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ASPO GROUP INTERIM REPORT JANUARY 1 TO JUNE 30, 2010

ASPO: Record sales, operating profit growing

January–June
- Aspo Group’s net sales in January-June grew by 15% and amounted to EUR 182.6 million (EUR 159.3 million).
- Operating profit grew by 12% to EUR 6.4 million (comparable operating profit EUR 5.1 million plus EUR 0.6 million in non-recurring items).
- Profit before tax amounted to EUR 4.5 million (EUR 3.4 million).
- Earnings per share stood at EUR 0.13 (EUR 0.10).

April–June
- Aspo Group’s net sales grew by 23% and amounted to EUR 99.2 million (EUR 80.9 million).
- Operating profit grew by 126% to EUR 4.3 million (comparable operating profit EUR 1.3 million plus EUR 0.6 million in non-recurring items).
- Earnings per share stood at EUR 0.11 (EUR 0.03).

- Aspo’s ESL Shipping made the largest vessel order in its history, of which the first installment of EUR 10 million was paid.
- The equity ratio at the end of the review period was 30.2% (29.4%).

- Aspo maintains its guidance unchanged. Aspo will increase its net sales and the Group has the preconditions to improve its earnings per share.

KEY FIGURES

	1-6/2010	1-6/2009	1-12/2009
Net sales, MEUR	182.6	159.3	329.4
Operating profit, MEUR	6.4	5.7	15.3
Share of net sales, %	3.5	3.6	4.6
Profit before tax, MEUR	4.5	3.4	11.7
Share of net sales, %	2.5	2.1	3.6
Personnel at the end of period	717	761	717
Earnings per share, EUR	0.13	0.10	0.33
EPS adjusted for dilution, EUR	0.13	0.09	0.33
Comparable earnings per share, EUR		0.02	0.16
Equity per share, EUR	2.42	2.32	2.59
Equity ratio, %	30.2	29.4	34.6
Gearing, %	124.7	142.2	87.9

AKI OJANEN, ASPO’S CEO:

”The second quarter was strong for the conglomerate. ESL Shipping and Telko improved their comparable operating profit considerably. We carried out measures in accordance with Group strategy; the importance of the growing eastern markets was furthered emphasized. During the review period we invested in the future by making the largest ever vessel acquisition agreement at ESL Shipping. The EU has continued processing the change in tonnage tax and experts still expect the new legislation to take effect retroactively from the beginning of 2010.

I feel that Aspo's result for the first half of the year was good despite the difficult winter traffic for the shipping company, and the growth in net sales and operating profit in the second quarter was a sign of the earnings potential of the new Aspo Group established in 2008.

The restructuring of Telko that began in the spring of 2009 has progressed according to plan. The new management has been successful in achieving many important goals: strong profitable growth, expansion in eastern markets, and focusing on the products of the best principals. The added value of our personnel's know-how to our clients has further strengthened Telko's position as the leading player in its market in Northern Europe.

After the acquisition in the spring of 2008, Aspo launched a program aimed at saving costs in Group administration. The fixed costs of the Group's other operations were expected to decrease by EUR 2 million on an annual level. During the first half of 2010 the savings have amounted to EUR 1.3 million.

We estimate that Aspo has the preconditions to improve its earnings per share even though the comparison figure from 2009 includes EUR 5.5 million in non-recurring sales gains and losses from vessel and business operation divestments."

ASPO AS A COMPANY

Aspo is a conglomerate that owns and develops business operations in the Baltic Sea region focusing on demanding B-to-B customers. Aspo's strong company brands – ESL Shipping, Leipurin, Telko and Kaukomarkkinat – aim 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 continually developed without any predefined schedules.

Aspo's operating segments are ESL Shipping, Leipurin, Telko and Kaukomarkkinat. Other operations include Aspo Group's administration and other operations not belonging to the business units.

The Group monitors its net sales on the basis of the following geographical division: Finland, the Nordic countries, the Baltic countries, Russia and other CIS countries (including Ukraine), and other countries.

OPERATIONAL PERFORMANCE

General uncertainty has decreased on the markets. The prices of sold raw materials have increased and the transport volumes of industrial raw materials that are important for Aspo have grown, but international cargo price levels have decreased. Concerning food products, the price of grain, in particular, has started rising.

The national economies in the Baltic region are expected to have made an upturn. General uncertainty on the financial markets has continued and it is still difficult to estimate future developments. There have been considerable changes in the value of currencies as the euro has weakened during the second quarter.

ESL Shipping

ESL Shipping is the leading dry bulk shipping company operating in the Baltic Sea area. At the end of the review period, the fleet consisted of 17 vessels, of which the shipping company owns 14 in full. Two are rented and one is partially owned.

	4-6/2010	4-6/2009	Change	1-6/2010	1-6/2009	1-12/2009
Net sales, MEUR	21.7	15.1	6.6	39.0	32.4	63.8
Operating profit, MEUR	3.4	5.2	-1.8	4.8	9.3	14.7
Personnel	195	215	-20	195	215	194

The price level on international dry bulk cargo decreased during the review period. A majority of the shipping company’s capacity has been covered by long-term agreements. Concerning important industries, the production of the Scandinavian steel industry has been clearly higher than last year. Coal transports for the energy industry decreased from last year’s levels.

During the review period, shipping operations were successful despite hard winds making operations difficult in April–May. Transported cargo volumes increased and the fleet was in full use. During the review period, Ms Pasila was docked as planned and time chartering of Ms Princenborg ended in April.

The cargo volume carried by ESL Shipping in April–June amounted to 3.4 million tons (2.5). The share of the steel industry was 2.4 million tons (1.1), and the energy industry represented 0.9 million tons (1.3).

The operating profit for the quarter was EUR 3.4 million (EUR 2.3 million, plus EUR 2.9 million sales gain from Ms Kontula). The 20,000 dwt vessel ordered from India will be ready for handover in the fall. The vessel has binding leasing financing. The result for the period includes a EUR 0.3 million insurance indemnity from the 2008 average of Ms Tali, and an extra rent installment of EUR 0.3 million caused by the docking of the partially owned Ms Credo. In May, ESL Shipping ordered two new 56,150 dwt ice-strengthened dry cargo supramax class vessels from the Korean Hyundai Mipo shipyard, which will be in operation during the first half of 2012.

Leipurin

Leipurin serves the baking and other sectors of food industry by supplying ingredients, production machinery, and production lines, as well as related expertise. Leipurin operates in Finland, Russia, Poland, the Baltic countries, and Ukraine. In Russia, Leipurin has operations in several large cities in addition to St. Petersburg and Moscow. Procurement operations are international.

	4-6/2010	4-6/2009	Change	1-6/2010	1-6/2009	1-12/2009
Net sales, MEUR	26.4	26.7	-0.3	51.6	48.4	99.3
Operating profit, MEUR	0.6	1.2	-0.6	1.3	1.5	3.2
Personnel	222	193	29	222	193	218

Raw material prices and demand in the food industry have remained stable. During the 2009 financial crisis, the orders for project deliveries in machine sales clearly decreased and there have been temporary lay-offs in the Hausjärvi machine unit during the second quarter.

The operating profit for the review period, EUR 0.6 million, was below last year’s level (EUR 1.2 million), due to low machine project deliveries. Net sales and profitability of the strategically important bakery raw material unit improved compared to the comparison period. The net sales of the bakery and food raw material units has increased by 13% in January–June and amounted to EUR 46.9 million (41.7). On the Russian growth markets the net sales of Leipurin increased by 41% in April–June, i.e. to EUR 5.5 million (3.9). The operating margin for Russia was 8.0% in April–June. The overall operating margin for Leipurin was 2.3%. The company that was acquired in Latvia in 2009 was merged into Leipurin’s operations.

Telko

Telko is the leading expert and supplier of industrial chemicals and plastic raw materials in the Baltic Sea region. It operates in Finland, the Baltic countries, Scandinavia, Poland, Ukraine, Russia, and Belarus. Procurement operations are international. Business is based on representation by the best international principals and on the expertise of the personnel. Telko develops the production and competitiveness of its customers’ products in cooperation with them.

	4-6/2010	4-6/2009	Change	1-6/2010	1-6/2009	1-12/2009
Net sales, MEUR	45.2	31.0	14.2	79.7	59.8	128.8
Operating profit, MEUR	1.7	-1.8	3.5	3.3	-1.7	3.1
Personnel	198	225	-27	198	225	193

Prices and demand for sold raw materials strengthened further during the second quarter. Demand has increased in all market areas. Two-thirds of the strong net sales growth comes from volume growth and one-third from higher prices. The euro weakened during the review period. Fluctuations in currencies resulted in exchange gains.

Telko improved its profitability considerably and the operating profit for the review period was EUR 1.7 million (comparable operating profit EUR 0.0 million plus EUR 1.8 million in non-recurring costs). Demand increased and earnings improved both in industrial chemicals and plastic raw materials. Industrial demand in lubricants has still not recovered and is clearly below the 2008 level.

On the strategically important eastern markets, net sales growth continued and during the review period net sales in Russia, other CIS countries, and Ukraine amounted to EUR 16.7 million (9.0), and the operating margin was 6.6%. The overall operating margin for Telko was 3.8%.

Telko opened sales operations in China on Kaukomarkkinat’s premises to initially serve European customers.

Kaukomarkkinat

Kaukomarkkinat specializes in energy efficiency technology, solutions to improve efficiency in the process industry, and security and digital products. Operations are based on the products of the best companies in the industry and the willingness of the company’s own experts to improve the operations and efficiency of its customers. Kaukomarkkinat operates in Finland, Poland, Russia, China, and Vietnam.

	4-6/2010	4-6/2009	Change	1-6/2010	1-6/2009	1-12/2009
Net sales, MEUR	5.9	7.9	-2.0	12.3	17.7	36.4
Operating profit, MEUR	-0.4	-0.9	0.5	-0.8	0.1	0.5
Personnel	88	97	-9	88	97	90

Kaukomarkkinat’s comparable operating profit remained unchanged at EUR -0.4 million (EUR -0.4 million, plus EUR 0.5 million sales loss from Metex Deutschland).

The order book for industrial project deliveries and the sales of energy efficiency products improved towards the end of the review period. In energy efficiency products, the overall market for air-source heat pumps decreased and Kaukomarkkinat’s sales volume decreased during the first half of the year. No significant industrial machine projects materialized during the review period. Domestic AV and data units improved their result. The relative share of fixed administrative costs of net sales increased as net sales decreased as a result of operational and business divestments and lower sales volumes. Kaukomarkkinat is adopting a new ERP system that is already in use in Telko.

Other operations

Other operations include Aspo Group’s administration and other operations not belonging to the business units.

	4-6/2010	4-6/2009	Change	1-6/2010	1-6/2009	1-12/2009
Net sales, MEUR	0.0	0.2	-0.2	0.0	1.0	1.1
Operating profit, MEUR	-1.0	-1.8	0.8	-2.2	-3.5	-6.2
Personnel	14	31	-17	14	31	22

The Group’s administrative costs have decreased as planned since the acquisitions in the spring of 2008.

NET SALES

January–June

Aspo Group’s net sales in January–June 2010 amounted to EUR 182.6 million (159.3). ESL Shipping’s net sales grew in spring, particularly after a harsh icy winter. Leipurin’s net sales grew as the volume of bakery raw material sales increased in Russia, in particular. No bakery lines were delivered during the review period, which slowed down net sales growth. Kaukomarkkinat’s net sales decreased due to a temporary drop in air-source heat pump demand, project sales focusing towards the end of the year, and as a result of operational and business deals carried out in 2009. Telko’s net sales grew heavily as demand recovered as a result of volume growth and price strengthening.

April–June

Aspo Group’s net sales in April–June amounted to EUR 99.2 million compared with EUR 80.9 million in the corresponding period last year.

Net sales by segment, MEUR

	4-6/2010	4-6/2009	Change	1-6/2010	1-6/2009	1-12/2009
ESL Shipping	21.7	15.1	6.6	39.0	32.4	63.8
Leipurin	26.4	26.7	-0.3	51.6	48.4	99.3
Telko	45.2	31.0	14.2	79.7	59.8	128.8
Kaukomarkkinat	5.9	7.9	-2.0	12.3	17.7	36.4
Other operations	0,0	0,2	-0,2	0,0	1,0	1,1
Total	99.2	80.9	18.3	182.6	159.3	329.4

There is no considerable inter-segment net sales.

Net sales by market area, MEUR

	4-6/2010	4-6/2009	Change	1-6/2010	1-6/2009	1-12/2009
Finland	40.3	38.2	2.1	76.1	75.3	151.8
Nordic countries	14.7	6.4	8.3	25.9	13.4	30.0
Baltic countries	10.5	10.5	0.0	19.5	18.0	37.0
Russia + other CIS countries	22.3	12.6	9.7	39.3	24.2	56.2
Other countries	11.4	13.2	-1.8	21.8	28.4	54.4
Total	99.2	80.9	18.3	182.6	159.3	329.4

The strong growth of Russia, CIS countries, and Ukraine continued and reached record sales. Net sales for the Nordic countries exceeded the 2008 level. The recession has continued in the Baltic market area, which meant net sales from the Baltic region did not grow.

If ESL Shipping’s raw material exports from Russia are included in the Russian net sales, the sales for Russia increased to EUR 28.7 million (25.3). The transport volume for Russia-based coal was below the 2009 level.

MEUR	4-6/2010	4-6/2009	Change	1-6/2010	1-6/2009	1-12/2009
Russia + other CIS countries	28.7	25.3	3.4	50.7	43.6	87.9

EARNINGS

January–June

Aspo Group’s operating profit in January–June was EUR 6.4 million (5.7), i.e. 3.5% of net sales. Planned depreciation totaled EUR 4.1 million (4.5). The Group’s net financial costs totaled EUR 1.8 million (2.3). January–June profit before tax was EUR 4.5 million (3.4), and profit for the period amounted to EUR 3.4 million (2.6). Return on equity was 10.4% (8.4).

April–June

Aspo Group’s operating profit in April–June was EUR 4.3 million (EUR 1.9 million, including EUR 2.4 million in sales gains and losses), i.e. 4.3% of net sales. The operating profit of ESL Shipping totaled EUR 3.4 million (EUR 5.2 million, including sales gains of EUR 2.9 million). Leipurin's operating profit was EUR 0.6 million (1.2). Telko's operating profit was EUR 1.7 million (EUR -1.8 million, including non-recurring costs of EUR 1.8 million). Kaukomarkkinat's operating profit was in the red at EUR -0.4 million (EUR -0.9 million, including EUR -0.5 million in sales losses). Other operations include Aspo Group's administration and other operations not belonging to the business units. The operating profit of other operations was EUR -1.0 million (-1.8).

Operating profit by segment, MEUR

	4-6/2010	4-6/2009	Change	1-6/2010	1-6/2009	1-12/2009
ESL Shipping	3.4	5.2	-1.8	4.8	9.3	14.7
Leipurin	0.6	1.2	-0.6	1.3	1.5	3.2
Telko	1.7	-1.8	3.5	3.3	-1.7	3.1
Kaukomarkkinat	-0.4	-0.9	0.5	-0.8	0.1	0.5
Other operations	-1.0	-1.8	0.8	-2.2	-3.5	-6.2
Total	4.3	1.9	2.4	6.4	5.7	15.3

Earnings per share January–June

Earnings per share was EUR 0.13 (0.10) and diluted earnings per share was EUR 0.13 (0.09). Equity per share was EUR 2.42 (2.32).

INVESTMENTS

Group investments in January–June amounted to EUR 11.2 million (3.9), of which a majority was prepayments for ESL Shipping's new vessel orders. Other investments include dockings of ESL Shipping's vessels and ICT investments of other business operations as well as smaller investments required for operational expansion.

Investments by segment, acquisitions excluded, MEUR

	4-6/2010	4-6/2009	Change	1-6/2010	1-6/2009	1-12/2009
ESL Shipping	10.3	1.5	8.8	10.4	2.3	3.1
Leipurin	0.0	0.1	-0.1	0.1	0.3	0.5
Telko	0.2	0.6	-0.4	0.3	0.6	2.5
Kaukomarkkinat	0.3	0.2	0.1	0.3	0.3	0.6
Other operations	0.0	0.0	0.0	0.1	0.4	0.7
Total	10.8	2.4	8.4	11.2	3.9	7.4

FINANCING

The Group's financing position improved from the comparison period. The Group's cash and cash equivalents amounted to EUR 10.7 million (6.9). There was a total of EUR 89.1 million (91.9) in interest-bearing liabilities on the consolidated balance sheet. Interest bearing liabilities were affected by dividends paid in the second quarter and the first installment of the vessel order, both of which were financed with a bank loan. Interest-free liabilities totaled EUR 57.0 million (53.1).

Aspo Group’s gearing was 124.7% (142.2) and the equity ratio was 30.2% (29.4). The main factor affecting equity in the review period was dividend payments. The balance sheet total grew as result of the vessel investment.

The Group’s cash flow from operations amounted to EUR 2.0 million (6.0) in January–June. The cash flow was weakened by the low result in the first quarter and an increase in inventories and sales receivables. In the second quarter, the cash flow from operations was clearly positive. At the end of the period the change in working capital stood at EUR -5.2 million (4.2).

Cash flow from investments was EUR -10.4 million so the Group’s free cash flow in January–June was EUR -8.4 million. The cash flow from investments was affected by the EUR 10 million payment related to the vessel investment.

The dollar denominated cash flow of the approximately EUR 60 million vessel order signed by ESL Shipping during the review period is largely hedged with financial instruments. Because the currency derivatives used in the hedging fall under hedge accounting the exchange losses or gains caused by exchange rate fluctuations are mainly recognized as changes in equity.

The amount of binding standby credit limits signed between Aspo and its main financing banks stood at EUR 50 million at the end of the period. In June, a EUR 20 million standby credit limit was signed with Nordea. The limit replaces a limit of the same amount that matures in August 2010. The new agreement is valid for two years. At the end of the review period, EUR 20 million of the standby credit limits was in use.

Convertible capital loan

Aspo Plc has EUR 14,600,000 in a convertible capital loan issued in 2009. The original principal of the loan was EUR 15,000,000. The loan period is June 30, 2009–June 30, 2014. The loan will be repaid in one installment on June 30, 2014, assuming that the repayment conditions outlined in Chapter 5 of the Finnish Companies Act and the loan terms are met. The loan has a fixed interest rate of 7%.

The loan units can be converted into Aspo shares. Each EUR 50,000 subscription of the loan entitles the loan unit holder to convert the loan unit to 7,690 Aspo Plc shares. The conversion rate is EUR 6.50. The loan can be converted annually between January 2 and November 30. The conversion period ends on June 15, 2014. A total of 61,520 new Aspo Plc shares corresponding with eight loan shares have been subscribed from the convertible capital loan. The new shares were entered into the trade register on May 12, 2010. The amount of the transferred loan was EUR 400,000.

RISKS AND RISK MANAGEMENT

The economic upturn and gradual recovery in prices have reduced, but not completely removed, the Group’s risks in its main business areas. Among Aspo’s market areas, market uncertainty still affects industrial demand in Western countries. The Group is growing, in particular, in developing market areas where growth risks are also affected by investments, interest rate levels, exchange rates, and customers’ liquidity, as well as rapid changes in legislation and import regulations.

In operational risks, the main risks, in terms of likelihood and effect, are connected to the permanence of customer relationships, equipment sufficiency, maintaining the balance level, and key personnel, as well as the application of internal guidelines. Risks connected to goodwill are monitored with segment specific impairment tests that are carried out at least once a year.

The Group has avoided considerable exchange rate losses due to active hedging of currency positions and currency flow. The general credit loss risk is still high but is normalizing as the economic situation among customers improves. The currency risks related to vessel investments have been hedged and prepayments are secured with guarantees.

Risk management is part of Aspo’s internal supervision and its task is to ensure the implementation of the Group’s strategy, development of financial results, shareholder value, dividend payment ability, and continuity in business operations. The operational management of the business areas is responsible for risk management. The management is responsible for defining sufficient measures, implementation, and for monitoring and ensuring that the measures are implemented as part of day to day operational control. Risk management is coordinated by Aspo’s CFO, who reports to the Group CEO.

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

PERSONNEL

Aspo Group’s number of personnel stood at 717 (761) at the end of June. The biggest changes in the total number of personnel compared to the comparison period were caused by the reduction in personnel caused by ESL Shipping’s vessel sales, the increase in personnel in Latvia caused by Leipurin’s acquisition, and the personnel for new units in Russia and Ukraine. Telko’s personnel has been reduced in Finland and in Scandinavia. Kaukomarkkinat’s personnel decreased as a result of divestments.

Personnel by segment

	4-6/2010	4-6/2009	Change	1-6/2010	1-6/2009	1-12/2009
ESL Shipping	195	215	-20	195	215	194
Leipurin	222	193	29	222	193	218
Telko	198	225	-27	198	225	193
Kaukomarkkinat	88	97	-9	88	97	90
Other operations	14	31	-17	14	31	22
Total	717	761	-44	717	761	717

Rewarding

Aspo Group has a profit bonus system. Part of the Group’s profit is paid as a profit bonus to the personnel fund. The aim is that the personnel fund uses the majority of the profit bonuses to purchase Aspo Plc shares. The long-term goal is that the personnel will become a considerable shareholder group in the company. All persons working at Aspo Group’s Finnish subsidiaries are members of the personnel fund. Aspo’s business areas pay part of their earnings as bonuses to the personnel. The calculation principles for the bonuses are decided on by business area.

In 2009, Aspo decided on a new management shareholding program where the potential gain is based on the earnings per share during 2009–2011. The management shareholding program encompasses about 40 people in Aspo’s management and key personnel.

SHARE CAPITAL AND SHARES

Aspo Plc’s share capital on June 30, 2010, was EUR 17,691,729.57, and the total number of shares was 26,467,583, of which the company held 576,870 shares, i.e. 2.18% of the share capital. Aspo Plc has one share series. Each share entitles the shareholder to one vote at the shareholder’s meeting. Aspo’s share is quoted on NASDAQ OMX Helsinki Ltd’s medium-sized companies group under industrial products and services.

From the convertible subordinated loan issued by Aspo Plc in 2009, 61,520 new shares corresponding with eight loan shares have been subscribed. The new shares were entered into the trade register on May 12, 2010, and were traded from May 14, 2010.

On March 25, 2010, Aspo Plc’s granted 43,130 treasury shares to 25 members of Aspo Group’s management team as part of a shareholding program directed at key personnel.

From January to June 2010 a total of 2,578,939 Aspo Plc shares with a market value of EUR 18.4 million were traded on NASDAQ OMX Helsinki, in other words, 9.7% of the stock changed hands. In January–June, the stock reached a high of EUR 8.06 and a low of EUR 5.91. The average price was EUR 7.16 and the closing price at the end of the period was EUR 6.80. At the end of the period, the market capitalization excluding treasury shares was EUR 176.1 million.

At the end of the period, the number of Aspo Plc shareholders was 5,446. A total of 745,182 shares, or 2.8% of the total share capital, were nominee registered or held by non-domestic shareholders.

DECISIONS AT THE ANNUAL SHAREHOLDERS´ MEETING

Dividend

At the Aspo Plc Annual Shareholders’ Meeting on April 7, 2010, the shareholders adopted the Board of Directors’ proposal for a dividend of EUR 0.42 per share. The dividend was paid on April 19, 2010, as decided by the Shareholders’ Meeting.

Board of Directors and Auditors

Aspo Plc’s Annual Shareholders´ Meeting re-elected Matti Arteva, Esa Karppinen, Roberto Lencioni, Gustav Nyberg, Kristina Pentti-von Walzel and Risto Salo to the Board of Directors for a one-year term. At the Board´s organizing meeting held after the Shareholders’ Meeting, Gustav Nyberg was elected to carry on as Chairman and Matti Arteva as Vice-Chairman. At the meeting, the Board also decided to establish an Audit Committee and appointed Roberto Lencioni Chairman of the Committee and Kristina Pentti-von Walzel and Risto Salo as Committee members.

The authorized public accounting firm PricewaterhouseCoopers Oy continues as company auditor. Jan Holmberg, APA, acts as the auditor in charge.

Board Authorizations

The shareholders authorized the Board to decide on the acquisition of company-held shares using the unrestricted shareholders’ equity of the company. The authorization covers a maximum of 500,000 own shares. The shares shall be acquired through public trading, for which reason the shares are acquired otherwise than in proportion to the holdings of the shareholders and the consideration paid for the shares shall be the market price of Aspo’s share at the time of repurchase. The authorization does not exclude the Board’s right to resolve on a directed repurchase.

The shares shall be acquired to be used to finance or carry out possible acquisitions or other arrangements, to balance the financial risk of the company’s share-ownership program or for other purposes determined by the Board.

The Board may not exercise the authorization if, after the acquisition, the company or its subsidiary were to possess or have as a pledge more than 10% of the company’s stock.

The Annual Shareholders’ Meeting also authorized the Board of Directors to decide on a share issue, through one or several installments, to be executed by conveying shares held by the company. An aggregate maximum amount of 1,120,000 shares may be conveyed based on the authorization. The authorization will be used to finance and complete any acquisitions or other transactions, to carry out the company’s share-ownership programme or for other purposes to be determined by the Board.

The authorization includes the right for the Board to decide on all the terms and conditions of the conveyance, and thus also includes the right to decide on a directed share issue deviating from the shareholders’ pre-emptive right on the conditions provided by law.

The authorizations are valid until the Annual Shareholders’ Meeting in 2011, but no more than 18 months from the approval at the Shareholders’ Meeting. The Board of Directors has not utilized the authorizations granted in 2010 by August 24, 2010.

Amendment of the Articles of Association

The Annual Shareholders´ Meeting decided to amend the Articles of Association in accordance with the Board’s proposal.

EVENTS AFTER THE REPORTING PERIOD

After the review period ESL Shipping signed a EUR 25 million loan agreement for vessel financing with Pohjola Bank. The loan maturity is 12 years. The credit will be used to finance the first vessel to be completed of the two vessels ordered from the Korean Hyundai Mipo shipyard.

OUTLOOK ON FUTURE DEVELOPMENT

Market outlook

Aspo estimates that the general economic situation is improving from the recession in the summer of 2009. The national economies in the Baltic region, which is strategically important for the Group, are recovering. Estimates are still made difficult by the uncertainty that prevails in the euro area and on the financial markets.

Aspo's 2010 outlook

Aspo Group's current structure creates a good basis for growth in net sales and profitability. The Group's costs are estimated to be considerably lower than in 2009. A possible change to the tonnage tax legislation would considerably improve the Group's profit after tax.

Aspo maintains its guidance unchanged. Aspo will increase its net sales and the Group has the preconditions to improve its earnings per share.

ESL Shipping

The aim of the shipping company is to maintain its position as the leading dry cargo shipping company and transporter on the Baltic Sea by renewing its fleet. In the fall, a 20,000 dwt Eira class vessel will be completed in India, and two 56,150 dwt supramax class vessels have been ordered from the Hyundai Mipo shipyard. When these vessels are completed, the shipping company's capacity will grow by over 50%.

The cargo markets are expected to remain at the current level on the Baltic Sea during the fall. A considerable share of the transportation capacity of 2010 has been covered with long-term agreements. The cargo volumes of the energy and steel industries are expected to be normal.

The amendment to the tonnage tax legislation that is awaiting approval from the EU commission would have a considerable positive effect on ESL Shipping's post-tax result if applied. Experts estimate that the new tonnage tax legislation will become retroactively valid from January 1, 2010.

Leipurin

Organic growth in Leipurin's bakery raw material business is expected to continue. Leipurin will continue to establish itself in Russia's growing metropolitan areas and in Kazakhstan during 2010. A new customs union between Russia, Kazakhstan, and Belarus entered into force on July 1, 2010. New locations create a good basis for several years of growth. Raw material sales to other food industry actors aim to expand to the Baltic, Russian, and Kazakhstan markets. The positive financial effects of the expansion will become visible in 2011.

The machine unit has agreed on three considerable project deliveries after the review period. The new orders have enabled the machine unit to cancel the temporary lay-offs after the end of the review period. The project deliveries will materialize at the end of 2010 and partially next year.

Telko

Telko will continue its profitable growth in all market areas, particularly in the growing eastern markets. The cost savings effect from the reorganization completed in 2009 is estimated to be approximately EUR 2 million in 2010 fixed costs.

This year, two to three new offices will be opened in Russia in selected metropolitan areas. A new customs union between Russia, Kazakhstan, and Belarus entered into force on July 1, 2010. Telko has established a subsidiary in Belarus and is preparing to start operating in Kazakhstan during 2010.

Kaukomarkkinat

A stronger order book in industrial project deliveries, the exceptionally hot summer, and the success of Panasonic’s air-source heat pumps in tests are estimated to improve Kaukomarkkinat’s operating profit.

The company has launched new strategic work with the aim of ensuring that the company’s operational profitability improves. Of the current operations, energy efficiency products, particularly expansion into new equipment solution and service packages, are being investigated.

The need for energy efficiency products and services will increase heavily as new Finnish- and EU-wide energy efficiency regulations for greenfield construction and a new national energy policy are adopted, and as energy prices increase.

Considerable projects are expected to materialize in the Far East unit in late 2010.

Other operations

Other operations include Aspo Group’s administration and other operations not belonging to the business units. The Group’s overall costs are expected to clearly decrease from last year. Financial costs are expected to decrease from 2009.

Operational risks

The general economic situation is affecting industrial demand in the Baltic Sea region. It is difficult to foresee whether the growth in demand in developing markets will continue, as well as any other sudden changes in business preconditions on the eastern markets. Changes in the financial markets and in the value of currencies may have an effect on the Group’s future financial development.

A more detailed account of the risk management policy and the main risks have been published in the 2009 annual report and on the company’s website. A more detailed account of the financial risks can be found in the notes to the 2009 annual report.

Helsinki, August 24, 2010

ASPO Plc

Board of Directors

ASPO GROUP INCOME STATEMENT

	4-6/2010		4-6/2009	
	MEUR	%	MEUR	%
Net sales	99.2	100	80.9	100
Other operating income	0.1	0.1	3.2	4.0
Depreciation and write-downs	-2.0	-2.0	-2.2	-2.7
Operating profit	4.3	4.3	1.9	2.3
Financial income and expenses	-0.7	-0.7	-1.0	-1.2
Profit before taxes	3.5	3.5	0.9	1.1
Profit for the period	2.9	2.9	0.7	0.9
Other comprehensive income				
Translation differences	0.3		0.3	
Cash flow hedges	1.9		-0.9	
Income tax on other comprehensive income	-0.5		0.2	
Other comprehensive income for the year, net of taxes	1.7		-0.4	
Total comprehensive income	4.6		0.3	
Profit attributable to shareholders	2.9		0.7	
Non-controlling interest	0.0		0.0	
Total comprehensive income attributable to shareholders	4.6		0.3	
Non-controlling interest	0.0		0.0	

	1-6/10 MEUR	%	1-6/09 MEUR	%	1-12/09 MEUR	%
Net sales	182.6	100.0	159.3	100.0	329.4	100.0
Other operating income	0.7	0.4	3.9	2.4	10.5	3.2
Depreciation and write-downs	-4.1	-2.2	-4.5	-2.8	-8.9	-2.7
Operating profit	6.4	3.5	5.7	3.6	15.3	4.6
Financial income and expenses	-1.8	-1.0	-2.3	-1.4	-3.6	-1.1
Profit before taxes	4.5	2.5	3.4	2.1	11.7	3.6
Profit for the period	3.4		2.6		8.6	
Other comprehensive income						
Translation differences	1.2		-0.6		-0.1	
Cash flow hedges	1.9		0.0		0.4	
Net result recoqnized directly to equity					0.2	
Income tax on other comprehensive income	-0.5		0.0		-0.1	
Other comprehensive income for the year, net of taxes	2.6		-0.6		0.4	
Total comprehensive income	6.0		2.0		9.0	
Profit attributable to shareholders	3.4		2.6		8.5	
Non-controlling interest	0.0		0.0		0.1	
Total comprehensive income attributable to shareholders	6.0		2.0		8.9	
Non-controlling interest	0.0		0.0		0.1	

ASPO GROUP BALANCE SHEET

	06/10 MEUR	06/09 MEUR	Change %	12/09 MEUR
Assets				
Non-current assets				
Intangible assets	16.1	16.3	-1.2	16.6
Goodwill	40.3	40.5	-0.5	40.2
Tangible assets	57.5	69.1	-16.8	50.1
Available-for-sale assets	0.2	0.2	0.0	0.2
Long-term receivables	2.5	1.3	92.3	0.6
Shares in associated companies	1.3	0.9	44.4	1.6
Total non-current assets	117.9	128.3	-8.1	109.3
Current assets				
Inventories	33.9	26.3	28.9	29.3
Sales and other receivables	46.4	43.3	7.2	44.7
Cash and bank deposits	10.7	6.9	55.1	11.5
Total current assets	91.0	76.5	19.0	85.5
Total assets	208.9	204.8	2.0	194.8
Shareholders’ equity and liabilities				
Shareholders’ equity				
Share capital	17.7	17.7	0.0	17.7
Other shareholders’ equity	45.1	42.1	7.1	49.2
Shareholders’ equity attributable to equity holders of the parent company	62.8	59.8	5.0	66.9
Non-controlling interest	0.0	0.0	0.0	0.0
Long-term liabilities	56.6	82.7	-31.6	57.1
Short-term liabilities	89.5	62.3	43.7	70.8
Total shareholders’ equity and liabilities	208.9	204.8	2.0	194.8

STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY

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

MEUR	A	B	C	D	E	F	G	H	I	J
Balance at 31.12.2009	17.7	4.3	0.0	2.8	-3.7	-1.6	47.5	67.0	-0.1	66.9
Comprehensive income:										
Profit for the period							3.4		0.0	
Translation difference						1.2				
Cash flow hedge, net of taxes			1.4							
Total comprehensive income			1.4			1.2	3.4	6.0		
Transactions with owners:										
Dividend payment							-10.8			
Share based payment				0.2	0.1		0.0			
Conversion of convertible bond				0.3						
Total transactions with owners				0.5	0.1		-10.8	-10.2		
Balance at 30.6.2010	17.7	4.3	1.4	3.3	-3.6	-0.4	40.1	62.8	0.0	62.8
Balance at 31.12.2008	17.7	4.3	-0.3	0.5	-3.7	-1.5	49.0	66.0	0.0	66.0
Comprehensive income:										
Profit for the period							2.6			
Translation difference						-0.6				
Cash flow hedge, net of taxes			0.0							
Total comprehensive income			0.0			-0.6	2.6	2.0		
Transactions with owners:										
Dividend payment							-10.8			
Share based payment							0.2			
Equity share of convertible bond, net of taxes				2.4						
Total transactions with owners				2.4			-10.6	-10.6		
Balance at 30.6.2009	17.7	4.3	-0.3	2.9	-3.7	-2.4	40.2	57.0	0.0	57.0

ASPO GROUP CASH FLOW STATEMENT

	1-6/10 MEUR	1-6/09 MEUR	1-12/09 MEUR
OPERATIONAL CASH FLOW			
Operating profit	6.4	5.7	15.3
Adjustments to operating profit	4.2	1.0	1.7
Change in working capital	-5.2	4.2	6.8
Interest paid	-3.1	-3.4	-5.5
Interest received	0.9	0.3	0.2
Taxes paid	-1.2	-1.8	-5.5
Total operational cash flow	2.0	6.0	13.0
INVESTMENTS			
Investments in tangible and intangible assets	-10.9	-3.9	-3.8
Gains on the sale of tangible and intangible assets	0.2	3.0	13.8
Gains on the sale of business operations			11.1
Purchases of subsidiary shares			-1.2
Sale of the subsidiary shares			1.0
Associated companies acquired	0.3		
Total cash flow from investments	-10.4	-0.9	20.9
FINANCING			
Change in short-term borrowings	19.6	-35.0	-32.7
Change in long-term borrowings	-1.2	35.0	8.5
Dividends paid	-10.8	-10.8	-10.8
Total financing	7.6	-10.8	-35.0
Increase / Decrease in liquid funds	-0.7	-5.7	-1.1
Liquid funds in beginning of year	11.5	12.6	12.6
Liquid funds at period end	10.7	6.9	11.5

KEY FIGURES AND RATIOS

	1-6/2010	1-6/2009	1-12/2009
Earnings per share, EUR	0.13	0.10	0.33
EPS adjusted for dilution, EUR	0.13	0.09	0.33
Comparable earnings per share, EUR		0.02	0.16
Equity per share, EUR	2.42	2.32	2.59
Equity ratio, %	30.2	29.4	34.6
Gearing, %	124.7	142.2	87.9

ACCOUNTING PRINCIPLES AND FINANCIAL REPORTING

Aspo Plc’s interim report has been compiled in accordance with the principles of IAS 34 Interim Financial Reporting. The same accounting principles have been adopted in the interim report as in the Financial Statements on December 31, 2009. The calculation formulas for key indicators are explained on page 82 of the 2009 financial statements. The information in this report is unaudited.

Helsinki, August 24, 2010

ASPO Plc

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CEO	CFO

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PRESS AND ANALYST CONFERENCE

A press and analyst conference will be arranged today, Tuesday August 24, 2010 at 14.30 at the Paavo Nurmi cabinet at Hotel Kämp, Pohjoisesplanadi 29, 00100 Helsinki.

FINANCIAL REPORTING 2010

Aspo Plc’s next interim report will be published:
1-9/2010 on Tuesday October 26, 2010

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