# Aspo Q3 2008 October 23, 2008

CEO Gustav Nyberg
COO Aki Ojanen
CFO Arto Meitsalo, Kauko-Telko

ASPO


# Main Events Q3

- Kauko-Telko included in the entire quarter
- Best operating result ever; all businesses profitable in Q3 and cumulatively
- Divestment of Autotank Group completed, sales generated EUR 8.2 million in sales gain; clearly improved the Aspo Group's solvency
- M/S Eira was repurchased from SEB Leasing with a long-term bank loan; improves company earnings
- The Group had good operating cash flow (EUR 10.5 million)

- Co-operation negotiations pertaining to Kauko-Telko's administration were initiated after the review period. The Group's administration costs will decrease by EUR 2 million at annual level.


# Changes in Group Management from January 1, 2009

- The new CEO is the Group's current COO Aki Ojanen, eMBA (47).
- The Chairman of the Board of Directors Kari Stadigh has announced that he wants to resign from this position at the same time, but he will continue working as a member of the Board
- The Board of Directors has decided to appoint Gustav Nyberg, B.Sc. (Econ.), eMBA (51) as the new Chairman
- The new CFO is Arto Meitsalo, M.Sc. (Econ.) (45)
- Director Dick Blomqvist, B.Sc. (Econ.) is responsible for the Group's special projects until he retires in the summer of 2009
- The Group's Treasurer from April 1, 2008 is Harri Seppälä, eMBA (44)


# Aspo's Q1 - Q3, Continuing Operations

- Net sales grew to EUR 258.0 million (EUR 154.7 million),
- Operating profit totaled EUR 12.9 million (EUR 11.5 million and in addition a sales gain of EUR 10.2 million from the sale of M/S Arkadia)
- The Group's result was in line with expectations
- The Group was well prepared for the downturn in prices in Q3 and the profit was partially better than expected
- The decrease in fuel prices and fluctuations in exchange rates did not have a significant effect on the result
- Extra costs in Q3 earnings from Kauko-Telko integration, overlapping in administration and integration of Telko's Scandinavian operations

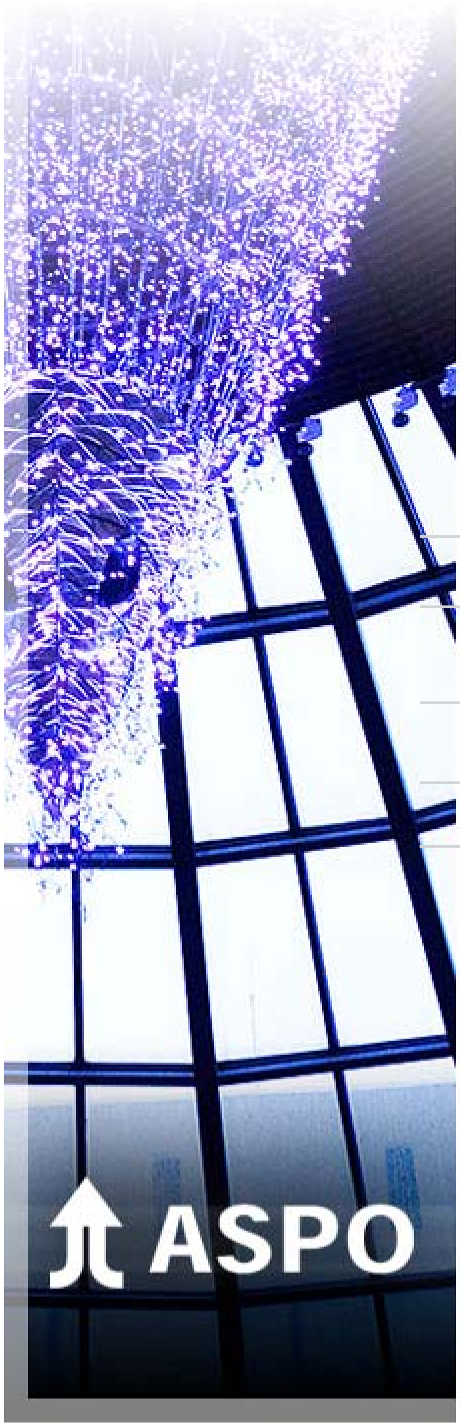

# Aspo's Q3, Continuing Operations

- Divestment of the Autotank Group and Finnish adhesive tape operations as well as good operating cash flow improved the Group's solvency and lowered the gearing ratio.
- The purchase of M/S Eira was financed with a long-term financing agreement.
- At the end of the review period the Group had EUR 59.5 million in unutilized financial limits.
- The Group has no need for short-term financing nor to renew significant financing agreements before the summer of 2009.
- After the review period, the Group signed a EUR 20 million two year loan contract.
- The Group decided to develop Kaukomarkkinat's electronic operations and report it as part of other operations.


# Net Sales and Operating Profit, Continuing Operations

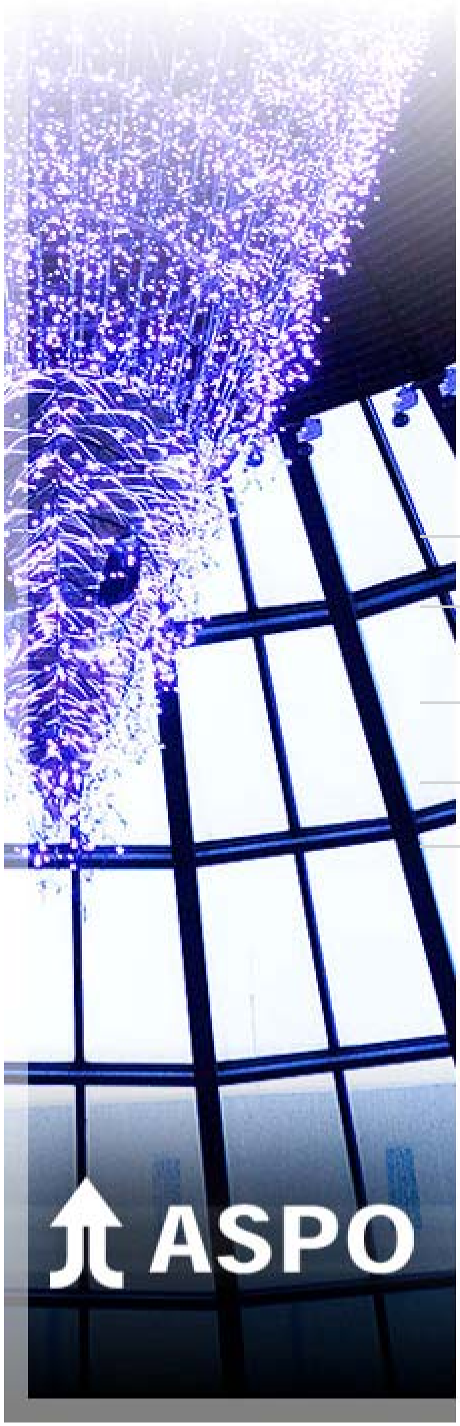
| 2007/**2008** | Q1 | Q2 | Q3 | Q4 | Total |
|---|---|---|---|---|---|
| Net sales | 52.4 | 92.9 | 112.7 | | 258 |
| **M€** | **51.7** | **51.0** | **52.0** | | **154.7** |
| Operating profit | 3.0 | 4.0 | 5.9 | | 12.9 |
| **M€** | **3.8** | **13.9*** | **3.8** | | **21.5** |

* Operating profit EUR 3.7 million; sales gain EUR 10.2 million on the sale of M/S Arkadia




# Net Sales 3Q, Continuing Operations

| MEUR | Q3/08 | Q3/07 | Change |
|---|---|---|---|
| ESL Shipping | 21.8 | 20.5 | +1.3 |
| Leipurin | 25.2 | | +25.2 |
| Telko | 51.9 | 31.5 | +20.4 |
| Other operations | 13.7 | | +13.7 |
| Total | 112.6 | 52.0 | +60.6 |




# Operating Profit 3Q, Continuing Operations

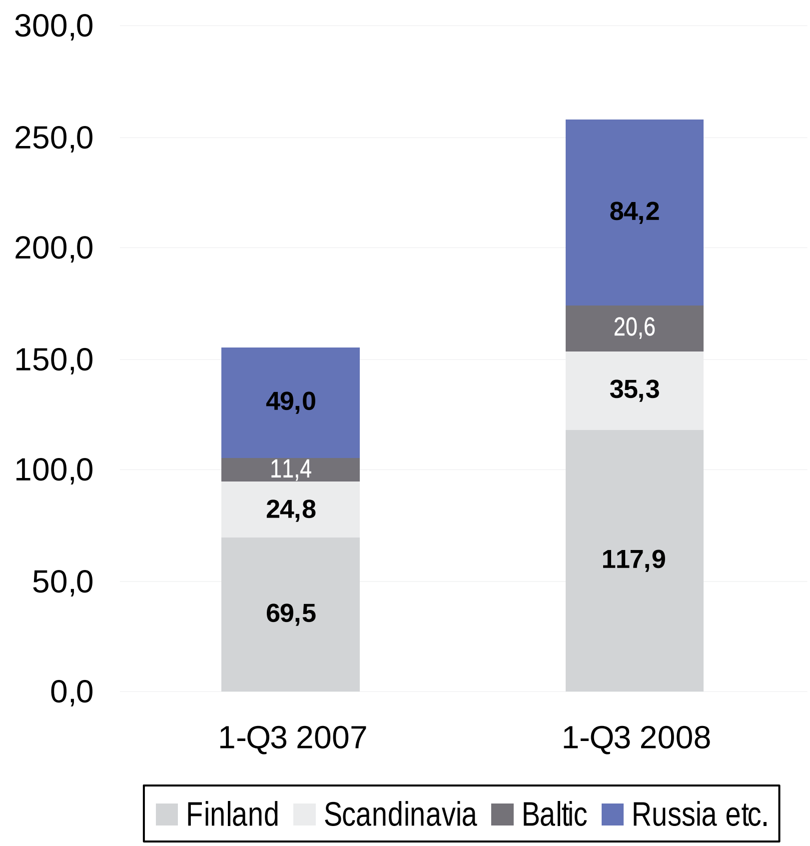
| MEUR | Q3/08 | Q3/07 | Change |
|---|---|---|---|
| ESL Shipping | 4.4 | 3.8 | +0.6 |
| Leipurin | 1.2 | | +1.2 |
| Telko | 1.4 | 0.6 | +0.8 |
| Other Operations | -1.1 | -0.6 | -0.5 |
| Total | 5.9 | 3.8 | +2.1 |


# Net Sales / Market Area Q3, Continuing Operations

| M€ | 7-9/08 | 7-9/07 | Change, % |
|---|---|---|---|
| Finland | 61.3 | 31.0 | +98 |
| Scandinavia | 12.8 | 8.9 | +44 |
| Baltic | 9.6 | 3.8 | +153 |
| Russia, etc. | 28.9 | 8.3 | +248 |

# Net Sales / Market Area Q1 – Q3, Continuing Operations

MEUR, including shippings from Russia




# Income Statement January-June, Continuing Operations

| M€ | 2008 | 2007 |
|---|---|---|
| Net sales | 258.0 | 154.7 |
| Depreciation | -7.8 | -7.0 |
| Operating profit | 12.9 | 21.5* |
| Net financial expenses | -3.0 | -0.8 |
| Profit before taxes | 9.9 | 20.7 |
| | | |
| Net profit (continuing operations) | 6.5 | 15.8* |
| Net profit (discontinued operations) | 8.1** | -1.2 |
| | | |
| Earnings/share, €, continuing operations | 0.26 | 0.60* |
| Earnings/share, €, discontinued operations | 0.30 | -0.03 |

* Including a sales gain of EUR l0.2 million on the sale of M/S Arkadia; earnings/share EUR 0.29

* Including a sales gain of EUR 8.2 million on the sale of the Autotank Group


# Balance Sheet Q3

| M€ | 2008 | 2007 |
|---|---|---|
| Fixed assets | 131.9 | 67.7 |
| Inventories | 41.5 | 23.4 |
| Cash and receivables | 81.1 | 56.9 |
| Assets held for sale | 3.1 | |
| Total | 257.6 | 148.0 |
| Shareholders' equity | 65.7 | 62.6 |
| Minority interest | 0.1 | 0.2 |
| Capital loan | 14.2 | 15.9 |
| Liabilities | 175.9 | 69.3 |
| Liabilities held for sale | 1.7 | |
| Total | 157.6 | 148.0 |
| Equity ratio, % (Group as a whole) | 25.9 | 42.8 |
| Equity/share, € (Group as a whole) | 2.54 | 2.42 |
| Return on investment, % (ROI) (Group as a whole) | 22.7 | 30.1 |
| Return on equity,% (ROE) (Group as a whole) | 30.3 | 32.3 |


# Financing

| EUR million | Total | In use | valid >1 year |
|---|---|---|---|
| Financing limits | 125.0 | 65.5 | 50.0 |
| Co-operation program | 50.0 | 10.0 | |
| Long-term loans | 14.0 | 14.0 | |

- Binding agreements made after review period:
- Long-term loan 20.0
- Long-term limits 8.0

- A long-term financing agreement for the vessel to be completed in India in 2009 has been signed and is binding; total USD 25 million

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# Market Situation Q3, 2008

ESL Shipping

# Market Situation and Outlook, 3Q

- Tonnage operation was highly successful in July-September
- Time freight prices have continued decreasing
- Better net sales and earnings with less tonnage (EUR 21.8 million; EUR 4.4 million) compared to the comparison period (EUR 20.5 million; EUR 3.8 million in 2007)
- Customer segments in balance, steel industry the largest
- Successful cost management
- The exchange rate fluctuations of the dollar and the price decrease of bunker oil did not have much effect on the result.
- ESL Shipping has long-term customer agreements so no significant decrease should be visible in the amount of freight in Q4
- A normal amount of transport agreements for 2009
- The Eira class vessel that is being built in India will be ready for traffic during 4Q/2009
- The comparable operating profit may rise to last year's level

# Market Situation Q3, 2008

Leipurin

# Market Situation and Outlook, 3Q

- Leipurin Group's net sales and operating profit have developed well under Aspo's ownership.  The net sales for July–September was EUR 25.2 million and the operating profit was EUR 1.2 million.
- Raw material sales for the bakery industry and other food industries have developed well in all market areas. The project deliveries in the bakery sector are lagging behind estimates but the order and delivery book for Q4 is normal.
- The price of oil-based raw materials in particular made a downturn in the third quarter.
- The prices of basic raw materials are expected to remain at a historically high level.
- Leipurin is investigating the possibility of expanding in Russia and establish itself in Ukraine.
- The market situation is expected to remain normal and net sales is expected to continue growing in Q4.

# Market Situation Q3, 2008

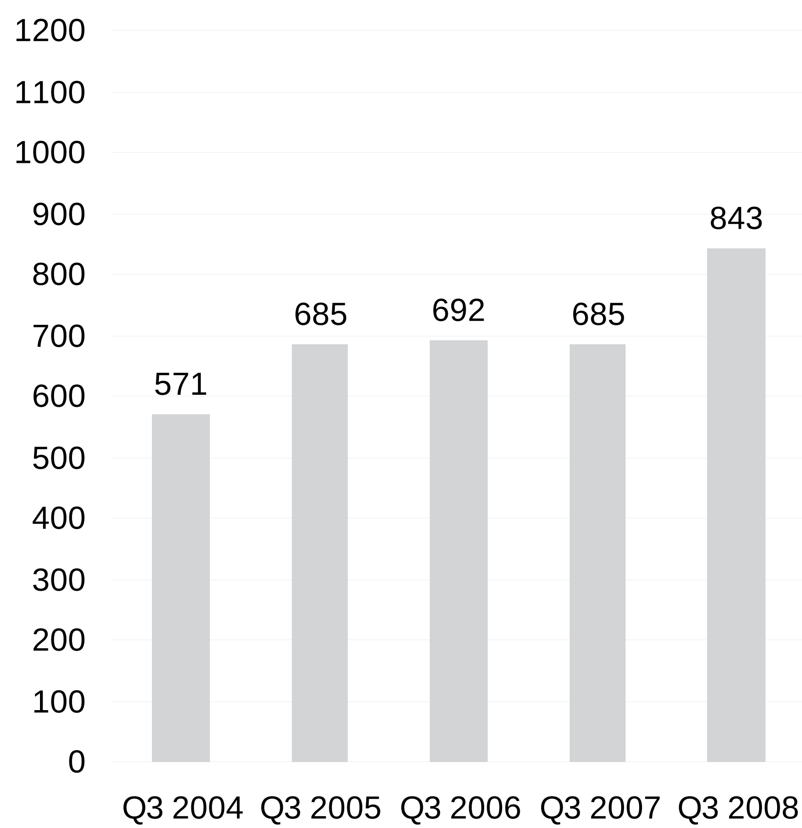
Telko

# Market Situation and Outlook, 3Q

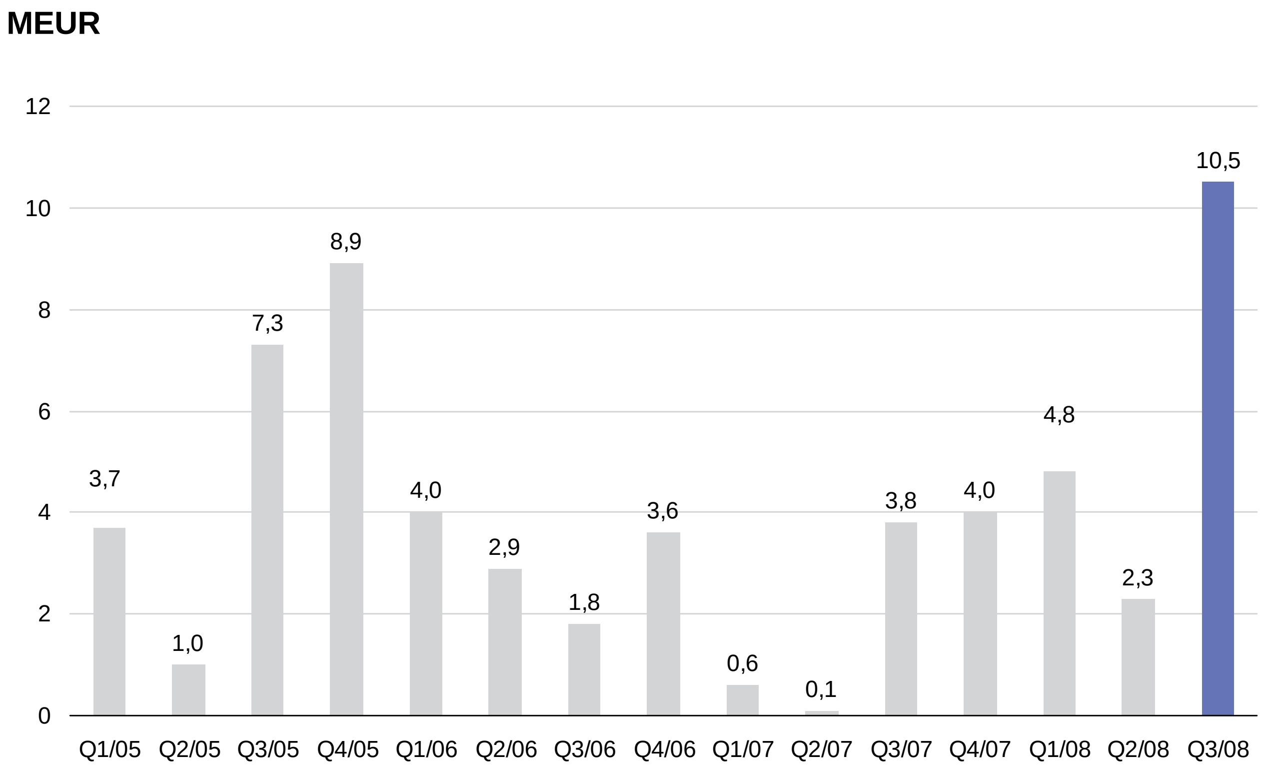
- Net sales EUR 51.9 million (31.5) and operating profit EUR 1.4 million (0.6).
- Earnings improved in particular in Russia, Ukraine and Finland. In Scandinavia, earnings were clearly weaker due to non-recurring integration costs and a drop in sales volumes.
- The company had prepared well for the price decrease that started in the summer and was thus able to limit storage loss.
- Terminal operations developed well and the volumes delivered from Russia were in line with expectations.
- The general economic situation has been seen as a weaker than estimated result in the Baltic region.
- In new product groups, lubricants have developed positively.
- Business operations are expected to develop as planned in the last quarter. Growth will continue in particular in Russia and the CIS markets. The result will exceed last year's level.


# Personnel Q3, 2008

**Personnel,** average
Group as a whole

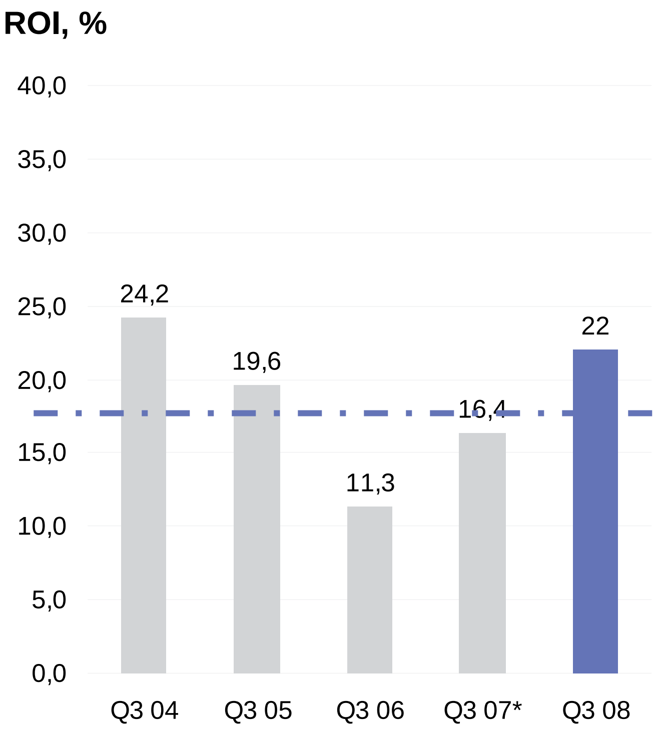


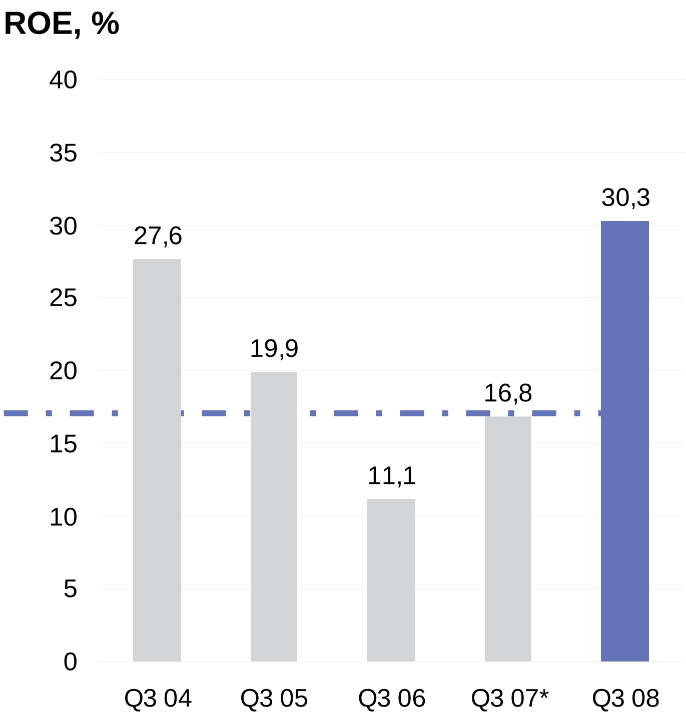

# Cash Flow 2005-2008



# Return on Investment and Return on Equity, Q3

Group as a whole

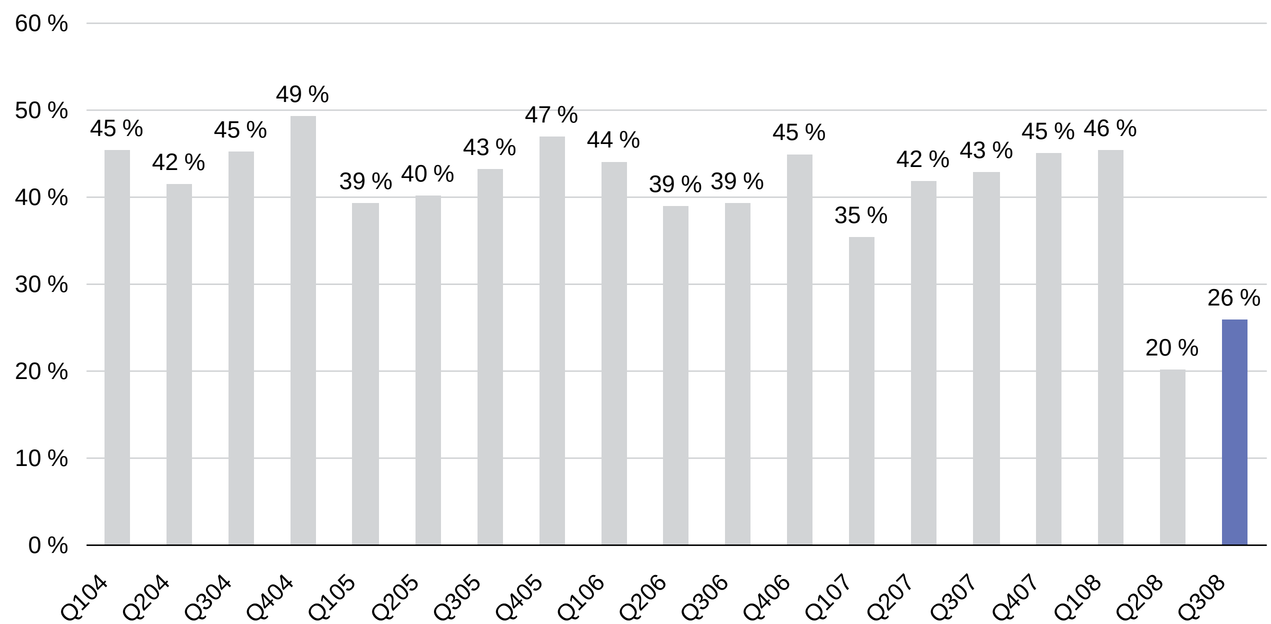



* Excluding a sales gain of EUR 10.2 million on the sale of M/S Arkadia

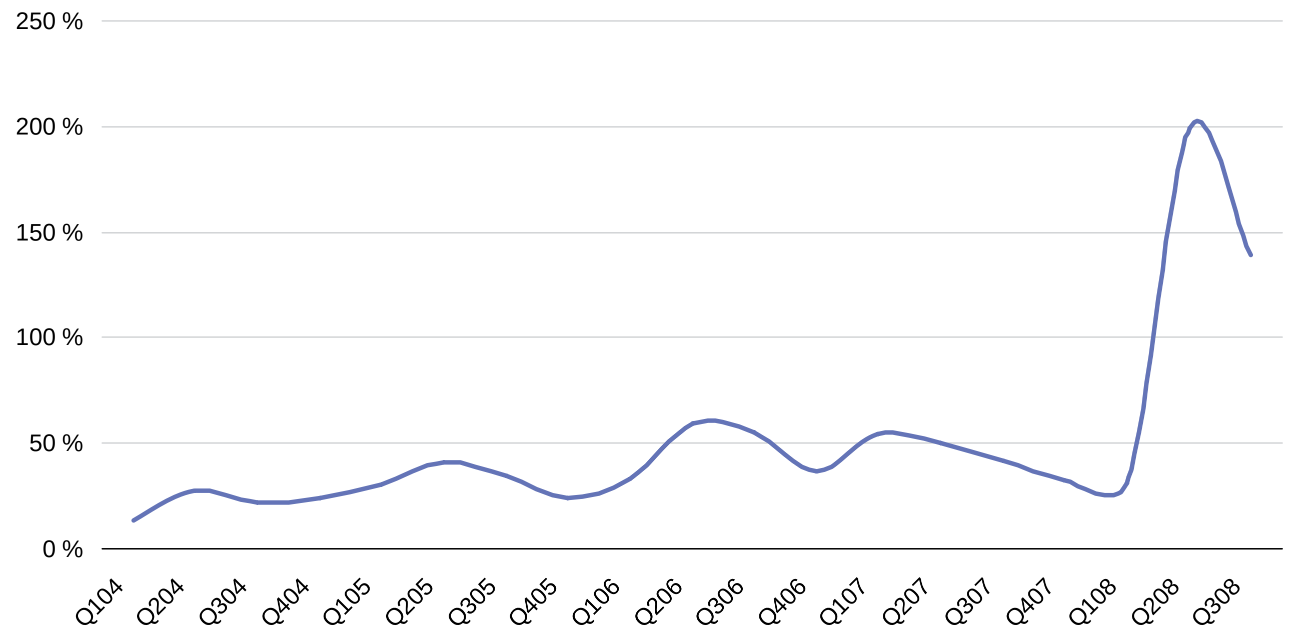
# Key Figures, Q3

**Equity Ratio, Group as a whole**



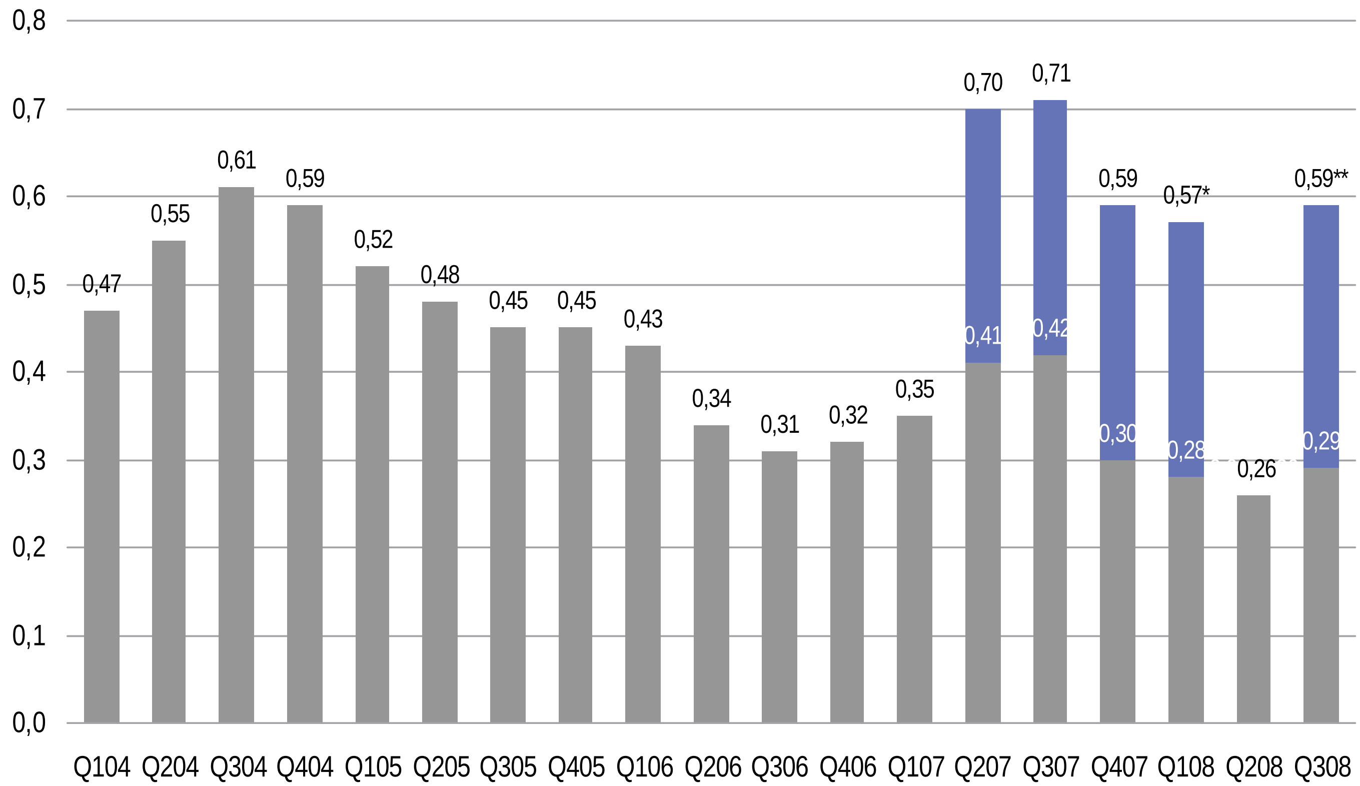
# Key Figures, Q3

**Gearing, Group as a whole**




# EPS

**Group as a whole**

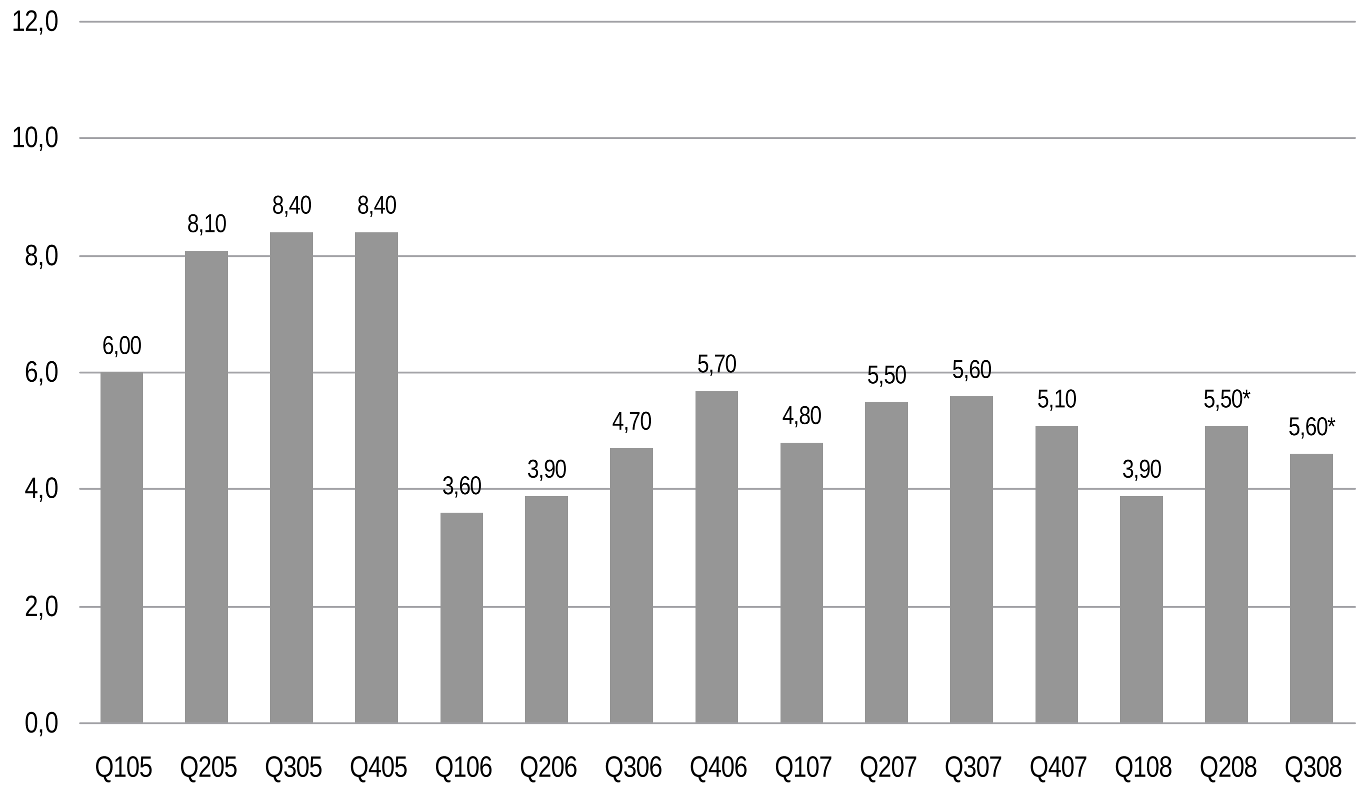



* Incluing a sales gain of EUR 10.2 million on the sale of M/S Arkadia

* * Including a sales gain of EUR 8.2 million on the sale of the Autotank Group

# Key Figures

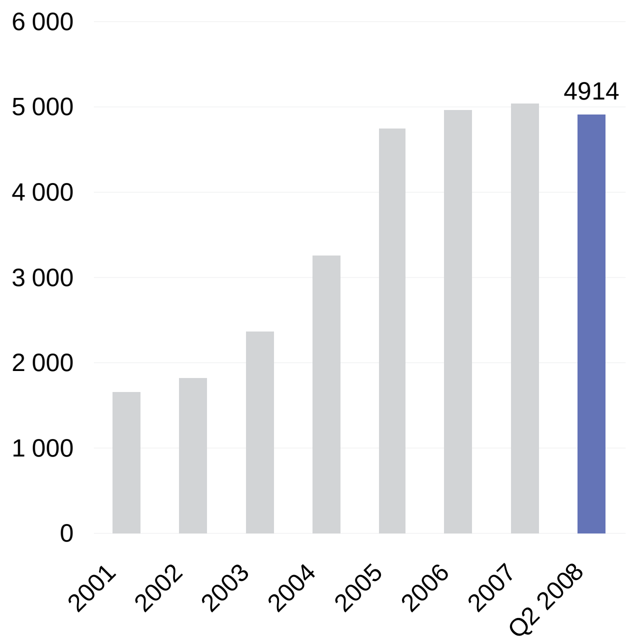
Operating Profit, %
Cumulative, Group as a whole



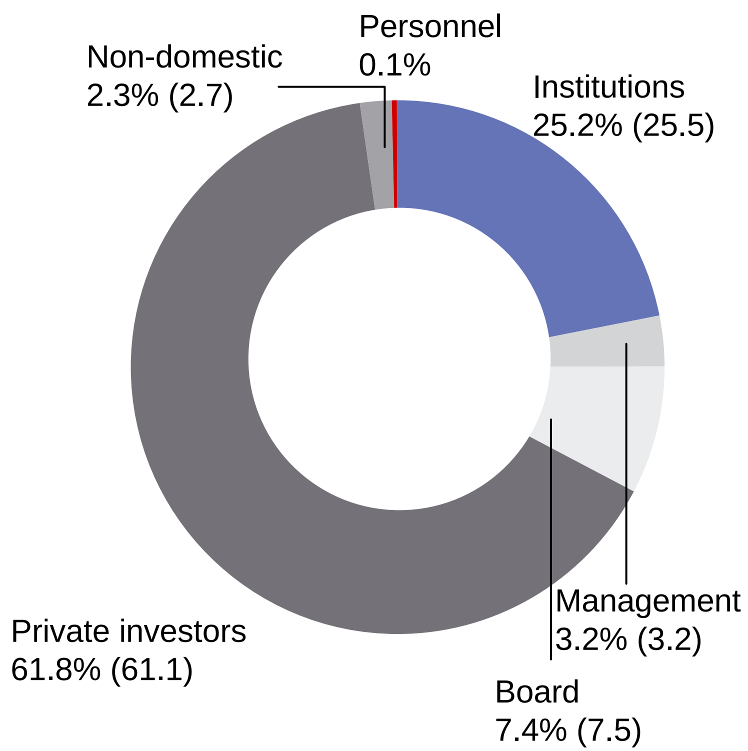

* Excluding a sales gain of EUR 10.2 million on the sale of M/S Arkadia

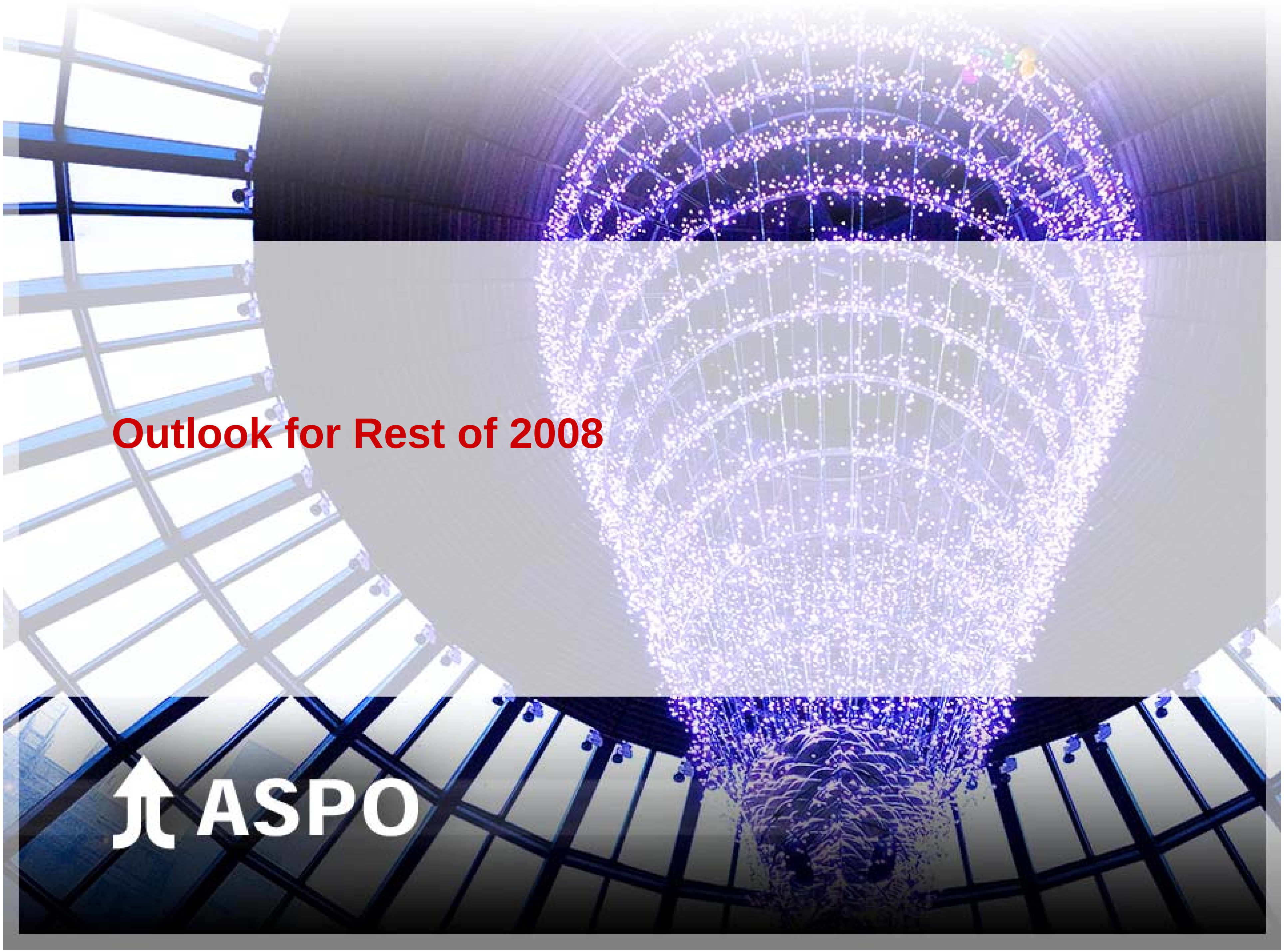
* * Excluding a sales gain of EUR 8.2 million on the sale of the Autotank Group

# Shareholders / Allocation




**Share Q3/ 2008** (share Q3/07)





# Outlook for Rest of 2008


# Aspo's Outlook

- Aspo Group's earnings per share is expected to rise close to last year's record level.
- Aspo's versatility decreases its dependency on economic cycles.
- Organic growth will continue.
- The determined goal is to improve solvency and lower the gearing ratio.
- Net sales growth will continue to be strong.
- The operating profit for continuing operations will continue growing.
- Integration of business operations and more efficient administration will improve the Group's cost efficiency. The result for the fourth quarter will include non-recurring costs from improving efficiency in the administrative structure.


Thank you for your interest!
ASPO