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ASPO GROUP'S INTERIM REPORT JANUARY 1 TO SEPTEMBER 30, 2015

Aspo: Strong profitability and cash flow
(Figures for the corresponding period in 2014 are presented in parentheses)

January–September 2015

- Aspo's comparable operating profit amounted to EUR 15.7 (17.9) million. Operating profit stood at EUR 14.4 (17.9) million, including EUR 1.3 million in impairment loss of goodwill of Kaukomarkkinat.
- Profit for the period grew and stood at EUR 16.1 (14.7) million, including the sale of ESL Shipping's shares in Alandia, of which a sales gain of EUR 4.9 million was recognized in financial items.
- Earnings per share were EUR 0.50 (0.46).
- Of Aspo's business operations, Telko was able to improve its operating profit to EUR 8.5 (7.1) million. The operating profit of ESL Shipping stood at EUR 10.2 (10.8) million. The operating profit of Leipurin was EUR 2.0 (3.9) million. The comparable operating profit of Kaukomarkkinat was EUR -0.5 (0.3) million.
- Operational cash flow amounted to EUR 10.7 (6.2) million.

July–September 2015

- Aspo's operating profit stood at EUR 7.3 (7.8) million.
- Profit for the quarter decreased to EUR 5.8 (6.8) million.
- Earnings per share were EUR 0.18 (0.22).
- The operating profit of ESL Shipping was EUR 4.4 (4.8) million. The operating profit of Telko amounted to EUR 3.2 (2.1) million. The operating profit of Leipurin was EUR 0.8 (1.7) million and of Kaukomarkkinat EUR 0.1 (0.5) million.
- The relative profitability of Telko and Leipurin in Russia, Ukraine and other CIS countries improved, accounting for approximately 7% of net sales.
- Operational cash flow amounted to EUR 14.8 (8.5) million.

General outlook for 2015

The markets will continue to be uncertain. Industrial production is not expected to increase in the main market areas of Aspo's business operations during the rest of the year. The prices of Aspo's key raw materials and international dry bulk cargo rates are expected to remain at a low level. In Russia, the national economy and industrial production are expected to remain at the same level or continue their decline. The purchasing power of consumers has decreased during 2015 as a result of the fall in the value of the Russian ruble, as well as the high inflation rate.

Guidance for 2015

The guidance will remain unchanged. Aspo's profit will increase compared to 2014 or remain at the same level.

KEY FIGURES

	7-9/ 2015	7-9/ 2014	Change %	**1-9/ 2015**	1-9/ 2014	Change %	1-12/ 2014
Net sales, MEUR	**111.5**	129.6	-14.0	**323.7**	360.3	-10.2	482.9
Operating profit, MEUR *)	**7.3**	7.8	-6.4	**14.4**	17.9	-19.6	23.4
Operating profit, %	**6.5**	6.0		**4.4**	5.0		4.8
Profit before taxes, MEUR **)	**6.3**	7.4	-14.9	**17.4**	15.0	16.0	19.0
Profit for the period, MEUR **)	**5.8**	6.8	-14.7	**16.1**	14.7	9.5	18.4
Earnings per share, EUR	**0.18**	0.22	-18.2	**0.50**	0.46	8.7	0.57
Operational cash flow, MEUR	**14.8**	8.5	74.1	**10.7**	6.2	72.6	22.0
Equity per share, EUR				**3.34**	3.47	-3.7	3.42
Return on equity (ROE), %				**20.8**	18.8		17.8
Equity ratio, %				**33.5**	33.2		35.2
Gearing, %				**104.5**	110.5		101.0
ESL Shipping, operating profit, MEUR	**4.4**	4.8	-8.3	**10.2**	10.8	-5.6	16.0
Leipurin, operating profit, MEUR	**0.8**	1.7	-52.9	**2.0**	3.9	-48.7	4.4
Telko, operating profit, MEUR	**3.2**	2.1	52.4	**8.5**	7.1	19.7	9.9
Kaukomarkkinat, operating profit, MEUR *)	**0.1**	0.5	-80.0	**-1.8**	0.3	-700.0	0.1

*) The cumulative operating profit in 2015 includes a MEUR 1.3 impairment loss of goodwill.
**) The cumulative profit in 2015 includes a MEUR 1.3 impairment loss of goodwill and a MEUR 4.9 sales gain.

AKI OJANEN, CEO OF ASPO GROUP:

“Our operating profit of EUR 7.3 million over the third quarter is a good result compared with 2012 (EUR 2.9 million) and 2013 (EUR 4.6 million). However, our operating profit fell behind our record-high quarterly result of EUR 7.8 million reached during the third quarter of 2014. Our operational cash flow was at an excellent level in the third quarter, being EUR 14.8 million.

ESL Shipping, our shipping company, produced a good result. The poor economic situation, the global crash in raw material prices and low prices of energy have had a dramatic impact on the general operating environment of dry bulk cargo carriers. However, the shipping company was able to maintain its operating profit at the comparative period's good level thanks to agreements on the operation of large Supramax vessels in the Arctic and active loading and unloading operations in the Baltic Sea. ESL Shipping's operating profit rate was 22%.

Of our businesses focused on Russia, Telko succeeded better than Leipurin and was, yet again, able to improve its operating profit. Telko has done an excellent job in developing new market areas and, in particular, low-cycle plastic and lubricant operations. The relative profitability of the Russian market area for Aspo's businesses improved from the comparative period.

We are not satisfied with the result produced by Leipurin, even though profitability in bakery raw materials in Russia remained at the level of approximately 10% from net sales. The profitability of bakery machinery remained poor. Our objective is to perform more profitable business operations in all economic cycles. Leipurin will specify its strategy during the rest of the year.

Kaukomarkkinat is preparing to significantly redefine its operational policy and its business idea. More information will be given later in 2015.

Aspo will organize a Capital Markets Day on November 26, 2015.”

ASPO GROUP

NET SALES

Net sales by segment

	7-9/2015	7-9/2014	Change	**1-9/2015**	1-9/2014	Change	1-12/2014
	MEUR	MEUR	%	**MEUR**	MEUR	%	MEUR
ESL Shipping	**19.9**	21.6	-7.9	**56.3**	62.0	-9.2	85.2
Leipurin	**28.3**	34.1	-17.0	**86.3**	98.7	-12.6	134.9
Telko	**56.5**	61.1	-7.5	**161.7**	171.1	-5.5	226.8
Kaukomarkkinat	**6.8**	12.8	-46.9	**19.4**	28.5	-31.9	36.0
Other operations	**0.0**	0.0	0.0	**0.0**	0.0	0.0	0.0
Total	**111.5**	129.6	-14.0	**323.7**	360.3	-10.2	482.9

There is no considerable inter-segment net sales.

Net sales by market area

	7-9/2015	7-9/2014	Change	1-9/2015	1-9/2014	Change	1-12/2014
	MEUR	MEUR	%	**MEUR**	MEUR	%	MEUR
Finland	**35.0**	44.3	-21.0	**108.9**	121.5	-10.4	162.0
Scandinavia	**15.6**	12.1	28.9	**40.2**	35.2	14.2	47.9
Baltic countries	**12.8**	13.3	-3.8	**37.8**	40.0	-5.5	55.7
Russia, Ukraine + other CIS countries	**35.0**	41.2	-15.0	**93.6**	114.0	-17.9	153.0
Other countries	**13.1**	18.7	-29.9	**43.2**	49.6	-12.9	64.3
Total	**111.5**	129.6	-14.0	**323.7**	360.3	-10.2	482.9

The decrease in net sales in Finland was affected by the sale of Industrial business, as well as major deliveries of rugged computers and bakery machines which both took place in the comparative period. Net sales in Scandinavia increased as a result of the transfer of invoicing processes concerning a significant customer of ESL Shipping from Finland to Sweden. The main reasons behind the decrease in net sales in Russia, Ukraine and other CIS countries during the third quarter are the strong decline in the values of the local currencies from the comparative period and the decrease in industrial output in the market area. The decrease in net sales in other countries was mainly caused by the sale of Industrial business of Kaukomarkkinat.

EARNINGS

Operating profit by segment

	7-9/2015 MEUR	7-9/2014 MEUR	Change %	**1-9/2015 MEUR**	1-9/2014 MEUR	Change %	1-12/2014 MEUR
ESL Shipping	**4.4**	4.8	-8.3	**10.2**	10.8	-5.6	16.0
Leipurin	**0.8**	1.7	-52.9	**2.0**	3.9	-48.7	4.4
Telko	**3.2**	2.1	52.4	**8.5**	7.1	19.7	9.9
Kaukomarkkinat *)	**0.1**	0.5	-80.0	**-1.8**	0.3	-700.0	0.1
Other operations	**-1.2**	-1.3	7.7	**-4.5**	-4.2	-7.1	-7.0
Total	**7.3**	7.8	-6.4	**14.4**	17.9	-19.6	23.4

*) The cumulative operating profit in 2015 includes a MEUR 1.3 impairment loss of goodwill.

Earnings per share

Earnings per share were EUR 0.50 (0.46) for the review period. Equity per share was EUR 3.34 (3.47).

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%.

The cumulative comparable operating profit rate for the review period was 4.9% (5.0) and the operating profit rate was 4.4% (5.0). Return on equity was 20.8% (18.8) and gearing was 104.5% (110.5).

OUTLOOK FOR 2015

The period of low growth in the international economy and in industry in the EU will continue. Uncertainty will continue in eastern growth markets, which are important areas for Aspo. The future development of growth markets and the financial impact of general uncertainty are particularly difficult to evaluate. Currencies are expected to remain volatile, inflation is estimated to remain high in Russia, and GDP is expected to decrease significantly. The price of oil is likely to remain at a low level. In general, the prices of industrial raw materials are expected to remain at a low level. The Group will continue to increase its market shares in the strategically important eastern growth markets following the withdrawal of some of its competitors from the markets. International dry bulk cargo rates are expected to remain low, but the shipping company has ensured sufficient capacity utilization, mainly through long-term agreements.

The guidance remains unchanged. Aspo’s profit will increase compared to 2014 or remain at the same level.

ASPO’S BUSINESS OPERATIONS

ESL SHIPPING

ESL Shipping is the leading dry bulk cargo company in the Baltic Sea region. At the end of the period, the company's fleet consisted of 14 vessels, of which the company owned 13 in full and one was leased.

	7-9/2015	7-9/2014	Change %	**1-9/2015**	1-9/2014	Change %	1-12/2014
Net sales, MEUR	**19.9**	21.6	-7.9	**56.3**	62.0	-9.2	85.2
Operating profit, MEUR	**4.4**	4.8	-8.3	**10.2**	10.8	-5.6	16.0
Operating profit, %	**22.1**	22.2		**18.1**	17.4		18.8

International dry bulk cargo rates continue to be low. ESL Shipping's vessels mainly operated in the Baltic Sea and the North Sea, and in international traffic in the Russian Arctic. Transportation operations are mainly based on long-term contracts and established customer relationships.

ESL Shipping’s net sales in July–September stood at EUR 19.9 (21.6) million. The decrease in net sales was affected by the fuel price which was significantly lower than previous year and resulting in lower bunker surcharges, as well as coal transportation volumes that were lower than in the comparative period. Two vessel units were docked during the third quarter. ESL Shipping transported 3.0 (3.1) million tons of cargo in July–September. The shipping company has been able to improve its operational efficiency and the fuel economy of its vessels. The shipping company's relative profitability was good and its operating profit stood at EUR 4.4 (4.8) million.

The actual freight rate level for Supramax vessels was higher than in the comparative period, and good, considering the market situation. Transportation in the Russian Arctic succeeded very well in terms of operations thanks to the special expertise of the personnel, previous experience and vessels that are more effective than those of competitors. However, new Russian import license regulations on Norwegian crushed stone transported by the shipping company that entered into force during the contract period have interrupted operations in the Russian Arctic for the time being.

Loading and unloading operations at sea have continued actively in all customer segments. ESL Shipping's vessels enable operations at shallow ports, economies of scale offered by large vessels in distant imports and low total transportation costs.

Transportation volumes in the steel industry increased substantially from the comparative period, while the north-south freight balance in the Baltic Sea became unfavorable for the shipping company. The transportation volume in the energy industry was unusually low due to inventories resulting from the mild winter and the low wholesale price of electricity.

ESL Shipping's net sales over the first three quarters stood at EUR 56.3 (62.0) million and its operating profit was EUR 10.2 (10.8) million.

Outlook for ESL Shipping in 2015

International dry bulk cargo rates are expected to remain low in late 2015. International market freights for large standard vessels remain at a low level and the underlying imbalance between supply and demand is expected to continue. In line with its strategy, ESL Shipping is focusing on bulk cargo transportation that requires special expertise and equipment, which allows for cargo rates higher than the market level. A significant part of ESL Shipping’s transportation capacity utilization has been secured through long-term contracts in the Baltic Sea and the North Sea. Supramax vessels have stopped operating in the Russian Arctic for the remainder of this fall, which reduces profitability.

Transportation volumes in the steel industry are estimated to be at a satisfactory level in late 2015. The demand for loading and unloading large vessels at sea will remain high. The transportation of energy coal used by the energy industry in combined power and heat plants will remain close to the previous year's level. Inventories in the production of condensing power and the market price of electricity do not enable additional transportation, and the total transportation volume of coal will decrease significantly.

The objective of ESL Shipping is to expand further into areas where it can make use of the independent load handling capacity and ice-strengthening of its vessels, and reduce the impact of seasonal and industrial cycles on its operations.

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.

	7-9/2015	7-9/2014	Change %	**1-9/2015**	1-9/2014	Change %	1-12/2014
Net sales, MEUR	**28.3**	34.1	-17.0	**86.3**	98.7	-12.6	134.9
Operating profit, MEUR	**0.8**	1.7	-52.9	**2.0**	3.9	-48.7	4.4
Operating profit, %	**2.8**	5.0		**2.3**	4.0		3.3

Continued for the third year in succession, the decrease in prices of cereal-based and other key raw materials is evening out through the new harvest season. However, the decrease in prices reduced net sales over the third quarter. Overall demand for bakery products has decreased in Finland and been partly replaced by foreign products. The Russian economic crisis has reduced the purchasing power of consumers in Russia and strongly increased the rate of inflation which is more than 20% in food products. In Russia, demand for bakery products focuses on low-priced products, and the aim has been to replace raw materials by less expensive locally produced raw materials.

Net sales of Leipurin fell during the third quarter and stood at EUR 28.3 (34.1) million. Operating profit decreased to EUR 0.8 (1.7) million. As a consequence of the poor results produced during the quarter, the operating profit rate fell to 2.8%. The decrease in the value of the Russian ruble from the comparative period and the lack of new investments had a significant impact on the delivery volume of machines supplied by Leipurin. In the challenging market situation, the sale of bakery raw materials has decreased in Russia, while operating profit has remained at a good level. Ukraine and other CIS countries have developed well. In Finland, net sales have fallen due to a decrease in Finnish industrial baking and, as a result, profitability has gone down from the comparative period.

During the third quarter, the level of machinery and equipment investments was fairly low in all operating countries of Leipurin. Demand was the highest in countries outside the home market area of Leipurin where the company has invested in the development of sales during 2015. As a result of the unfavorable development in Russia, machinery operations showed a loss in January–September.

Euro-denominated net sales from operations in Russia, Ukraine and other CIS countries decreased in the third quarter compared with the comparative period and stood at EUR 7.1 (9.9) million. In Russia, Leipurin has replaced imported raw materials by locally produced raw materials, which has also decreased net sales. However, relative profitability remained unchanged at approximately 7% in eastern markets. In Estonian, Latvian and Lithuanian markets, raw material sales proceeded favorably partly because of an increase in product sales towards Finland.

Net sales of Leipurin over the first three quarters stood at EUR 86.3 (98.7) million and its operating profit was EUR 2.0 (3.9) million. Net sales in Russia, Ukraine and other CIS countries fell by 30% to EUR 21.4 (30.6) million. Operating profit decreased in the market area, while profitability was approximately 7%.

Outlook for Leipurin in 2015

Prices of raw materials sold by Leipurin are expected to rise from their low level through the new harvest season. The economic situation in Russia is expected to weaken and the rate of inflation is estimated to remain high, due to which there will be fewer investments made in the market area. Leipurin will continue to operate in line with its strategy in Russia by expanding into new customer segments. The objective is to open a new test bakery in St. Petersburg this year. Machine sales and deliveries are expected to be lower than in the comparative period, even though the situation is returning to normal after this spring's production stoppages. The situation of the Finnish bakery industry is expected to remain a challenging one, but Leipurin expects that it will maintain its market position in the sector of industrial baking.

Leipurin will specify its strategy during the rest of the year.

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, Azerbaijan, Georgia and China. Procurement operations are international. Business is based on the representation of the best international principals and on the expertise of the personnel. Telko cooperates with its regional customers to develop their production and competitiveness.

	7-9/2015	7-9/2014	Change %	**1-9/2015**	1-9/2014	Change %	1-12/2014
Net sales, MEUR	**56.5**	61.1	-7.5	**161.7**	171.1	-5.5	226.8
Operating profit, MEUR	**3.2**	2.1	52.4	**8.5**	7.1	19.7	9.9
Operating profit, %	**5.7**	3.4		**5.3**	4.1		4.4

During the review period, the price of oil continued its decline, which reduced the price levels of petrochemical products. The prices of plastic raw materials sold by Telko continued to fall during the third quarter, which reduced net sales. The overall demand for industrial raw materials continued to be low in Telko’s geographical area of operation. The volume of raw materials supplied remained at the level of the previous quarter, but decreased year-on-year.

Telko's net sales during the third quarter stood at EUR 56.5 (61.1) million and its operating profit increased and was EUR 3.2 (2.1) million. The operating profit rate increased to 5.7% (3.4).

Of the company's market areas, the relative share of emerging markets from Telko's net sales over the third quarter remained at the previous year's level. Net sales in Russia, Ukraine and other CIS countries totaled EUR 27.0 (29.9) million, representing a decrease of 10%. Operating profit in the market area improved and exceeded Telko's average operating profit level, being approximately 7%. The share of plastic raw materials from net sales increased to 65%, and profitability improved from the comparative period. Industrial chemicals are more sensitive to changes in oil prices and economic cycles. The profitability of industrial chemicals improved from the comparative period but remained lower than that of plastics.

Telko's net sales increased in Scandinavia, remained unchanged in the Baltic region and Poland, but fell in the markets of Russia, Ukraine and other CIS countries due to a decrease in general industrial demand and the decline in the values of local currencies from the comparative period. The decline in industrial production and the economy in Russia and Ukraine has reduced the demand for Telko’s products in the market area. In Ukraine, net sales remained close to the previous year's level, whereas profitability improved.

Preparations for the investment in a new logistics center in the St. Petersburg region is proceeding, and Telko's preliminary contract on a land plot transaction in the Gorelovo business park is expected to be completed with YIT later this year. The investment supports Telko’s strategy in Russia and strengthens the company’s future position in the Russian market. For a long-term operator, it is cost efficient in the current situation to invest according to the company's needs and strategy. The terminal is expected to be fully operational in 2017.

Telko's net sales over the first three quarters stood at EUR 161.7 (171.1) million and its comparable operating profit was EUR 8.5 (7.1) million. Net sales in Russia, Ukraine and other CIS countries fell by 11% to EUR 70.6 (79.1) million, while operating profit in the market area increased to more than 7%. Telko's net sales in western markets fell to EUR 87.2 (88.7) million.

Outlook for Telko in 2015

Prices of raw materials sold by Telko are estimated to reach the bottom during the fourth quarter. Russian industrial production is expected to continue to decline. This is also supported by the most recent growth estimates on GDP. Telko will continue to operate in line with its strategy in Russia by expanding into new metropolises. The objective is to open a new sales office in Novosibirsk this year. The future development of Ukraine is difficult to evaluate, even if the situation there has stabilized.

KAUKOMARKKINAT

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

	7-9/2015	7-9/2014	Change %	**1-9/2015**	1-9/2014	Change %	1-12/2014
Net sales, MEUR	**6.8**	12.8	-46.9	**19.4**	28.5	-31.9	36.0
Operating profit, MEUR	**0.1**	0.5	-80.0	**-1.8**	0.3	-700.0	0.1
Operating profit, %	**1.5**	3.9		**-9.3**	1.1		0.3

*)The operating profit for 1–9/2015 includes a EUR 1.3 million impairment loss of goodwill.

Net sales of Kaukomarkkinat during the third quarter stood at EUR 6.8 (12.8) million. Its operating profit was EUR 0.1 (0.5) million. Industrial business was sold during the first quarter.

In Finland, demand for energy efficiency products remained at a satisfactory level. Deliveries of solar power systems continued to increase. New special IT equipment was delivered to the healthcare sector. As a result of this, sales continued to grow at a good pace. In Finland, the market for desktop and laptop computers decreased strongly. The sale of IT for demanding work environments, as well as special computers and tablets, was at a good level.

Net sales of Kaukomarkkinat during the first three quarters was EUR 19.4 (28.5) million. Its comparable operating profit was EUR -0.5 (0.3) million. Impairment loss of goodwill of EUR 1.3 million on the sold loss-producing Industrial business was recognized as a non-recurring item in the first quarter.

Outlook for Kaukomarkkinat in 2015

The sales of IT solutions based on special expertise in demanding work environments, combined with wireless communications, will continue to be at a good level. Kaukomarkkinat is seeking profitable growth in rugged computers and tablets, special IT equipment and services for the healthcare sector, as well as AV solutions for demanding environments.

Despite the challenges in the construction industry, Kaukomarkkinat believes that the sales of energy efficiency equipment will remain at their present level.

The divestment of the Industrial business, which specialized in industrial machinery and equipment, will improve the profitability of Kaukomarkkinat and increase its opportunities to focus on the further development of its profitable operations in Finland.

Kaukomarkkinat is preparing to significantly redefine its operational policy and its business idea. More information will be given later in 2015.

OTHER OPERATIONS

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

	7-9/2015	7-9/2014	Change %	**1-9/2015**	1-9/2014	Change %	1-12/2014
Net sales, MEUR	**0.0**	0.0	0.0	**0.0**	0.0	0.0	0.0
Operating profit, MEUR	**-1.2**	-1.3	7.7	**-4.5**	-4.2	-7.1	-7.0

The operating profit from other operations was EUR -1.2 (-1.3) million for the third quarter and EUR -4.5 (-4.2) million for the review period.

FINANCING

The Group's financing position remained unchanged. The Group’s cash and cash equivalents amounted to EUR 32.5 (22.4) million. The consolidated balance sheet included a total of EUR 138.9 (139.3) million in interest-bearing liabilities. The average rate of interest-bearing liabilities was 1.7% at the end of the review period. Non-interest-bearing liabilities totaled EUR 69.2 (77.5) million.

Aspo Group's gearing was 104.5% (110.5) and equity ratio 33.5% (33.2).

The Group's operational cash flow was positive in January–September, totaling EUR 10.7 (6.2) million. Change in working capital from the beginning of the year was EUR -10.3 (-16.8) million. During the third quarter, the Group’s operational cash flow was EUR 14.8 (8.5) million.

Cash flow from investments during the review period was EUR 0.3 million (-13.3), i.e., the Group's free cash flow amounted to EUR 11.0 million (-7.1). In addition to the low investment level, cash flow from investments was affected by proceeds from the sale of shares in Alandia.

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 review period. At the end of the review period, no revolving credit facilities were in use. Of the commercial paper program of EUR 80 million, EUR 22 million were in use at the end of the review period.

During the period, a TyEL employee pension loan of EUR 10 million with a maturity of seven years was withdrawn. The loan will be repaid in equal semi-annual installments. In addition, Aspo issued a bond of EUR 11 million with a maturity of seven years. The bond will be repaid as a lump-sum payment at the end of the loan period. The loans have fixed interest rates and lengthen the average maturity of Aspo Group's loan portfolio. The loans withdrawn will be used to repay short-term loans.

A term loan of EUR 15 million matured during the second quarter. Aspo signed a loan agreement for an equal amount, with a maturity period of four years. No other significant loan agreements will mature in 2015.

On November 18, 2013, Aspo issued a hybrid bond of EUR 20 million. The coupon rate of the bond is 7% per annum. The bond has no maturity, but the company may exercise an early redemption option in 2016 – that is, three years after the date on which the bond was issued.

Aspo has hedged its interest rate risk by means of an interest rate swap subject to hedge accounting. Its fair value on September 30, 2015, was EUR -0.7 million. Previously, changes in its fair value were recognized in other comprehensive income. After the loan restructuring, changes in the fair value of the interest rate swap are recognized through profit or loss. The loss of EUR 0.6 million accumulated in the equity reserve is recognized in profit or loss in accordance with the original expected transaction by 2019. The financial instrument is at level 2 of the fair value hierarchy.

INVESTMENTS

The Group's investments over the third quarter totaled EUR 2.4 (1.7) million, consisting of maintenance investments and the planned earlier scheduled periodical dockings of ESL Shipping's vessels.

Investments by segment, acquisitions excluded

	7-9/2015 MEUR	7-9/2014 MEUR	Change %	**1-9/2015 MEUR**	1-9/2014 MEUR	Change %	1-12/2014 MEUR
ESL Shipping	**2.1**	1.0	110.0	**3.5**	15.4	-77.3	16.0
Leipurin	**0.1**	0.1	0.0	**0.4**	0.4	0.0	0.7
Telko	**0.1**	0.5	-80.0	**0.6**	1.2	-50.0	1.8
Kaukomarkkinat	**0.1**	0.1	0.0	**0.1**	0.2	-50.0	0.2
Other operations	**0.0**	0.0	-	**0.1**	0.0	-	0.0
Total	**2.4**	1.7	41.2	**4.7**	17.2	-72.7	18.7

PERSONNEL

Personnel by segment, period-end

	9/2015	9/2014	Change %	12/2014
ESL Shipping	**222**	223	-0,4	226
Leipurin	**286**	292	-2,1	297
Telko	**258**	254	1,6	258
Kaukomarkkinat	**44**	77	-42,9	69
Other operations	**24**	30	-20,0	29
Total	**834**	876	-4,8	879

At the end of the period, Aspo Group had 834 employees (876). The number of personnel has decreased mainly as a result of the divestment of the Industrial business of Kaukomarkkinat. The number of personnel in other operations decreased as a result of the outsourcing for ledger operations made in 2014.

Rewarding

In 2012, Aspo’s Board of Directors decided on a share-based incentive plan for about 30 persons. The plan included three earnings periods, the calendar years 2012, 2013 and 2014. The reward was based on Aspo Group’s earnings per share (EPS) indicator for each earnings period of the plan. No reward was paid for the 2012 earnings period. Aspo has transferred 19,492 treasury shares to employees included in the share-based incentive plan for the 2013 earnings period and 94,786 shares for the 2014 earnings period.

In February 2015, the Board of Directors of Aspo Plc approved a new share-based incentive plan for about 30 persons. The plan includes three earnings periods, the calendar years 2015, 2016 and 2017. The 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 reward from the earnings period 2015 will be based on the Group's Earnings per share (EPS). The potential reward from the earnings period 2015 will be paid partly in the company's shares and partly in cash in 2016.

RISKS AND RISK MANAGEMENT

Economic uncertainty has for long increased risks associated with all of Aspo's businesses, and Aspo's operating environment in its main market areas is more challenging than in years. The Finnish economy has not recovered along with the rest of Europe, and industrial production and investments have not moved forward. Production in Russia has decreased and, even though the inflation rate has evened out, it still remains very high. The poor economic situation in Ukraine continues. The economic situation is more stable in the Baltic region, Scandinavia and Aspo's other operating countries, apart from other CIS countries.

Strategic risks

Aspo's eastern strategy has been tested as the Russian economy has deteriorated and western countries have imposed sanctions. As the value of eastern currencies is declining, for example, as a result of falling oil prices, inflation has reduced purchasing power and Russia, in particular, has sought less expensive local raw materials and products even at the expense of quality.

Russia has centralized its economic resources into three segments, agriculture, weapon industry and energy, as a result of which it is difficult for other segments to obtain funding and growth expectations have been postponed. The Russian economy depends on oil and, even though the USD-denominated price of oil has decreased, production costs in Russia are based on the ruble and therefore, oil production remains to be profitable. Correspondingly, expenses arising from Aspo's operations are ruble-denominated, and any decrease in exchange rates will reduce net sales and expenses at the same time.

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 deteriorating situation in Ukraine by reducing its regional inventories and shortening turnover times of trade receivables. Amounts in foreign currencies have been exchanged into euros, and any changes in exchange rates have rapidly been transferred to prices in Ukraine and Russia.

If the current situation in Russia extends or even escalates, structural changes within Aspo's strategy may become more difficult as investors and industrial operators avoid the political and operational environment in Russia.

Coal transportation volumes originating from Russia and unloading services for large vessels at sea may decrease as a result of financial sanctions or other obstacles caused by the current situation in Russia. In Finland, the social objective of reducing the consumption of coal in energy production has increased in significance, which may reduce the need to transport coal. Correspondingly, the transportation of energy products used to replace coal, such as bioenergy, may increase. The low levels of international freight indices and the increases in international vessels in some size categories have increased uncertainty over the profitability of shipping companies.

In addition to the international political atmosphere, strategic risks result from the outlook for industrial customers, as well as production solutions and consolidation. The current decisions on energy production structures affected by the environmental policy and other political choices may cause changes in industry and energy production that may decrease the use of fossil fuels and increase the use of 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 can also be seen as increasing opportunities. Despite changes in the freight rates of global maritime transport, competition for cargo may become more intense, even in the Baltic Sea area.

Strategic risks are affected by changes in cargo prices, investment trends, and changes in trading 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. Actions taken by the authorities, tighter interpretations and poor predictability cause uncertainty, which is reflected in the lack of companies’ willingness to invest, also in Finland, and in the increased willingness to seek other operating environments.

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. These include risks related to supply chains and people, for example. 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 ineffective authorities. Similar risks are also encountered in western markets, where changes in the operating methods and established practices of the authorities may cause financial risks for Aspo's administration and all of its business areas.

Economic growth and any deceleration or decrease in production, and centralization in only a few production plants may have an impact on general demand for raw materials. Currently, the political instability in Ukraine is disturbing commercial activities. If the situation continues, the growth of Aspo's business operations 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 expected future growth opportunities presented by emerging markets may increase interest among competitors in starting or expanding business operations in these areas. The challenging emerging markets and the escalated situation in Ukraine have also caused competitors to withdraw from the area, which has created new potential for Aspo's business operations, increased their market share and even improved profitability in some areas.

Hedging against exchange rate changes in emerging markets is not possible or reasonable in all situations, and on a continuous basis. Changes in exchange rates may also reduce profitability and equity on the balance sheet as a result of translation differences. As changes in credit loss risks are diversified across businesses and customers, Aspo's businesses have not been subjected to any significant credit losses. However, the limits of credit insurers have become even tighter and, in general, credit loss risks have increased and been realized to some extent.

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.

Internal control and risk management

One of the responsibilities of Aspo's Audit Committee is to monitor the efficiency of the Group's internal control, 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 control principles approved by the Board of Directors, risk management is part of Aspo's internal control, 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 management of operations. Risk management is coordinated by Aspo's CFO, who reports to the Group CEO. Aspo Group's financing and financing risk management are centralized in the parent company in accordance with the financing policy approved by the Board of Directors.

A more detailed account of the risk management policy and the most significant risks has been published in the 2014 Annual Report and on the company's website. Financing risks are described in more detail in notes to the financial statements.

SHARE CAPITAL AND SHARES

Aspo Plc's share capital on September 30, 2015 was EUR 17,691,729.57 and the total number of shares was 30,975,524 of which the company held 478,599 shares; that is, 1.5% of the share capital. Aspo Management Oy, has on September 30, 2015 merged into Aspo Plc. Due to the merger 477,612 Aspo shares owned by Aspo Management Oy have transferred to direct ownership of Aspo Plc. Aspo Plc has one share series. Each share entitles the shareholder to one vote at the shareholders' meeting. Aspo's share is quoted on NASDAQ OMX Helsinki Oy's Mid Cap segment under industrial products and services.

During January-September 2015, a total of 4,293,198 Aspo Plc shares with a market value of EUR 31.1 million were traded on Nasdaq Helsinki, in other words, 13.9% of the stock changed hands. During the review period, the stock reached a high of EUR 8.16 and a low of EUR 5.92. The average price was EUR 7.24 and the closing price at period-end was EUR 6.46. At the end of the period, the market value excluding treasury shares was EUR 197.0 million.

The number of Aspo Plc shareholders was 8,897 at period-end. A total of 785,137 shares, or 2.5% of the share capital, were nominee registered or held by non-domestic shareholders.

DECISIONS AT THE SHAREHOLDERS' MEETING

Dividend

The Annual Shareholders' Meeting of Aspo Plc held on April 9, 2015 decided, according to the Board of Directors' proposal, to pay a dividend of EUR 0.40 per share. The payment date was April 20, 2015.

Board authorizations

Authorization of the Board of Directors to decide on the acquisition of the company's own shares

The Annual Shareholders' Meeting on April 9, 2015, authorized the Board of Directors to decide on the acquisition of no more than 500,000 of the company's own shares using the unrestricted shareholders' equity of the company. The authorization will remain in force until the Annual Shareholders' Meeting in 2016.

Authorization of the Board of Directors to decide on a share issue of the company's own shares

The Annual Shareholders' Meeting authorized the Board of Directors to decide on a share issue, through one or several installments, to be executed by conveying the company's own shares. An aggregate maximum amount of 900,000 shares may be conveyed based on the authorization. The authorization will remain in force until September 30, 2018.

Authorization of the Board of Directors to decide on a rights issue

Furthermore, the Annual Shareholders' Meeting authorized the Board of Directors to decide on a rights issue for consideration. 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 will remain in force until September 30, 2018.

The Board has not used its authorizations.

LEGAL PROCEEDINGS

On February 27, 2015, the Helsinki District Court announced its judgement in the case between ESL Shipping and the Finnish State regarding fairway dues levied during the years 2001-2004. 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 State has appealed against the judgement. If the district court judgement becomes final, it will affect Aspo Group's result positively with an amount corresponding to these items.

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 currently legal proceedings underway against ABG Shipyard.

Helsinki October 28, 2015

ASPO Plc

Board of Directors

ASPO GROUP CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	7-9/2015 MEUR	%	7-9/2014 MEUR	%
Net sales	111.5	100.0	129.6	100.0
Other operating income	0.1	0.1	0.4	0.3
Materials and services	-78.9	-70.8	-94.6	-73.0
Employee benefit expenses	-9.5	-8.5	-10.2	-7.9
Depreciation, amortization and impairment	-2.9	-2.6	-2.8	-2.2
Other operating expenses	-13.0	-11.7	-14.6	-11.3
Operating profit	7.3	6.5	7.8	6.0
Financial income and expenses	-1.0	-0.9	-0.4	-0.3
Profit before taxes	6.3	5.7	7.4	5.7
Income taxes	-0.5	-0.4	-0.6	-0.5
Profit for the period	5.8	5.2	6.8	5.2
Other comprehensive income				
Items that may be reclassified to profit or loss in subsequent periods:				
Translation differences	-3.5		-1.3	
Cash flow hedges	0.0		0.0	
Available-for-sale financial assets	0.0			
Reclassification	0.0			
Income tax on other comprehensive income	0.0		0.0	
Other comprehensive income for the period, net of taxes	-3.5		-1.3	
Total comprehensive income	2.3		5.5	
Profit attributable to shareholders	5.8		6.8	
Non-controlling interest	0.0		0.0	
Total comprehensive income attributable to shareholders	2.3		5.5	
Non-controling interest	0.0		0.0	
Earnings per share, EUR	0.18		0.22	
EPS adjusted for dilution, EUR	0.18		0.22	

	1-9/2015 MEUR	%	1-9/2014 MEUR	%	1-12/2014 MEUR	%
Net sales	323.7	100.0	360.3	100.0	482.9	100.0
Other operating income	1.0	0.3	0.6	0.2	0.8	0.2
Materials and services	-229.5	-70.9	-259.5	-72.0	-345.3	-71.5
Employee benefit expenses	-30.6	-9.5	-32.2	-8.9	-43.5	-9.0
Depreciation, amortization and impairment	-9.6	-3.0	-8.4	-2.3	-11.2	-2.3
Other operating expenses	-40.6	-12.5	-42.9	-11.9	-60.3	-12.5
Operating profit	14.4	4.4	17.9	5.0	23.4	4.8
Financial income and expenses	3.0	0.9	-2.9	-0.8	-4.4	-0.9
Profit before taxes	17.4	5.4	15.0	4.2	19.0	3.9
Income taxes	-1.3	-0.4	-0.3	-0.1	-0.6	-0.1
Profit for the period	16.1	5.0	14.7	4.1	18.4	3.8
Other comprehensive income Items that may be reclassified to profit or loss in subsequent periods:						
Translation differences	-3.0		-5.4		-12.7	
Cash flow hedges	0.1		-0.1		0.0	
Available-for-sale financial assets	1.8				3.1	
Reclassification	-4.9					
Income tax on other comprehensive income	0.6		0.0		-0.6	
Other comprehensive income for the period, net of taxes	-5.4		-5.5		-10.2	
Total comprehensive income	10.7		9.2		8.2	
Profit attributable to shareholders	16.1		14.7		18.4	
Non-controlling interest	0.0		0.0		0.0	
Total comprehensive income						
Attributable to shareholders	10.7		9.2		8.2	
Non-controlling interest	0.0		0.0		0.0	
Earnings per share, EUR	0.50		0.46		0.57	
EPS adjusted for dilution, EUR	0.50		0.46		0.57	

ASPO GROUP BALANCE SHEET

	9/2015 MEUR	9/2014 MEUR	Change %	12/2014 MEUR
Assets				
Intangible assets	11.3	12.4	-8.9	12.3
Goodwill	42.7	44.4	-3.8	44.4
Tangible assets	108.7	112.6	-3.5	111.4
Available-for-sale assets	0.2	0.2	0.0	3.2
Long-term receivables	3.7	4.2	-11.9	4.0
Total non-current assets	166.6	173.8	-4.1	175.3
Inventories	52.8	52.6	0.4	47.3
Sales and other receivables	58.0	73.7	-21.3	56.4
Cash and cash equivalents	32.5	22.4	45.1	19.3
Total current assets	143.3	148.7	-3.6	123.0
Total assets	309.9	322.5	-3.9	298.3
Shareholders’ equity and liabilities				
Share capital	17.7	17.7	0.0	17.7
Other shareholders’ equity	84.1	87.3	-3.7	86.4
Shareholders’ equity attributable to equity holders of the parent	101.8	105.0	-3.0	104.1
Non-controlling interest	0.0	0.7	-100.0	0.0
Non-current liabilities	98.2	87.2	12.6	83.3
Current liabilities	109.9	129.6	-15.2	110.9
Total shareholders’ equity and liabilities	309.9	322.5	-3.9	298.3

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

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

MEUR	A	B	C	D	E	F	G	H	I	J
Balance at Dec. 31, 2014	17.7	4.3	1.9	32.0	-3.4	-16.0	67.6	104.1	0.0	104.1
Comprehensive income:										
Profit for the period							16.1	16.1		
Translation differences						-3.0		-3.0		
Cash flow hedges*			0.1					0.1		
Available-for-sale financial assets*			-2.5					-2.5		
Total comprehensive income			-2.4			-3.0	16.1	10.7		
Transactions with owners:										
Dividend payment							-12.2	-12.2		
Interest on hybrid instrument							-1.0	-1.0		
Share-based incentive plan					0.7		-0.5	0.2		
Transfer of funds				-0.1			0.1	0.0		
Total transactions with owners				-0.1	0.7		-13.6	-13.0		
Balance at Sept. 30, 2015	17,7	4,3	-0,5	31,9	-2,7	-19,0	70,1	101,8	0,0	101,8
Balance at Dec. 31, 2013	17.7	4.3	-0.6	33.7	-4.3	-3.3	55.1	102.6	0.7	103.3
Comprehensive income:										
Profit for the period							14.7	14.7		
Translation differences						-5.4		-5.4		
Cash flow hedges*			-0.1					-0.1		
Total comprehensive income			-0.1			-5.4	14.7	9.2		
Transactions with owners:										
Dividend payment							-6.4	-6.4		
Repayment of convertible capital loan				-1.7			1.7	0.0		
Interest on hybrid instrument							-0.9	-0.9		
Share-based incentive plan					0.2		0.3	0.5		
Total transactions with owners				-1.7	0.2		-5.3	-6.8		
Balance at Sept. 30, 2014	17.7	4.3	-0.7	32.0	-4.1	-8.7	64.5	105.0	0.7	105.7

* net of taxes

ASPO GROUP CASH FLOW STATEMENT

	1-9/2015 MEUR	1-9/2014 MEUR	1-12/2014 MEUR
OPERATIONAL CASH FLOW			
Operating profit	14.4	17.9	23.4
Adjustments to operating profit	10.2	9.1	12.7
Change in working capital	-10.3	-16.8	-8.1
Interest paid	-2.5	-3.0	-4.0
Interest received	0.6	0.2	0.3
Income taxes paid	-1.7	-1.2	-2.3
Total operational cash flow	10.7	6.2	22.0
INVESTMENTS			
Investments in tangible and intagible assets	-4.3	-16.2	-17.5
Proceeds from sale of tangible and intangible assets	0.1	0.1	0.2
Proceeds from available-for sale financial assets	4.9		
Subsidiaries acquired, contingent consideration	-0.3	-0.3	-0.3
Business operations and subsidiaries sold	-0.1	0.9	0.9
Associated companies sold		2.2	2.2
Total cash flow from investments	0.3	-13.3	-14.5
FINANCING			
Change in short-term borrowings	-1.2	2.9	-12.3
Change in long-term borrowings	15.9	5.2	5.3
Hybrid instrument			-1.4
Dividends paid	-12.2	-6.4	-6.4
Total financing	2.5	1.7	-14.8
Increase / Decrease in liquid funds	13.5	-5.4	-7.3
Liquid funds in beginning of year	19.3	28.5	28.5
Translation differences	-0.3	-0.7	-1.9
Liquid funds at period end	32.5	22.4	19.3

ASSETS AND LIABILITIES BY SEGMENT

Segments assets, MEUR

	9/2015	9/2014	12/2014
ESL Shipping	116.3	122.8	119.4
Leipurin	62.2	66.3	63.7
Telko	75.0	78.9	68.3
Kaukomarkkinat	21.4	26.6	19.4
Unallocated items	35.0	27.9	27.5
Total	309.9	322.5	298.3

Segments' liabilities, MEUR

	9/2015	9/2014	12/2014
ESL Shipping	9.9	11.0	12.2
Leipurin	15.1	20.8	17.7
Telko	27.3	29.5	25.3
Kaukomarkkinat	7.4	5.8	4.9
Unallocated items	148.4	149.7	134.1
Total	208.1	216.8	194.2

ACCOUNTING PRINCIPLES

Aspo Plc's interim report has been prepared in accordance with the principles of IAS 34 Interim Financial Reporting. As of January 1, 2015, Aspo applies certain new or amended IFRS standards and IFRIC interpretations as described in the 2014 financial statements. The adoption of these new or amended standards has not had any substantial impact on the reported figures. In other respects, the same accounting principles have been adopted in the interim report as in the Financial Statements on December 31, 2014. The calculation principles of key figures are explained on page 94 of the 2014 Annual Report. The information in this report is unaudited.

SEGMENT REPORTING

Aspo Group's operational segments are ESL Shipping, Leipurin, Telko and Kaukomarkkinat. Other operations consists of Aspo Group's administration, the financial and ICT service center, and a small number of other functions not covered by business units.

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

CAPITAL MARKETS DAY

Aspo will arrange a Capital Markets Day for analysts, investors, bankers and representatives of the media on Thursday, November 26, 2015 in Helsinki.

PRESS AND ANALYST CONFERENCE

A press and analyst conference will be arranged today, Wednesday October 28, 2015 at 14.00 at the Akseli Gallen-Kallela cabinet at Hotel Kämp, Pohjoisesplanadi 29, 00100 Helsinki.

Helsinki, October 28, 2015

ASPO Plc

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