid		-329	-331	-134		

¹ Repayments in 2015 are included in short-term items.

2013

1,000 EUR	Balance	Cash flow				
	sheet value Dec. 31, 2013	2014 ¹	2015	2016	2017	2018-
Loans	-113,423	-33,615	-21,123	-20,660	-5,331	-38,704
Convertible capital loan	-9,996	-11,031				
Overdraft facilities	-3,789	-1,975	-1,814			
Financial leasing liabilities	-2,743	-1,317	-527	-525	-368	-88
Accounts payable, other liabilities	-60,319	-59,722	-615	-12	-5	
Derivative instruments						
Interest rate swaps						
In hedge accounting						
Cash flows to be paid		-299	-275	-198	-55	

¹ Repayments in 2014 are included in short-term items.

Book values of financial assets and liabilities by measurement category

2014	Financial assets/ liabilities recognized at fair value through profit or loss	Loans and other receivables	Available-for- sale financial assets	Financial liabilities recognized at amortized cost	Derivatives in hedge accounting	Book values of balance sheet items
1,000 EUR						
Long-term financial assets						
Other financial assets			3,259			3,259
Short-term financial assets						
Accounts receivable and other receivables		46,667				46,667
Cash and cash equivalents		19,258				19,258
Book value by measurement category		65,925	3,259			69,184
Long-term financial liabilities						
Long-term interest-bearing liabilities				76,050		76,050
Derivative contracts					792	792
Short-term financial liabilities						
Short-term interest-bearing liabilities				47,836		47,836
Non-interest bearing current liabilities	298			42,775		43,073
Book value by measurement category	298			166,661	792	167,751

2013	Financial assets/ liabilities recognized at fair value through profit or loss	Loans and other receivables	Available-for- sale financial assets	Financial liabilities recognized at amortized cost	Derivatives in hedge accounting	Book values of balance sheet items
1,000 EUR						
Long-term financial assets						
Long-term receivables		201				201
Other financial assets			170			170
Short-term financial assets						
Accounts receivable and other receivables		48,416				48,416
Cash and cash equivalents		28,474				28,474
Book value by measurement category		77,091	170			77,261
Long-term financial liabilities						
Long-term interest-bearing liabilities				84,264		84,264
Derivative contracts					820	820
Other liabilities	568					568
Short-term financial liabilities						
Short-term interest-bearing liabilities				44,896		44,896
Non-interest bearing current liabilities	363			42,880		43,243
Book value by measurement category	931			172,040	820	173,791

27. DERIVATIVE CONTRACTS

Group classifies the fair value measurement hierarchy as follows:

Level 1: The fair values of financial instruments are based on quoted prices on active markets. A market may be considered active when quoted prices are available on a regular basis and the prices represent the instrument's actual value in liquid trading.

Level 2: The financial instruments are not traded on active and liquid markets. The value of the financial instrument can

1,000 EUR	Nominal value 2014	Fair values, net 2014	Nominal value 2013	Fair values, net 2013
Interest rate derivatives				
Interest rate swaps (level 2)	15,000	-792	15,000	-820
Total		-792		-820

be determined on the basis of market value and possibly a partially derived determination of value. If the factors influencing the instrument's fair value are nevertheless available and verifiable, the instrument belongs to level 2.

Level 3: The valuation of the financial instrument is not based on verifiable market information. Nor are other factors that affect the instrument's fair value available or verifiable.

28. CONTINGENT LIABILITIES, ASSETS, AND OTHER COMMITMENTS

As part of their ordinary business activities, the Group and some of its subsidiaries sign different agreements under which guarantees are offered to third parties on behalf of these subsidiaries. These agreements are primarily made in order to support or improve Group companies' creditworthiness, and through them it is easier to find sufficient financing.

Hybrid instrument

On November 18, 2013, Aspo issued a EUR 20 million hybrid bond. The bond has no maturity but the company may exercise an early redemption option after three years. The coupon rate of the bond is 7% per annum.

Environmental remediation obligation

Rauma Terminal Services Oy, a company within the Aspo Group, is obligated, with regard to land areas leased from the Town of Rauma to restore the land areas so that they are in the same condition as before the lease. The scope of the obligation covers the dismantling of the buildings built by the company, including their foundations, and leveling the dismantled area. The review also includes regular environmental responsibilities from which no costs arise according to the company's understanding. The area has long-term lease agreements, and the Town of Rauma has not expressed any intention to change the area's purpose of use. As a result, the obligation has been treated as a contingent liability in the financial statements, and no separate recognitions have been made in the income statement or on the balance sheet.

Collateral for own debt

1,000 EUR	2014	2013
Mortgages given	104,454	91,454
Guarantees	17,430	16,100
Other contingent liabilities	684	2,004
Total	122,568	109,558

Guarantees given on behalf of associated companies and joint ventures

1,000 EUR	2014	2013
Guarantees	199	3,585
Total	199	3,585

Operating lease rentals payable

1,000 EUR	2014	2013
Within one year	7,450	8,253
After one year and within five years	18,310	18,482
After five years	3,539	8,017
Total	29,299	34,752

Legal proceedings

ESL Shipping has been 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 concerned fairway dues charged in 2001–2004. The Helsinki District Court announced its judgement in the case on February 27, 2015. According to the judgement, the Finnish State will be required to refund to ESL Shipping approximately EUR 3.0 million in accordance with the company's claim, as well as legal expenses and interest. The judgement is not yet final. If the judgement becomes final, it will affect Aspo Group's result for 2015 positively with a corresponding amount. A possible reimbursement is not included in the consolidated financial statements.

ESL Shipping 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.

Aspo Group's companies are parties to some legal proceedings and disputes associated with regular business operations. The financial impact of these proceedings and disputes cannot be estimated for certain but, on the basis of the information available and taking into account the existing insurance cover and provisions made, Aspo Group believes that they do not have any material adverse impact on the Group's financial position.

29. RELATED PARTIES

Information on subsidiaries within Aspo Group's related parties is presented in the attached table. Information on associated companies and joint ventures within Aspo Group's related parties is presented in Note 16. The related parties also include key management personnel, i.e. members of the Board of Directors and the Group Executive Committee, and any entities under their control.

Information about the members of the Board and the Group Executive Committee is available in the Corporate Governance section of the annual report.

Management employee benefits

2012 shareholding program

In 2012, Aspo Plc's Board of Directors decided on a share-based incentive plan for about 30 persons. The aim of the plan is to combine the objectives of shareholders and those within the plan in order to increase the company's value, to commit the persons to the company and to offer them a competitive incentive plan based on a long-term holding of the company's shares.

The plan included three earnings periods, i.e. the calendar years 2012, 2013 and 2014. Participation in the plan and obtaining a reward for each earnings period required that the person acquired Aspo's shares or held the number of shares in Aspo or Aspo Management Oy up to the number predetermined by the Board of Directors.

The Board of Directors decided on the plan's performance criteria and their objectives at the beginning of each period. No payable reward was accumulated in 2012. The reward for the 2013 earnings period was based on the Aspo Group's earnings per share (EPS) indicator, and was paid in 2014, partly in company shares and partly in cash. The amount of transferred shares was 19,492, corresponding to EUR 103 thousand calculated at the closing rate, and the amount paid in cash was 98 thousand euro. The proportion to be paid in cash will cover taxes and tax-related payments on the reward. The reward defined for the 2014 earnings period was based on Aspo Group's earnings per share (EPS) indicator, and the

Group companies

Company	Domicile	Holding %
Aspo Plc, parent company	Finland	
Aspo Management Oy	Finland	100.00
Aspo Palvelut Ltd	Finland	100.00
Aspokem AB	Sweden	100.00
Oy Bomanship Ab	Finland	100.00
ESL Shipping Ltd	Finland	100.00
Hamina Terminal Services Oy	Finland	100.00
Kaukomarkkinat Ltd	Finland	100.00
Kaukomarkkinat Shanghai Ltd.	China	100.00
OOO Kauko Rus	Russia	100.00
OOO Leipurien Tukku	Russia	100.00
Leipurien Tukku Oy	Finland	100.00
Leipurin Plc	Finland	100.00
FLLC Leipurin	Belarus	100.00
LLC Leipurin	Ukraine	100.00
SIA Leipurin	Latvia	100.00
TOO Leipurin	Kazakhstan	100.00
UAB Leipurin	Lithuania	100.00
Leipurin Estonia AS	Estonia	100.00
Leipurin Poland Sp. z o.o.	Poland	100.00
Rauma Terminal Services Oy	Finland	100.00
Suhi-Suomalainen Hiili Oy	Finland	100.00
Telko Ltd	Finland	100.00
FLLC Telko	Belarus	100.00
LLC Telko	Ukraine	100.00
OOO Telko	Russia	100.00
Telko UAB	Lithuania	100.00
LLC Telko Central Asia	Kazakhstan	100.00
Telko Estonia OÜ	Estonia	100.00
Telko Denmark A/S	Denmark	100.00
Telko Latvia SIA	Latvia	100.00
Telko Norway AS	Norway	100.00
Telko-Poland Sp. z o.o.	Poland	100.00
Telko Shanghai Ltd.	China	100.00
Telko Sweden AB	Sweden	100.00
Oy Troili Ab	Finland	100.00
Vulganus Oy	Finland	100.00

Related party transactions

Associated companies and joint ventures

1,000 EUR	2014	2013
Purchases from joint ventures	39	224
Services sold to joint ventures	10	22
Services charged by associated companies		3,909
Receivables from joint ventures	3	208
Liabilities to joint ventures	7	19

Share-based payments recognized as expenses

1,000 EUR	2014	2013
Total expenses in the statement of comprehensive income	1,038	90
Accrued expenses in the balance sheet liabilities related to the proportion paid in cash	456	38

In the financial year 2014, 19,492 shares, equal to the value of EUR 103 thousand at the closing rate of the transfer date, were transferred based on the 2013 profit. The proportion paid in cash amounted to EUR 98 thousand.

Share-based incentive plan

	Grant date	Transfer date	Number of shares granted	Market value of share on grant date, EUR	Market value of share on transfer date, EUR
Covers years 2012–2014	Feb. 14, 2012			7.90	
the share of the year 2012			0		
the share of the year 2013	Feb. 13, 2014	Mar. 26, 2014	19,492	5.78	5.29
the share of the year 2014	Feb. 11, 2015		95,140	6.96	

Key management personnel compensation

1,000 EUR	2014	2013
Salaries and other short-term employee benefits	1,604	1,899
Post-employment benefits	424	497
Share-based payments	692	61
Total	2,720	2,457

Salaries and benefits of Board members and CEO

1,000 EUR	2014 Salaries and remunerations	2014 Pensions	2013 Salaries and remunerations	2013 Pensions
Ojanen Aki, CEO		167		133
CEO, salaries	343		320	
CEO, remunerations	167		51	
CEO, share-based payments	39			
Nyberg Gustav, Chairman of the Board	99	105	103	101
Members of the Board of Directors:				
Arteva Matti, Vice Chairman of the Board	43		43	
Kaario Mammu	34		32	
Karppinen Esa	7		29	
Lencioni Roberto	34		32	
Pentti-von Walzel Kristina	34		32	
Salo Risto	29		29	
Total	829	272	671	234

Pension benefits include both statutory and voluntary pension payments.

Board of Directors decided, at its meeting on February 11, 2015, that the reward corresponds to 95,140 shares and at most, the amount paid in cash equaling the value of the shares in order to pay taxes. If a person's employment or service contract ends before the reward is paid, no reward will be paid to the person. The cost evaluated in the 2014 consolidated financial statements totaled EUR 932 thousand. Of this, EUR 476 thousand were recognized as equity and EUR 456 thousand as liabilities. The reward defined by the Board of Directors exceeds the estimate by EUR 359 thousand. Of this, EUR 186 thousand is included in equity and EUR 173 thousand in liabilities calculated at the closing rate.

The shares received during the earnings periods cannot be transferred during the commitment period, which ends within two years of the earnings period. If a person's employment or service contract ends during the commitment period, the person must gratuitously return any shares received as reward to the company.

The estimated amount of rewards paid on the basis of the Board's original decision would have corresponded with the value of 936,000 shares in Aspo Plc (including the proportion paid in cash). No reward was accumulated over 2012, and the 2013 reward in shares and in cash corresponds to 38,511 shares. The maximum reward over the 2014 earnings period corresponds to 190,000 Aspo Plc shares, the portion paid in cash included, meaning that approximately one-fourth of the original estimate was realized over the entire three-year period.

2015 shareholding program

The Board of Directors of Aspo Plc has in its meeting on February 11, 2015, approved a share-based incentive plan directed to approximately 30 persons. The aim of the plan is to combine the objectives of the shareholders and those within the plan in order to increase the value of the company, to commit the participants to the company, and to offer them a competitive incentive plan based on a long-term holding of the company's shares.

The plan includes three earnings periods, calendar years 2015, 2016 and 2017. The prerequisite for participation in the plan and for receipt of reward on the basis

of each earnings period is that the person acquires Aspo's shares, or holds the company's shares, up to the number predetermined by the Board of Directors.

Aspo's Board of Directors will decide on the plan's performance criteria and required performance levels for each criterion at the beginning of each earnings period. The potential reward of the plan from the earnings period 2015 will be based on the Group's earnings per share (EPS) indicator. The potential reward will be paid partly in Aspo Plc's shares and partly in cash. The cash proportion is intended to cover taxes and tax-related costs arising from the reward to the person.

As a rule, no reward will be paid, if a person's employment or service contract ends before the reward payment. The shares received as reward may not be transferred during the commitment period, which will end two years from the end of the earnings period. Should a person's employment or service contract end during the commitment period, as a rule, he or she must gratuitously return the shares given as reward.

The rewards to be paid on the basis of the plan correspond to the value of an approximate maximum total of 900,000 Aspo Plc shares (including also the proportion to be paid in cash).

Other benefits

The CEO has a supplementary defined contribution pension plan in which the

pension is determined in accordance with the accumulated insurance savings at the time of retirement. The CEO may retire at the age of 60. The statutory pension cost of the CEO recognized as expenses was EUR 94,849 and the additional pension was EUR 71,979. The period of notice applied in the employment relationship of the CEO is six months. If notice is given by the company, severance pay corresponding to 18 months' salary will be paid in addition to the salary for the notice period.

The Chairman of the Board has a supplementary defined contribution pension plan in which the pension is determined based on the accumulated insurance saving at the time of retirement. The Chairman may retire at the age of 60. The statutory pension cost of the Chairman recognized as expenses was EUR 17,721 and the additional pension was EUR 87,220.

Information on Aspo's hybrid bond subscribed by the related parties is presented in the Corporate Governance section.

Management's holding company

In 2010, the Board of Aspo Plc decided on a shareholding program for Aspo Group's management. The purpose of the program was to enable considerable long-term shareholding in Aspo for those involved in the program. For the shareholding, the participants acquired the entire stock of a company called Aspo Management Oy. Aspo Management Oy acquired 114,523 Aspo

shares from the participants at market price and Aspo also 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 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 owned 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 directed share issue without consideration where a total of 100,626 treasury shares in Aspo were directed to shareholders, with Aspo Plc obtaining all shares in Aspo Management Oy through the share swap. As a result of the exchange, the portion of non-controlling interests recognized as liabilities on the consolidated balance sheet was transferred to the Group's retained earnings as presented in the statement of changes in shareholders' equity.

30. EVENTS AFTER THE FINANCIAL YEAR

Legal proceeding on fairway dues

On February 27, 2015, ESL Shipping received a judgement from the Helsinki District Court regarding the refund of fairway dues. According to the judgement, the Finnish State will be required to refund to ESL Shipping approximately EUR 3.0 million in accordance with the company's claim, as well as legal expenses and interest. If the judgement becomes final, it will affect Aspo Group's result for 2015 positively with a corresponding amount.

Sale of business

On February 23, 2015, Kaukomarkkinat signed an agreement on the sale of its Industrial business line specializing in machine and equipment sales for paper, process and energy industries to NiJuPe Oy, in which the management of the business to be sold holds significant ownership. Business operations have been carried out in Finland, China, Vietnam, Russia, Poland, Latvia and Kazakhstan.

The annual net sales of the divested business is approximately EUR 4 million, of which commission income makes up a

significant part. Through the transaction, 23 employees will be transferred to the service of the buyer. Of the international operations of Kaukomarkkinat, project operations in Beijing and a joint venture in Kunshan, China, will not be included in the transaction.

In connection with the transaction, Aspo has evaluated the goodwill of the Kaukomarkkinat segment and will reduce it. As a result, the negative profit effect of the transaction on the Aspo Group is EUR 1.3 million, however resulting in a positive cash flow.

Key Figures

	IFRS 2014	IFRS 2013	IFRS 2012	IFRS 2011	IFRS 2010
Net sales, MEUR	482.9	476.3	481.6	476.3	395.9
Operating profit, MEUR	23.4	10.8	10.6	21.5	17.9
Share of net sales, %	4.8	2.3	2.2	4.5	4.5
Profit before taxes, MEUR	19.0	6.6	7.4	17.4	14.1
Share of net sales, %	3.9	1.4	1.5	3.7	3.6
Return on investment (ROI), %	9.9	4.6	5.4	12.5	12.7
Return on equity (ROE), %	17.8	8.9	11.8	16.4	15.2
Equity ratio, %	35.2	34.4	29.2	35.2	33.2
Equity ratio excluding deferred tax liabilities, %	37.3	37.2	32.7	40.1	39.6
Gearing, %	101.0	98.2	131.6	94.1	101.5
Gross investments in tangible and intangible assets, MEUR	18.7	4.9	30.5	42.7	13.2
Share of net sales, %	3.9	1.0	6.3	9.0	3.3
Personnel, Dec. 31	879	869	871	814	712
Average number of personnel	882	878	858	797	736
Share-specific indicators					
Earnings/share (EPS), EUR	0.57	0.28	0.36	0.45	0.38
Diluted earnings/share, EUR	0.57	0.30	0.37	0.45	0.39
Equity/share, EUR	3.42	3.39	2.95	3.05	2.49
Nominal dividend/share, EUR (2014 proposed by Board of Directors)	0.40	0.21	0.42		0.42
Share issue adjusted dividend/share, EUR					0.40
Dividend/earnings, %	70.3	75.3	117.9		106.2
Effective dividend yield, %	7.0	3.5	6.6		5.1
Repayment of capital/share, EUR				0.42	
Share issue adjusted repayment of capital/share, EUR				0.42	
Repayment of capital/earnings, %				95.2	
Effective repayment of capital yield, %				6.2	
Price/earnings ratio (P/E)	10.0	21.6	17.9	15.1	20.7
Diluted price/earnings ratio (P/E)	10.0	20.4	17.4	15.1	20.3
Share price development					
average price, EUR	6.20	5.74	6.63	7.39	7.05
lowest price, EUR	5.21	5.19	5.70	6.32	5.60
highest price, EUR	7.52	6.82	7.95	8.82	7.88
Closing price on the last day of trading during the financial year, EUR	5.69	6.03	6.39	6.80	7.83
Market value of shares, Dec. 31, MEUR	176.3	186.7	197.9	210.5	221.7
excluding treasury shares, MEUR *	173.0	182.6	193.5	204.9	216.0
Development of share turnover, 1,000	4,872	4,032	2,704	3,716	5,145
Development of share turnover, %	15.7	13.0	8.7	12.0	19.2
Total share trading, EUR 1,000	30,222	22,917	17,625	27,334	38,703
Registered share capital, number of shares, Dec 31, 1,000	30,976	30,967	30,967	30,959	26,837
Total number of shares, adjusted, 1,000	30,976	30,967	30,967	30,959	28,313
outstanding, Dec. 31	30,402	30,274	30,284	30,125	27,583
outstanding, average	30,312	30,282	30,255	29,507	27,316
diluted number of shares, average	30,312	31,945	31,974	31,259	29,295

* Treasury shares include the shares of Aspo Plc owned by Aspo Management Oy.

The key figures for the comparison years have been adjusted for rights issue. The rights issue was in 2011 and the rights issue factor is 1.054997.

Calculation Principles of Key Figures

Return on investment, % (ROI)	=	$\frac{(\text{Profit before taxes} + \text{Interest and other financial expenses}) \times 100}{\text{Balance sheet total} - \text{Interest-free liabilities (average)}}$
Return on equity, % (ROE)	=	$\frac{(\text{Profit before taxes} - \text{Taxes}) \times 100}{\text{Shareholders' equity} + \text{Non-controlling interest (average)}}$
Equity ratio, %	=	$\frac{(\text{Shareholders' equity} + \text{Non-controlling interest}) \times 100}{\text{Balance sheet total} - \text{Advances received}}$
Gearing, %	=	$\frac{(\text{Interest-bearing liabilities} - \text{Liquid funds}) \times 100}{\text{Shareholders' equity} + \text{Non-controlling interest}}$
Average number of personnel	=	Average number of personnel at the end of each month
Earnings per share (EPS), EUR*	=	$\frac{\text{Profit before taxes} - \text{Income taxes on ordinary activities} - \text{Non-controlling interest}}{\text{Adjusted average number of shares during the financial year}}$
Shareholders' equity per share, EUR	=	$\frac{\text{Shareholders' equity}}{\text{Adjusted number of shares on balance sheet date}}$
Adjusted dividend per share, EUR	=	$\frac{\text{Dividend per share paid for the financial year}}{\text{Share issue multiplier}}$
Dividend/earnings, %*	=	$\frac{\text{Adjusted dividend per share} \times 100}{\text{Earnings per share}}$
Effective dividend yield, %	=	$\frac{\text{Adjusted dividend per share} \times 100}{\text{Average share price on closing day weighted with trading volume}}$
Share issue adjusted repayment of capital/share, EUR	=	$\frac{\text{Repayment of capital per share paid for the financial year}}{\text{Share issue multiplier}}$
Repayment of capital/earnings, %	=	$\frac{\text{Share issue adjusted repayment of capital per share} \times 100}{\text{Earnings per share}}$
Effective repayment of capital yield, %	=	$\frac{\text{Share issue adjusted repayment of capital per share} \times 100}{\text{Average share price on closing day weighted with trading volume}}$
Price/earnings ratio (P/E)*	=	$\frac{\text{Adjusted average share price on closing day}}{\text{Earnings per share}}$
Market value of shares, EUR	=	Number of shares outside the Group x Average share price on closing day weighted with trading volume

The impact of treasury shares has been eliminated in the calculation of key figures.

* When calculating the earnings per share, interest of the hybrid bond, adjusted for tax effect, has been considered as a profit-reducing item.

Parent Company's Income Statement

1,000 EUR	Notes	Jan. 1–Dec. 31, 2014	Jan. 1–Dec. 31, 2013
Other operating income	1.1	1,923	2,483
Staff expenses	1.2	-2,789	-2,019
Depreciation and impairment	1.3	-7	-8
Other operating expenses	1.4	-6,165	-4,528
Operating loss		-7,038	-4,072
Financial income and expenses	1.5	10,742	16,394
Profit before extraordinary items		3,704	12,322
Extraordinary items	1.6	1,630	1,830
Profit before appropriations and taxes		5,334	14,152
Income taxes	1.7	0	0
Profit for the period		5,334	14,152

Parent Company's Balance Sheet

Assets

1,000 EUR	Notes	Dec. 31, 2014	Dec. 31, 2013
Non-current assets			
Tangible assets	2.1	79	82
Investments	2.2	83,755	83,743
Total non-current assets		83,834	83,825
Current assets			
Current receivables	2.3	66,971	71,804
Cash and bank deposits		6,375	10,499
Total current assets		73,346	82,303
Total assets		157,180	166,128

Shareholders' equity and liabilities

1,000 EUR	Notes	Dec. 31, 2014	Dec. 31, 2013
Shareholders' equity			
Share capital	2.4	17,692	17,692
Premium fund	2.4	4,351	4,351
Invested unrestricted equity fund	2.4	16,530	16,480
Retained earnings	2.4	14,826	7,041
Profit for the period		5,334	14,152
Total shareholders' equity		58,733	59,716
Mandatory provisions	2.5	626	177
Liabilities			
Long-term liabilities			
Loans from financial institutions	2.6	15,000	30,000
Perpetual bond	2.6	20,000	20,000
Total long-term liabilities		35,000	50,000
Short-term liabilities			
Loans from financial institutions	2.7	41,000	27,000
Convertible capital loan	2.7		10,300
Debts to Group companies	2.7	20,183	17,625
Accounts payable	2.7	513	201
Other liabilities	2.7	137	136
Deferred liabilities	2.7	988	973
Total short-term liabilities		62,821	56,235
Total liabilities		97,821	106,235
Total shareholders' equity and liabilities		157,180	166,128

Parent Company's Cash Flow Statement

1,000 EUR	Jan. 1–Dec. 31, 2014	Jan. 1–Dec. 31, 2013
Operational cash flow		
Operating loss	-7,038	-4,073
Adjustments to operating loss	455	155
Change in working capital	378	-483
Interest paid	-3,628	-2,289
Interest received	570	454
Dividends received	1,503	18,203
Operational cash flow	-7,760	11,967
Investments in tangible and intangible assets	-4	-8
Investments on other shares	-11	-1,687
Gains on the sale of other shares		46
Cash flow from investments	-15	-1,649
Cash flow from financing		
New long-term loans		15,000
Change in short-term receivables	16,880	-14,172
Change in short-term liabilities	1,558	-18,471
Perpetual bond		20,000
Repayment of convertible capital loan	-10,250	
Group contributions received	1,830	2,470
Dividends distributed	-6,367	-12,929
Cash flow from financing	3,651	-8,102
Change in liquid funds	-4,124	2,216
Liquid funds Jan. 1	10,499	8,283
Liquid funds Dec. 31	6,375	10,499

Notes to the Parent Company's Financial Statements

Accounting principles

Aspo Plc's financial statements have been compiled in accordance with FAS. The accounting principles have not changed from the previous year. When compiling the financial statements, the management of the company must, in accordance with valid regulations and good accounting practice, make estimates and assumptions that affect the valuation and allocation of financial statement items. The actual figures may differ from the estimates.

Foreign currency transactions

Foreign currency denominated transactions are recorded at the exchange rates valid on the transaction date. On the closing date, the receivables and liabilities on the balance sheet are valued at the exchange rates of the closing date. Outstanding hedging instruments for foreign currency denominated items are valued at the rate of the day, taking into account interest rates. Foreign exchange gains and losses related to business operations are recognized as net sales and operational expense adjustment items. Financing related foreign exchange gains and losses are recognized in financial income and expenses.

Pensions

The company's pension coverage is arranged through pension insurance.

Receivables

Receivables are valued at acquisition cost or probable value, if lower.

Non-current assets and depreciations

Non-current assets are recognized in the balance sheet at direct acquisition cost, less depreciations made. The depreciation periods for non-current assets are:

- Other long-term costs 3–10 years
- Buildings 15–40 years
- Machinery and equipment 3–8 years
- Other tangible assets 5–40 years

Leasing

Leasing payments are treated as rent expenses.

Extraordinary items

Extraordinary income and expenses include items outside actual business operations, such as group contributions.

Mandatory provisions

Mandatory provisions on the balance sheet include items that are either based on contracts or otherwise binding obligations, but have not yet materialized. Changes to mandatory provisions are included in the income statement.

Income taxes

The income taxes in the income statement include taxes calculated on profit for the period based on Finnish tax legislation and adjustment of taxes from previous financial years. Income taxes on extraordinary items are presented in the Notes.

Dividends

No recognition of the dividend proposed by the Board of Directors to the Annual Shareholders' Meeting was made in the financial statements. The dividends are only taken into account after the decision by the Annual Shareholders' Meeting.

1,000 EUR	2014	2013
Other operating income, Group	634	1,071
Rents, Group	1,222	1,223
Other rents		153
Other operating income	67	36
Total	1,923	2,483

1.1 OTHER OPERATING INCOME

Staff expenses

1,000 EUR	2014	2013
Salaries and benefits	1,733	1,299
Share-based payments	410	33
Profit bonus paid to the personnel fund	35	
Pension expenses	537	561
Other social security expenses	74	126
Total	2,789	2,019

1.2 NOTES CONCERNING PERSONNEL AND BOARD MEMBERS

The chairman of the Board of Directors and the CEO have a voluntary retirement age of 60 years.

Management salaries and benefits

1,000 EUR	2014	2013
CEO, salaries	343	320
CEO, remunerations	167	51
CEO, share-based payments	39	
Members of the Board of Directors, remunerations	280	300
Total	829	671

1,000 EUR	2014	2013
Machinery and equipment	7	8

1.3 DEPRECIATION AND IMPAIRMENT

1,000 EUR	2014	2013
Rents	2,080	2,121
Other expenses	4,085	2,407
Total	6,165	4,528

1.4 OTHER OPERATING EXPENSES

Auditor's fees

1,000 EUR	2014	2013
Auditing	20	20
Tax advice	14	58
Other services	518	10
Total	552	88

1.5 FINANCIAL INCOME AND EXPENSES	1,000 EUR	2014	2013
Dividend income			
From Group companies		13,500	18,200
From others		3	3
Income from long-term investments		13,503	18,203
Other interest and financial income			
From Group companies		618	515
From others		1	
Total interest and other financial income		619	515
Interest expenses and other financial expenses			
To Group companies		-30	-15
To others		-3,350	-2,309
Total interest and other financial expenses		-3,380	-2,324
Total financial income and expenses		10,742	16,394

1.6 EXTRAORDINARY ITEMS	1,000 EUR	2014	2013
Income			
Group contributions		1,630	1,830

1.7 INCOME TAXES	1,000 EUR	2014	2013
Income taxes on extraordinary items		326	448
Income taxes on ordinary activities		-326	-448
Total		0	0

2.1 INTANGIBLE AND TANGIBLE ASSETS

1,000 EUR	Intangible rights	Total intangibles	Land	Buildings	Machinery and equipment	Other tangible assets	Total tangibles
Acquisition cost, Jan. 1	539	539	1	467	508	125	1,101
Increases					4		4
Decreases	-192	-192		-455	-433	-52	-940
Acquisition cost, Dec. 31, 2014	347	347	1	12	79	73	165
Accumulated depreciation, Jan. 1	-539	-539		-467	-500	-52	-1,019
Accumulated depreciation of decreases	192	192		455	433	52	940
Depreciation for the period					-7		-7
Accumulated depreciation, Dec. 31, 2014	-347	-347		-12	-74	0	-86
Book value, Dec. 31, 2014	0	0	1	0	5	73	79
Book value, Dec. 31, 2013	0	0	1	0	8	73	82

1,000 EUR	Subsidiary shares	Other shares	Total
Acquisition cost, Jan. 1	83,568	175	83,743
Increases	11		11
Acquisition cost, Dec. 31, 2014	83,579	175	83,754
Acquisition cost, Dec. 31, 2013	83,568	175	83,743

2.2 INVESTMENTS

1,000 EUR	2014	2013
Receivables from Group companies		
Dividend receivables	12,000	
Group contribution receivables	1,630	1,830
Cash pool accounts	158	4,502
Loan receivables	52,693	65,181
Deferred receivables	15	15
Total	66,496	71,528
Other receivables	378	65
Deferred receivables	97	211
Total	475	276
Total current receivables	66,971	71,804

2.3 CURRENT RECEIVABLES

2.4 SHAREHOLDERS' EQUITY

1,000 EUR	2014	2013
Share capital, Jan. 1	17,692	17,692
Share capital, Dec. 31	17,692	17,692
Premium fund, Jan. 1	4,351	4,351
Premium fund, Dec. 31	4,351	4,351
Invested unrestricted equity fund, Jan. 1	16,480	16,480
Conversions of convertible capital loan	50	
Invested unrestricted equity fund, Dec. 31	16,530	16,480
Retained earnings, Jan. 1	21,193	19,970
Dividend payment	-6,470	-12,929
Share-based payments	103	
Retained earnings, Dec. 31	14,826	7,041
Profit for the period	5,334	14,152
Total shareholders' equity	58,733	59,716

Distributable funds of unrestricted equity total EUR 36,690,325.55 (37,673,081.32).

2.5 MANDATORY PROVISIONS

1,000 EUR	2014	2013
Share-based incentive plan	365	33
Provision for vacant premises	216	144
Provision for tax charges	45	
Total mandatory provisions	626	177

2.6 LONG-TERM LIABILITIES

On November 18, 2013, Aspo Plc issued a EUR 20 million hybrid bond. The bond has no maturity but the company may exercise an early redemption option after three years. The coupon rate of the bond is 7% per annum.

1,000 EUR	2014	2013
Perpetual bond	20,000	20,000
Loans from financial institutions	15,000	30,000
Total	35,000	50,000
Total long-term liabilities	35,000	50,000

1,000 EUR	2014	2013
Loans from financial institutions	41,000	27,000
Convertible capital loan		10,300
Unpaid dividend	7	8
Accounts payable	513	201
Other liabilities	136	136
Deferred liabilities*	982	965
Total	42,638	38,610
Debts to Group companies:		
Cash pool accounts	20,183	17,617
Deferred liabilities		8
Total	20,183	17,625
Total short-term liabilities	62,821	56,235
* Main items:		
Accrued interests	231	445
Accrued salaries	654	410

2.7 SHORT-TERM LIABILITIES

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.

In 2014, 8,074 new shares were subscribed for with one EUR 50,000 loan unit.

Unpaid lease payments

1,000 EUR	2014	2013
Payable in the next financial year	138	228
Payable later	146	193
Total	284	421
Residual value liabilities	2	2
Total leasing liabilities	286	423

2.8 OTHER NOTES

Other rental liabilities

1,000 EUR	2014	2013
Payable in the next financial year	1,582	1,569
Payable later	4,745	6,277
Total	6,327	7,846

Guarantees on behalf of Group companies

1,000 EUR	2014	2013
Guarantees	75,686	92,715

Shares and Shareholders

Share capital

On December 31, 2014, Aspo Plc's registered share capital totaled EUR 17,691,729.57 (17,691,729.57), consisting of 30,975,524 shares (30,967,450). During the financial year, 8,074 new shares were subscribed for with the convertible capital loan units. At the end of the year, the company's direct and indirect own shareholding was 573,385 shares (183,891); in other words, 1.9% (0.6) of the share capital. Of the treasury shares, a total of 509,612 shares were held by the subsidiary Aspo Management Oy.

Shares

Aspo Plc has one share series. Each share entitles the shareholder to one vote at the Shareholders' Meeting. The company shares are quoted on NASDAQ OMX Helsinki Ltd in the medium-sized companies category and under the GICS classification Industrials. The trading code of the share is ASU1V.

Dividend

Aspo Plc has an active, cash-flow-based dividend distribution policy, the goal of which is to distribute, on average, at least half of the Group's annual profit to shareholders.

Aspo Plc's Board of Directors proposes to the Annual Shareholders' Meeting that a dividend of EUR 0.40 per share be paid for the financial year 2014, representing 70.3% of the Group's earnings per share.

Authorizations

The Annual Shareholders' Meeting in 2014 authorized the Board of Directors to decide on the acquisition of a maximum of 500,000 treasury shares using non-restricted shareholders' equity. The authorization is valid until the Annual Shareholders' Meeting in 2015.

The shareholders authorized the Board of Directors in 2012 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

Major shareholders on December 31, 2014

	Number of shares	Share of stock and voting rights %
Havsudden Oy Ab	3,142,941	10.15
Varma Mutual Pension Insurance Company	1,438,412	4.64
Vehmas Tapio	1,375,827	4.44
Vehmas A.E.	1,043,394	3.37
Ilmarinen Mutual Pension Insurance Co	1,000,676	3.23
Vehmas Tatu	943,900	3.05
Vehmas Liisa	930,693	3.00
Mandatum Life Unit-Linked	733,688	2.37
Investment fund Nordea Nordic Small Cap	721,040	2.33
Estlander Henrik	711,717	2.30
Ten major shareholders, total	12,042,288	38.88
Nominee registrations	466,700	1.51
Other shares	17,893,151	57.76
Total shares outstanding	30,402,139	98.15
Own shares	573,385	1.85
Shares total	30,975,524	100.0

Distribution of ownership on December 31, 2014, by number of shares

Number of shares	Number of owners	Share of owners %	Total shares	Share of stock %
1-100	1,122	13.77	67,187	0.22
101-500	2,947	36.16	832,599	2.69
501-1,000	1,522	18.67	1,159,386	3.74
1,001-5,000	2,045	25.09	4,438,952	14.33
5,001-10,000	282	3.46	2,022,775	6.53
10,001-50,000	181	2.22	3,512,868	11.34
50,001-100,000	16	0.20	1,081,688	3.49
100,001-500,000	22	0.27	4,602,181	14.86
500,001-	12	0.15	13,253,424	42.79
Total in joint accounts	1	0.01	4,464	0.01
Total	8,150	100.0	30,975,524	100.0

Distribution of ownership on December 31, 2014, by owner groups

%	Ownership	Shares
1. Households	94.2	60.8
2. Companies	4.5	19.4
3. Financial and insurance institutions	0.2	6.8
4. Non-profit organizations	0.8	4.6
5. Public organisations	0.1	8.2
6. Non-domestic	0.2	0.2

from the shareholders' pre-emptive subscription rights, 100,626 treasury shares to the shareholders of Aspo Management Oy, in order to acquire the whole share stock of Aspo Management Oy to Aspo Plc.

The shareholders authorized the Board in 2012 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. The Board has not used its authorization in 2014.

Share trading and share price development

In 2014, a total of 4,871,593 Aspo Plc shares were traded at EUR 30.2 million; in other words, 15.7% of the shares changed hands. The share reached a high of EUR 7.52 and

a low of EUR 5.21 during the year. The average share price was EUR 6.20 and the closing price at year-end was EUR 5.69. The company has a liquidity providing agreement regarding its share with Nordea Bank Finland Plc.

At year-end, the market value of the share capital excluding the treasury shares was EUR 173.0 million. For the latest trading information, please visit: www.aspo.com.

Share ownership

Aspo's shares are included in the book-entry system maintained by Euroclear Finland Ltd.

At the end of 2014, the number of shareholders at Aspo totaled 8,150. Of these, 98.3% represented direct shareholding and 1.7% nominee registrations. A total of 0.2% of the shares was held by foreign entities.

On December 31, 2014, the ten largest shareholders owned a total of 38.88% of the company's shares and voting rights.

A list of major shareholders with monthly updates is shown on the corporate website at: www.aspo.com.

Shareholding by the Group Executive Committee and the Board of Directors

On December 31, 2014, the total number of shares owned by the members of Aspo Plc's Board of Directors with entities under their control was 4,512,853 shares, which represents 14.57% of the shares and voting rights.

On December 31, 2014, Aspo Plc's CEO and the other members of the Group Executive Committee held a total of 189,620 shares, which represents 0.6% of the shares and voting rights.

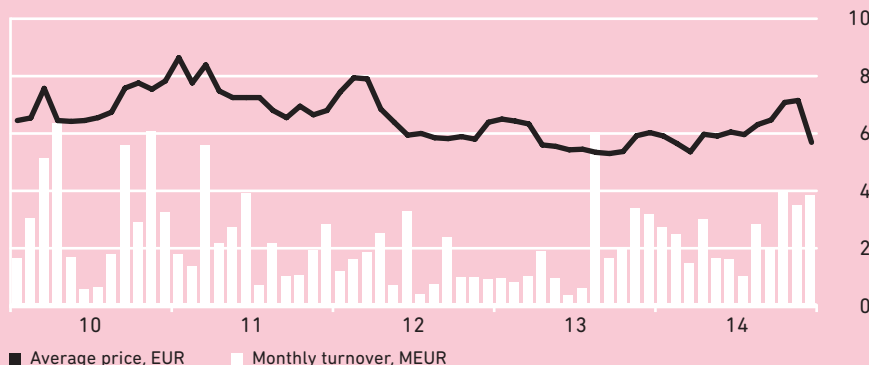
Share price performance EUR



Equity/share EUR

14	3.42
13	3.39
12	2.95
11	3.05
10	2.49

Share trading and average prices



Number of shareholders

14	8,150
13	7,389
12	6,497
11	6,183
10	5,761

Dividend Proposal of the Board

The parent company's distributable funds totaled EUR 36,690,325.55 with the profit for the financial year totaling EUR 5,334,319.94.

The company's registered number of shares on December 31, 2014 was 30,975,524, of which the company held directly or indirectly 573,385.

The Board of Directors proposes that the company's distributable funds be distributed as follows:

- A dividend of EUR 0.40 per share be paid out on 30,402,139 shares	EUR 12,160,855.60
- to be retained in shareholders' equity	EUR 24,529,469.95
	<u>EUR 36,690,325.55</u>

No dividend is paid to the treasury shares held by Aspo Plc or its subsidiaries.

No significant changes have taken place in the company's financial position since the end of the financial year. The company's liquidity is good and in the opinion of the Board of Directors the proposed dividend will not put the company's solvency at risk.

Helsinki, March 4, 2015

Gustav Nyberg

Matti Arteva

Mammu Kaario

Roberto Lencioni

Kristina Pentti-von Walzel

Risto Salo

Aki Ojanen
CEO

Auditor's Report

To the Annual General Meeting of Aspo Plc

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Aspo Plc for the financial period 1 January–31 December 2014. The financial statements comprise the consolidated statement of financial position, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as

evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the Consolidated Financial Statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the Company's Financial Statements and the Report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki, March 5, 2015

Ernst & Young Oy
Authorized Public Accountant Firm

Harri Pärssinen
Authorized Public Accountant

Information for Investors

Basic share information

- Listed on: NASDAQ OMX Helsinki Ltd
- Industry sector: Industrials
- Category: Mid Cap
- Trading code: ASU1V
- ISIN code: FI0009008072

Annual Shareholders' Meeting

The Aspo Plc Annual Shareholders' Meeting will be held at the Stock Exchange Building, Fabianinkatu 14, FI-00100 Helsinki, Finland on Thursday, April 9, 2015 at 14:00 p.m. The record date of the Annual Shareholders' Meeting is March 26, 2015.

Shareholders intending to participate in the Annual Shareholders' Meeting should register for the meeting no later than on April 2, 2015 by 16:00 p.m. Please register:

- Through Aspo's website, at www.aspo.com
- By e-mail to ilmoittautuminen@aspo.com,
- By telephone on +358 9 521 41 00,
- By fax on +358 9 521 49 99, or
- By letter to Aspo Plc, P.O. Box 70, FI-00501 Helsinki.

In connection with the registration, shareholders are requested to notify the company of any proxies authorized to exercise their voting rights. The proxies should be delivered to the company within the registration period.

Dividend payments

Aspo's dividend policy is to distribute approximately at least half of the Group's annual profit in dividends. The Board of Directors will propose at the Annual Shareholders' Meeting that a dividend of EUR 0.40 per share be paid for 2014 on shares outstanding and that no dividend be paid for treasury shares held by the company or its subsidiaries.

- Ex-dividend date April 10, 2015
- Dividend record date April 13, 2015
- Dividend payment date April 20, 2015

Financial reporting in 2015

- Financial Statements Release February 12, 2015
- Annual Report for 2014 week 14
- Interim Report January–March on May 6, 2015
- Interim Report January–June on August 13, 2015
- Interim Report January–September on October 28, 2015

Aspo's financial information is published on company's website at www.aspo.com, including annual reports, interim reports and stock exchange releases in Finnish and in English. Aspo's printed annual report will be published in Finnish and English. Reports can also be ordered by phone +358 9 521 40 50, by fax +358 9 521 49 99 or by e-mail from jamima.lofstrom@aspo.com.

Further investor information

Aspo's website at www.aspo.com offers also versatile further investor information, such as the latest share information and consensus estimates based on expectations and predictions by the analysts following Aspo.

At the web address www.aspo.com > media > news > news service it is possible to order all stock exchange releases and press releases to your e-mail.

Address changes

Material will be sent to shareholders to the address shown in the shareholder register maintained by Euroclear Finland Ltd. Shareholders are advised to notify changes of address to the bank or brokerage firm where the shareholder has a book-entry account.

Aspo Plc's investor relations

Aspo organizes frequent investor meetings with various stakeholder groups. The target is to provide for versatile information about Aspo and its operations to institutional and private investors, analysts and media representatives.

Aspo observes a three-week silent period preceding the publication of its results. During this time the company's representatives will not comment on the company's financial position.

Contact information

For any further information concerning Aspo's investor relations issues, please contact

Aki Ojanen, CEO
Tel. +358 9 521 40 10
aki.ojanen@aspo.com

Harri Seppälä, Group Treasurer
Tel. +358 9 521 40 35
harri.seppala@aspo.com

Arto Meitsalo, CFO
Tel. +358 9 521 40 20
arto.meitsalo@aspo.com



ASPO PLC

P.O. BOX 70, LINTULAHDENKUJA 10
FI-00501 HELSINKI

TEL +358 5211

FAX +358 521 4999

WWW.ASPO.COM