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# Aspo's Q2
# August 20, 2013

CEO Aki Ojanen

CFO Arto Meitsalo

Group Treasurer Harri Seppälä

# Aspo's operating environment

- Comparable operating profit improved and net sales were on a par with the previous year.
- The general economic situation in the western markets continued to drive prices down in the international raw material markets, which decreased the growth in euro-denominated net sales.
- The general global economic situation and weak industrial output in the EU slow down the Group's growth and lower its profitability.
- The dry bulk freight rates have continued to be low.
- Volume growth in Aspo's business operations has continued in the strategically important eastern growth markets.

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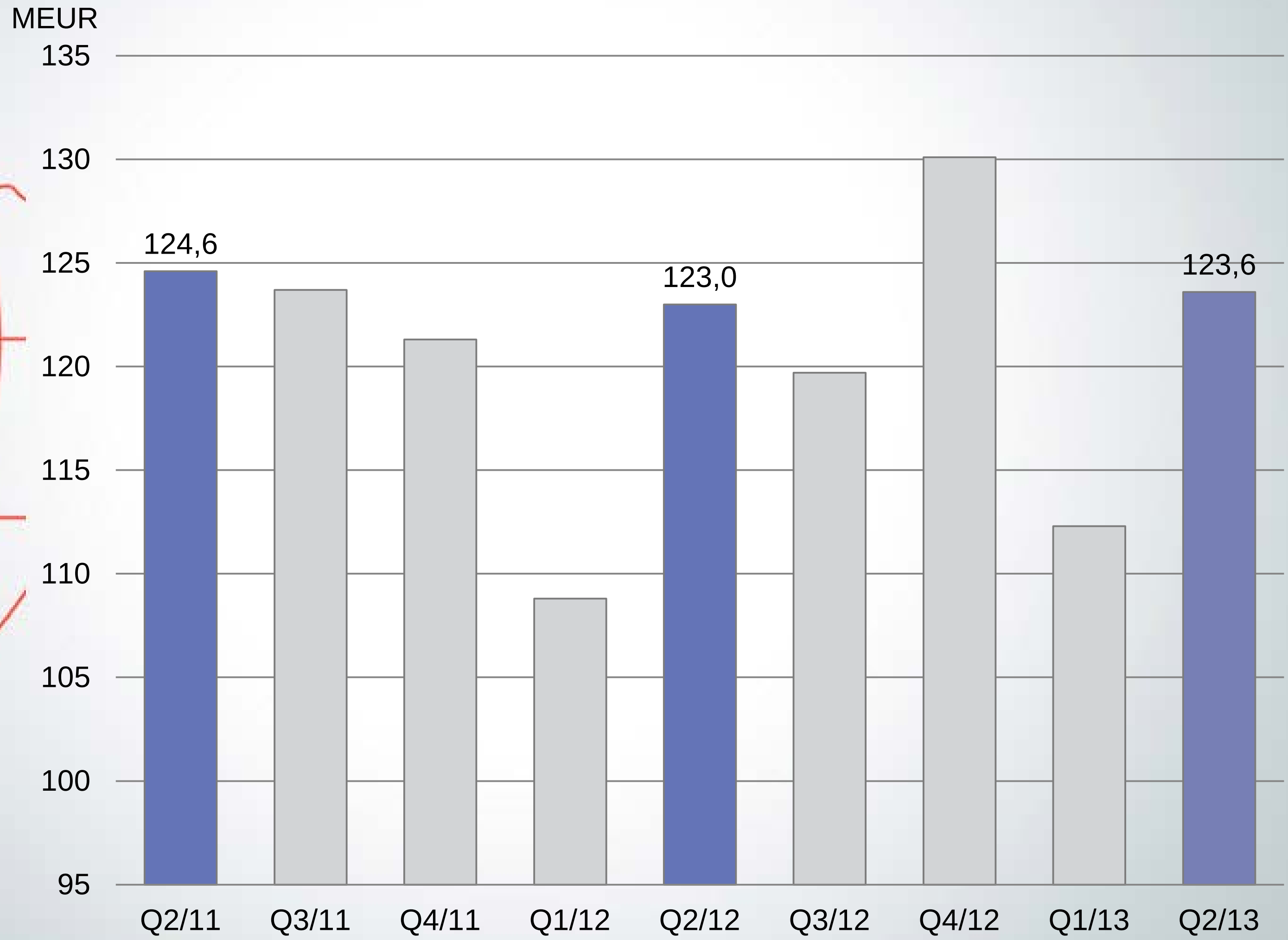
# Main events in Q2

- ESL Shipping's profitability improved significantly.
- The price level of raw materials sold by Telko decreased, which decreased the euro-denominated growth in net sales and lowered the operating profit in the eastern markets as well.
- Leipurin improved its operating profit and increased its net sales.
- Kaukomarkkinat was reorganized, and will decrease expenses in Finland by approximately EUR 1 million annually.
- Cash flow from operations for Q2 was EUR 13 million.
- A new company, Aspo Services Ltd, was established by merging the financial and ICT organizations of the business units and Aspo. The aim is to lower expenses and improve the quality of service.
- All of the efficiency measures combined will decrease expenses by approximately EUR 2 million annually.
- Paul Taimitarha has been appointed Leipurin's new CEO.

# Group net sales, quarterly

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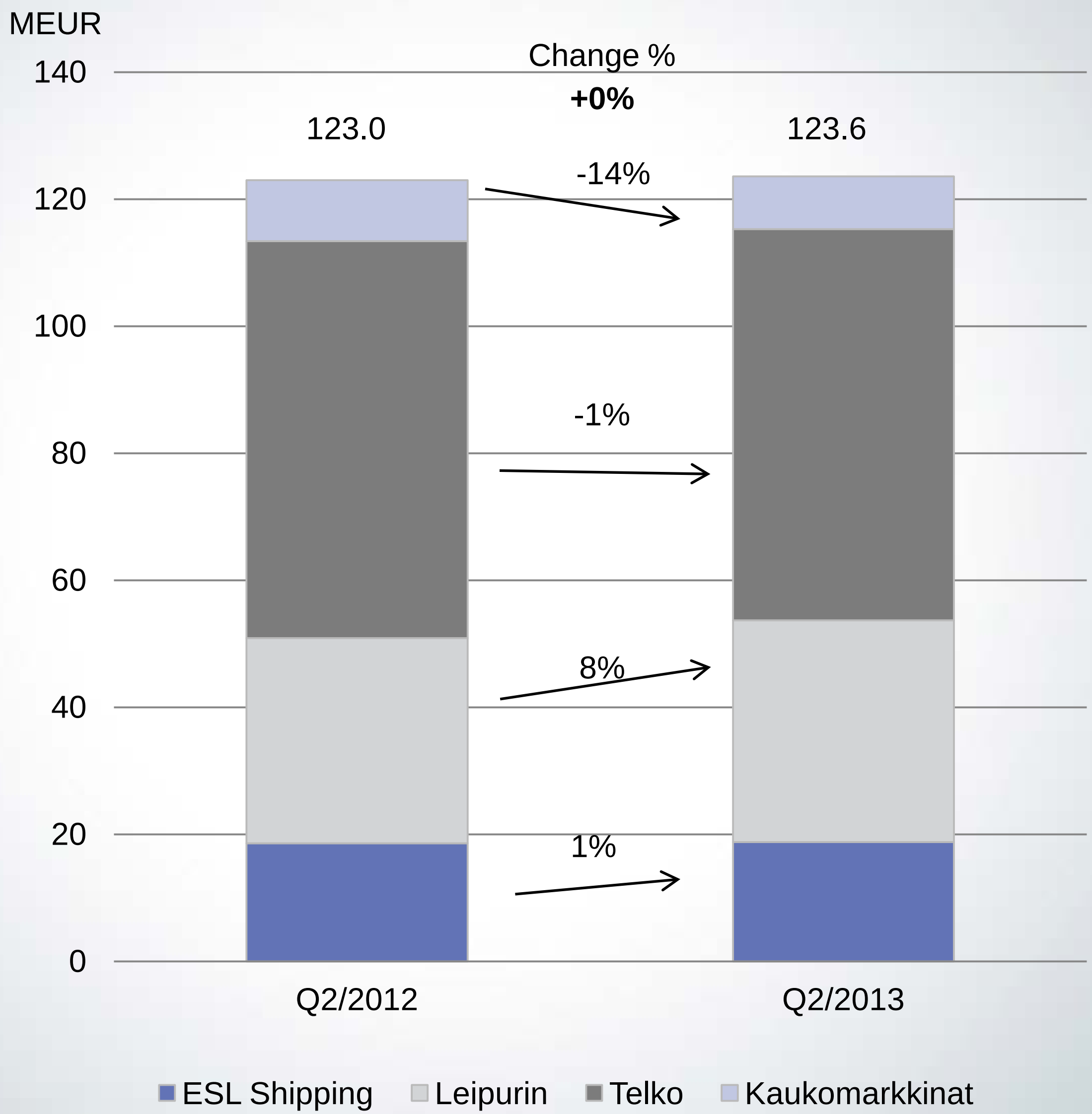
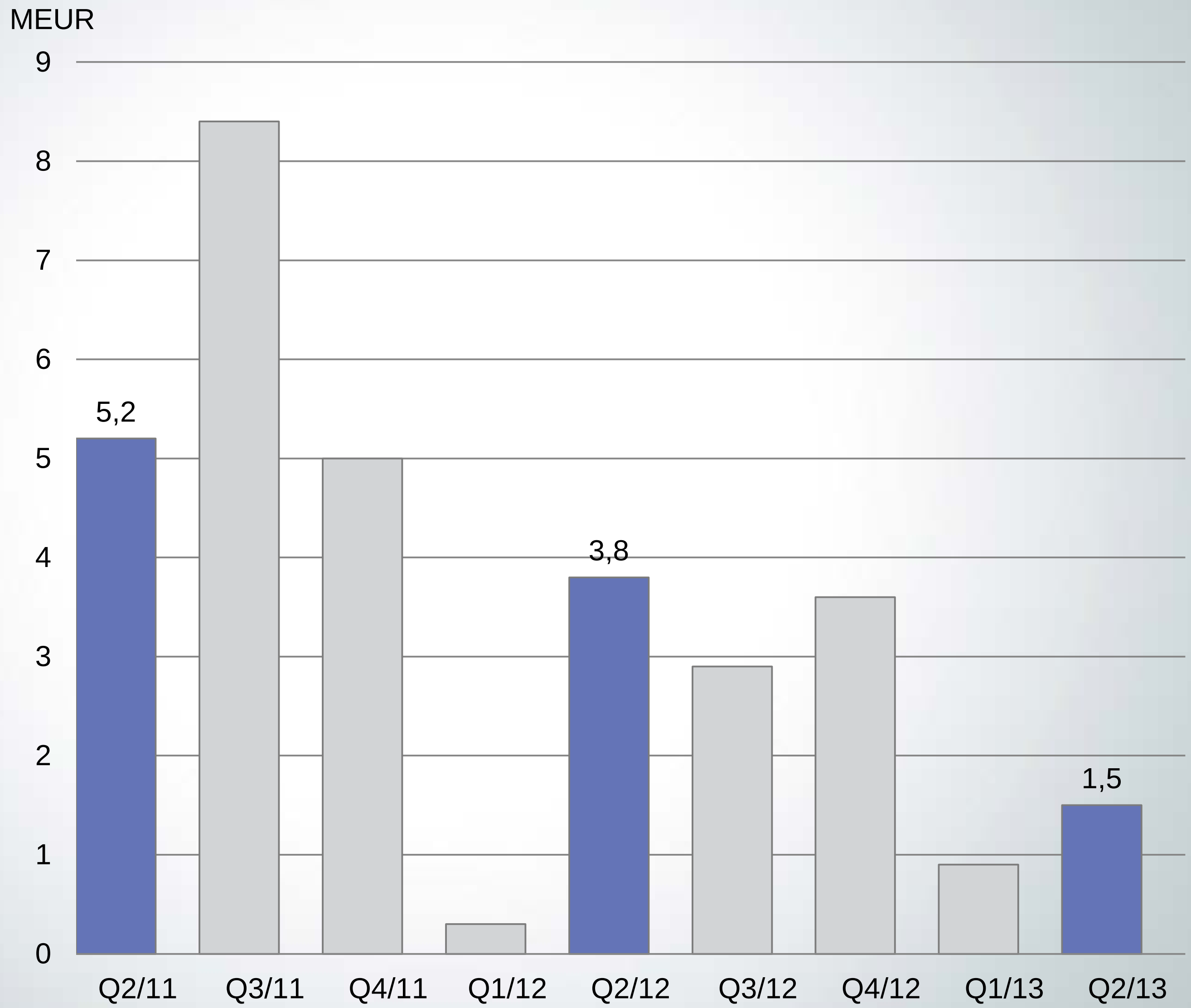
# Net sales / segment Q2



# Group operating profit, quarterly

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# Operating profit / segment Q2

| MEUR | Q2/13 | Q2/12 | Change, % |
|---|---|---|---|
| ESL Shipping | 1.2 | 2.6 | -54 |
| Leipurin | 1.2 | 0.5 | 140 |
| Telko | 1.6 | 2.5 | -36 |
| Kaukomarkkinat | -1.1 | -0.3 | -267 |
| Other operations | -1.4 | -1.5 | 7 |
| Total | 1.5 | 3.8 | -61 |

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# Net sales and operating profit Q2

| 2012/2013 | Q1 | Q2 | Q3 | Q4 | Cum. |
|---|---|---|---|---|---|
| Net sales | **112.3** | **123.6** | | | **235.9** |
| MEUR | 108.8 | 123.0 | 119.7 | 130.1 | 481.6 |
| Operating profit | **0.9** | **1.5** | | | **2.4** |
| MEUR | 0.3 | 3.8 | 2.9 | 3.6 | 10.6 |

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# Net sales / market area Q2

| MEUR | Q2/13 | Q2/12 | Change, % |
|---|---|---|---|
| Finland | 36.1 | 39.1 | -8 |
| Scandinavia | 11.0 | 11.0 | 0 |
| Baltic countries | 13.0 | 12.0 | 8 |
| Russia, Ukraine + other CIS | 41.6 | 42.2 | -1 |
| Other countries | 21.9 | 18.7 | 17 |
| Total | 123.6 | 123.0 | 0 |

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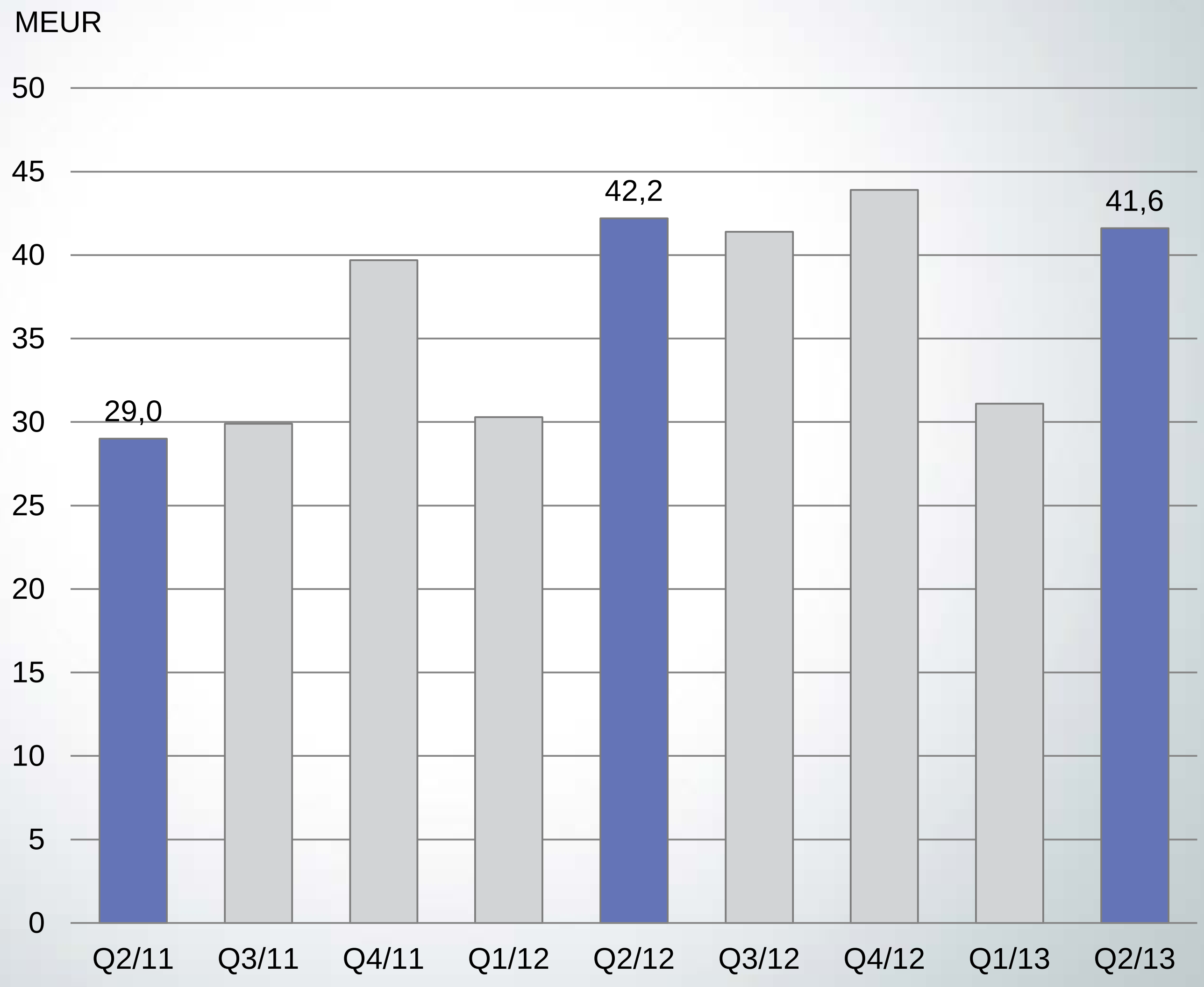
# Net sales

## Russia, Ukraine + other CIS countries

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# Aspo business operations

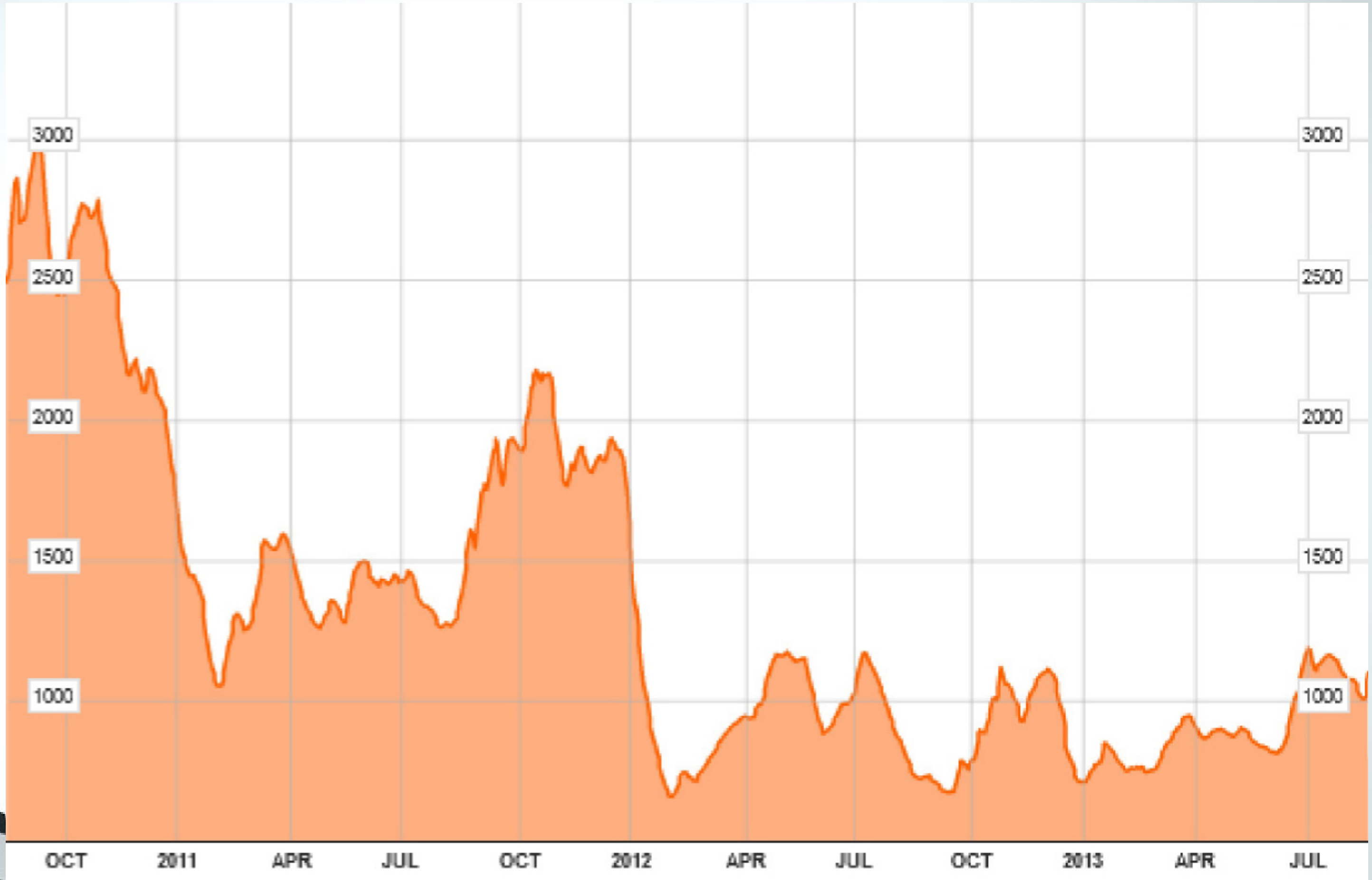
ESL Shipping

# Integral part of Finnish security of supply

# ESL Shipping Q2

- The shipping company's vessels operate mainly in the Baltic Sea. A significant share of transports in the Baltic Sea are based on long-term customer agreements.
- The Supramax vessels have been operating in international traffic in the Canadian sea ice region and the Baltic Sea.
- The fact that the vessels are ice-strengthened has been an asset for ESL Shipping in a soft market situation.
- Comparable operating profit improved significantly and was EUR 1.2 million (EUR 0.2 million and the EUR 2.4 million sales gain of m/s Hesperia)
- International cargo prices have continued to be at a record low level. The market is expected to remain weak throughout the rest of the year at the least.
- The shipping company has improved the fuel efficiency of the vessels, which has lowered the operational expenses.

# Baltic Dry Index 2010–2013




Source: Bloomberg

# ESL Shipping key figures Q2

| | Q2/13 | Q2/12 | Change, % |
|---|---|---|---|
| Net sales, MEUR | 18.8 | 18.6 | 1 |
| Operating profit, MEUR | 1.2 | 2.6 | -54 |
| Personnel | 202 | 207 | -2 |

LEIPURIN

**The bakery specialist**

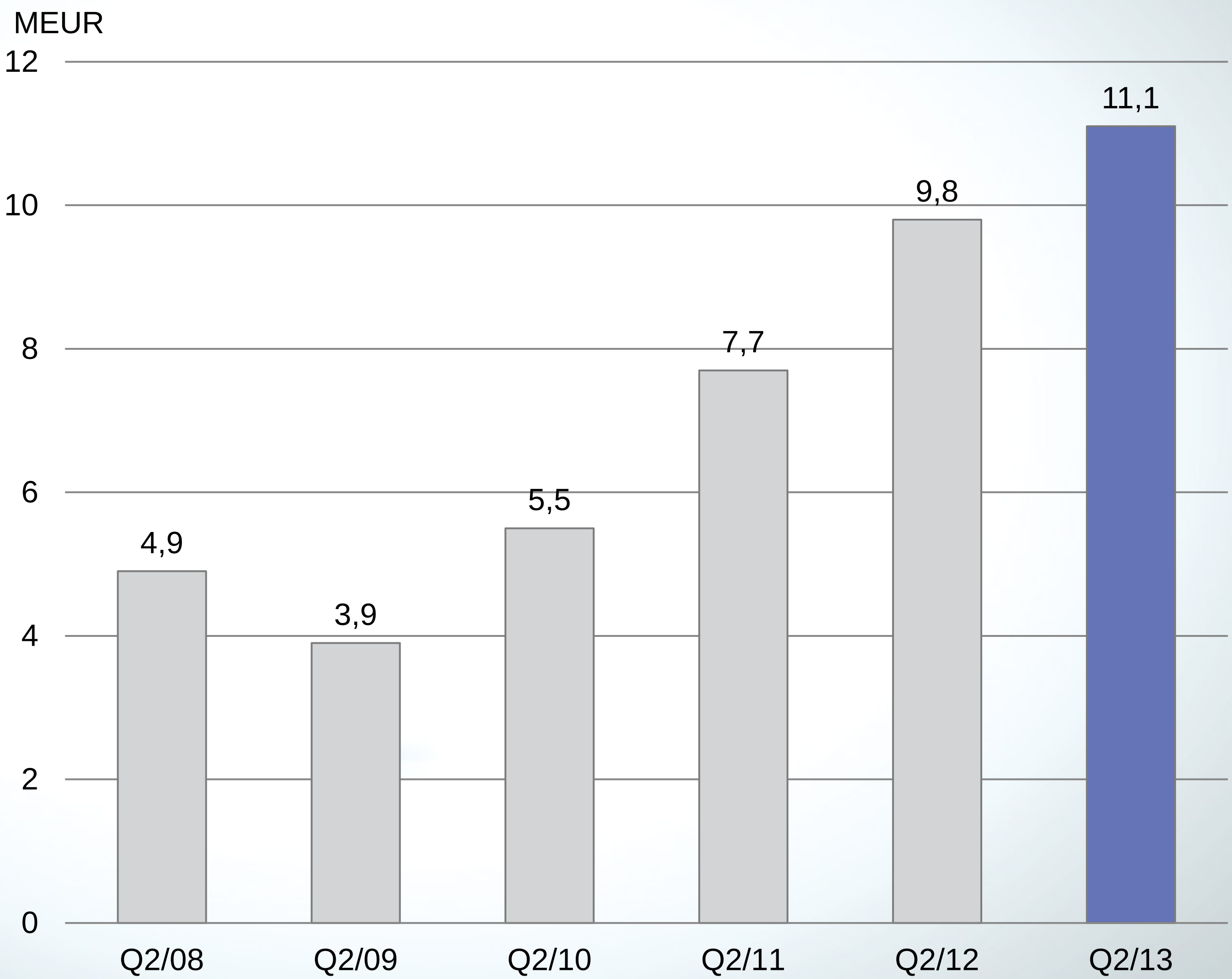
# Leipurin Q2

- The price level of food raw materials continued to be stable.
- Leipurin's operating profit improved to EUR 1.2 million (0.5).
- Net sales from bakery raw materials continued to develop favorably in all market areas.
- The market area Russia, Ukraine and other CIS countries increased its net sales by 13%, operating profit margin was over 5%.
- Net sales from bakery machines were significantly better than during the comparison period.
- Leipurin continues investments to continue profitable growth in Russia, Ukraine and other CIS countries. Matti Väänänen will be posted to St. Petersburg to develop operations in the eastern growth markets.
- Paul Taimitarha, member of the Board of Directors of Leipurin, started as the new CEO on August 5, 2013.

# Leipurin key figures Q2

| | Q2/13 | Q2/12 | Change, % |
|---|---|---|---|
| Net sales, MEUR | 34.9 | 32.3 | 8 |
| Operating profit, MEUR | 1.2 | 0.5 | 140 |
| Personnel | 277 | 282 | -2 |

# Net sales in Russia, Ukraine + other CIS countries




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

TELKO

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

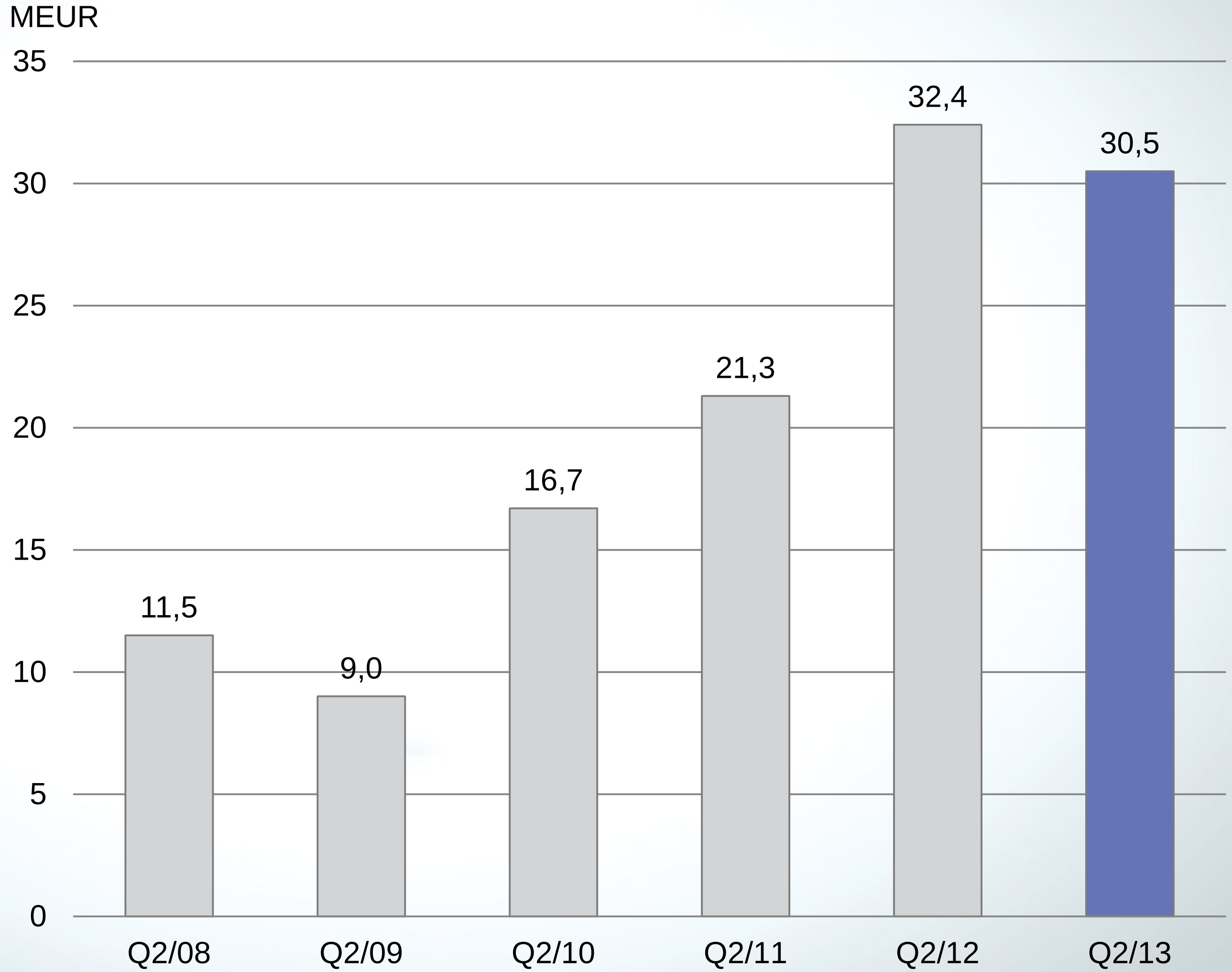
# Telko Q2

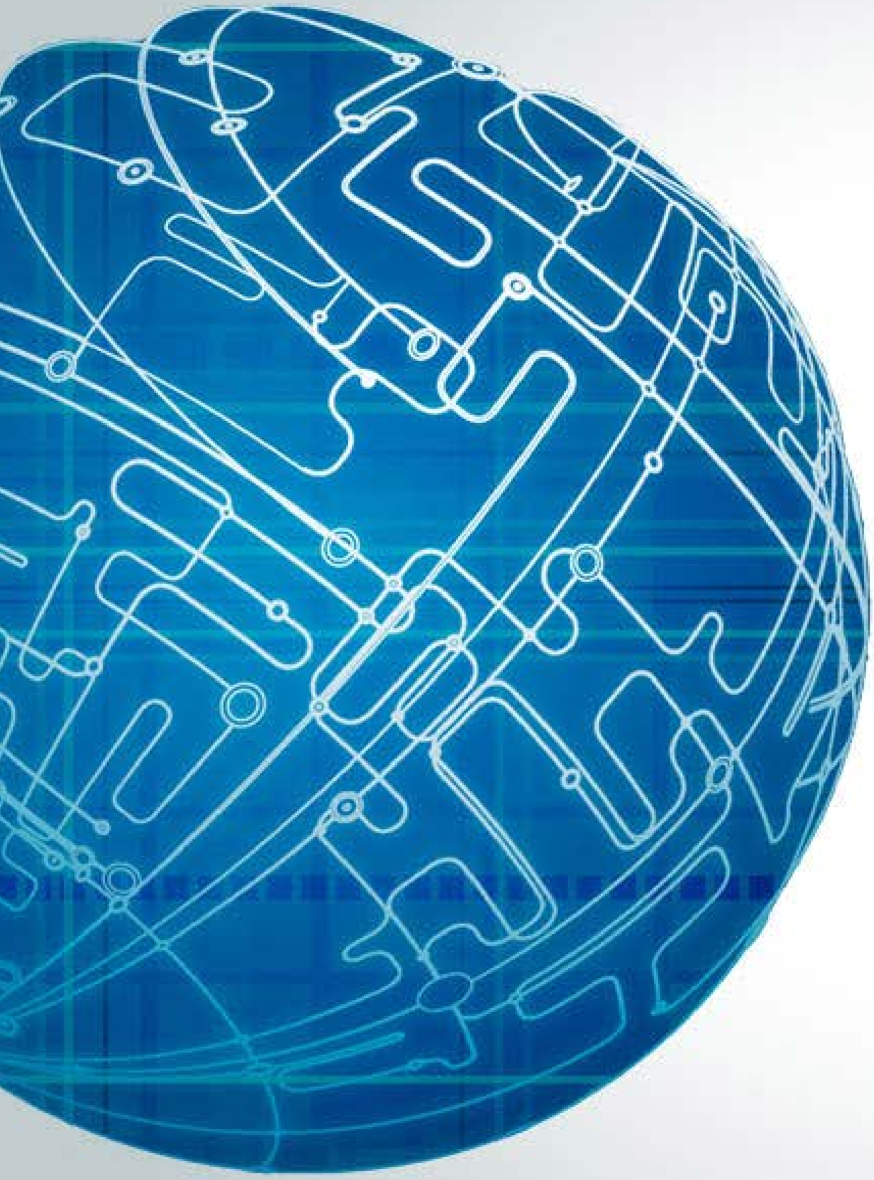
- Telko's operating profit decreased due to lower volumes in the EU and lower raw material prices.
- Operating profit stood at EUR 1.6 million (2.5 )
- Net sales decreased slightly in Russia, Ukraine, and other CIS countries. The prices of raw materials sold decreased and industrial growth rate in the market area slowed down.
- The prices of engineered plastics are less sensitive to cycles than the prices of industrial chemicals or volume plastics.
- Telko continued investments in expansion in the eastern markets.
- A fire broke out at Telko's plastic and chemicals warehouse in Ukraine. The fire will not have a substantial effect on the continuity or profitability of operations.

# Telko key figures Q2

| | Q2/13 | Q2/12 | Change, % |
|---|---|---|---|
| Net sales, MEUR | 61.6 | 62.5 | -1 |
| Operating profit, MEUR | 1.6 | 2.5 | -36 |
| Personnel | 251 | 247 | 2 |

# Net sales in Russia, Ukraine + other CIS countries





KAUKO MARKKINAT

# Expert in energy efficiency

# Kaukomarkkinat Q2

- Operating profit decreased to EUR -1.1 million (-0.3). The result includes non-recurring expenses of approximately EUR -0.4 million resulting from co-determination negotiations in Finland.
- The Finnish organization was reformed to be flatter and focused on activities specified in the strategy.
- The annual cost-savings achieved amount to approximately EUR 1 million, which will take full effect starting from Q1 2014.
- The effects on personnel in Finland concern approximately 15 employees. Furthermore, opportunities for making the organization more efficient are explored internationally.
- The investment in the Koskelo center in Espoo has increased the expenses.

KAUKO MARKKINAT

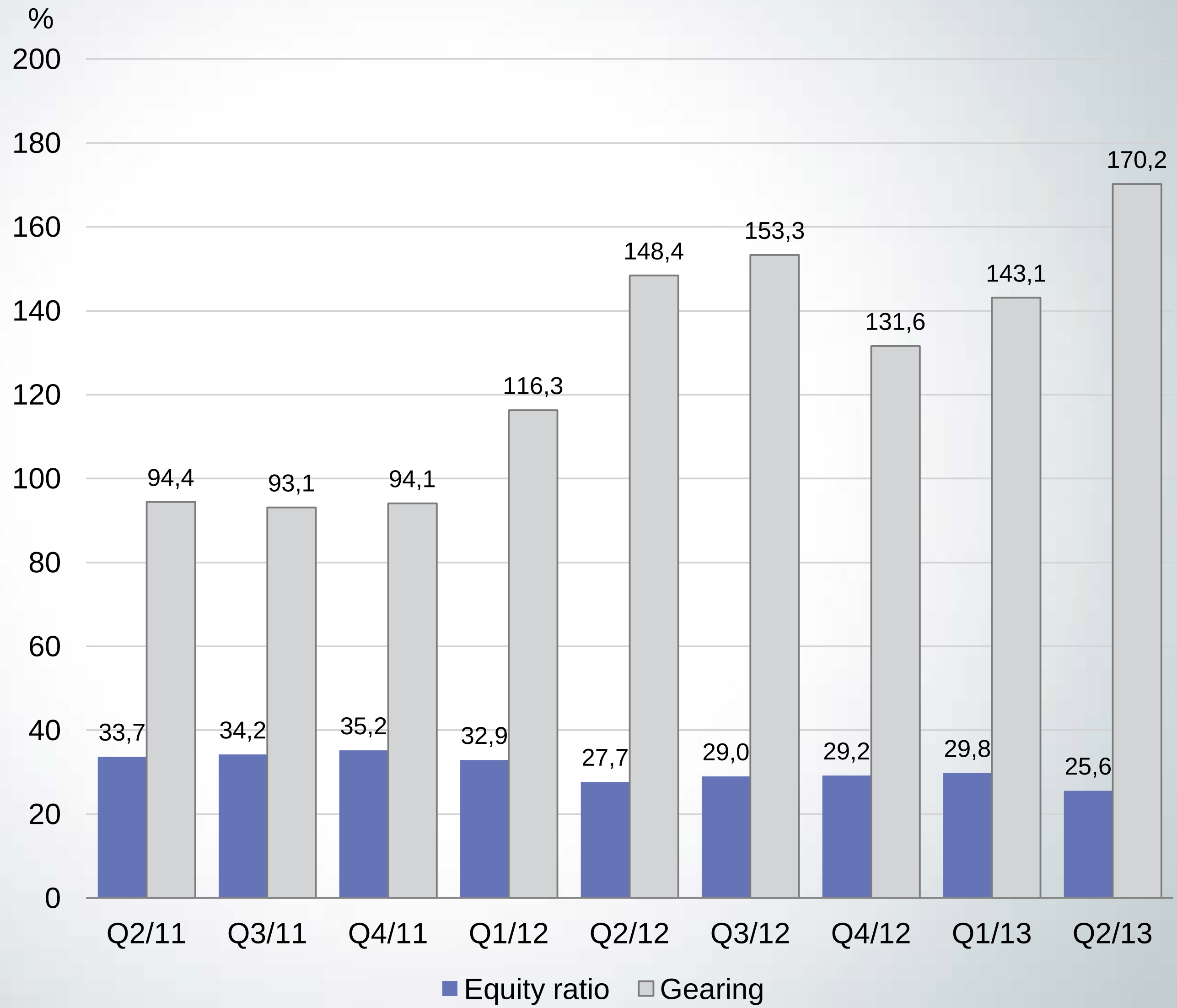
# Kaukomarkkinat key figures Q2

| | Q2/13 | Q2/12 | Change, % |
|---|---|---|---|
| Net sales, MEUR | 8.3 | 9.6 | -14 |
| Operating profit, MEUR | -1.1 | -0.3 | -267 |
| Personnel | 87 | 87 | 0 |

# Financing

Harri Seppälä

# Equity ratio and gearing

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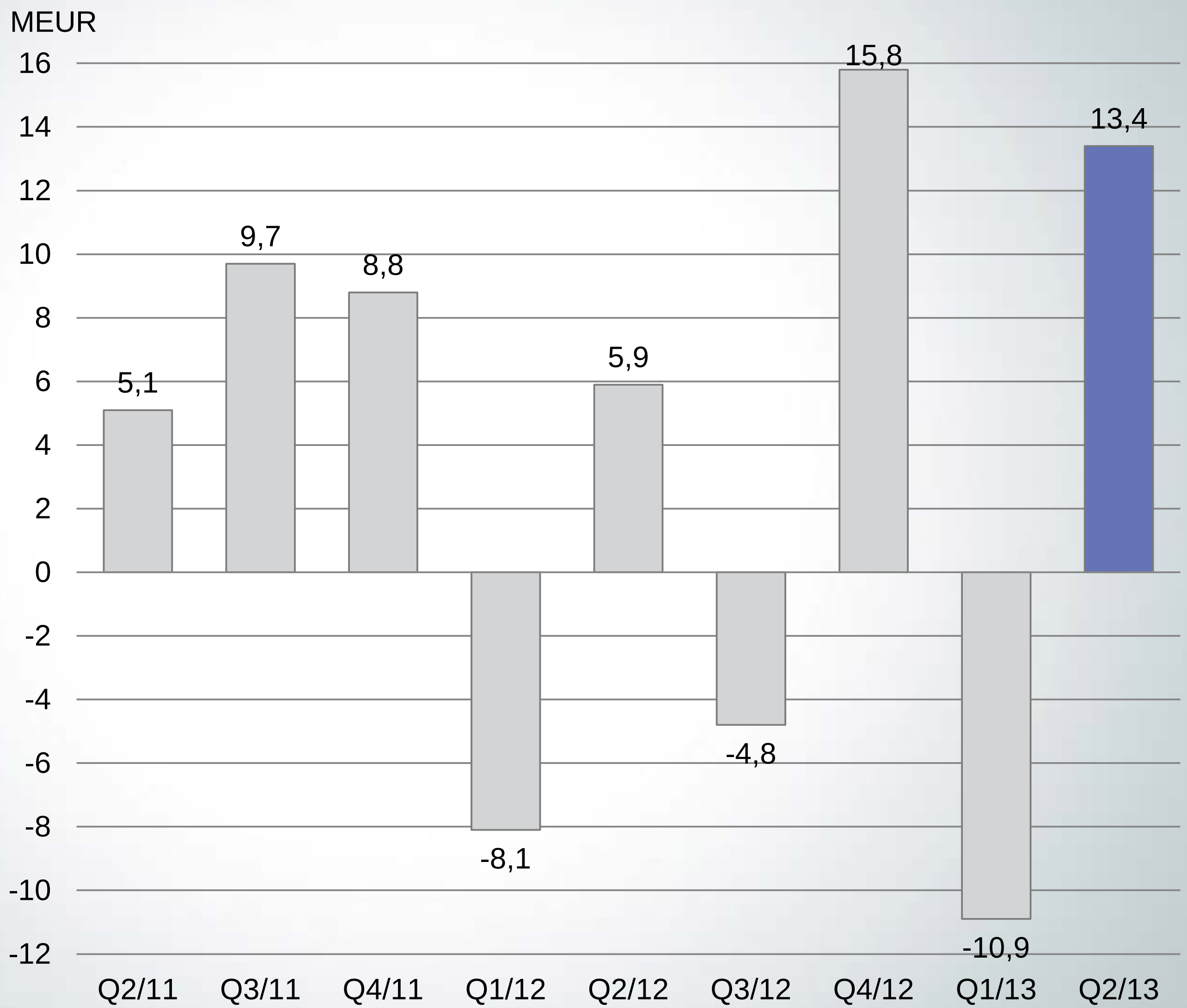
# Operational cash flow

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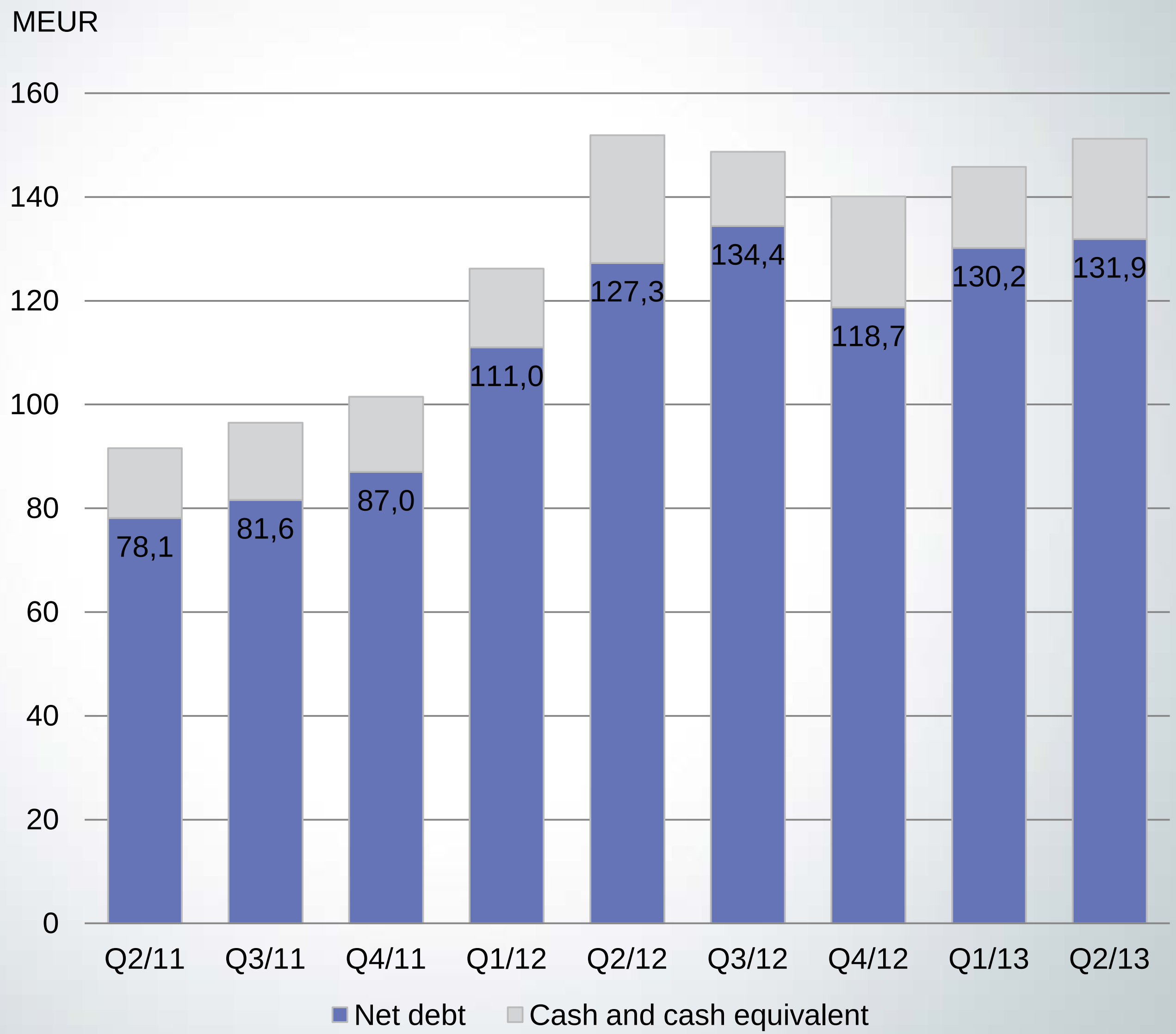
# Interest-bearing liabilities and net debt

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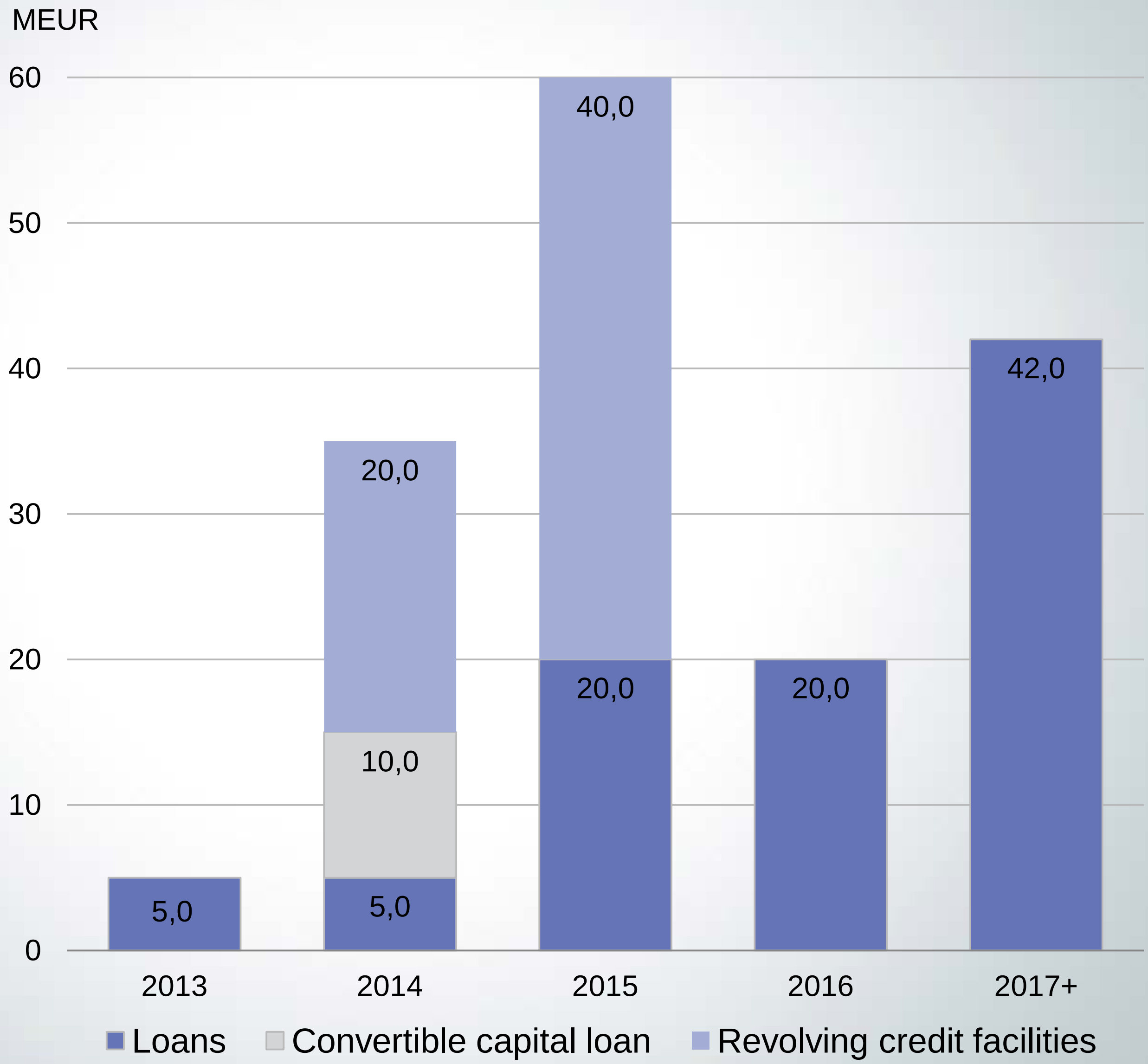
# Maturity of significant loan agreements Q2/2013




Commercial papers, overdraft facilities, and financial leasing agreements not included.

# Liquidity Q2/2013

| MEUR | Total | In use |
|---|---|---|
| Revolving credit facilities | 60.0 | 0.0 |
| Commercial paper program | 50.0 | 49.0 |
| Cash and cash equivalents | 19.3 | |

Interest-bearing liabilities which will mature within one (1) year total EUR 61.4 million.

Cash + binding unutilized revolving credit facilities total EUR 79.3 million.

There are no significant credit agreements maturing in 2013.

A EUR10.3 million convertible capital loan will mature in 6/2014.

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# Financials

Arto Meitsalo

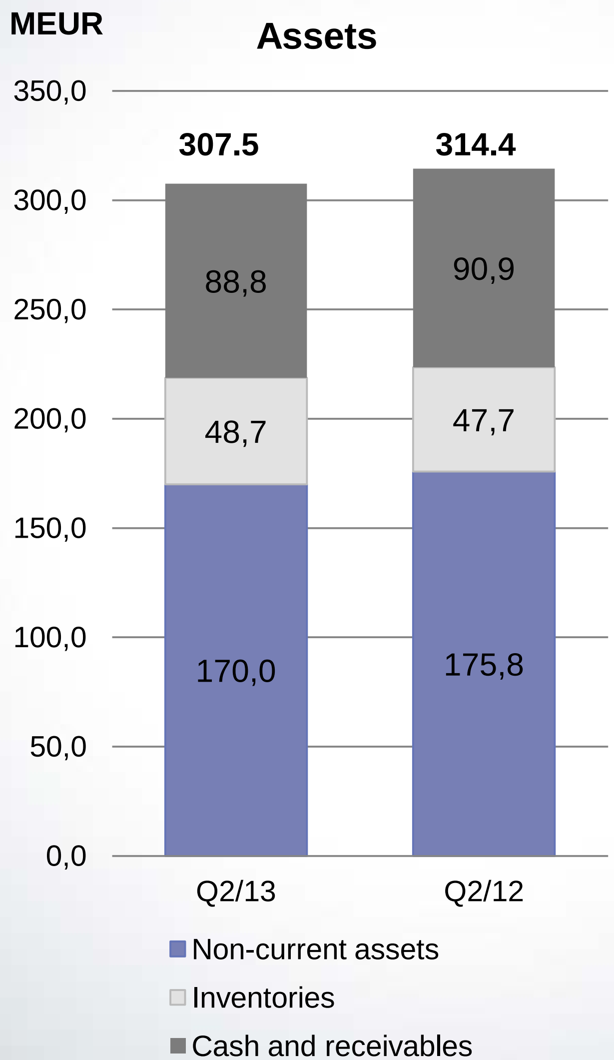
# Income statement and key figures Q1-Q2

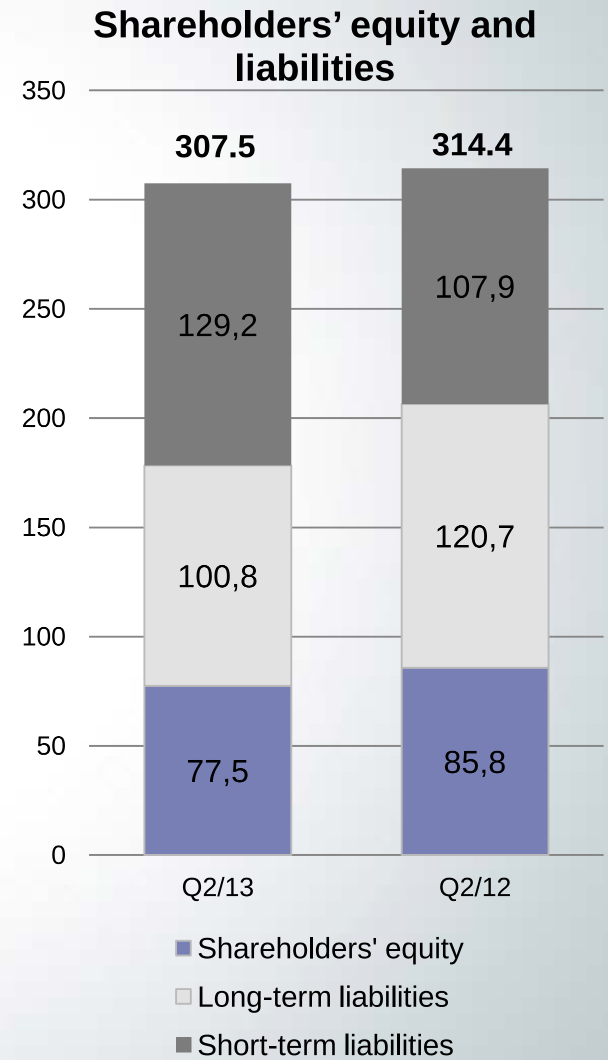
| MEUR | 2013 | 2012 |
|---|---|---|
| Net sales | 235.9 | 231.8 |
| Depreciations | -5.6 | -5.1 |
| Operating profit | 2.4 | 4.1 |
| Net financial expenses | -1.9 | -1.4 |
| Profit before taxes | 0.5 | 2.6 |
| Profit for the period | 0.9 | 6.2* |

| | 2013 | 2012 |
|---|---|---|
| Earnings/share, EUR | 0.03 | 0.20* |
| Equity ratio, % | 25.6 | 27.7 |
| Equity/share, EUR | 2.54 | 2.81 |

* The profit for 2012 included EUR 3.4 million, and the earnings per share approx. EUR 0.10, as a retroactive additional portion for the financial year 2011, related to tonnage taxation.

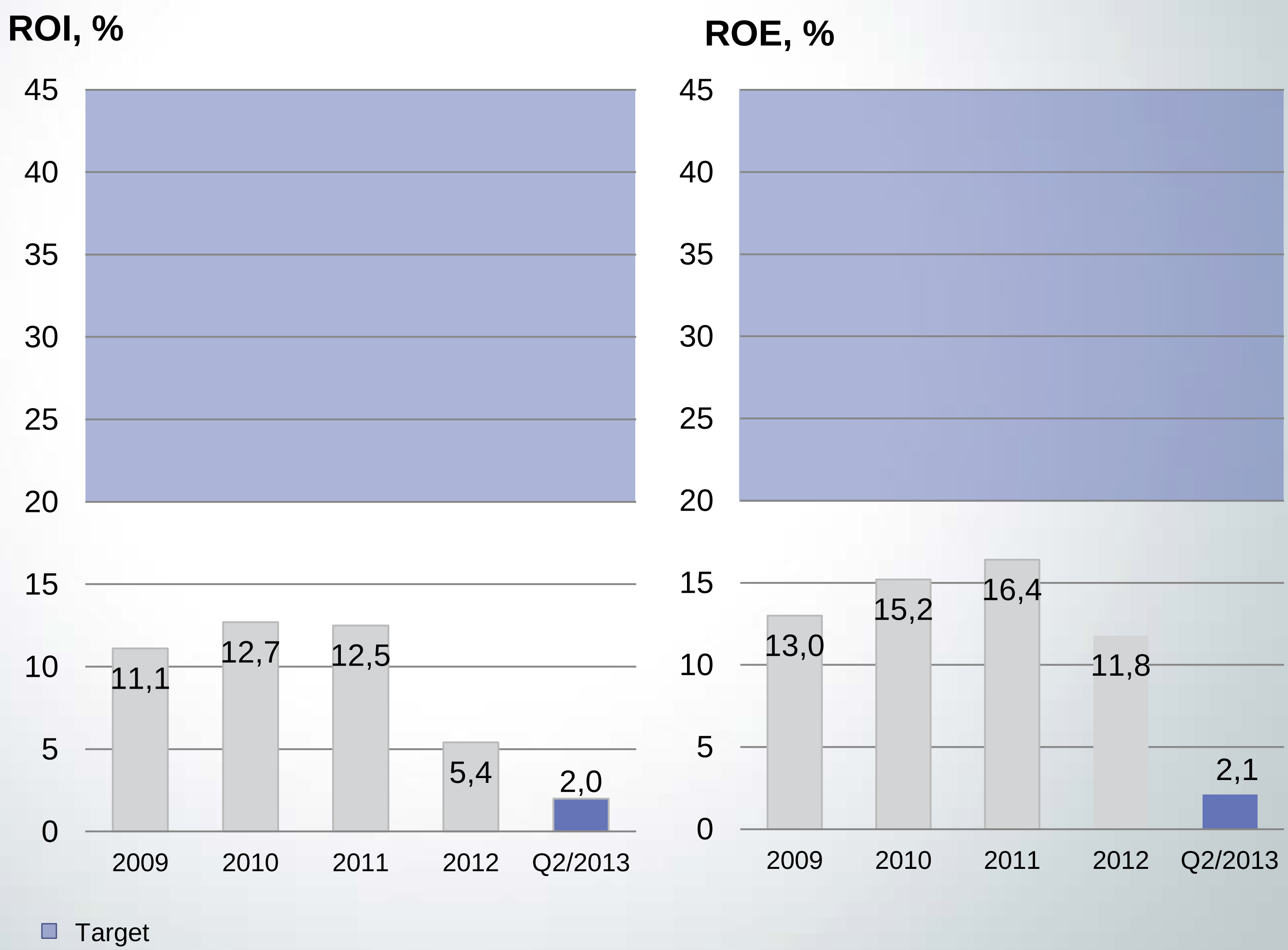
# Balance sheet



# Financial targets

## Return on investment, return on equity

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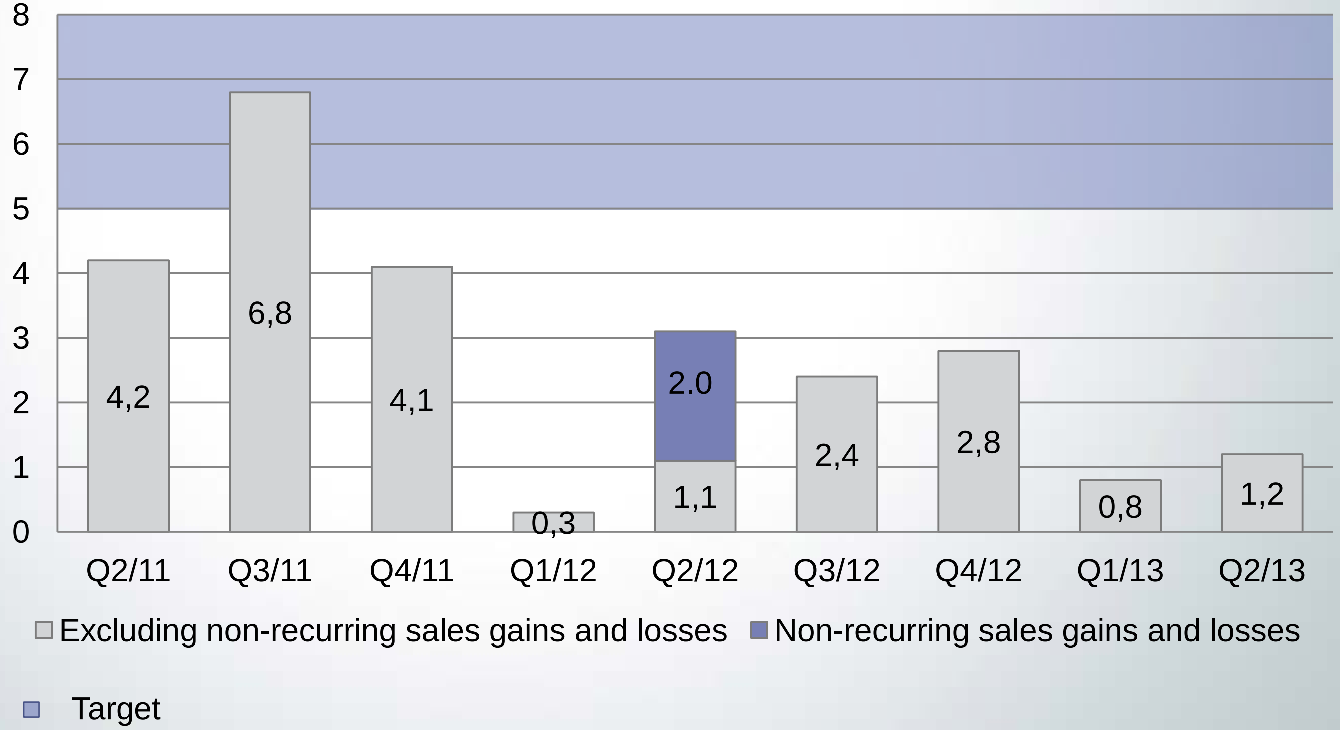
# Financial targets

## Operating profit, %

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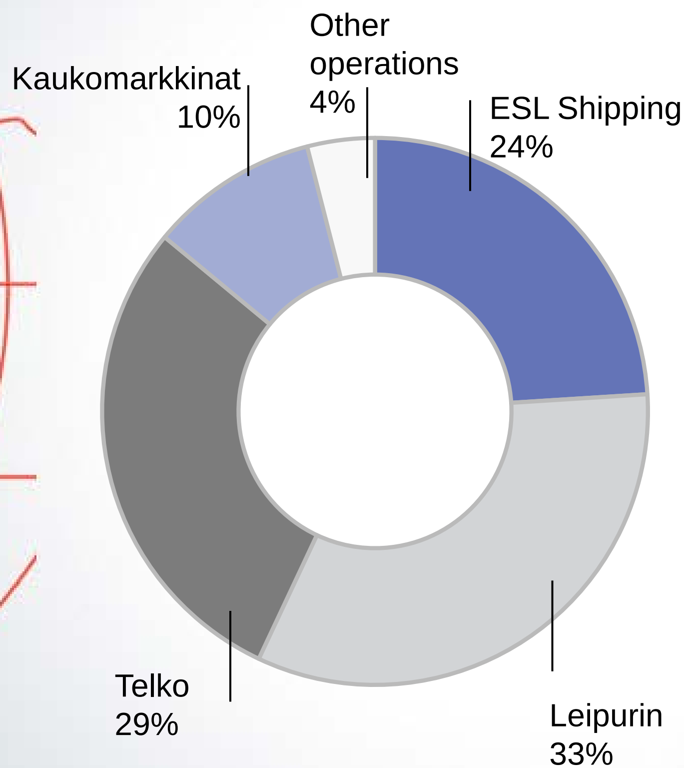
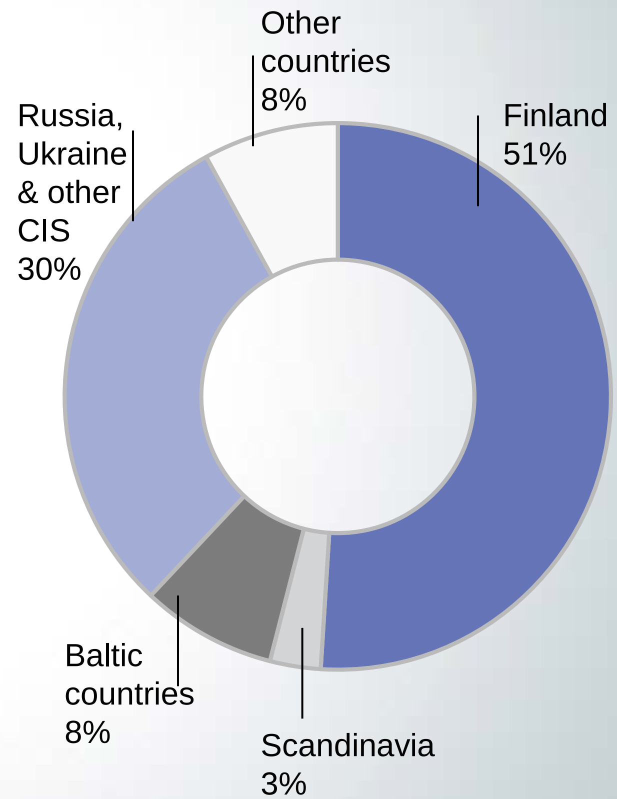
# Personnel Q2/2013
# Group total 854

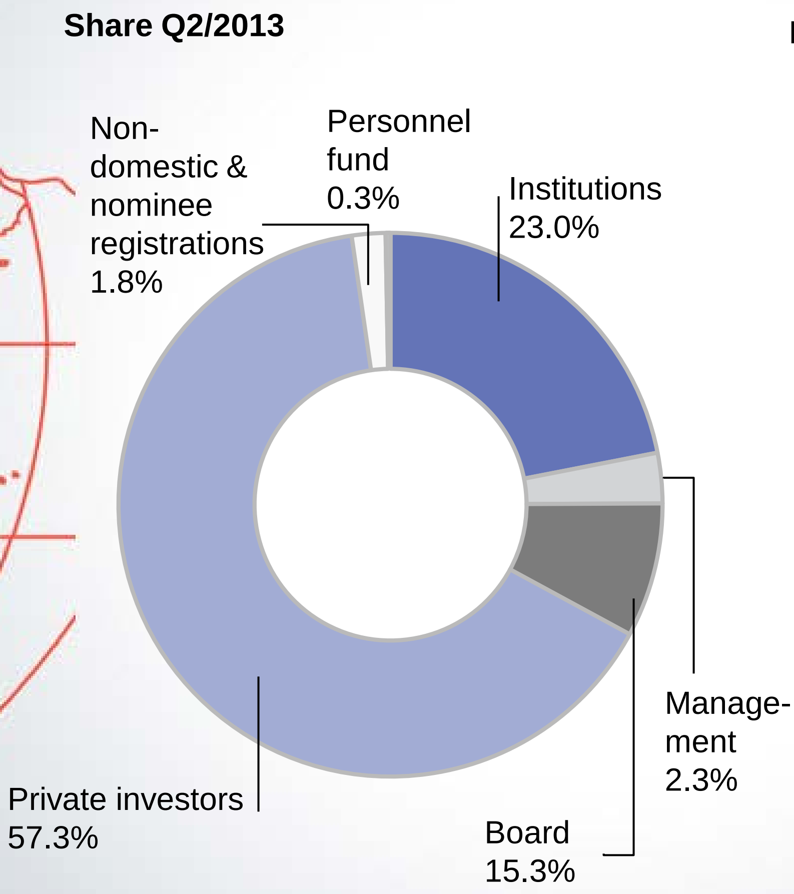
### Share of Group personnel

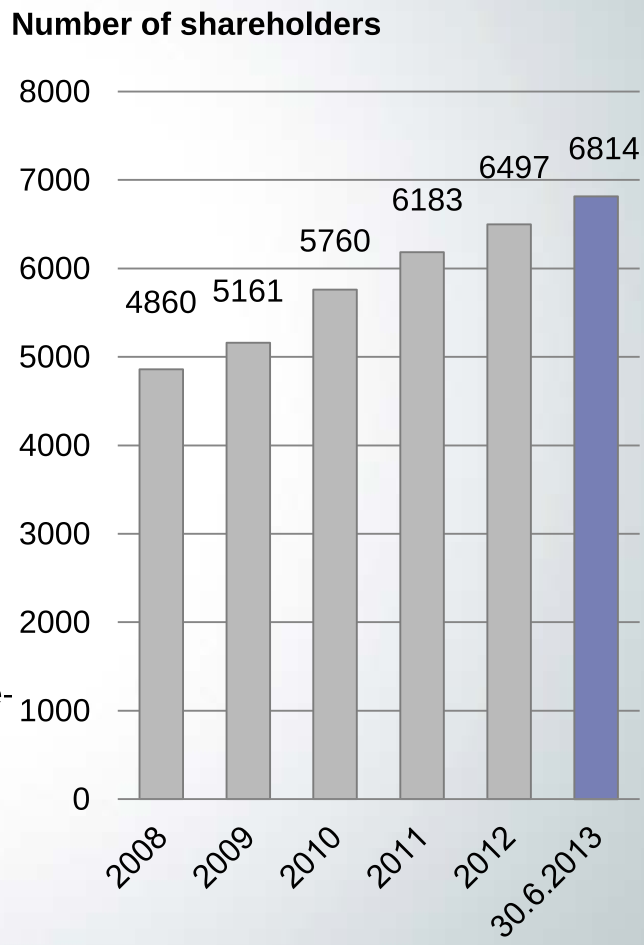



### Distribution per country

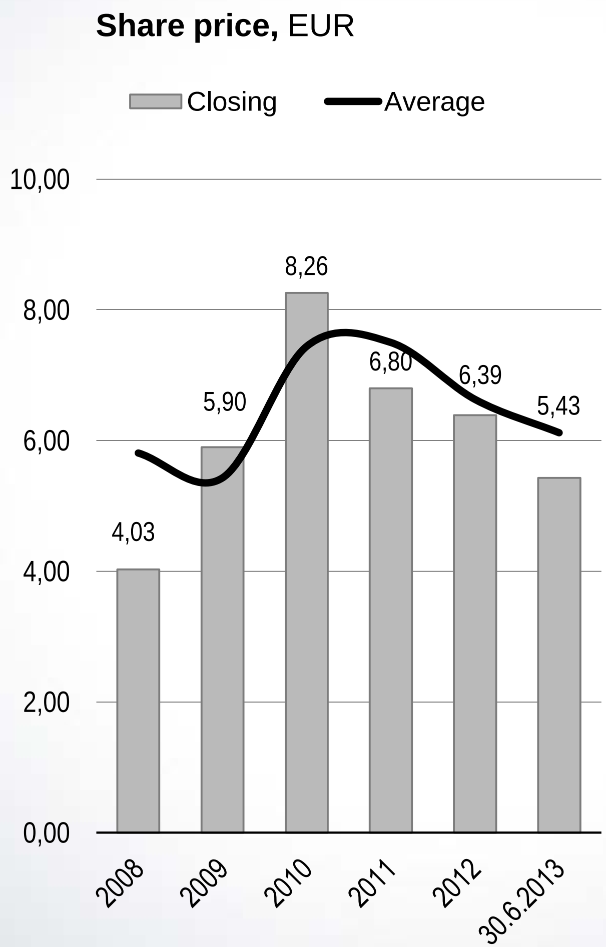


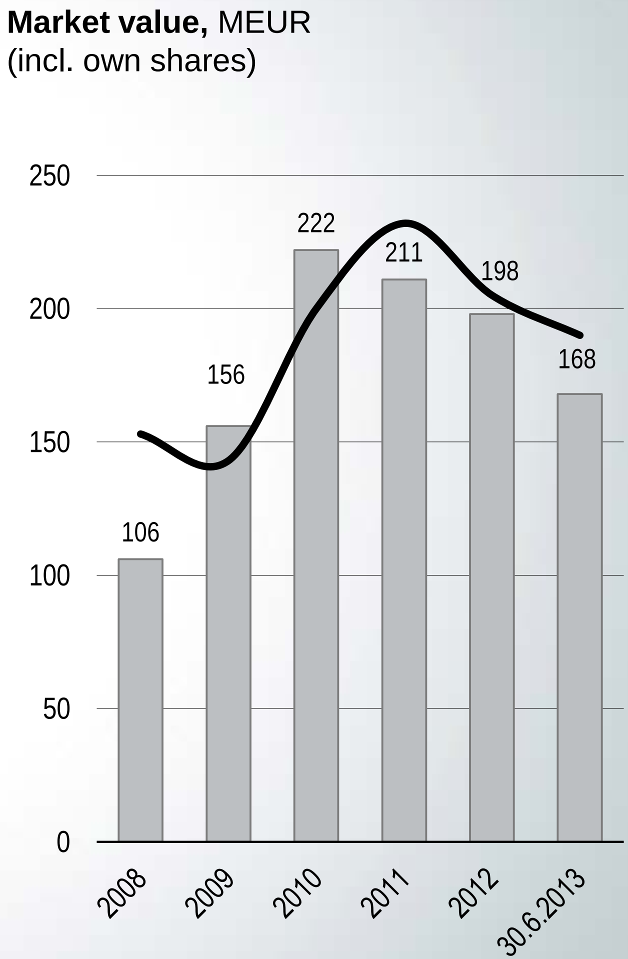
# Shareholders / allocation



# Aspo's market value




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

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# Outlook for 2013

# Expectations for Aspo Group in 2013

- Aspo's current structure will facilitate profitable organic growth in the eastern growth markets in particular.
- General economic uncertainty in the western markets is likely to continue.
- The global dry bulk freight market is likely to remain low. ESL Shipping will focus on contract customers and its operational efficiency. The Supramax vessels will operate in international traffic.
- Leipurin will continue to grow organically.
- The prices of raw materials sold by Telko have an effect on the development of net sales. Growth in sales volumes will grow in the emerging eastern markets.
- Kaukomarkkinat will continue the development according to the strategy and improve its profitability.

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# Guidance for 2013

The guidance remains unchanged:

– Aspo aims to increase its operating profit and to achieve the previous year's level in net sales.

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**Next interim report**
**Q3**
**on October 24, 2013**