Aspo

Financial Statement 2004

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Aspo In Brief

Aspo provides value-added logistical services for industrial customers. We support the energy and process industries with special expertise and logistical know-how that enhances their processes. Aspo's customer relations are long-term partnerships based on solid trust. We have concentrated our operations around the Baltic Sea area.

Key Figures

	2004	2003	Change, %
Net Sales, MEUR	184.5	145.2	27.1
Operating Profit after Depreciation, MEUR	20.9	13.6	53.7
Share of Net Sales, %	11.3	9.3	
Profit before Extraordinary Items and Taxes, MEUR	19.2	12.5	
Share of Net Sales, %	10.4	8.6	
Earnings / Share, EUR	1.77	1.01	
Equity / Share, EUR	6.70	6.55	
Equity Ratio, %	49.3	44.8	
Return on Investment, % (ROI)	24.9	16.5	
Return on Equity, % (ROE)	26.7	14.5	
Personnel, December 31	566	536	

We operate in three divisions:

Aspo Chemicals

imports and markets industrial chemicals and plastic raw materials, and produces branded automotive chemicals.

Aspo Shipping

handles marine raw material transports for the energy and heavy industry sectors.

Aspo Systems

produces and services dispensing and payment automation systems for service stations.

Report Of The Board Of Directors

Operational Overview

In 2004 general market conditions in the Baltic Sea area developed favorably for all of Aspo's divisions. The Group's organic growth continued to surpass general economic growth. The increasing proportion of steel raw material transports in the Shipping Division's overall deliveries boosted revenue growth. All of the Group's divisions improved their operational efficiency, and the Group's profitability improved markedly. Moreover key indicators, such as the return on investment (ROI), showed clear improvement.

Aspo Chemicals

Market conditions for the Chemicals Division were brisk throughout the year. Price increases were first visible in plastic raw materials. Later on growing demand for industrial chemicals increased prices as well. Towards the end of the year there was a shortage of many raw materials and deliveries were possible thanks only to long-term contracts.

Non-domestic units generated about a third of the net sales and operational earnings. The operations of our new Ukrainian company started up as planned and its net sales showed accelerated growth towards the end of the year. Overall, the division performed favorably and its operational profit was the best in its history.

Aspo Shipping

The rising share of steel raw material shipments fueled strong sales and earnings growth. In fact, for the first time Shipping led the Aspo Group in sales figures last year. In the wake of the economic growth in Asia ocean freight prices increased considerably, which had a positive impact on transport demand in the Baltic Sea area as well. The energy sector replenished its stocks i.e. coal transport demand remained strong through the year.

Many changes in the customer portfolio, the fleet and the palette of raw materials strengthened business opportunities and decreased risks. The dollar's share in transactions sunk to about one third of the total invoicing, and the steel industry became an equally important customer alongside the energy sector. Both stood for about 40 percent of all shipments. Transport volumes broke records and exceeded 16 million tons. The increased volumes and productivity improved the division's operating earnings and relative profitability.

Aspo Systems

Long-anticipated investments in the service station sector finally materialized throughout the Baltic region during the fiscal period. The newest members of the EU got a boost from the process of joining the Union. The cancellation of a service station divestiture in Scandinavia also stimulated investments. Systems revenues peaked in the second and fourth quarters, which is typical for this sector. The division reached its operational cost-cutting targets and total costs consequently fell by nearly two million euros from the previous year. At the same time, net sales rose to some extent and the division's financial performance became profitable.

Net Sales

The Aspo Group's net sales increased EUR 39.3 million (27.1%) to EUR 184.5 million. The Group's direct exports and non-domestic subsidiary sales totaled EUR 47.9 million (EUR 40.1 million).

The Chemicals Division's net sales increased 13.5% to EUR 65.7 million (EUR 57.9 million). The Shipping Division's net sales increased 57.1% to EUR 80.9 million (EUR 51.5 million). The Systems Division's net sales rose by 5.9% to EUR 37.9 million (EUR 35.8 million).

Net Sales by Division

	2004 MEUR	2003 MEUR	Change MEUR	Change %
Chemicals				
Aspokem Ltd	**50.3**	46.2	4.1	
Aspokem Eesti AS	**6.6**	4.7	1.9	
Aspokem Latvia SIA	**6.5**	4.8	1.7	
UAB Aspokemlit	**3.4**	3.3	0.1	
OOO Aspokem	**6.2**	4.5	1.7	
LLC Aspokem Ukraine	**0.3**		0.3	
Internal sales	**-7.6**	-5.6	-2.0	
Total	**65.7**	57.9	7.8	13.5
Shipping				
ESL Shipping Oy	**80.9**	51.5	29.4	57.1
Systems				
Autotank Ltd	**15.4**	14.9	0.5	
Autotank AB	**13.3**	11.7	1.6	
Autotank Service AB	**5.3**	6.9	-1.6	
Autotank As	**4.5**	4.7	-0.2	
Autotank Oü	**1.1**	0.7	0.4	
SIA Autotank	**0.4**	0.3	0.1	
UAB Autotank	**0.2**	0.1	0.1	
Autotank Sp. zo.o	**0.3**	0.3		
Internal sales	**-2.6**	-3.8	1.2	
Total	**37.9**	35.8	2.1	5.9
Total Net Sales	**184.5**	145.2	39.3	27.1

Earnings

The Group's operating profit for the fiscal year was EUR 20.9 million (EUR 13.6 million).

The operating profit of the Chemicals Division rose EUR 0.4 million to EUR 3.0 million (EUR 2.6 million). About a third of the profit was generated by foreign subsidiaries. The Shipping Division's operating earnings more than doubled from the previous year and reached EUR 21.4 million (EUR 10.1 million). The Systems Division improved its profits by EUR 1.9 million and generated a positive result of EUR 0.5 million (EUR -1.4 million).

The Group's depreciation expenses increased EUR 1.1 million to EUR 8.8 million. Depreciation expenses totaled EUR 0.5 million in the Chemicals Division, EUR 7.4 million in the Shipping Division and EUR 0.6 million in the Systems Division.

The Group's net financial expenses were 0.9% of net sales or EUR 1.7 million (EUR 1.0 million).

The Group's profit before extraordinary items and taxes totaled EUR 19.2 million (EUR 12.5 million). A sum totaling EUR 1.1 million related to the company's 1994 tax dispute was recorded under extraordinary expenses.

The Group's pre-tax profit was EUR 18.1 million (EUR 4.8 million). Direct taxes and net nominal tax liabilities totaled EUR 4.2 million (EUR 3.7 million).

Investments

The Group's investments of the fiscal year, totaling EUR 0.6 million (EUR 24.6 million), were mainly replacement investments.

Investments by Division

	2004 MEUR	2003 MEUR
Chemicals	**0.3**	0.5
Shipping	**0.1**	23.8
Systems	**0.2**	0.2
Other operations		0.1
Investments, total	**0.6**	24.6

Operating Profit by Division

	2004 MEUR	2003 MEUR	Change MEUR	Change %
Chemicals	**3.0**	2.6	0.4	15.4
Shipping	**21.4**	10.1	11.3	111.9
Systems	**0.5**	-1.4	1.9	135.7
Other operations	**-4.0**	2.3	-6.3	-273.9
Total Operating Profit	**20.9**	13.6	7.3	53.7

Financing

The Group's liquidity was good throughout the fiscal year. Liquid assets totaled EUR 12.2 million (EUR 17.6 million) at the yearend. There was a total of EUR 25.6 million in interest-bearing liabilities on the Group balance sheet (EUR 30.1 million) as of the yearend. Interest-free liabilities totaled EUR 23.1 million (EUR 29.3 million). The EUR 20 million capital loan issued in the spring has been used mainly to amortize the Group's long-term loans.

The Group's gearing was 23.5% (22.2%). The equity ratio adjusted for nominal tax liabilities was 49.3% (44.8%) as of the yearend.

Personnel

The Group's personnel totaled 566 (536) at the yearend and averaged 569 (538) during the period. The Group employed an average of 264 (268) office personnel and a total of 305 (270) non-office workers during the fiscal year.

A total of 8 (8) persons were employed by the parent company at the yearend. They were all office personnel. The average figure for the year was 8 (8).

Average Personnel by Division

	2004	2003
Chemicals		
Office personnel	**75**	73
Non-office workers	**9**	9
	84	82
Shipping		
Office personnel	**27**	21
Crew members	**235**	194
	262	215
Systems		
Office personnel	**154**	166
Non-office workers	**61**	67
	215	233
Group Management	**8**	8
Total Personnel	**569**	538

Research and Development

The Group's R&D activity is organized according to the nature of each Division. In the Chemicals and Shipping Divisions R&D activity is focused mainly on the development of operations, methods and product technology without a separate organization, for which reason these development investments are recorded without specification under normal business expenses.

The Autotank Group, from which the Systems Division is comprised, invests heavily in R&D focusing on the development of new payment solutions. A total of 30 persons have participated in Finland and Sweden in the product development. During fiscal 2004 it totaled about EUR 1.8 million (EUR 1.3 million) representing 4.7% (3.7%) of the net sales of the Autotank Group.

Environmental Affairs

The Group continued developing its environmental policies using follow-up and monitoring procedures in accordance with the Group's environmental policy and standards and procedures for creating a lasting development set out by the International Chamber of Commerce.

Introduction of IFRS Standards

As of January 1, 2005 the Aspo Group will change over to reporting using the IFRS standard. The fiscal 2004 financial report and interim reports are based on the old reporting practices, but to enable the calculation of comparative data the balance sheet from January 1, 2004 and the fiscal 2004 annual and interim reports will also be prepared using the IFRS standard. The Aspo Group will publish the opening statements using the IFRS standard and comparative data for 2004 before publishing the first quarter results in 2005.

The prevailing expert opinion is that the adoption of IFRS standards will have no relevant impact on the company's shareholder equity.

Post-Fiscal Events

The management has decided to focus Systems operations increasingly on the service and maintenance business. In January 2005 the Autotank Group acquired the Swedish and Norwegian maintenance operations of the Malte Group, which operates in the Scandinavian region.

The Chemicals Division will strengthen its position by purchasing the plastics and chemicals operations of the Norwegian Pemco in Latvia, Lithuania, Ukraine and Byelorussia. Moreover, the majority of the stock of Pemco Specialities AB operating in Sweden is to be transferred to Aspokem. The total net sales of the acquired businesses were approximately EUR 8 million in 2004.

Board of Directors and Auditors

The Annual Shareholders' Meeting of Aspo Plc held on April 1, 2004 approved the appointments of Kari Stadigh, Matti Arteva, Kari Haavisto and Roberto Lencioni to the Board for a one-year term. Kari Stadigh has acted as chairman and Matti Arteva as vice-chairman.

The Group's auditor has been the public auditing group PricewaterhouseCoopers Oy. The auditor in charge has been CPA Jouko Malinen.

Prospects for 2005

Even if many factors indicate that the peak of the global boom is over, the Baltic region countries, and Finland in particular, seem to be going strong. Finland benefits from low European interest rates that continue to stimulate consumption and investments.

We expect the net sales of the Aspo Group to grow by another 10 to 20%, in keeping with the average growth of the last five years. Comparable earnings should reach the previous year's level.

Aspo Chemicals

Chemical markets are expected to grow to some extent in line with the average macroeconomic growth of the Baltic region countries. We expect the growth of Chemicals Division net sales to exceed general market growth. No major changes are expected in profitability, i.e. the operating profit should reach the previous year's level.

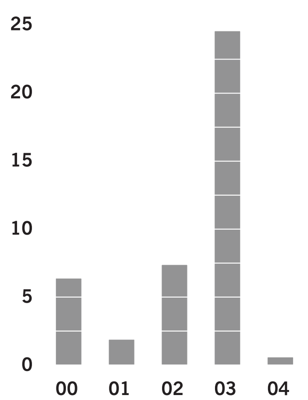
Aspo Shipping

The market situation for the Shipping Division is expected to remain strong. If the winter stays mild, the demand for energy coal should decrease from the previous year, but there is enough compensating demand according to estimates. Shipping capacity will probably remain unchanged, as the vessel under construction will start operations only by early 2006. Barring a considerably stronger dollar the division's revenues are expected to remain on the previous year's level. We estimate that profitability will remain good and comparable earnings should hold at the previous year's level.

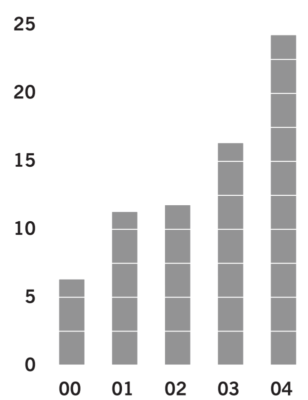
Aspo Systems

The Systems Division is expected to show clear revenue growth. The growth is mainly due to the acquisition made of maintenance operations in Sweden and Norway in early 2005. Organic growth is expected to continue as well. The integration of the acquired business is expected to lead to non-recurring expenses, but according to current estimates they will remain below the achieved savings. The division's operations for the year as a whole are expected to be profitable.

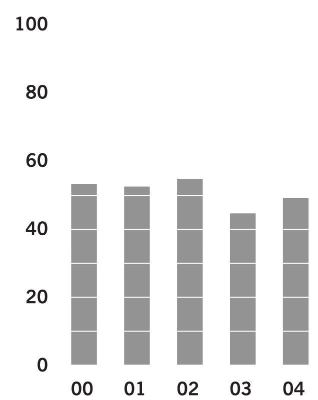
Investments, MEUR



Return on Investment, % (ROI)



Equity Ratio, %



Shares And Shareholders

Share Capital

The minimum share capital of Aspo Plc is 8,729,178 euros and the maximum is 34,916,712 euros, within which limits the share capital can be increased or decreased without amending the Articles of Association. The minimum number of shares is 4,364,589 and the maximum number is 17,458,356. On December 31, 2004, the registered share capital of Aspo Plc was 17,101,442 euros, consisting of 8,550,721 shares with a book value of 2 euros per share.

Shares

The company has one series of shares. Each share entitles its holder to one vote at the Annual Shareholders' Meeting. Aspo Plc shares have been traded on the main list on the Helsinki Stock Exchange since October 1, 1999, with the trading code ASU1V under the heading Diversified Companies. The standard batch is 50 shares.

Share Ownership

Aspo Plc shares are running on the Finnish book-entry system maintained by the Finnish Central Securities Depository Ltd.

No major changes have occurred in Aspo Plc ownership. As of the yearend 2004 the number of shareholders totaled 3,252. Of these 99.6% were held directly, 0.4% were held through nominee registrations. A total of 0.3% of the company stock was held by non-domestic entities. As of the yearend 2004 the ten largest shareholders of Aspo Plc were in possession of 47.8% of the shares and voting rights. The list of the major shareholders is shown with monthly updates on the company website www.aspo.fi.

Sampo Plc announced on April 1, 2004 that the share of Sampo Life Insurance Company Limited of Aspo Plc shares and voting rights had decreased below 10%. On November 26, 2004 Sampo Plc announced that the share of Sampo Life Insurance Company Limited in stock and voting rights had fallen below 5%.

Share Ownership by the CEO and the Board of Directors

The total number of shares held by the CEO and the members of the Board of Directors of Aspo Plc with their interest groups as of December 31, 2004 was 763,485 shares, corresponding to 8.9% of the shares and voting rights.

Share Turnover and Share Prices

During the fiscal 2004 a total of 3,244,927 Aspo Plc shares with a value of EUR 47.0 million changed hands on the Helsinki Stock Exchange, or 37.9% of the total number of shares outstanding. The shares reached a high of EUR 16.35 for the period and a low of EUR 10.71. The average share price was EUR 14.48. The closing price on December 31, 2004 was EUR 15.30. The company has a liquidity provider agreement with Kaupthing Bank Plc concerning its stock.

At the end of the financial period the market value of the shares outstanding totaled EUR 130.8 million. You can see the latest trades at www.aspo.fi.

Dividends

Aspo has an active, cash flow-based dividend policy, the goal of which is to distribute on average at least half of our annual earnings to shareholders. The Aspo Plc Board of Directors will propose at the Annual Shareholders' Meeting that a dividend totaling EUR 1.19 per share on fiscal 2004 be distributed to the shareholders, representing 67% of company earnings.

Tax Value of the Share in Finland

For year 2004 taxation the official tax value of the Aspo Plc share in Finland is EUR 10.50.

Authorizations

Authorization to Repurchase and Dispose of Company's Own Shares

The Shareholders' 2004 Meeting authorized the Board to repurchase up to 427,536 of the company's own shares with distributable funds regardless of the shareholders' holdings. The shares will be purchased through public trading organized by the Helsinki Stock Exchange at the going price. The share purchase will reduce the amount of the company's distributable funds.

The shareholders further authorized the Board of Directors to decide on the disposal of a maximum of 427,536 repurchased shares in one or more lots regardless of the shareholders' pre-emptive rights.

The shares will be purchased and disposed of mainly to finance any company acquisitions or other purchases related to the company's operations. The Board may also propose to the shareholders that some shares be nullified. The authorizations are valid for a year from the decision of the Shareholders' Meeting.

The Board has used its authorization to repurchase shares during the fiscal period. In its meeting on May 11, 2004 the Board decided to purchase the company's own shares for a sum totaling EUR 1 million. As of the end of the fiscal year the company held 79,000 of its own shares with an average purchase price of EUR 12.71, corresponding to 0.9% of the shares and voting rights.

For more information about the Board authorizations provided by the Aspo Plc shareholders go to www.aspo.fi.

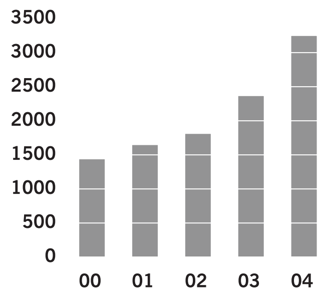
Repurchases of Shares during the Fiscal Period

Time	Number	Nominal value, EUR 2/share	Repurchase price EUR/ share, average	Repurchase price EUR/ share, range
May 2004	23 600	47 200	12.74	12.45–13.00
June 2004	55 400	110 800	12.68	12.47–12.90

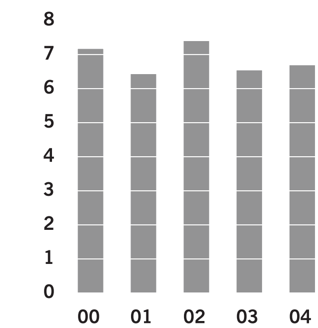
Major Shareholders as of December 31, 2004

	Number of shares	Share of stock and voting rights, %	Less own shares, %
Nyberg H.B.	1 000 000	11.69	11.80
Mutual Employee Pension Insurance Company Varma	501 000	5.86	5.91
Vehmas A.E.	453 640	5.31	5.35
Vehmas Tapio	393 946	4.61	4.65
Stadigh Kari	392 086	4.59	4.63
Sampo Life Insurance Company Limited	369 176	4.32	4.36
Vehmas Liisa	333 030	3.89	3.93
Nyberg Gustav	242 995	2.84	2.87
Estlander Henrik	222 584	2.60	2.63
Berling Capital Oy	182 100	2.13	2.15
10 major shareholders, total	**4 090 557**	**47.84**	**48.28**
Nominee registrations	**36 980**	**0.43**	
Other shares	4 423 184	51.73	
Total	**8 550 721**	**100.00**	

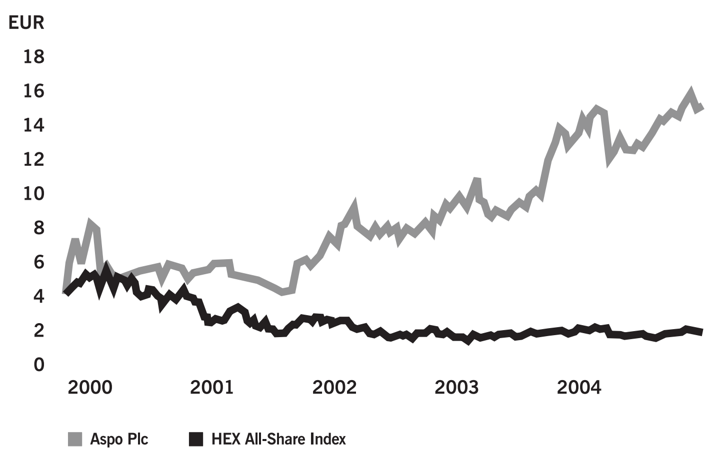
Number of Shareholders



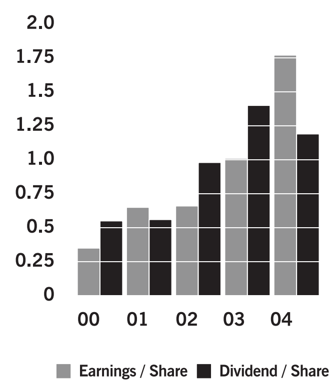
Equity / Share, EUR



Share Price Performance 2000–2004



Earnings and Dividend / Share, EUR



Distribution of Ownership December 31, 2004 by Number of Shares

Number of shares	Number of owners	Share of owners, %	Total shares	Share of stock %	Less own shares %
1–100	742	22.8	55 408	0.7	0.7
101–500	1 417	43.6	427 655	5.0	5.0
501–1 000	534	15.4	431 055	5.0	5.1
1 001–10 000	495	15.2	1 405 690	16.4	16.6
10 001–100 000	52	2.6	1 894 968	22.2	21.4
100 001–	12	0.4	4 334 457	50.7	51.2
Total in joint accounts			1 488	0.02	
Total	**3 252**	**100.0**	**8 550 721**	**100.00**	**100,00**

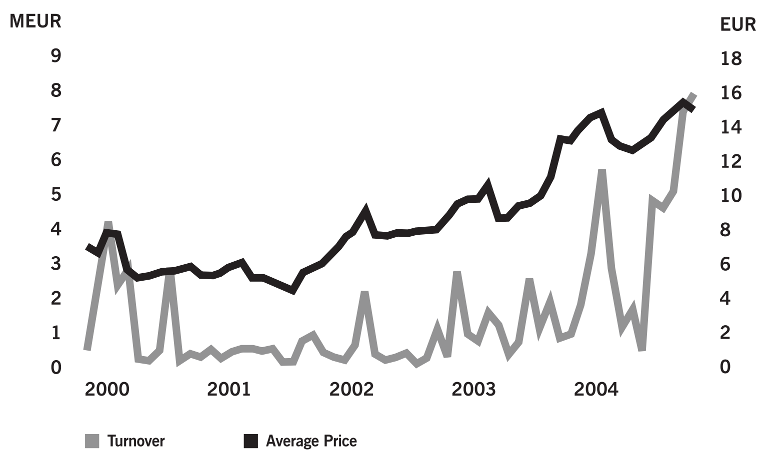
By Owner Groups

	Ownership shares, %	Shares, %
1. Households	91.7	66.6
2. Companies	6.1	13.2
3. Financial and insurance institutions	0.4	9.3
4. Non-profit organizations	1.4	4.4
5. Public organizations	0.1	6.2
6. Non-domestic	0.3	0.3

Share Trading by Year

	Trading, MEUR	Trading, number of shares	Average, EUR	Low, EUR	High, EUR
2000	14.4	1 812 523	4.99	4.50	11.70
2001	5.3	966 604	5.45	4.10	6.40
2002	5.8	708 000	8.23	6.15	9.26
2003	15.4	1 531 107	10.05	8.60	14.00
2004	**47.0**	**3 244 927**	**14.48**	**10.71**	**16.35**

Share Trading and Average Prices 2000–2004



Income Statement

1 000 EUR	Note	Group 2004	Group 2003	Aspo Plc 2004	Aspo Plc 2003
Net Sales	1.1	**184 517**	145 238		
Increase (+)/ Decrease (-) in finished goods inventory		**2 444**	1 094		
Other operating income	1.2	**1 826**	6 690	**745**	6 399
Materials and services	1.3	**-89 374**	-76 069		
Personnel costs	1.4	**-26 041**	-23 608	**-1 871**	-979
Depreciation and write-downs	1.5	**-8 820**	-7 697	**-78**	-703
Other operating expenses	1.6	**-43 642**	-32 082	**-2 519**	-2 410
Operating Profit/Loss		**20 910**	13 567	**-3 723**	2 306
Financial Income and Expenses	1.7	**-1 684**	-1 033	**-1 189**	-42
Profit/Loss Before Extraordinary Items		**19 226**	12 534	**-4 912**	2 265
Extraordinary Items	1.8	**-1 134**	-7 700	**20 660**	6 360
Profit Before Appropriations and Taxes		**18 092**	4 834	**15 748**	8 625
Appropriations	1.9			**-29**	2 864
Direct taxes	1.10	**-4 146**	-3 723	**-4 879**	-5 447
Minority interest		**-90**	-12		
Net Profit for the Period		**13 856**	1 099	**10 840**	6 042

Balance Sheet

1 000 EUR	Note	Group 2004	Group 2003	Aspo Plc 2004	Aspo Plc 2003
Assets					
Non-Current Assets	2.1				
Intangible assets	2.1	**389**	488	**22**	41
Group goodwill	2.1	**2 677**	3 242		
Tangible assets	2.1	**59 557**	71 765	**128**	844
Long-term investments	2.2	**1 215**	1 166	**14 971**	15 920
		63 838	76 661	**15 121**	16 805
Current Assets					
Inventories	2.3	**13 942**	12 002		
Deferred tax receivable	2.4	**686**	255		
Long-term receivables	2.4	**152**	314	**84**	84
Short-term receivables	2.4	**24 838**	19 226	**58 865**	34 765
Short-term investments	2.5	**7 500**	13 500	**7 500**	13 500
Cash and bank deposits		**4 701**	4 108	**834**	1 466
		51 819	49 405	**67 284**	49 816
		115 657	126 066	**82 405**	66 620
Liabilities and Shareholders' Equity					
Shareholders' Equity	2.6				
Share capital		**17 101**	17 101	**17 101**	17 101
Premium fund		**439**	439	**439**	439
Other funds			25		
Retained earnings		**25 393**	37 337	**213**	7 146
Net profit for the fiscal year		**13 856**	1 099	**10 840**	6 042
Capital loan		**19 200**		**20 000**	
Total Equity		**75 990**	56 002	**48 595**	30 728
Appropriations	2.7			**29**	
Minority Interest		**98**	220		
Mandatory Reserves	2.8	**567**	428	**238**	249
Liabilities					
Deferred taxes		**9 558**	9 989		
Long-term liabilities	2.9	**4 749**	24 991		
Short-term liabilities	2.10	**24 695**	34 436	**33 544**	35 643
		39 002	69 416	**33 544**	35 643
		115 657	126 066	**82 405**	66 620

Cash Flow Statement

1 000 EUR	Group 2004	Group 2003	Aspo Plc 2004	Aspo Plc 2003
Operational Cash Flow				
Operating profit/loss	**20 910**	13 567	**-3 723**	2 306
Adjustments to operating profit/loss	**9 249**	2 873	**1 209**	-4 091
Net change in working capital	**-5 179**	-1 784	**-72**	-33
Interest paid	**-1 467**	-1 529	**-850**	-475
Interest received	**555**	446	**469**	347
Dividends received	**97**	50	**97**	50
Other financial items				5
Taxes paid	**-8 285**	-3 691	**-8 137**	-3 498
Back-taxes	**-8 834**		**-8 834**	
Net Operational Cash Flow	**7 046**	9 932	**-19 839**	-5 388
Investments				
Investments in tangible and intangible assets	**-595**	-23 842	**-24**	-83
Gains on the sale of tangible and intangible assets	**4 296**	11 380		11 261
Gains on the sale of shares	**700**	1 139	**700**	1 139
Purchases of subsidiary shares	**-15**			
Sale of subsidiary shares	**427**	3 903	**427**	3 903
Purchases of affiliate shares	**-50**	-739		
Total Cash Flow from Investments	**4 764**	-8 159	**1 103**	16 220
Financing				
Repurchase of shares	**-1 003**		**-1 003**	
Increase/Decrease in long-term receivables	**385**	-23		20
Increase/Decrease in short-term receivables			**-2 063**	65
Repayments of short-term debt	**-2 565**	-1 788		
New short-term loans			**7 141**	2 008
Repayments of long-term debt	**-21 167**	-7 556		
New long-term loans	**19 200**	19 000	**20 000**	
Profit distribution for minority shareholders	**-62**	-33		
Dividends paid	**-12 005**	-8 380	**-11 971**	-8 380
Total Financing	**-17 217**	1 220	**12 104**	-6 287
Increase/Decrease in Liquid Funds	**-5 408**	2 993	**-6 632**	4 546
Liquid funds as of January 1	**17 608**	14 615	**14 966**	10 420
Liquid Funds as of December 31	**12 201**	17 608	**8 334**	14 966

Accounting Principles

The financial statements and reports of the Group and Group companies have been prepared in accordance with the procedures laid out in the Finnish accounting law and other Finnish accounting legislation.

Asset Valuation and Allocation Principles

Fixed assets have been recorded in the balance sheet at their acquisition cost net of planned depreciation. Planned depreciation has been calculated straightline over the entire economic lifetime of the asset from the point of acquisition.

The depreciation schedules for different asset classes are as follows:

Intangible assets	3 - 5 years
Other long-term assets	5 - 10 years
Buildings and structures	15 - 30 years
Vessels	16 - 20 years
Pushers	8 - 10 years
Machinery and equipment	3 - 8 years
Piping and fixtures	5 - 20 years
Other fixed assets	5 - 40 years
Group goodwill	10 years
Goodwill	5 years

Inventories are accounted for using the FIFO method and are valued at their acquisition cost, their resale value, or their probable market value.

Marketable securities are valued at their acquisition cost.

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

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

Pension benefits have been organized on behalf of the Group's personnel using pension insurance. The Group has no pension liabilities. The pension liabilities of the Aspo Group pension fund have been transferred to a pension insurance company and the fund has been liquidated. The pension benefits of foreign subsidiaries have been organized according to local practices.

Liabilities and receivables denominated in foreign currencies have been recorded at the prevailing exchange rate on the date of transaction. Liabilities and receivables are converted into euros in connection with the preparation of financial statements using the average exchange rate on the closing date. Foreign currency denominated advances are converted using the prevailing exchange rate on the date of payment. All currency gains and losses are recognized or charged against the income statement during the year under review.

Accounting Principles for the Group Financial Statements

The Group financial statements and reports include the parent company and all operational subsidiaries in which the parent has, either directly or indirectly, more than a 50% holding. Acquired companies are consolidated into the Group accounts from the point of acquisition. The financial statements of foreign subsidiaries are adjusted to match the Group's accounting principles and to meet Finnish accounting standards.

The Group financial statements are prepared using the acquisition cost method. This means that the acquisition costs of subsidiaries are matched against the equity accounts at the point of acquisition. Any amounts in excess of shareholders' equity are recorded in the subsidiary's fixed asset accounts and are then amortized using the planned depreciation schedule of the asset account in question.

Intra-Group transactions, internal receivables and payables, internal dividend payments and internal gross margins included in inventories are eliminated. Margins and gains related to the internal sale of fixed assets are also eliminated from the accounts.

Minority interests, which have been separated from the shareholders' equity accounts, from accumulated excess depreciation (net of deferred taxes), and from earnings accounts, are presented as a separate item in the financial statements.

The income statements of foreign subsidiaries are converted into euros using the average exchange rate of the fiscal period in question. Balance sheets are converted using the exchange rate on the date the accounts are closed. Discrepancies arising from conversions are recorded along with equity-related conversion effects in the retained earnings account.

Leasing expenses are written off in the year under review.

Accumulated excess depreciation is allocated into the equity and deferred taxes (nominal tax liability) accounts. Changes in excess depreciation are recorded in the change in deferred taxes account and the profit for the fiscal year account. All significant allocation-related gains and losses are recognized or expensed.

Allocations pertaining to deferred taxes are performed using the prevailing tax base in the given country.

Notes On The Financial Statements

1 000 EUR	Group 2004	Group 2003	Parent 2004	Parent 2003
1. NOTES ON THE INCOME STATEMENT				
1.1 Net Sales				
Net Sales by Sector and Market Area				
Net sales by sector				
Chemicals	**65 686**	57 938		
Shipping	**80 912**	51 488		
Systems	**37 919**	35 811		
Total	**184 517**	145 238		
Net sales by market area				
Finland	**143 942**	100 799		
Other Europe	**40 574**	44 427		
North America		12		
Total	**184 517**	145 238		
1.2 Other Operating Income				
Gains on the sale of fixed assets	**1 683**	4 824	**20**	4 765
Gains on the sale of operations		331		
Other Group operating income			**647**	476
Rental income and related remuneration	**89**	1 105	**63**	1 105
Other operating income	**54**	429	**14**	52
Total	**1 826**	6 690	**745**	6 399
1.3 Materials and Services				
Purchases during the fiscal period	**81 591**	67 802		
Change in inventories	**506**	67		
	82 097	67 870		
Outsourced services	**7 277**	8 199		
Total	**89 374**	76 069		
1.4 Personnel-Related Notes				
Personnel costs and benefits				
Salaries and wages	**20 180**	18 073	**1 256**	671
Pension costs	**2 308**	2 499	**405**	174
Other personnel costs	**3 553**	3 036	**210**	134
Total	**26 041**	23 608	**1 871**	979
Management salaries and benefits				
Executives, salaries	**626**	623	**239**	208
Executives, bonuses	**96**	88	**73**	52
Board members	**144**	101	**69**	51
Total	**866**	812	**381**	311
Employees of the Group and Parent during the fiscal period				
Office personnel	**264**	268	**8**	8
Non-office workers	**305**	270		
Total	**569**	538	**8**	8

CEO and Board Member Pension Liabilities
The CEO of the Parent has the option to retire at 60.

1 000 EUR	Group 2004	Group 2003	Parent 2004	Parent 2003
1.5 Depreciation and Write-downs				
Depreciation of tangible and intangible assets	**8 402**	7 101	**78**	703
Amortization of Group goodwill	**418**	596		
Total	**8 820**	7 697	**78**	703
1.6 Other Operating Expenses				
Rent	**2 647**	2 324	**589**	376
Other expenses	**40 995**	29 758	**1 930**	2 035
Total	**43 642**	32 082	**2 519**	2 410
1.7 Financial Income and Expenses				
Income from long-term investments				
Dividend income				
From outside the Group	**97**	50	**97**	50
Total	**97**	50	**97**	50
Other interest and financial income				
From Group companies			**199**	199
From others	**595**	446	**301**	186
Total	**595**	446	**501**	385
Interest and other financial expenses				
To Group companies			**466**	458
Write-down of shares	**349**		**349**	
To others	**2 027**	1 529	**971**	19
Total	**2 376**	1 529	**1 786**	476
Total Financial Income and Expenses	**-1 684**	-1 033	**-1 189**	-42
1.8 Extraordinary Items				
Extraordinary income				
Group transfer, Aspokem Ltd			**1 750**	1 810
Group transfer, ESL Shipping Oy			**20 020**	12 000
Group transfer, Oy Troili Ab			**11**	
Group transfer, Suhi-Suomalainen Hiili Oy			**13**	250
Total			**21 794**	14 060
Extraordinary expenses				
Back-taxes with interest	**1 134**	7 700	**1 134**	7 700
Extraordinary Items Total	**-1 134**	-7 700	**20 660**	6 360
1.9 Appropriations				
Accumulated depreciation in excess of plan			**-29**	2 864
1.10 Direct taxes				
Deferred taxes	**-150**	86		
Change in deferred taxes	**-834**	-1 357		
Taxes on extraordinary items		-145	**6 320**	3 932
Taxes on operational income	**5 130**	5 140	**-1 441**	1 515
Total	**4 146**	3 723	**4 879**	5 447

2. NOTES ON THE BALANCE SHEET
2.1 Non-Current Assets
2.1.1 Intangible and tangible assets

Group 1 000 EUR	Intangible assets	Goodwill	Other long-lived assets	Intangible assets total	Group goodwill	Land	Buildings
Acquisition cost January 1, 2004	1 341	804	356	2 502	5 419	1 046	4 988
Increase	125	24	16	165			
Decrease	-19		-1	-19	-73	-913	-448
Transfers	-66	723	1	659	-4	-71	-1 135
Acquisition cost December 31, 2004	**1 381**	**1 552**	**373**	**3 306**	**5 342**	**62**	**3 404**
Accumulated depreciation January 1, 2004	-936	-656	-273	-1 865	-2 325		-3 216
Accumulated depreciation on transfers and deductions	-72	-638		-709	78		1 050
Planned depreciation	-113	-194	-36	-343	-418		-180
Accumulated depreciation December 31, 2004	**-1 120**	**-1 488**	**-308**	**-2 917**	**-2 665**		**-2 347**
Book value December 31, 2004	**260**	**63**	**65**	**389**	**2 677**	**62**	**1 058**

	Machinery and equipment	Vessels	Other tangible assets	Other prepaid expenses	Tangible assets total
Acquisition cost January 1, 2004	5 999	146 374	911		159 318
Increase	345		22	62	430
Decrease	-257	-3 810	-425		-5 854
Transfers			2		-1 205
Acquisition cost December 31, 2004	**6 087**	**142 564**	**510**	**62**	**152 690**
Accumulated depreciation January 1, 2004	-4 232	-79 552	-553		-87 554
Accumulated depreciation on transfers and deductions	58	1 114	259		2 481
Planned depreciation	-627	-7 216	-37		-8 060
Accumulated depreciation December 31, 2004	**-4 801**	**-85 653**	**-331**		**-93 132**
Book value December 31, 2004	**1 287**	**56 910**	**179**	**62**	**59 557**

Aspo Plc 1 000 EUR	Intangible assets	Land	Buildings	Machinery and equipment	Other tangible assets	Tangible assets total
Acquisition cost January 1, 2004	217	30	1 105	360	129	1 624
Increase	10			13		13
Decrease	-9	-29	-638		-4	-671
Acquisition cost December 31, 2004	**218**	**1**	**467**	**373**	**125**	**967**
Accumulated depreciation January 1, 2004	-176		-436	-293	-52	-780
Planned depreciation	-19		-29	-30		-59
Accumulated depreciation December 31, 2004	**-195**		**-464**	**-323**	**-52**	**-839**
Book value December 31, 2004	**22**	**1**	**3**	**51**	**73**	**128**

2.2 Investments

Group	Other shares	Affiliate shares	Total
Acquisition cost January 1, 2004	427	739	1 166
Increase		50	50
Decrease	-1		-1
Acquisition cost December 31, 2004	**426**	**789**	**1 215**
Book value December 31, 2004	**426**	**789**	**1 215**

Aspo Plc	Group company shares	Other shares	Total
Acquisition cost January 1, 2004	15 496	424	15 920
Write-down of shares	-349		-349
Decrease	-600		-600
Acquisition cost December 31, 2004	**14 548**	**424**	**14 971**
Book value December 31, 2004	**14 548**	**424**	**14 971**

Group companies	Group interest %	Parent company interest %	Parent Shares and Holdings Number of shares	Face value 1 000 EUR	Book value 1 000 EUR
Suhi-Suomalainen Hiili Oy, Helsinki	100.00	100.00	1 260	252	922
Autotank Ltd, Tampere	100.00	100.00	10 000	589	1 741
Aspokem Ltd, Helsinki	100.00	100.00	6 000	1 009	5 047
ESL Shipping Oy, Helsinki	100.00	100.00	1 800 000	673	6 829
Oy Troili Ab, Helsinki	100.00	100.00			8
Oy Bomanship Ab, Helsinki	100.00				
O.Y. Näppärä, Helsinki	100.00				
Aspokem Eesti AS, Estonia	100.00				
Aspokem Latvia SIA, Latvia	100.00				
Aspokemlit UAB, Lithuania	100.00				
OOO Aspokem, Russia	100.00				
LLC Aspokem Ukraine, Ukraine	100.00				
Autotank OÜ, Estonia	100.00				
Autotank SIA, Latvia	100.00				
UAB Autotank, Lithuania	100.00				
Autotank Holding AB, Sweden	100.00				
Autotank AB, Sweden	90.10				
Autotank Service AB, Sweden	100.00				
Autotank AS, Norway	100.00				
Autotank Sp.zo.o., Poland	54.95				
Aspo Systems Oy, Helsinki	100.00				
Total					**14 548**

1 000 EUR	Group 2004	Group 2003	Parent 2004	Parent 2003
2.3 Inventories				
Materials and supplies	**2 909**	3 101		
Work in progress	**1**	14		
Finished goods	**10 877**	8 871		
Advances	**155**	15		
Total	**13 942**	12 002		
2.4 Receivables				
Long-term receivables				
Loans receivable	**152**	183	**84**	84
Deferred receivables		132		
Total long-term receivables	**152**	314	**84**	84
Nominal tax receivable				
From losses of earlier periods	**538**	255		
From mandatory reserves	**147**			
Total	**686**	255		
Short-term receivables				
Accounts receivable	**19 651**	15 450		103
Intra-Group receivables				
Group transfers receivable			**49 952**	28 158
Loans receivable			**8 254**	6 487
			58 206	34 644
Advances		253		
Other receivables	**621**	274		
Deferred receivables *)	**4 566**	3 249	**659**	18
	5 187	3 776	**659**	18
Total short-term receivables	**24 838**	19 226	**58 865**	34 765
*) Main items				
Subsidy from the Ministry of Transport and Communications	**2 337**	1 630		
Tax receivable	**1 192**	770	**630**	
Interest risk hedging contract	**287**			
Advances	**244**			
2.5 Short-Term Financial Assets				
Acquisition cost	**7 500**	13 500	**7 500**	13 500
Book value	**7 500**	13 500	**7 500**	13 500

1 000 EUR	Group 2004	Group 2003	Parent 2004	Parent 2003
2.6 Shareholders' Equity				
Share capital January 1	**17 101**	17 101	**17 101**	17 101
Share capital December 31	**17 101**	17 101	**17 101**	17 101
Premium fund January 1	**439**	439	**439**	439
Premium fund December 31	**439**	439	**439**	439
Other funds January 1	**25**	25		
Decrease	**-25**			
Other funds December 31		25		
Retained earnings January 1	**38 436**	45 794	**13 187**	15 525
Dividend distribution	**-11 971**	-8 380	**-11 971**	-8 380
Repurchased shares	**-1 003**		**-1 003**	
Conversions	**-69**	-77		
Retained earnings December 31	**25 393**	37 337	**213**	7 146
Net profit for the year	**13 856**	1 099	**10 840**	6 042
Capital loan, Group			**800**	
Capital loan	**19 200**		**19 200**	
Total	**19 200**		**20 000**	
Total Shareholders' Equity	**75 990**	56 002	**48 595**	30 728

The parent company has drawn down a 20,000,000 euro capital loan. The principal of this loan may only be repaid at maturity if the restricted equity and other undistributable funds reported in the latest confirmed fiscal financial statements of both the Company and Group meet the minimal levels required by the Articles of Association. The loan will be repaid in its entirety on June 4, 2009, assuming that the repayment provisions of the loan agreement and Chapter 5 of the Finnish Company Law statutes have been satisfied. According to requirements defined in Article 7 of the loan agreement provisions, as of January 2, 2005 Aspo may prematurely repay the principal in its entirety, plus interest compounded by a factor of one hundred percent (100) up to the date of repayment. A fixed annual interest of 5% will be paid on the principal of the loan.

Share of accumulated excess depreciation and voluntary reserves	**23 597**	21 688		
Distributable unrestricted equity	**15 653**	16 748	**11 054**	13 187
2.7 Appropriations				
Accumulated depreciation in excess of plan December 31	**36 762**	35 626	**29**	
Nominal tax receivable	**-9 558**	-10 332		
Reserves in equity at point of acquisition	**-3 607**	-3 607		
Voluntary reserves in equity December 31	**23 597**	21 688		
2.8 Mandatory Reserves				
Guarantee reserve	**329**			
Provision for expenses related to divestitures	**238**	428	**238**	249
Total	**567**	428	**238**	249

1 000 EUR	Group 2004	Group 2003	Parent 2004	Parent 2003
2.9 Long-Term Liabilities				
Loans from financial institutions	**4 749**	24 948		
Pension loans		43		
Total Long-Term Liabilities	**4 749**	24 991		
Deferred taxes				
Taxes on appropriations	**9 558**	9 989		
Debts with maturities longer than 5 years				
Loans from financial institutions		7 462		
2.10 Short-Term Liabilities				
Loans from financial institutions	**1 583**	5 102		
Pension loans	**43**	14		
Unpaid dividends 1999-2003	**7**	6	**7**	6
	1 633	5 123	**7**	6
Payables	**11 255**	10 135	**82**	216
Advances	**284**	519		
Other debt *)	**3 144**	5 390	**26**	2 732
Deferred payables **)	**8 380**	13 269	**1 571**	7 996
	23 062	29 313	**1 679**	10 944
Intra-Group liabilities				
Loans			**31 831**	24 689
Deferred payables			**28**	4
			31 858	24 693
Total Short-Term Liabilities	**24 695**	34 436	**33 544**	35 643
*) Main items				
Deferred taxes		2 710		2 710
VAT	**1 309**	1 177		
Employer's contributions	**1 228**	1 105	**26**	21
**) Main items				
Accrued interest	**1 388**	266	**568**	
Bareboat lease for Ms Eira	**623**	612		
Annual vacation and other salary allocations	**4 826**	3 420	**823**	233
Back-taxes		7 700		7 700

1 000 EUR	Group 2004	Group 2003	Parent 2004	Parent 2003
3. OTHER NOTES				
3.1 Securities, Contingent Liabilities and Other Liabilities				
Debts secured by real estate and vessels				
Loans from financial institutions	**6 332**	9 290		
Securities	**6 728**	13 623		
Pension liabilities				
The Group has no pension liabilities.				
Leasing liabilities				
Unpaid lease payments				
Payable in the fiscal 2005	**680**	487	**60**	38
Payable later	**948**	899	**172**	164
Total	**1 629**	1 386	**231**	202
Scrap value-related liabilities	**2 496**	2 450		
Total leasing liabilities	**4 125**	3 836		
Bareboat contract payments				
Payable in the fiscal 2005	**1 614**	1 587		
Payable later	**12 191**	13 805		
Total	**13 805**	15 392		
The contract contains a buyout option (separate agreement).				
Guarantees on behalf of Group companies				
Pension loans			**547**	561
Leasing liabilities			**2 645**	2 516
Bareboat agreement			**13 805**	15 392
Total			**16 450**	17 908
Derivative contracts	**653**	3 283	**653**	3 283

Financial Performance and Key Figures 2000-2004

	2004	**2003**	**2002**	**2001**	**2000**
Net sales, MEUR	**184.5**	145.2	138.9	123.1	107.5
Operating profit after depreciation, MEUR	**20.9**	13.6	9.0	8.7	5.6
Share of net sales, %	**11.3**	9.3	6.5	7.1	5.2
Profit before extraordinary items and taxes, MEUR	**19.2**	12.5	8.0	8.0	4.4
Share of net sales, %	**10.4**	8.6	5.8	6.5	4.1
Profit before taxes, MEUR	**18.1**	4.8	15.6	0.8	4.3
Share of net sales, %	**9.8**	3.3	11.3	0.7	4.0
Return on investment (ROI), %	**24.9**	16.5	11.9	11.4	6.4
Return on equity (ROE), %	**26.7**	14.5	9.5	9.4	4.7
Equity ratio, %	**49.3**	44.8	55.0	52.7	53.5
Equity ratio net of tax liabilities, %	**57.6**	52.7	64.9	62.9	63.1
Gearing, %	**23.5**	22.2	9.2	28.6	33.0
Gross investments in fixed assets, MEUR	**0.6**	24.6	7.4	1.9	6.4
Share of net sales, %	**0.3**	17.0	5.3	1.5	6.0
Personnel, December 31	**566**	536	538	435	384
Personnel, average	**569**	538	525	412	375

Share-Related Key Figures

Earnings/share (EPS), EUR	**1.77**	1.01	0.66	0.65	0.35
Earnings/share (adjusted), EUR	**1.69**				
Equity/share, EUR	**6.70**	6.55	7.41	6.44	7.18
Nominal dividend/share, EUR (Board proposal)	**1.19**	1.40	0.98	0.56	0.55
Adjusted dividend/share, EUR	**1.19**	1.40	0.98	0.56	0.55
Dividend/earnings, %	**67.3**	138.3	147.9	86.3	155.8
Effective dividend yield, %	**7.8**	10.8	11.2	8.9	11.0
Price/earnings ratio (P/E)	**8.6**	12.9	13.5	9.7	14.2
Price/earnings ratio (adjusted)	**9.1**				
Share prices (adjusted)					
average, EUR	**14.48**	10.05	8.23	5.45	7.93
low, EUR	**10.71**	8.60	6.15	4.10	4.50
high, EUR	**16.35**	14.00	9.26	6.40	11.20
Average yearend closing price, EUR	**15.30**	13.02	8.94	6.30	5.00
Market value of total shares outstanding, December 31, MEUR	**130.8**	111.2	76.4	53.9	42.9
Market value of total shares outstanding, less own shares, December 31, MEUR	**129.6**	111.3	76.4	53.9	42.9
Share turnover, 1,000 each	**3 245**	1 531	708	966	1 813
Share turnover, %	**37.9**	17.9	8.3	11.0	20.7
Total share volume, 1,000 EUR	**46 997**	15 391	5 828	5 264	14 375
Total number of shares, 1,000 each					
total yearend	**8 551**	8 551	8 551	8 770	8 770
total yearend, adjusted	**8 551**	8 551	8 551	8 770	8 770
outside the Group	**8 427**	8 551	8 551	8 551	8 584
outside the Group, adjusted average	**8 427**	8 551	8 551	8 581	8 713

Calculation of Key Ratios

Return on Investment (ROI), %

Profit before extraordinary items and taxes + interest and other financial costs x 100 / Balance sheet total – interest-free liabilities (average)

Return on Equity (ROE), %

Profit before extraordinary items and taxes – direct taxes x 100 / Shareholders' equity + minority interest (average)

Equity Ratio, %

Shareholders' equity + minority interest x 100 / Balance sheet total – advances received

Gearing, %

Interest-bearing liabilities – liquid assets / Shareholders' equity + minority interest

Average Personnel

Average number of personnel as of the month end

Earnings per Share (EPS), EUR

Profit before extraordinary items and taxes – direct taxes – minority interest / Adjusted average number of shares outstanding during the period

Equity / Share, EUR

Shareholders' equity / Adjusted number of shares outstanding at the yearend

Adjusted Dividend / Share, EUR

Dividend paid in period / Share issue multiplier

Dividend / Earnings, %

Adjusted dividend per share x 100 / Earnings per share

Effective Dividend Yield, %

Adjusted dividend / share x 100 / Average yearend share price

Price Earnings Ratio (P/E)

Adjusted yearend share price / Earnings per share

Adjusted Average Share Price

Total share turnover in euros / Adjusted fiscal share turnover

Equity Market Value

Total number of shares outstanding x Average yearend share price

Share-related key figures are calculated on the basis of shares outside the Group.

Risks and Risk Management

Risk management is part of Aspo Group's management control system. Its objective is to identify, analyze and contain possible operational threats and risks. Risks are considered to include all internal and external factors affecting Aspo's ability to reach its business objectives and to generate earnings. Within Aspo risks are not only seen as a negative factor to be removed or a cost item. We recognize the importance of taking controlled risks and exploiting opportunities as a part of Aspo's development and search for increased shareholder value.

Risks are mapped, classified and assessed systematically and decisions on necessary measures are then taken. When assessing the importance of risks we consider not only their direct financial impact, but also other factors, such as the effect on personnel, customers and Aspo's reputation. Risks are classified into certain groups based on the probability and consequences of possible events. This illustrates the priority of risk control measures and creates a consistent way of assessing and evaluating risks within the Group.

Critical risks are handled in the Group by an approved decision-making procedure. The management of the Group and the division goes through the risks and prepares measures for controlling the critical ones. Critical risks and the state of their management are reported regularly to the Aspo Plc Board. When necessary, measures are started on a Group level and outside experts are used.

Critical, large and moderate risks are considered normal business risk for the Aspo Group. The operational management is responsible for their control within their respective areas of responsibility. Important risks require monitoring by the management, as they may become critical risks, if circumstances change. The management is responsible for defining and executing sufficient measures and monitoring their execution as part of normal operational control. If necessary, projects are initiated on a divisional or unit level and outside experts are used.

For certain risks the principles and the essential contents of risk management are defined in Group level policies and instructions. Damage risks are covered by appropriate insurance. The CFO of Aspo Plc, who reports to the CEO of Aspo Plc, coordinates risk management.

Business risks

All of Aspo's Divisions have a common market area centering on the Baltic Sea area and enjoying market leadership in selected sectors. Even if these sectors do not provide significant internal synergies, they balance market-related risks. As a diversified company Aspo has a clear perception of evolving business conditions based on multiple interfaces. The experience gained in one sector can be utilized in other sectors.

Business risks include risks that impede the achievement of Aspo's and its divisions' strategic targets, risks resulting from political conditions or decision-making, risks related to mergers and acquisitions and various risks related to day-to-day operations. The earnings of Aspo Chemicals are particularly sensitive to fluctuations in raw material prices, i.e. the right timing of purchasing is the main factor affecting earnings. A fifth of the purchasing is priced in dollars. Other essential business risks with a possible impact on operations include mergers and acquisitions between raw material suppliers, rearrangements of distribution channels and changes in the chemical industry and the legislation. There is always a risk of environmental damage in handling chemical substances, for which reason special attention must be paid to the caution and functional security of the processes.

Aspo Shipping's coal transport is giving way to steel raw material shipments, which balances its shipment portfolio. This will increase the use of the euro in invoicing and balance the transport demand. This is especially important in downturns in coal shipments. The main business risks are considered to be unfavorable changes in demand and competitive conditions, loss of customer confidence, 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 Aspo Shipping has been able to manage its risks well.

At Aspo Systems steady cash flow from maintenance services balances fluctuations in equipment sales. A stronger euro can negatively impact earnings to some extent, but the significance of currency fluctuations is declining. Changes in competitive conditions or customer purchasing behavior and loss of key customers are risks that we have systematically tried to reduce by building tight partnerships with customers and by expanding our market area.

The most important risks included in business risks are connected with operations and especially customer loyalty, adequacy of equipment, the protection of margins and key personnel. Consequently, risk management at Aspo is not only about securing sufficient insurance protection, but an essential part of daily operations and included in normal processes.

Financial Risks

The financing and management of financial risks is performed centrally within the parent company in accordance with a financial policy approved by the Board.

Currency Risks

In the Aspo Group currency risks are managed through hedging operations and through intra-Group currency transactions. At the moment about a third of Aspo Shipping's invoicing is in dollars and about one fifth of Aspo Chemicals purchasing is in dollars.

Information Technology

In order to safeguard smooth and continuous operation Aspo Group's core information systems and connections are handled centrally in accordance with IT security policies approved within the Group. In the IT security policy risks connected with both IT systems and structures, and risks connected with the availability and use of information are managed.

Proposal of the Board on the Distribution of Profits

The unrestricted shareholders' equity according to the consolidated balance sheet is EUR 39,249,398.11, of which EUR 15,652,614.71 is distributable. The unrestricted equity of the parent company is EUR 11,053,873.52. As of December 31, 2004, the number of registered shares was 8,550,721, of which the company held 79,000 shares.

The Board proposes that the company's earnings be distributed as follows:

a basic dividend of EUR 1.00/share to be paid out on each of the 8,471,721 shares outstanding	8,471,721.00 €
an additional dividend of EUR 0.19/share to be paid out on each of the 8,471,721 shares outstanding	1,609,626.99 €
to be held in the retained earnings account	972,525.53 €
	11,053,873.52 €

Helsinki, February 9, 2005

Kari Stadigh
Matti Arteva
Kari Haavisto
Roberto Lencioni

Gustav Nyberg
CEO

Auditor's Report

To the Shareholders of Aspo Plc

We have audited the accounting, the financial statements and the corporate governance of Aspo Plc for the period January 1 – December 31, 2004. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets and notes on the financial statements, have been prepared by the Board of Directors and the CEO. Based on our audit we express an opinion on these financial statements and on corporate governance of the parent company.

We have conducted the audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statement presentation. The purpose of our audit of corporate governance is to examine that the members of the Board of Directors and the CEO of the parent company have legally complied with the rules of the Companies' Act.

In our opinion the financial statements have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements. The financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company's result of operations as well as of the financial position. The financial statements with the consolidated financial statements can be adopted and the members of the Board of Directors and the CEO of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the distributable assets is in compliance with the Companies' Act.

Helsinki, March 3, 2005

PricewaterhouseCoopers Oy
Authorized Public Accountants

Jouko Malinen
Authorized Public Accountant

Notice To The Shareholders

Annual Shareholders' Meeting

The Aspo Plc Annual Shareholders' Meeting will be held at the Conference Hall of Palace, Eteläranta 10, FI-00130 Helsinki, on Thursday, March 31, 2005 at 4 PM.

Shareholders registered by the Finnish Central Securities Depository Ltd no later than March 21, 2005 are entitled to participate in the meeting.

Shareholders wishing to attend the meeting are requested to notify the company by 4 PM on March 29, 2005, either by letter at the address Aspo Plc, P.O.Box 17, FI-00581 Helsinki, or by telephone at +358 9 7595 368 / Hilkka Jokiniemi, or by telefax at +358 9 7595 301 or by e-mail at hilkka.jokiniemi@aspo.fi.

Letters authorizing a proxy to exercise a shareholder's voting right at the Annual Shareholders' Meeting should be sent to the Company before the notification period expires.

Payment of Dividends

The Aspo Plc Board of Directors proposes that a dividend totaling EUR 1.19 per share on fiscal 2004 be paid on April 12, 2005 to shareholders registered by the Finnish Central Securities Depository Ltd by April 5, 2005, at the latest.

Share Register

Shareholders are requested to provide the custodial register containing their book-entry account with their name, address and any changes in equity holdings.

Annual Report 2004

This Annual Report is available in Finnish, English and Swedish, as well as on the company website www.aspo.fi.

Interim Reports 2005

Aspo Plc will publish interim reports in fiscal 2005 as follows:
On Thursday, April 28, 2005,
for January-March
On Wednesday, August 24, 2005,
for January-June
On Thursday, October 27, 2005,
for January-September

The reports will be available at www.aspo.fi immediately after publishing.

Aspo Plc Investor Relations

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Aspo observes a news blackout between the end of the fiscal period and the publication of the results for the period in question. During the blackout the company's representatives do not meet investors or analysts, nor will they comment on the company's financial performance.

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