



# **Aspo's Q3**

## **October 25, 2012**

CEO Aki Ojanen

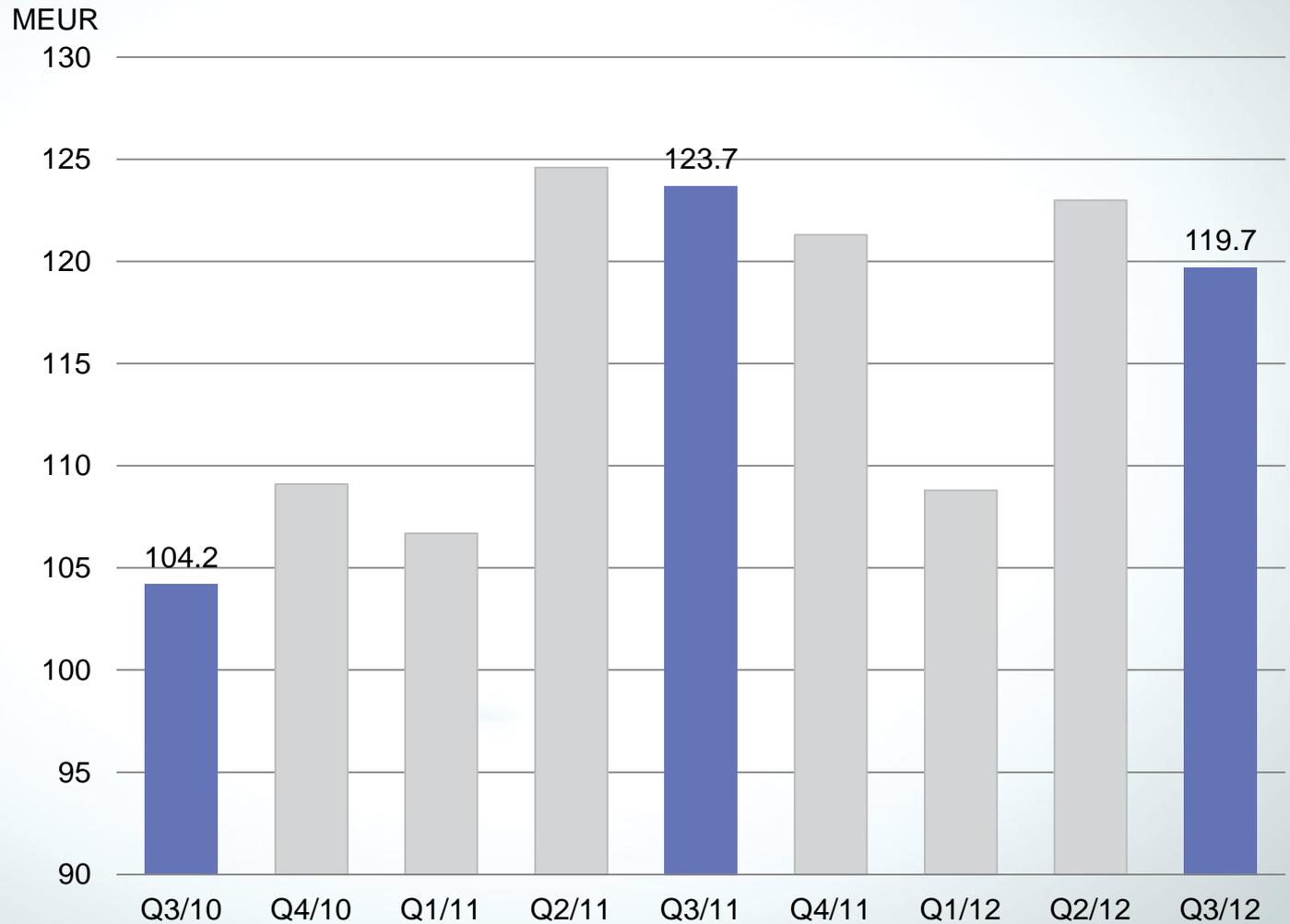
CFO Arto Meitsalo

Group Treasurer Harri Seppälä

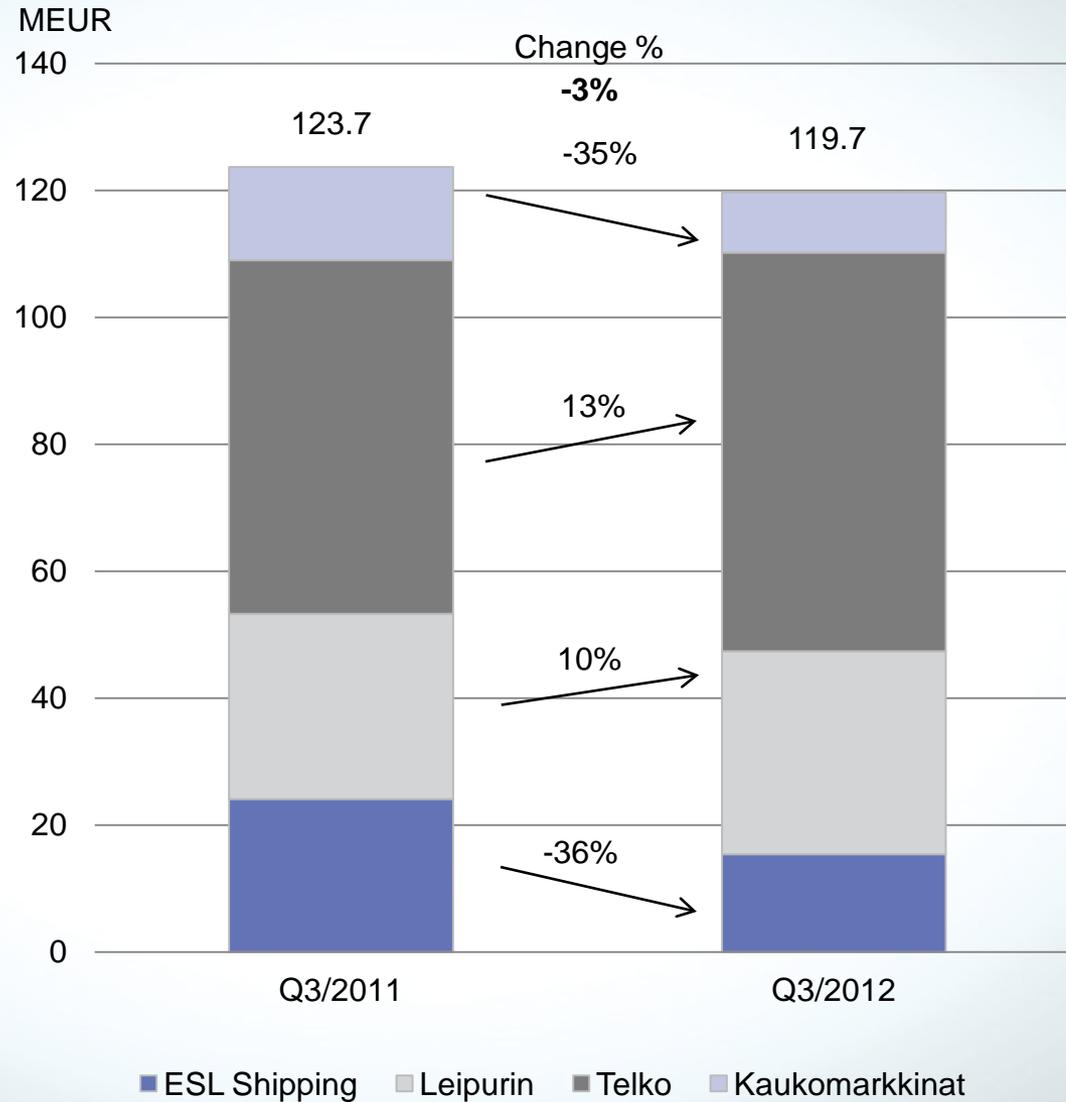
## Q3 2012 main events

- Strong, profitable growth continued in Russia, Ukraine and other CIS countries, now Aspo's largest market area.
- Leipurin improved its net sales and operating profit. Telko's result is good despite declining prices. No Kaukomarkkinat project was recognized as income.
- The decrease in industrial production in the Western markets impacted the cargo volumes of the steel and energy industries in particular, materially weakening ESL Shipping's profitability.
- Prices in the dry bulk cargo market were at a record low level. Until August, the shipping company had vessel overcapacity in proportion to the market situation.
- Russia's acceptance into the WTO is expected to have a positive effect on Russian operations in the next few years.

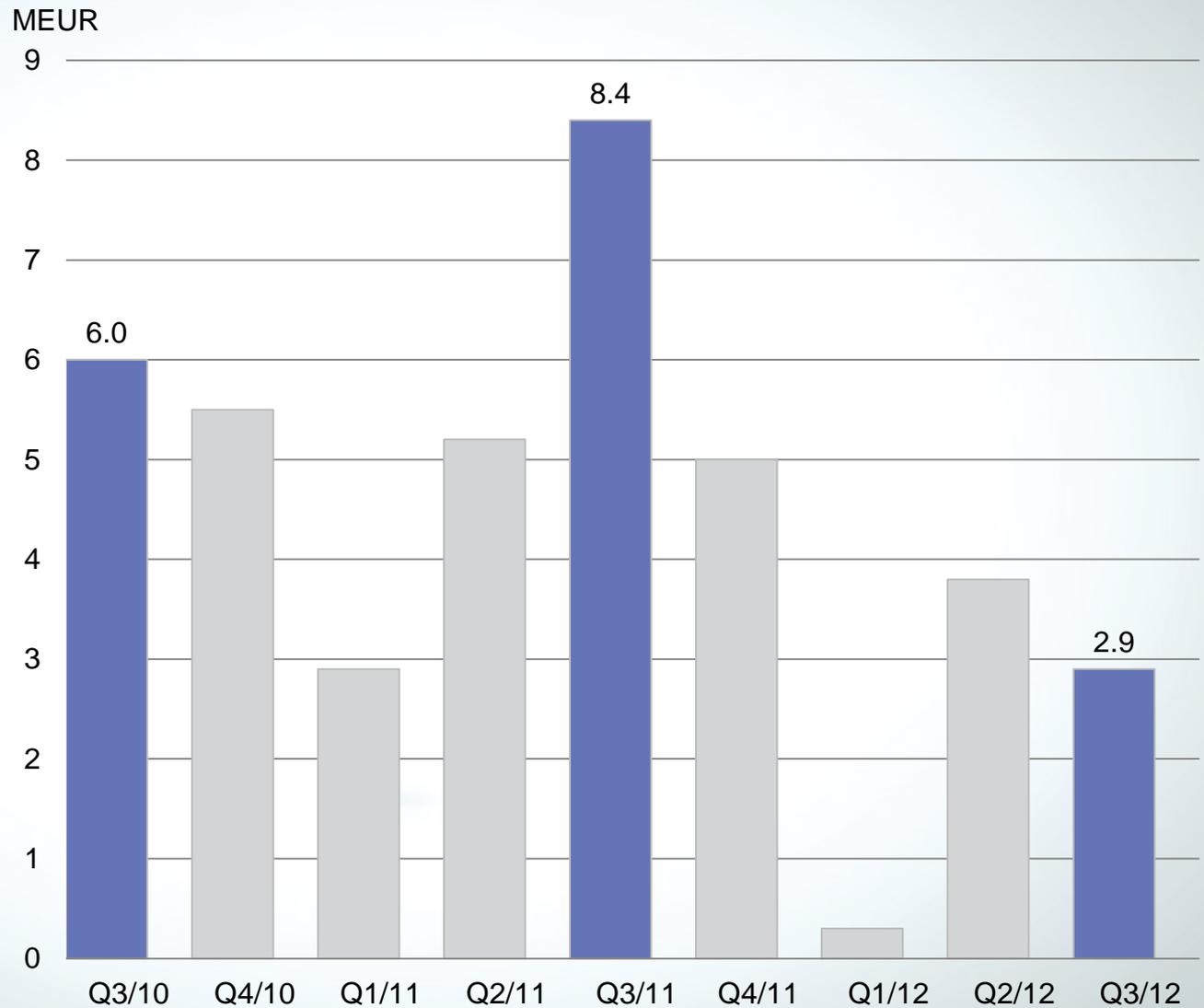
# Group net sales



# Net sales / segment Q3



# Group operating profit decreased



# Operating profit / segment Q3

MEUR	Q3/12	Q3/11	Change, %
ESL Shipping	0.0	4.2	-100
Leipurin	1.2	0.9	33
Telko	2.5	3.4	-26
Kaukomarkkinat	0.1	1.0	-90
Other operations	-0.9	-1.1	18
Total	2.9	8.4	-65

# Net sales and operating profit Q3

<b>2011/2012</b>	<b>Q1</b>	<b>Q2</b>	<b>Q3</b>	<b>Q4</b>	<b>Cum.</b>
Net sales	<b>108.8</b>	<b>123.0</b>	<b>119.7</b>		<b>351.5</b>
MEUR	<b>106.7</b>	<b>124.6</b>	<b>123.7</b>	<b>121.3</b>	<b>476.3</b>
Operating profit	<b>0.3</b>	<b>3.8</b>	<b>2.9</b>		<b>7.0</b>
MEUR	<b>2.9</b>	<b>5.2</b>	<b>8.4</b>	<b>5.0</b>	<b>21.5</b>

# Aspo's operations

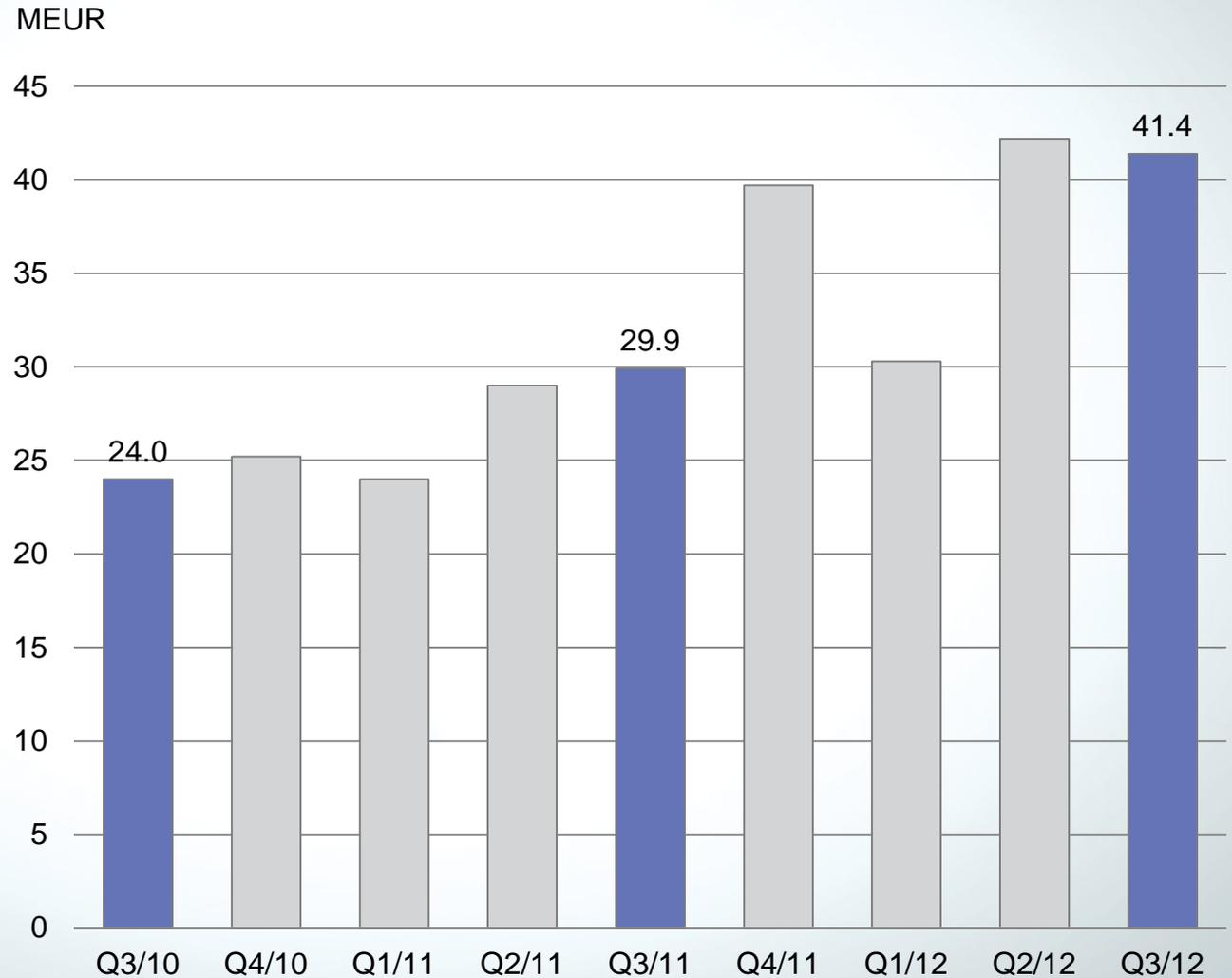


## Net sales / market area Q3

MEUR	Q3/12	Q3/11	Change, %
Finland	38.2	43.8	-13
Nordic countries	10.9	12.0	-9
Baltic countries	12.8	15.0	-15
Russia, Ukraine + other CIS	41.4	29.9	38
Other countries	16.4	23.0	-29
Total	119.7	123.7	-3

# Net sales

Russia, Ukraine +other CIS countries



# Management at Aspo

- Day-to-day management through business units' management groups.
- Group Executive Committee; uniform management, culture and tools; Group synergies between business operations.
- The Boards of the business units are responsible for business strategy process; business “sparring”.

ESL SHIPPING	LEIPURIN	TELKO	KAUKOMARKKINAT
Aki Ojanen, chair Mikko Niini Lasse Rikala Ulla Tapaninen	Aki Ojanen, chair Matti Lappalainen Harri Sivula Paul Taimitarha	Aki Ojanen, chair Kari Blomberg Timo Petäjä Johan von Knorring	Aki Ojanen, chair Pirja Heiskanen Risto Kyhälä Kimmo Liukkonen

Group Executive Committee:  
CEO, CFO, CTO, Managing Directors in Group companies



# Aspo business operations



ESL Shipping

**Integral part of  
Finnish security  
of supply**

# ESL Shipping Q3 2012

- Global prices of dry bulk cargo continued to be at a record low and influenced cargo price levels on the Baltic Sea.
- The price level of long-term contracts remained unchanged.
- Shutdowns in the steel industry in July, which affected transport volumes. Coal transports low. July result extremely weak due to overcapacity.
- After giving up two time-chartered vessels at the end of July, and once the temporary lay-offs in the steel industry had been completed, the shipping company returned to profitability.
- Still exceptionally many spot market transports with poor profitability.
- One of the two supramax vessels put into service in Canada for the winter under a long-term service contract.
- The fourth quarter is expected to be the best quarter of the year.



# Baltic Dry Index



Source: Bloomberg

# ESL Shipping key figures Q3

	Q3/12	Q3/11	Change, %
Net sales, MEUR	15.4	24.1	-36
Operating profit, MEUR	0.0	4.2	-100
Personnel	203	186	9





**Expert in flavors  
and structures**

# Leipurin Q3 2012

- Prices of basic raw materials in the food industry have stabilized at a high level.
- Net sales from bakery raw materials grew and operating profit improved.
- Net sales in Russia, Ukraine, and other CIS countries increased by 28%.
- Integration of the Hausjärvi and Nastola (Finland) bakery machinery units slowed the throughput time of projects. Operations were centralized in shared production facilities in Nastola in August. Targeted production level achieved by the end of the quarter.
- The order and delivery stock of machinery sales good for the rest of the year.
- The fourth quarter is expected to be the best quarter of the year.

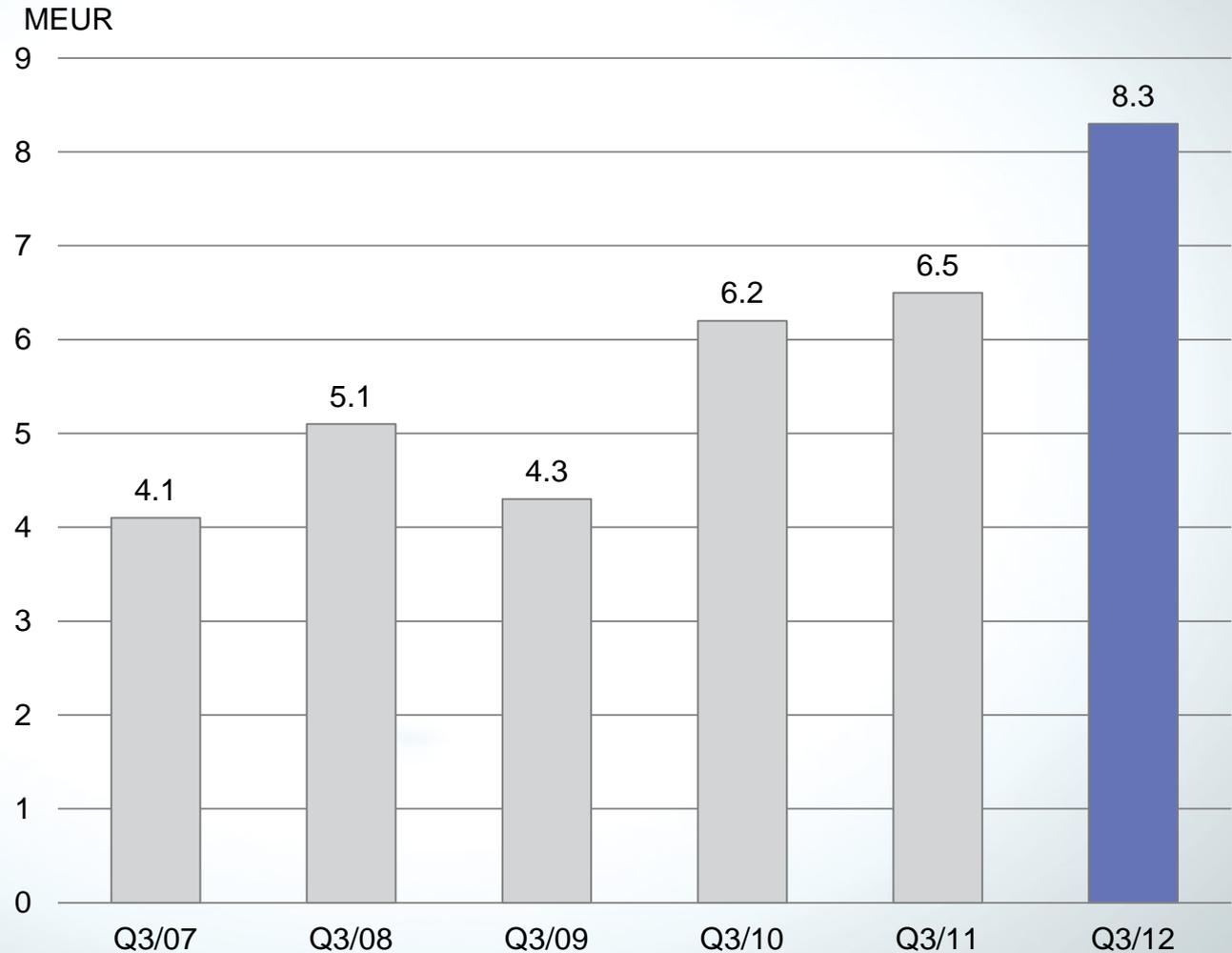


# Leipurin key figures Q3

	Q3/12	Q3/11	Change, %
Net sales, MEUR	32.0	29.2	10
Operating profit, MEUR	1.2	0.9	33
Personnel	267	237	13



# Growing net sales in Russia, Ukraine and other CIS countries



Leipurin has been part of Aspo Group as of 5/2008





**Leading expert  
in chemicals and  
plastic raw materials**

# Telko Q3 2012

- Prices of raw materials sold decreased for chemical products.
- Telko's strong growth was organic. Decrease in prices weakened the net sales and profitability of the chemicals business, but the net sales and profitability of the plastics business developed well.
- Strong growth in net sales continued in Russia, Ukraine, and other CIS countries; growth in this market area amounted to 42%.
- In the Western markets, the order volumes of some customers have decreased due to the economic slowdown.
- Operations started in Uzbekistan.
- The EUR 2.7 million refinery terminal investment in Rauma, Finland, was completed. The investment expands the product offering in Finland.

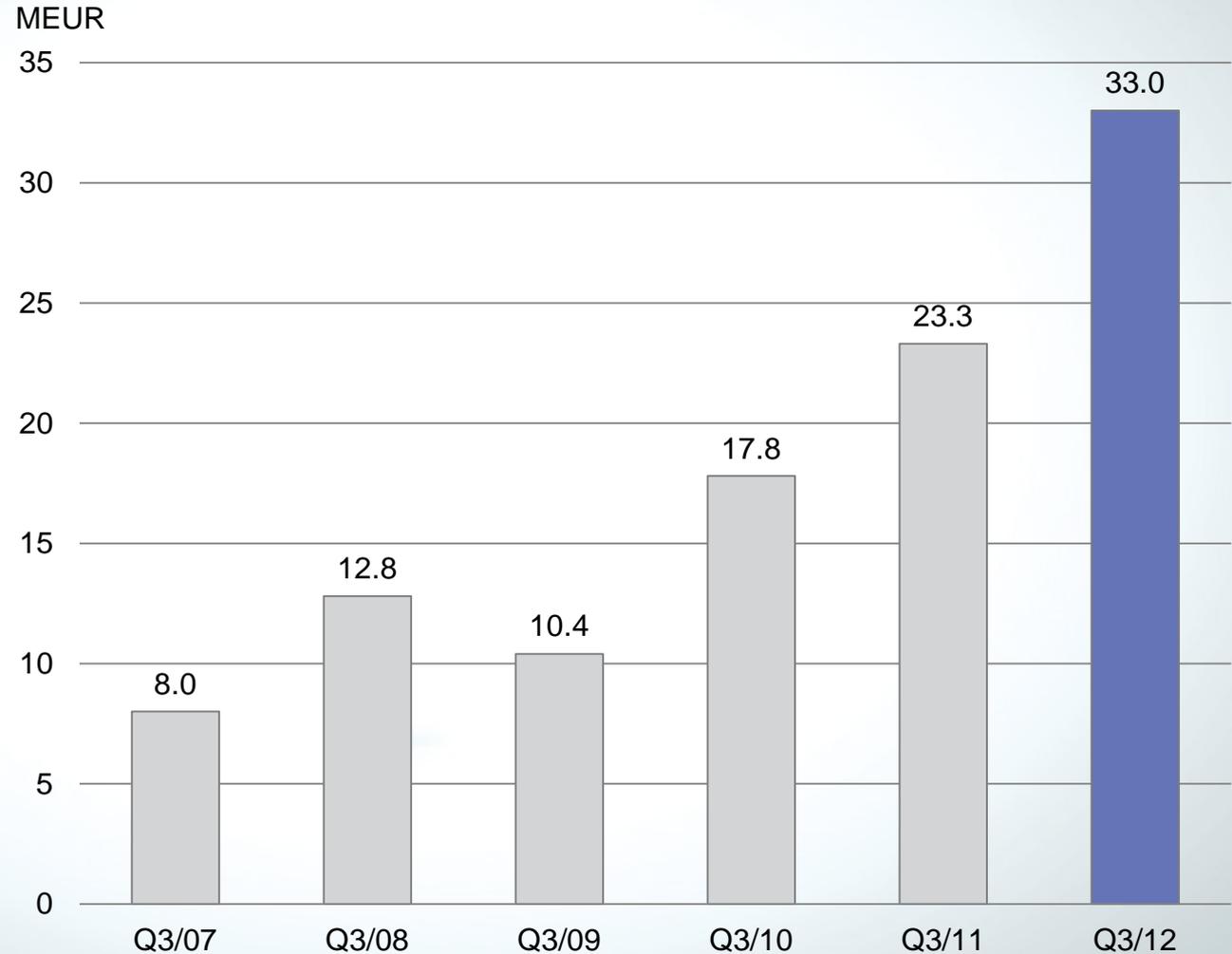


# Telko key figures Q3

	Q3/12	Q3/11	Change, %
Net sales, MEUR	62.8	55.7	13
Operating profit, MEUR	2.5	3.4	-26
Personnel	257	229	12



# Growing net sales in Russia, Ukraine and other CIS countries





**Expert in energy  
efficiency**

# Kaukomarkkinat Q3 2012

- Net sales and operating profit fell.
- Sales of energy efficiency equipment in Finland decreased due to economic uncertainty and the cold summer, which decreased sales of air source heat pumps.
- Project sales in China decreased significantly compared to the comparison period.
- Sales of professional electronics in Finland improved net sales and profitability.
- Business operations of Somasyr Oy (heat accumulation, underfloor heating) acquired during the period.
- Key recruitments in Finnish and Russian organizations in order to develop operations.
- New composition of the Board of Directors, effective as of November 1, 2012.

# Kaukomarkkinat key figures Q3

	Q3/12	Q3/11	Change, %
Net sales, MEUR	9.5	14.7	-35
Operating profit, MEUR	0.1	1.0	-90
Personnel	90	84	7



# Energy efficient building technology for new projects and renovation in Finland

Residential buildings



Apartment buildings



Commercial facilities



Air-to-air heat pumps

Solar collectors

Ground-source heat pumps

Biomass burners

Heat storage and distributions

Control systems

Ventilation and air conditioning

Solar power

Security and safety

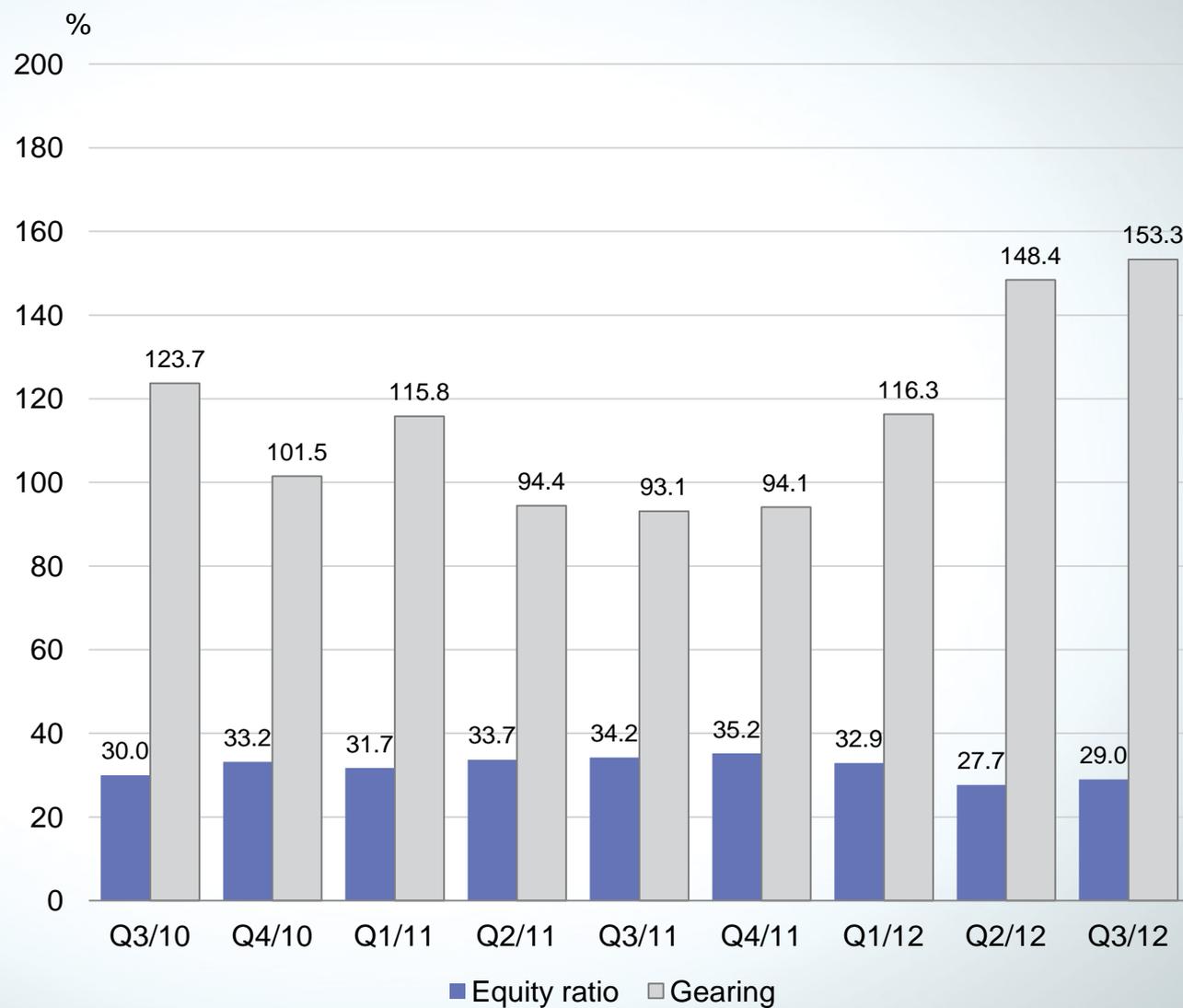
Communications and social connectivity

Audio and visual experience

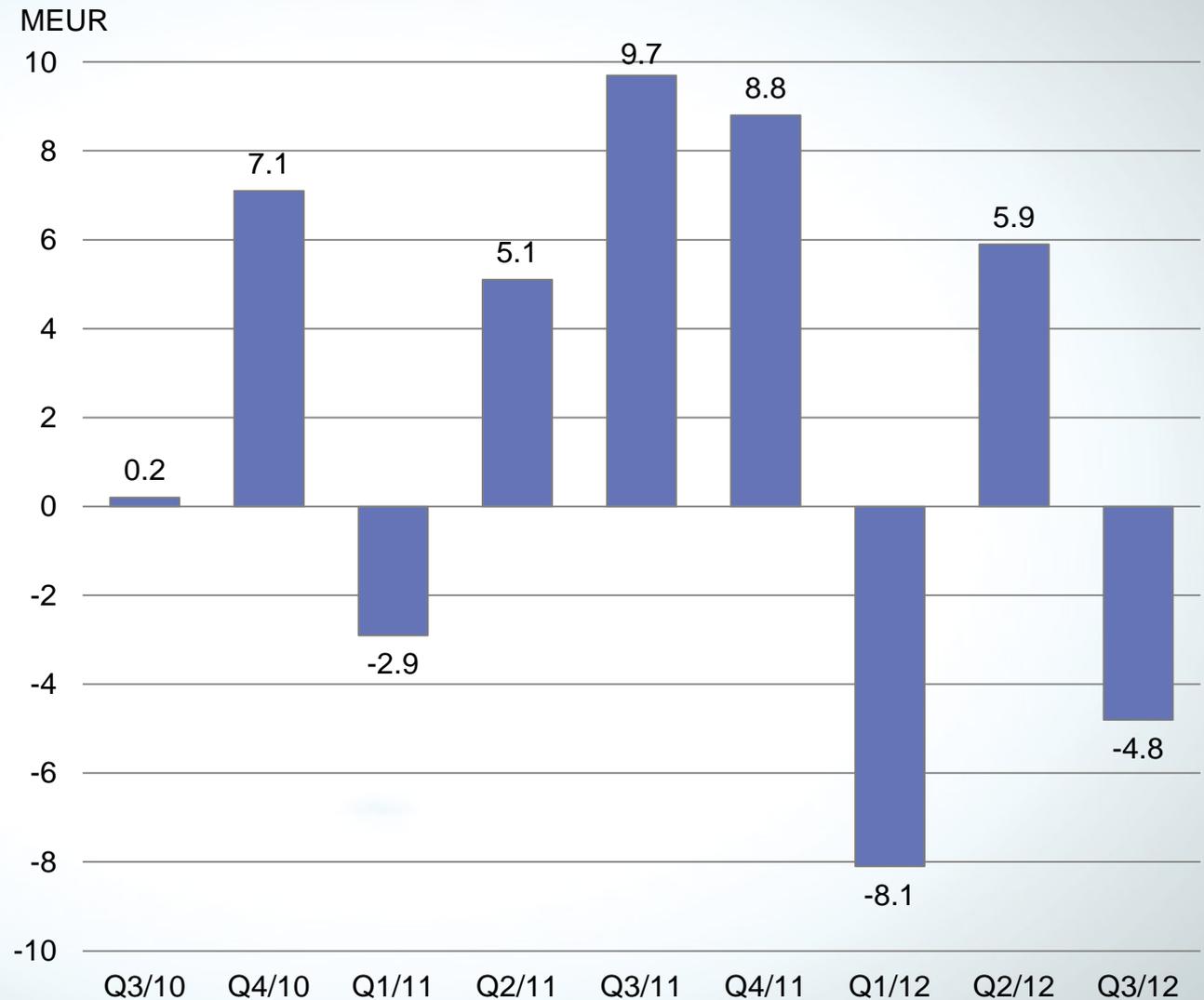
# **Financing**

Harri Seppälä

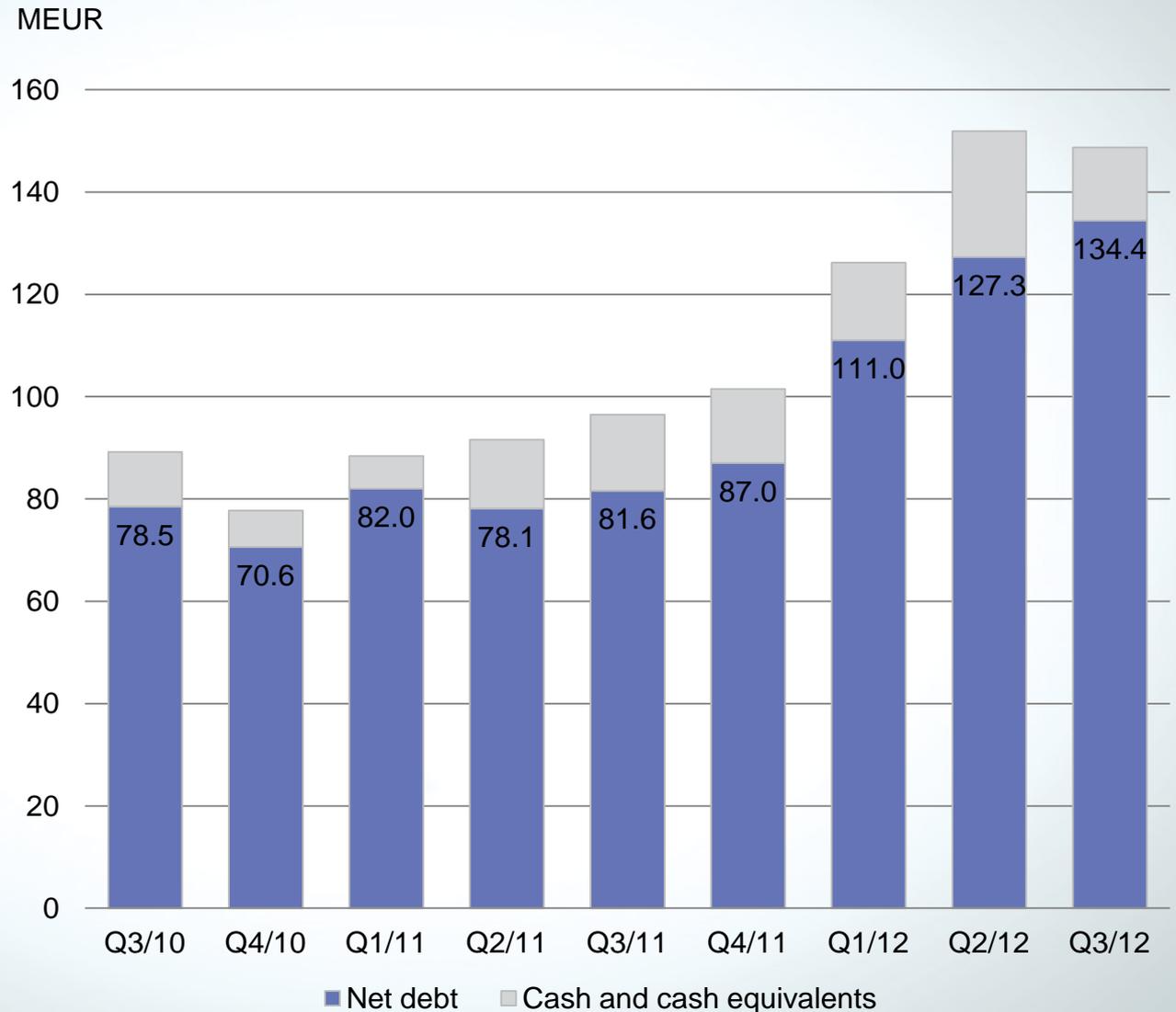
# Equity ratio and gearing



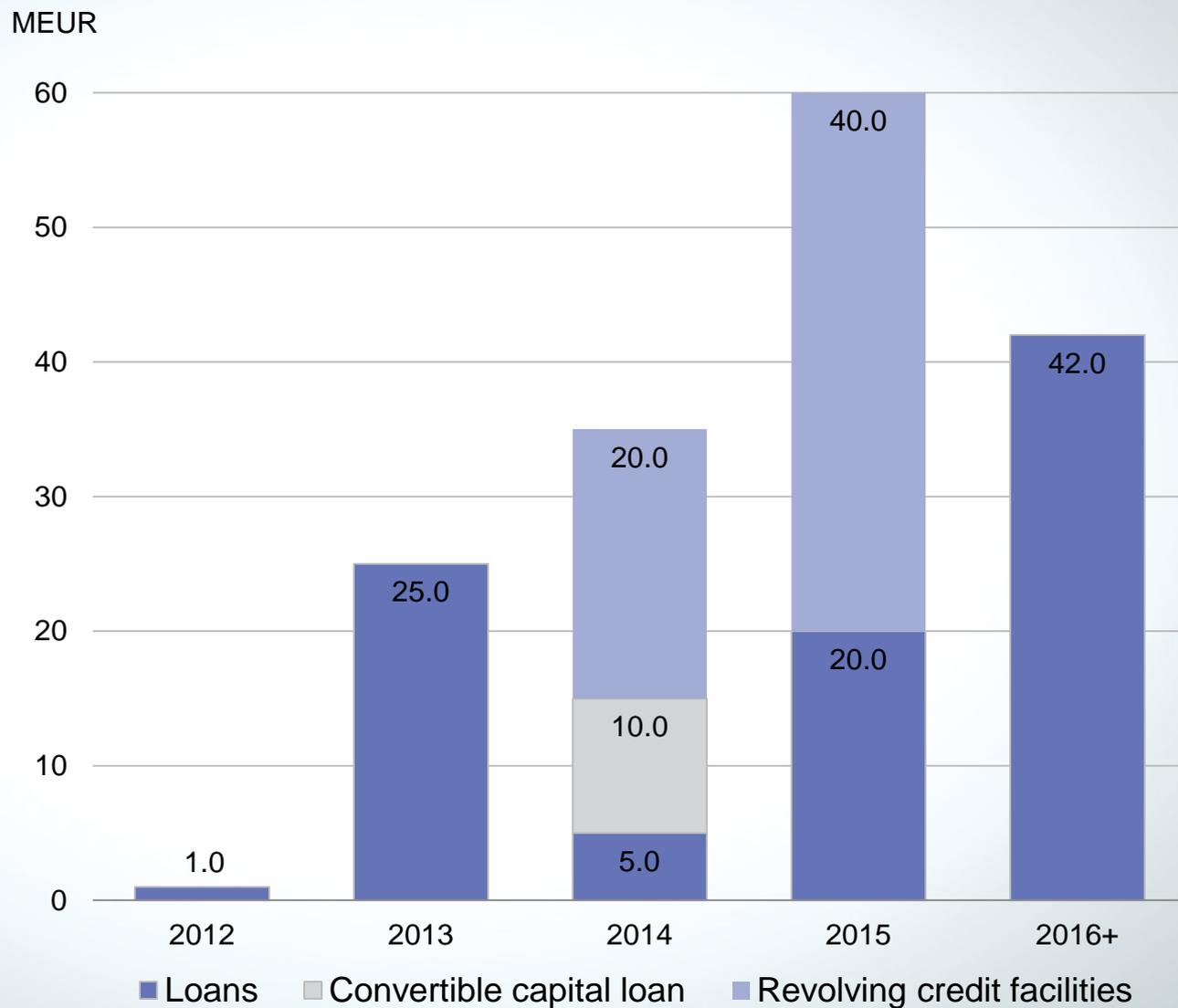
# Operational cash flow



# Interest bearing liabilities and net debt



# Maturity of long-term loan portfolio



Commercial papers, overdraft facilities, and lease agreements not included.

# Liquidity Q3 2012

<b>MEUR</b>	<b>Total</b>	<b>In use</b>
Revolving credit facilities	60.0	18.0
Commercial Paper Program	50.0	20.0
Cash and cash equivalents	14.3	

Interest-bearing liabilities, with a 1 year maturity, amount to a total of EUR 40.0 million.

Cash and cash equivalents + binding revolving credit facilities not in use amount to EUR 56.3 million

No significant loan agreements will mature in the next 12 months.

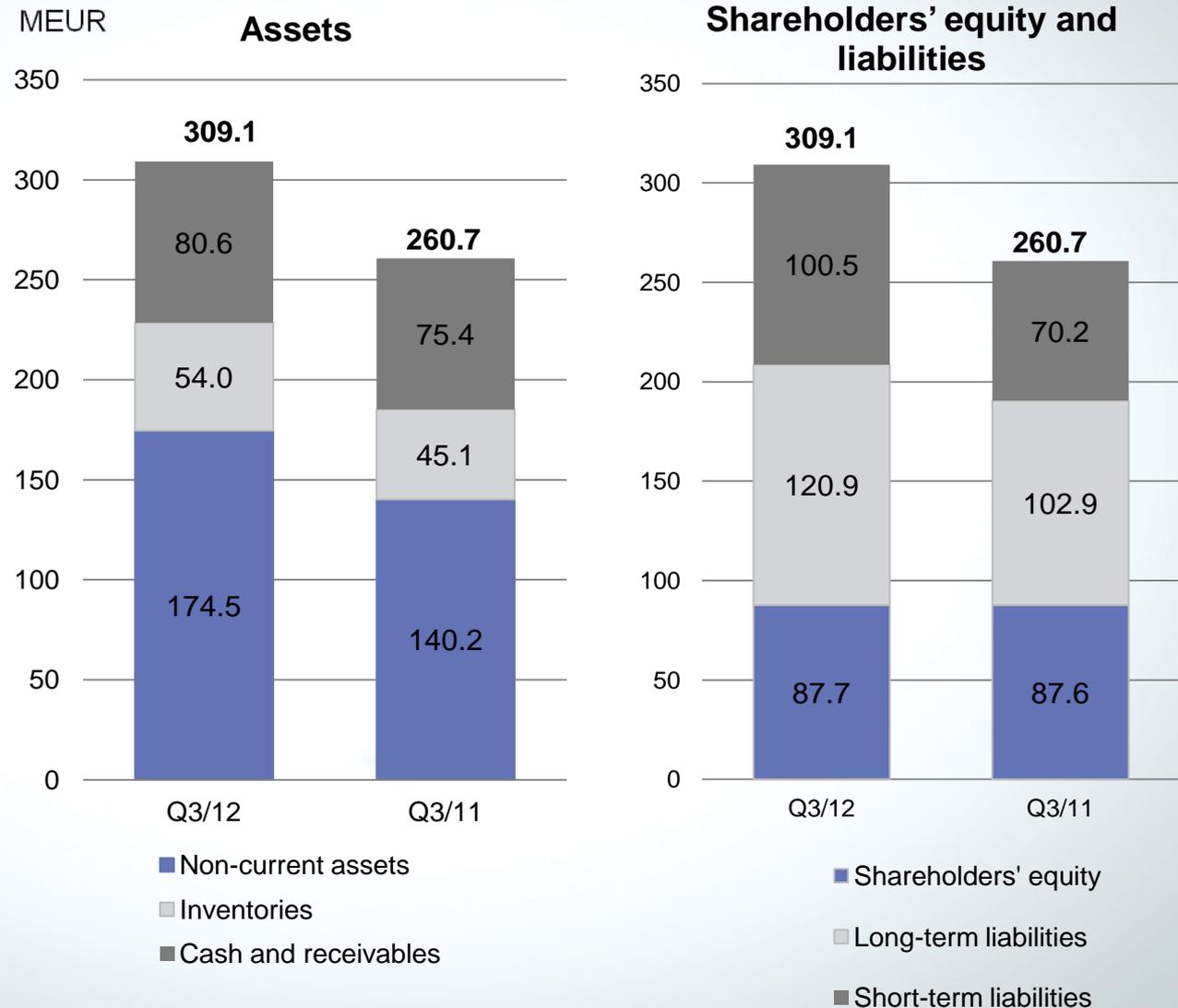
# **Financials**

Arto Meitsalo

## Income statement and key figures Q1-Q3

<b>MEUR</b>	<b>2012</b>	<b>2011</b>
Net sales	351.5	355.0
Depreciations	-7.9	-6.1
Operating profit	7.0	16.5
Net financial expenses	-2.2	-3.9
Profit before taxes	4.7	12.6
Profit for the period	7.9	9.3
	<b>2012</b>	<b>2011</b>
Earnings/share, EUR	0.26	0.32
Equity ratio, %	29.0	34.2
Equity/share, EUR	2.87	2.89

# Balance sheet

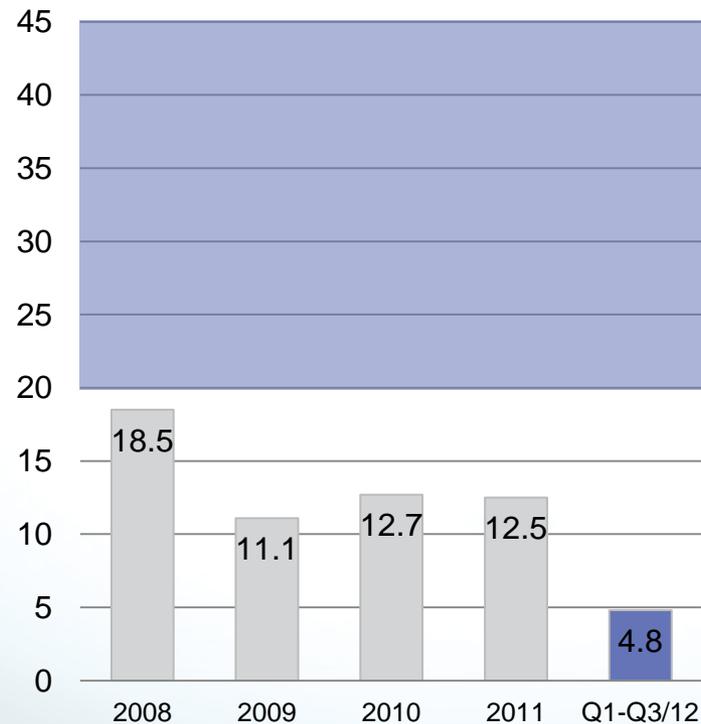


# Financial targets

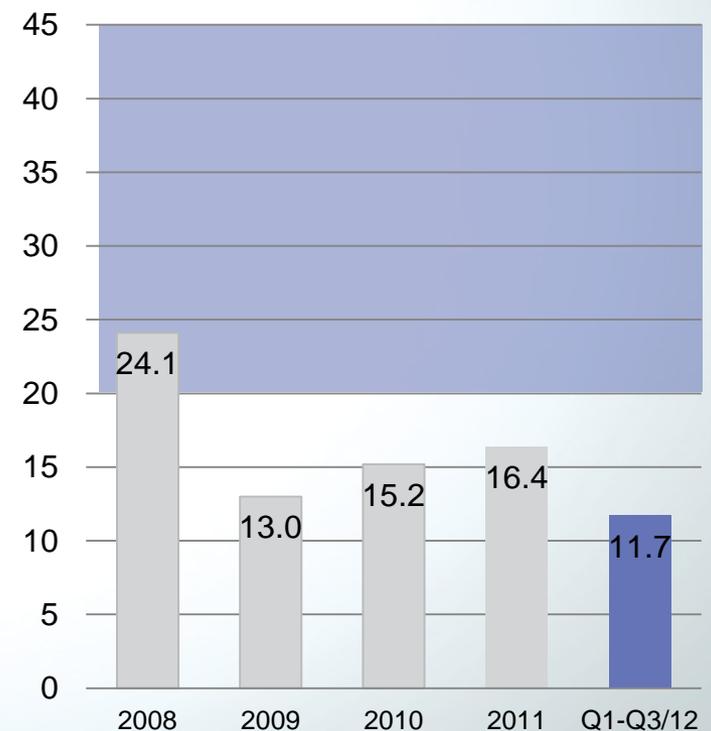
## Return on investment, return on equity

Group on the whole

ROI, %



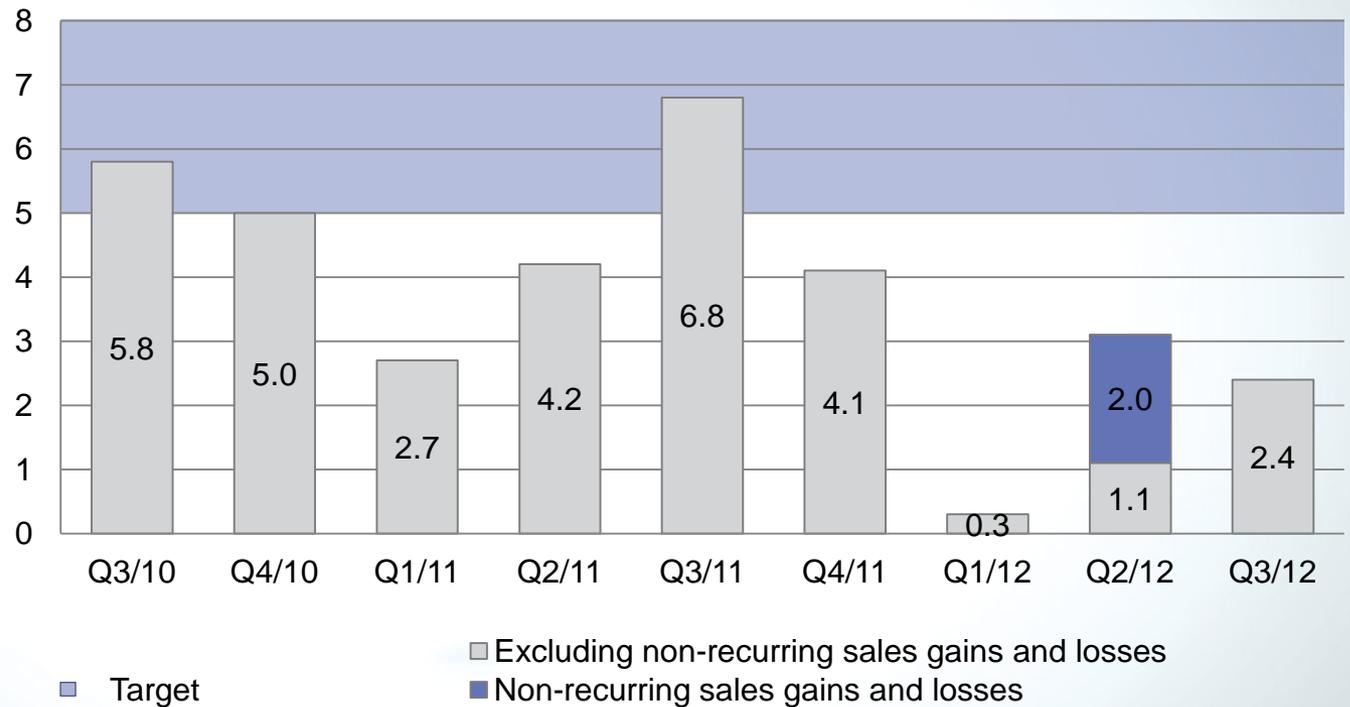
ROE, %



■ Target

# Financial targets

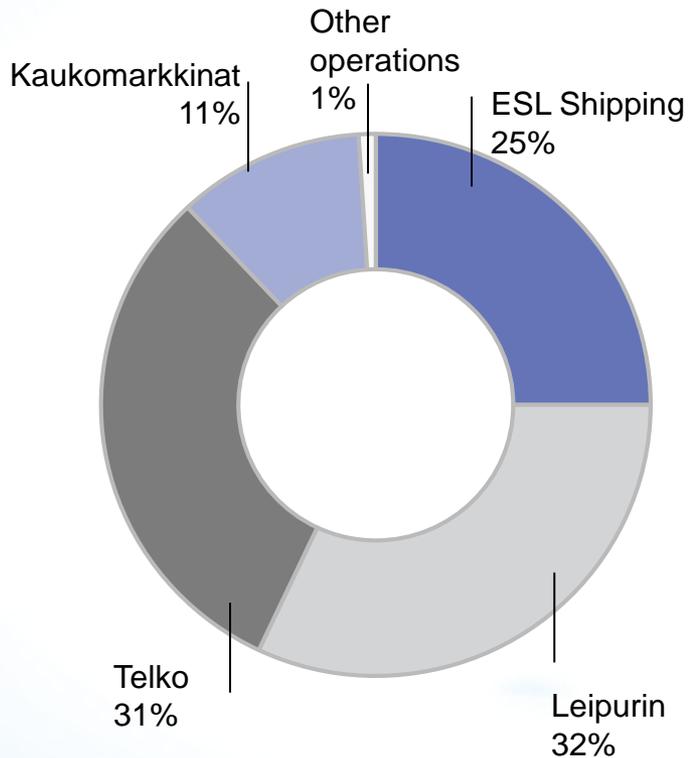
## Operating profit, %



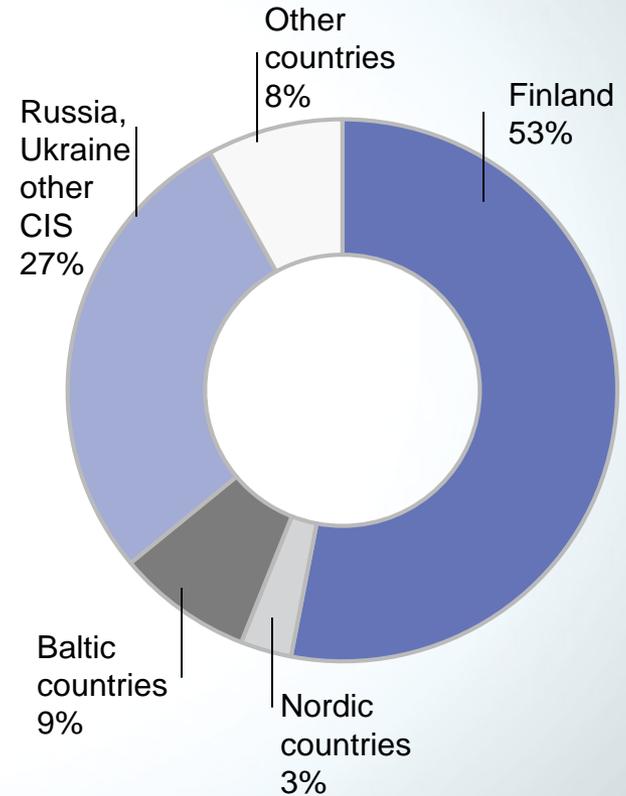
# Personnel Q3 2012

## Group total 829

### Share of Group personnel

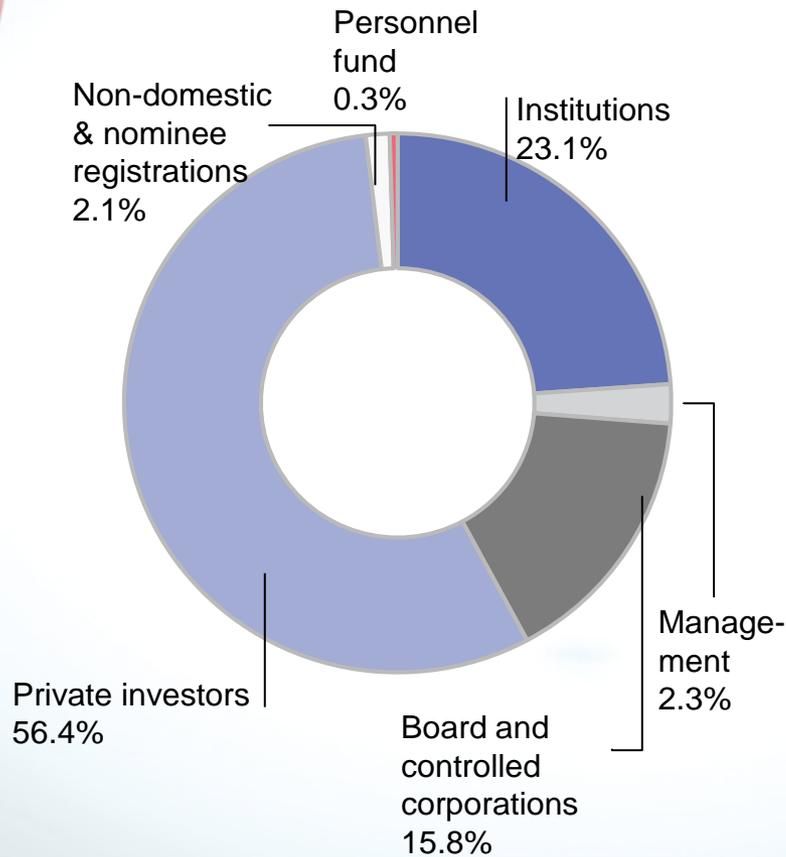


### Distribution per country

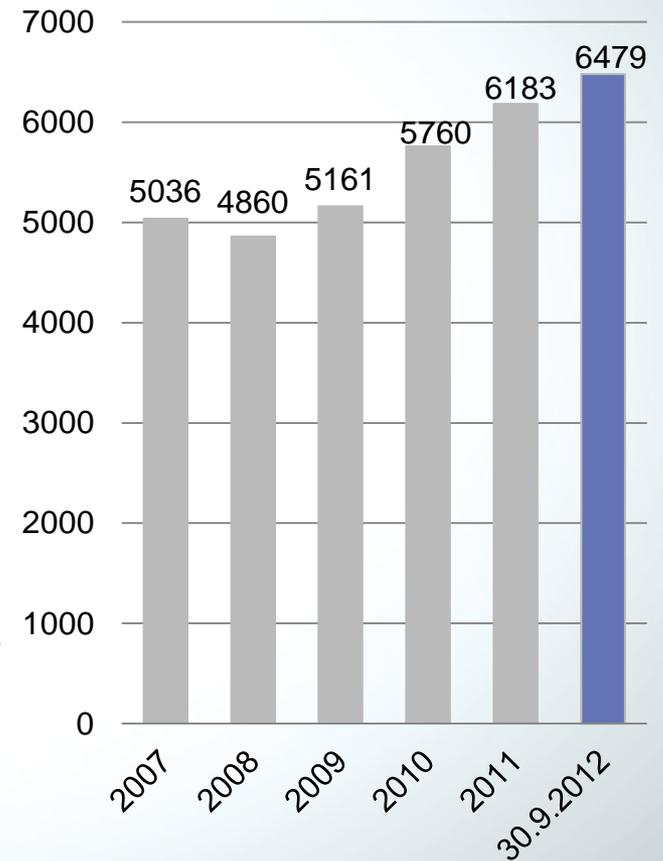


# Shareholders / allocation

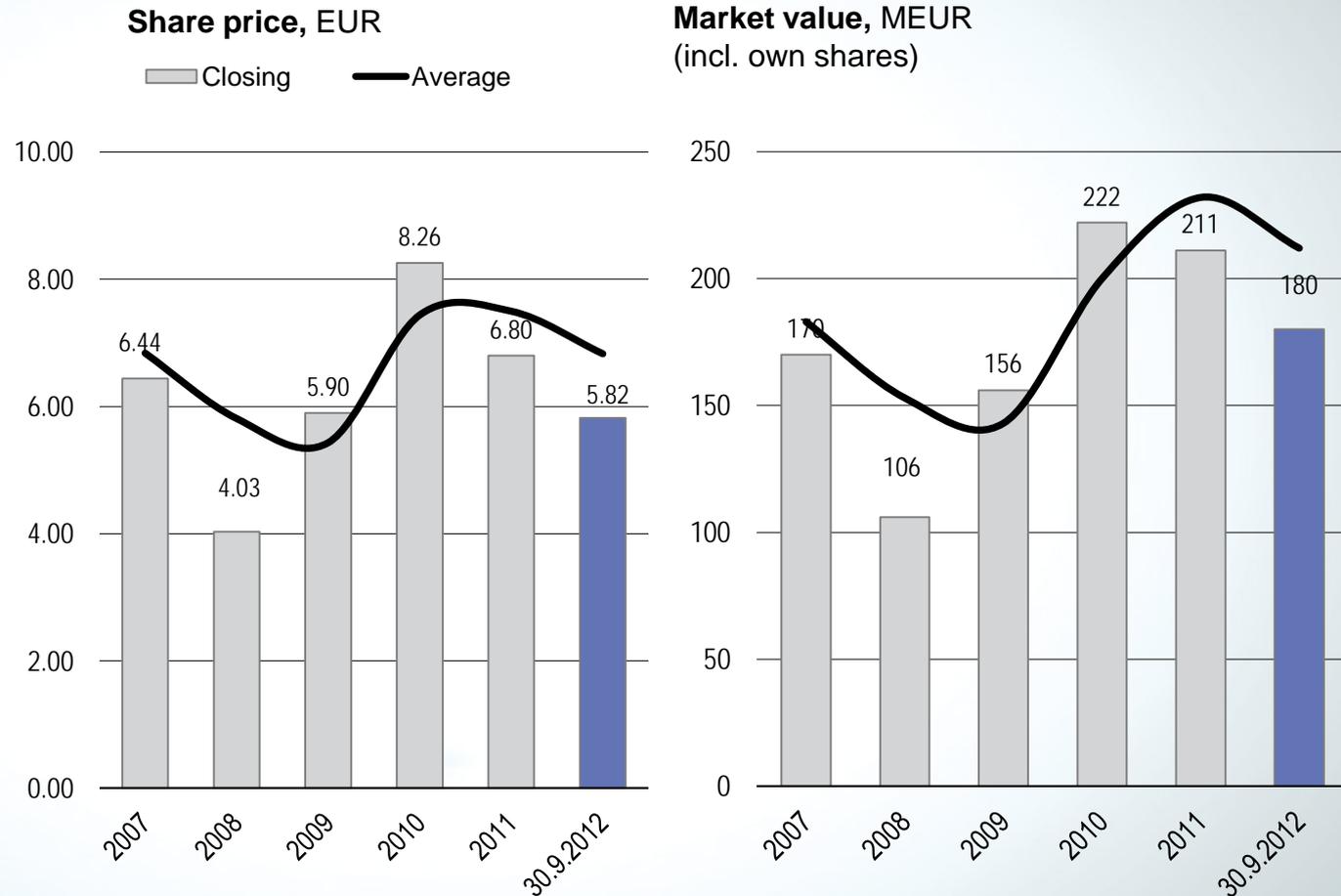
Share Q3/2012



Number of shareholders



# Market value



Aspo started its rights issue on April 6, 2011. Share prices before this date are historical prices (not adjusted).



## Outlook for 2012

# Expectations for Aspo Group in 2012

- Aspo's current structure creates a good basis for many years of organic growth.
- The share of growth markets (i.e., Russia, CIS, Ukraine, China, the Baltic region, and Poland) of the Group's sales will continue to increase and balance the weakening outlook for the Western markets.
- Contract cargo will increasingly account for ESL Shipping's transport volumes in the fall as winter approaches, which will improve profitability.
- In Leipurin, prices of raw materials are expected to remain high. In Telko, prices of raw materials sold are expected to remain unchanged or to decrease.
- Leipurin has a good order and delivery book for bakery machinery for the rest of the year, and it has grown in Russia in particular.
- Kaukomarkkinat continues operational development according to the strategy.

# Guidance for 2012

- Aspo remains its guidance:
  - Aspo aims for growth in net sales but the operating profit will fall significantly short and earnings per share will fall slightly short of the level of 2011.



**Thank you!**