



Aspo's Q1

May 5, 2014

CEO Aki Ojanen

CFO Arto Meitsalo

Group Treasurer Harri Seppälä



Aspo's strategy

- Aspo is a conglomerate that owns and continually develops its business operations and structure without predefined schedules.
- Business operations focusing on B-to-B customers.
- Business operations in northern Europe and growth markets.
- Company brands: ESL Shipping, Leipurin, Telko and Kaukomarkkinat.
- Focus on trade and logistics.
- The structure generates Aspo's goodwill.



Initial public offering on Leipurin

- Aspo has announced that it is reviewing the preconditions for initial public offering of Leipurin Ltd as a separate company on the NASDAQ OMX Helsinki official list.
- Aspo would remain as minority owner of the company.
- A preliminary IPO readiness assessment has been made.
- Aspo's aim is the listing of Leipurin Ltd during 2014.



Aspo Q1/2014

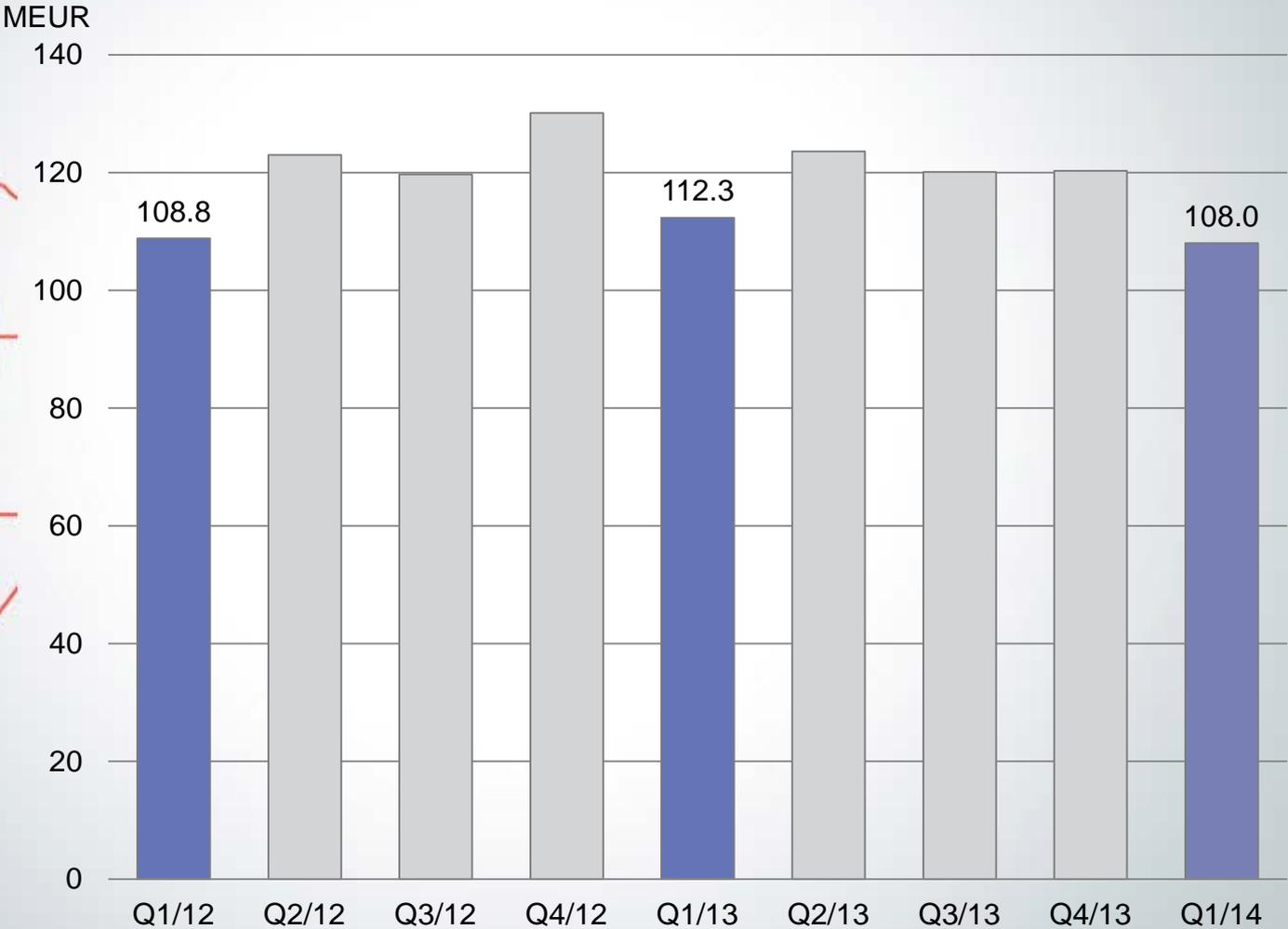
- Operating profit grew significantly to EUR 3.8 million (0.9).
- The operating profit percentage was 3.5%, lagging behind the targeted minimum of 5%.
- Cash flow from operations was positive and good for a first quarter.
- Aspo Group's net sales fell slightly to EUR 108.0 million (112.3).
- Earnings per share stood at EUR 0.07 (EUR 0.01).



Main events in Q1/2014

- The earnings of ESL Shipping were excellent for a winter season.
- Telko and Kaukomarkkinat substantially improved their operating profit.
- As expected, Leipurin developed well in bakery raw materials. A decline in operating profit was caused by normal seasonal variation in bakery machines.
- The crisis between Ukraine and Russia caused a radical weakening of the currencies of Russia, Ukraine, Kazakhstan, and Belarus.
- Aspo's measures reduced the financial effects of the weakening of these currencies.
- During the period, ESL Shipping invested approximately EUR 13 million in an Eira-class 20,000 dwt 1A Super ice-strengthened vessel, and named it m/s Kallio.

Group net sales, quarterly



Group operating profit, quarterly



MEUR



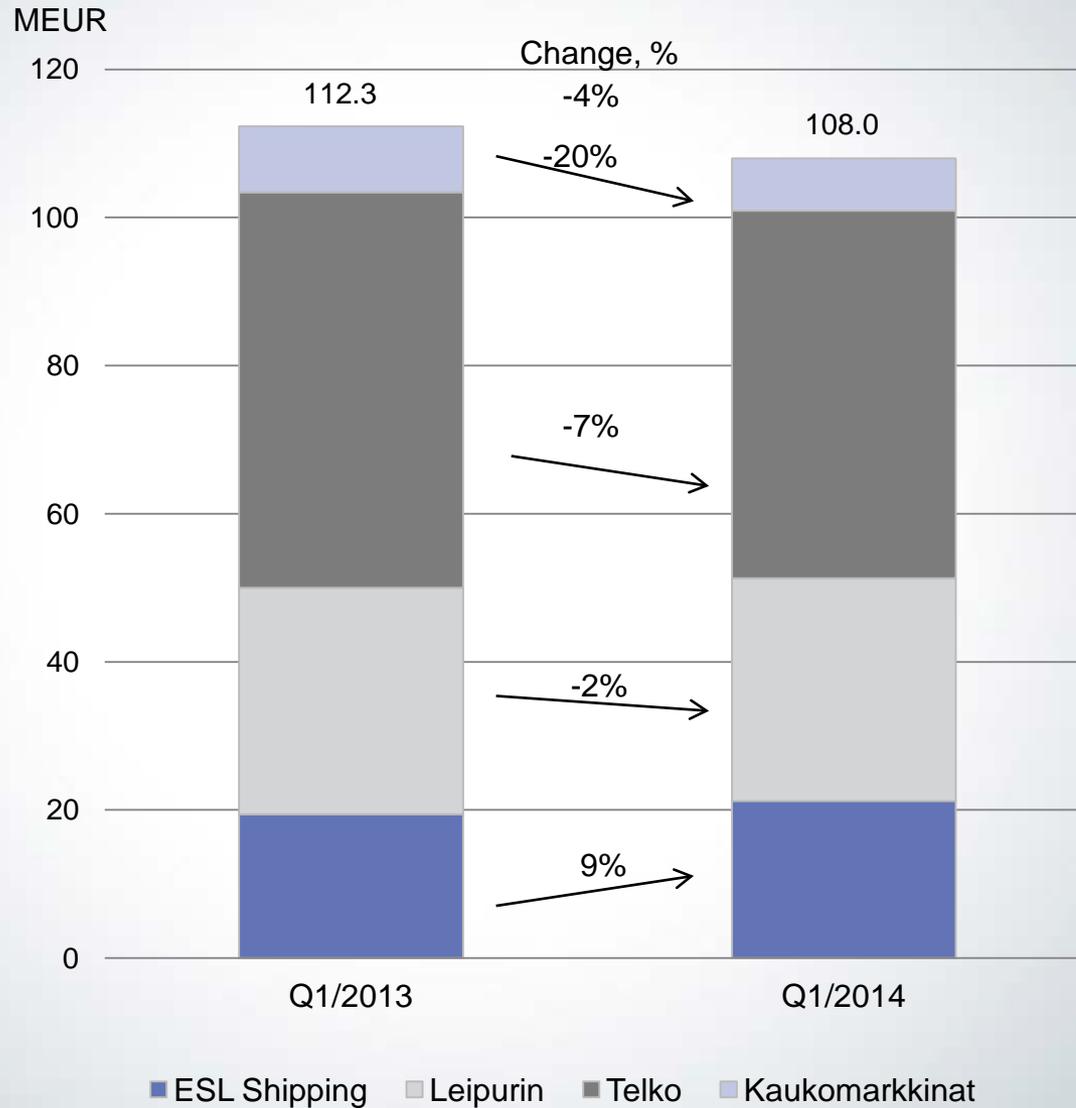
Net sales and operating profit Q1



2013/2014	Q1	Q2	Q3	Q4	Cum.
Net sales	108,0				108,0
MEUR	112,3	123,6	120,1	120,3	476,3
Operating profit	3,8				3,8
MEUR	0,9	1,5	4,6	3,8	10,8



Net sales / segment Q1



Operating profit / segment Q1

MEUR	Q1/14	Q1/13	Change, %
ESL Shipping	3.3	0.5	560
Leipurin	0.3	0.7	-57
Telko	1.8	1.5	20
Kaukomarkkinat	-0.2	-0.8	75
Other operations	-1.4	-1.0	-40
Total	3.8	0.9	322

Net sales / market area Q1



MEUR	Q1/14	Q1/13	Change, %
Finland	38.9	40.7	-4
Scandinavia	11.1	1.9	2
Baltic countries	12.0	11.8	2
Russia, Ukraine + other CIS	31.1	31.1	0
Other countries	14.9	17.8	-16
Total	108.0	112.3	-4

Aspo's countries of operation

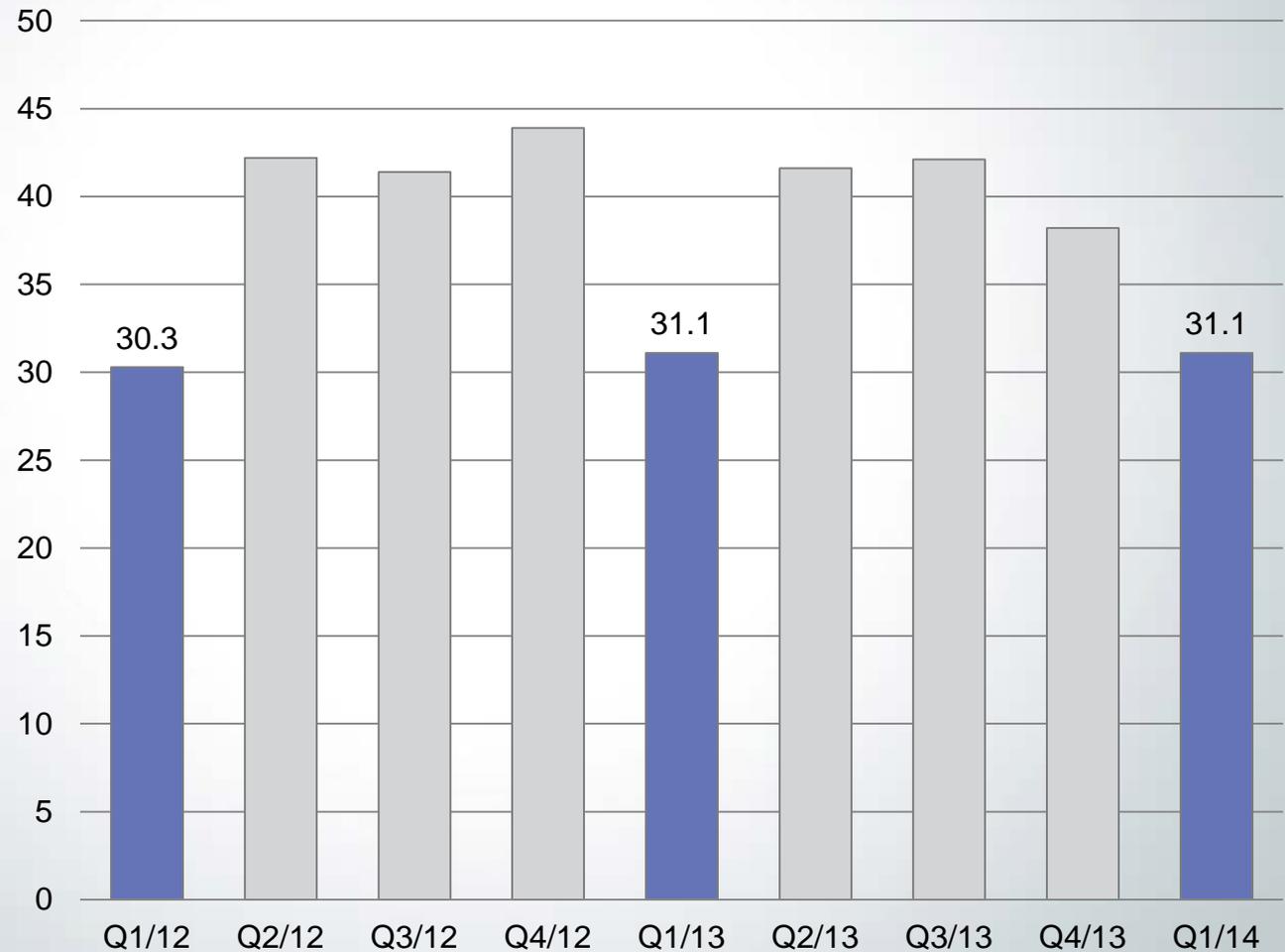


Net sales, quarterly

Russia, Ukraine + other CIS countries



MEUR





Aspo business operations



ESL Shipping

**Integral part
of Finnish security
of supply**

ESL Shipping Q1/2014

- The dry bulk freight rates fell from the previous quarter and are at a low level.
- During the review period, the vessels mainly operated in the Baltic Sea, the North Sea, and in international traffic in the Canadian ice area.
- Net sales amounted to EUR 21.2 million (19.4).
- Profitability improved significantly, as operating profit was EUR 3.3 million (0.5).
- The cargo volume carried by ESL Shipping amounted to 2.7 million tons (2.6).
- The Supramax vessels have served traffic for their second winter.
- Profitability was improved through the schedule and speed optimization of the vessels and the easy ice situation in the Baltic Sea.
- ESL Shipping purchased m/s Kallio, a dry cargo vessel of 20,000 dwt, for EUR 13 million.



ESL Shipping key figures Q1

	Q1/14	Q1/13	Change, %
Net sales, MEUR	21.2	19.4	9
Operating profit, MEUR	3.3	0.5	560
Personnel	213	205	4



Baltic Dry Index 2010–2014



Source: Bloomberg



The bakery specialist

Leipurin Q1/2014

- The prices of raw materials sold fell year-on-year in a number of raw material groups.
- Net sales stood at EUR 30.1 million (30.6), i.e. at the level of the comparison period.
- Operating profit fell to EUR 0.3 million (0.7).
- Due to the periodization of the projects of bakery machine sales, the net sales and profitability of machine sales decreased significantly.
- The net sales and operating profit of bakery raw materials in Russia, Ukraine, and other CIS countries developed strongly, as net sales grew by 18% in euros and operating profit continued to exceed the target level of 5%.
- The order book of own machine manufacturing is at a normal level.



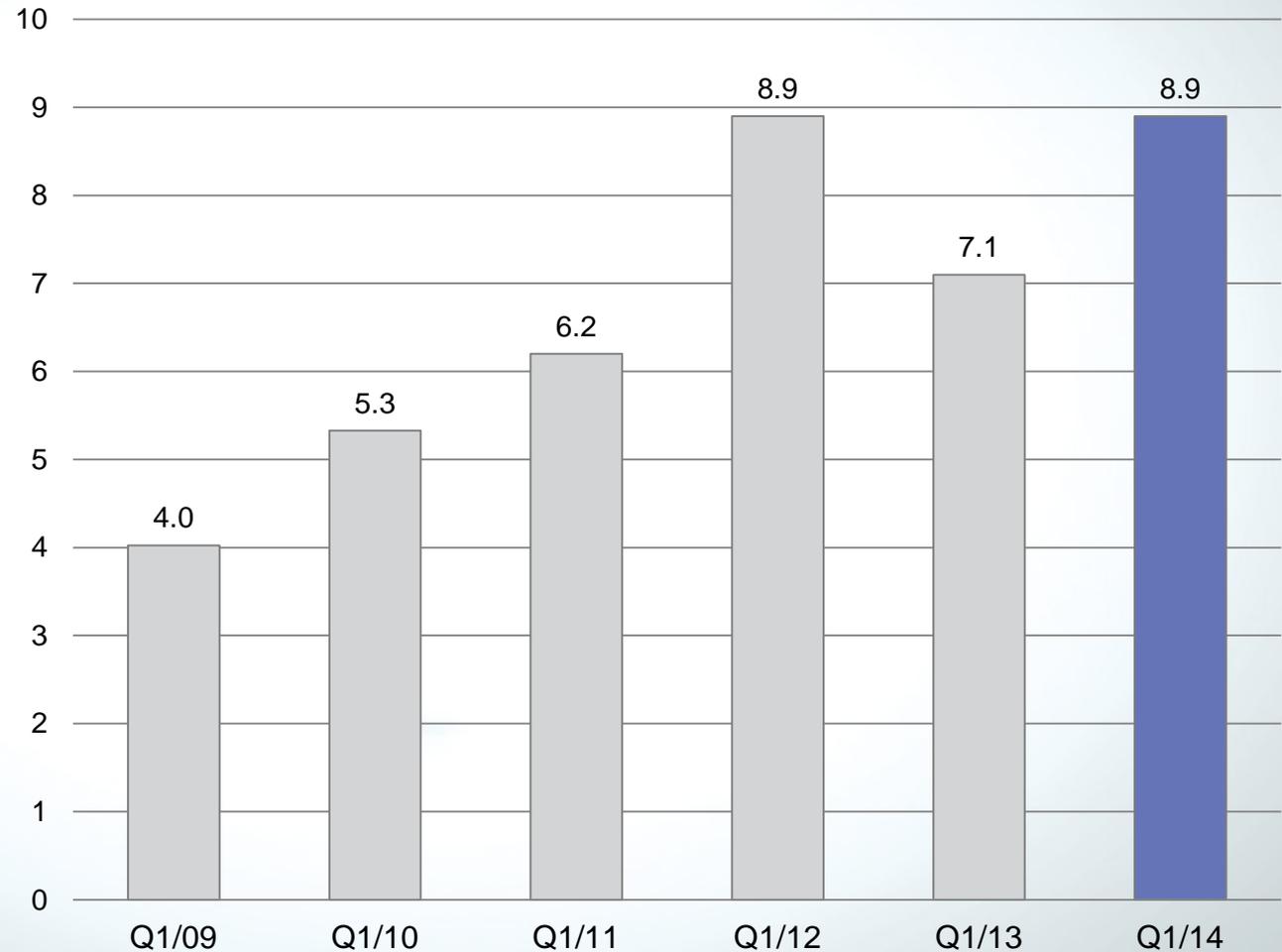
Leipurin key figures Q1

	Q1/14	Q1/13	Change, %
Net sales, MEUR	30.1	30.6	-2
Operating profit, MEUR	0.3	0.7	-57
Personnel	301	283	6



Net sales in Russia, Ukraine + other CIS countries Q1

MEUR





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

Telko Q1/2014

- The price level of raw materials sold by Telko remained at a low level, and prices were lower year-on-year.
- Net sales fell to EUR 49.6 million (53.4).
- Operating profit improved to EUR 1.8 million (1.5).
- In Telko's operating area, the overall economic situation was mainly weak.
- Indicators describing the Russian and Ukrainian economies developed unfavorably.
- The crisis between Ukraine and Russia continued to push Ukrainian sales lower and weakened demand.
- The weakening of the eastern currencies against the euro reduced operating profit.

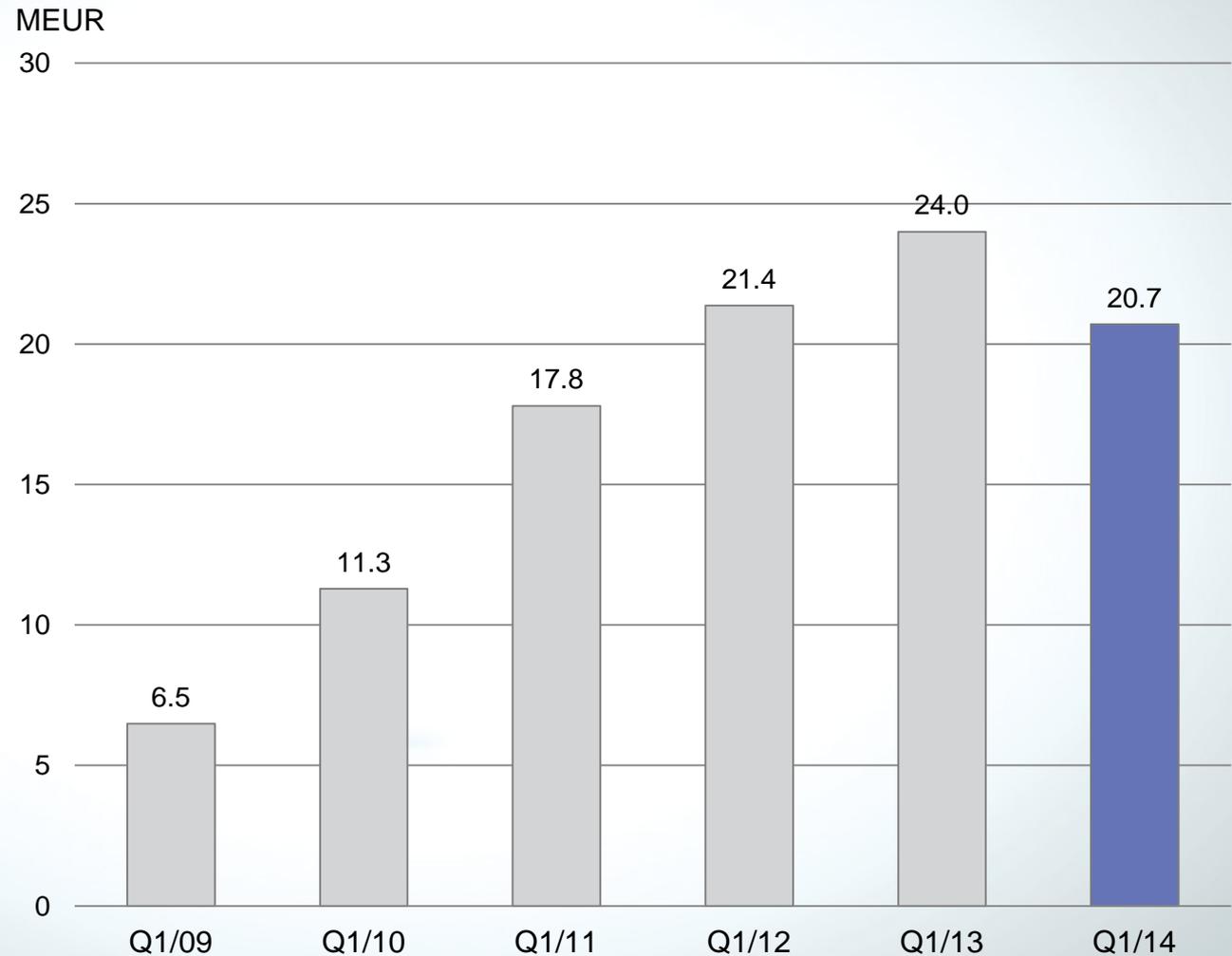


Telko key figures Q1

	Q1/14	Q1/13	Change, %
Net sales, MEUR	49.6	53.4	-7
Operating profit, MEUR	1.8	1.5	20
Personnel	247	264	-6



Net sales in Russia, Ukraine + other CIS countries Q1





**Expert in energy
efficiency**

Kaukomarkkinat Q1/2014

- Kaukomarkkinat's net sales amounted to EUR 7.1 million (8.9).
- Operating profit improved significantly to EUR -0.2 million (-0.8).
- In the second quarter of 2013, Kaukomarkkinat reported that it is attempting to achieve annual cost savings of approximately EUR 1 million in Finland; they had their full effect in the first quarter of 2014.
- In Finland, sales of energy-efficiency products developed positively despite the weak economic situation in the new and repair construction market.
- Sales of tablet computers developed extremely positively.
- Sales of machinery and equipment for the paper industry fell from the comparison period, resulting in losses in operations.

Kaukomarkkinat key figures Q1

	Q1/14	Q1/13	Change, %
Net sales, MEUR	7.1	8.9	-20
Operating profit, MEUR	-0.2	-0.8	75
Personnel	76	94	-19

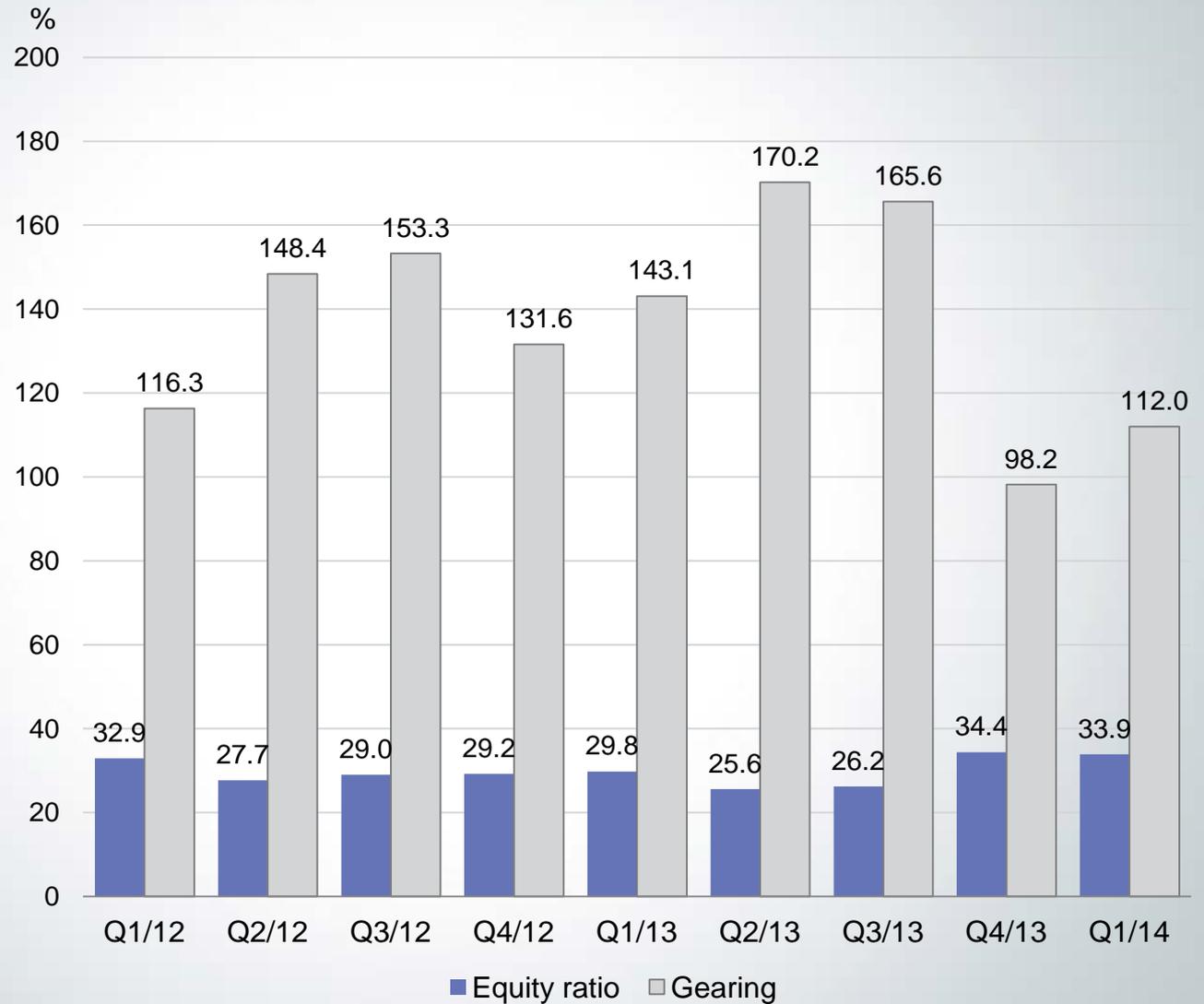


Financing

Harri Seppälä

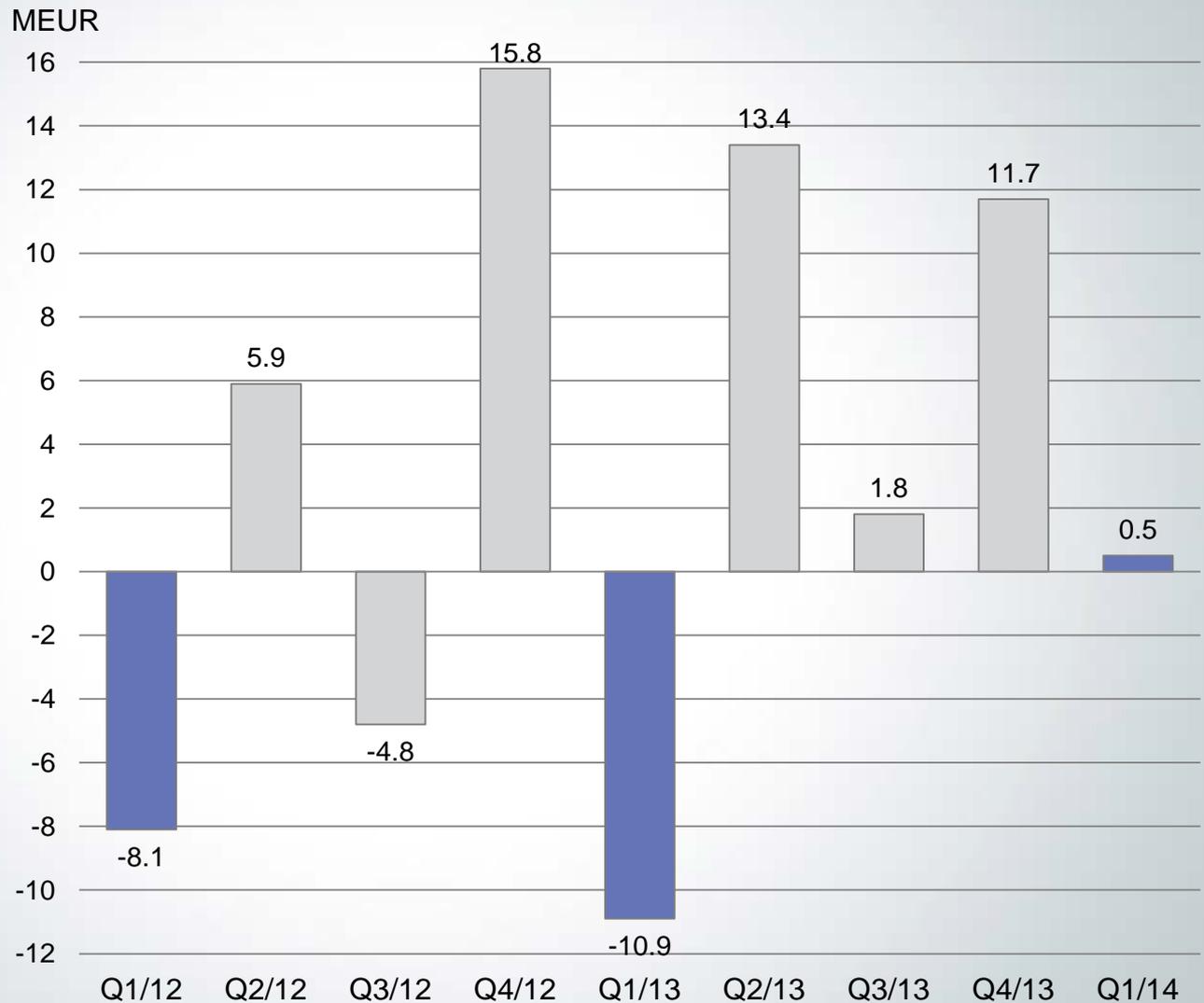


Equity ratio and gearing





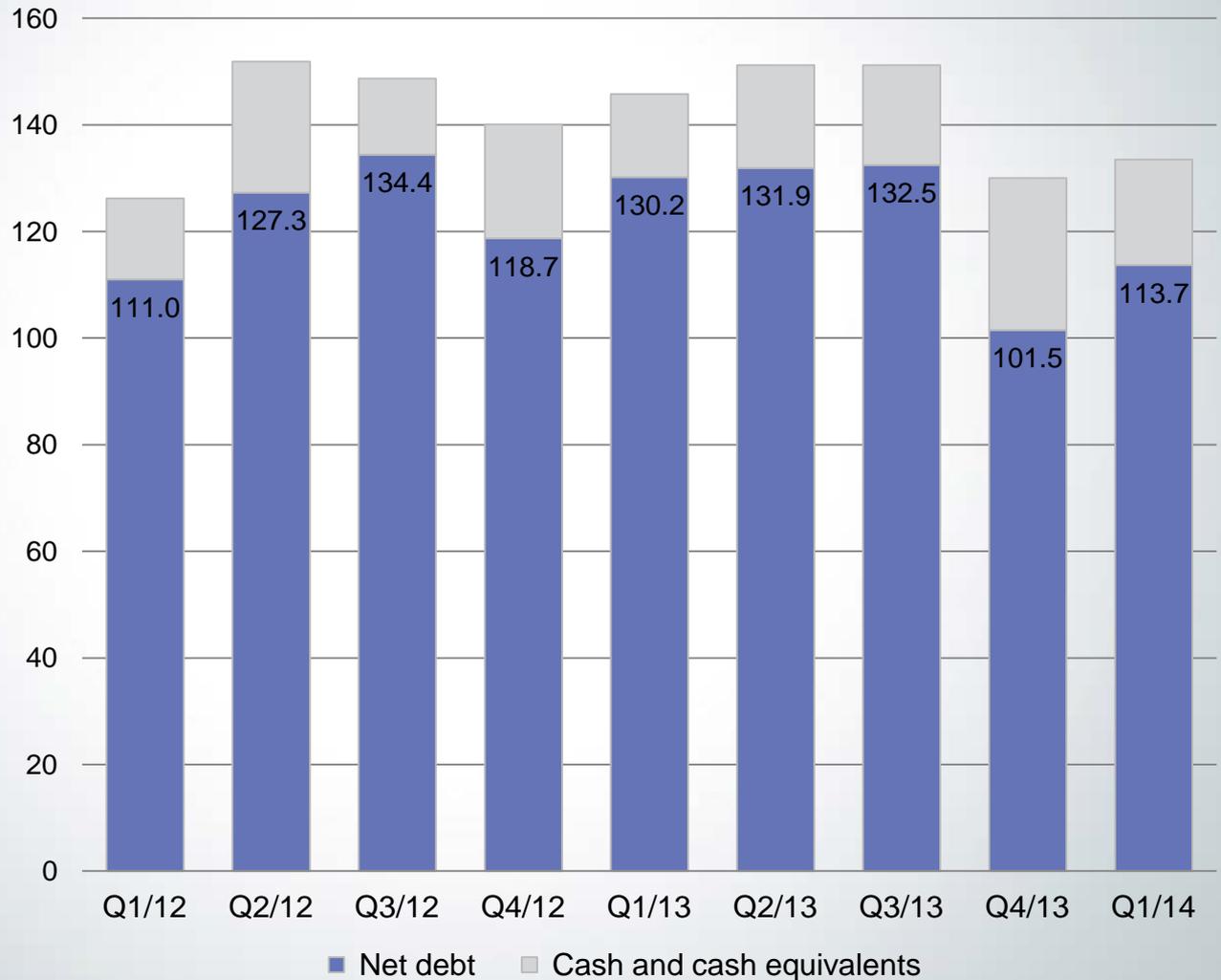
Operational cash flow



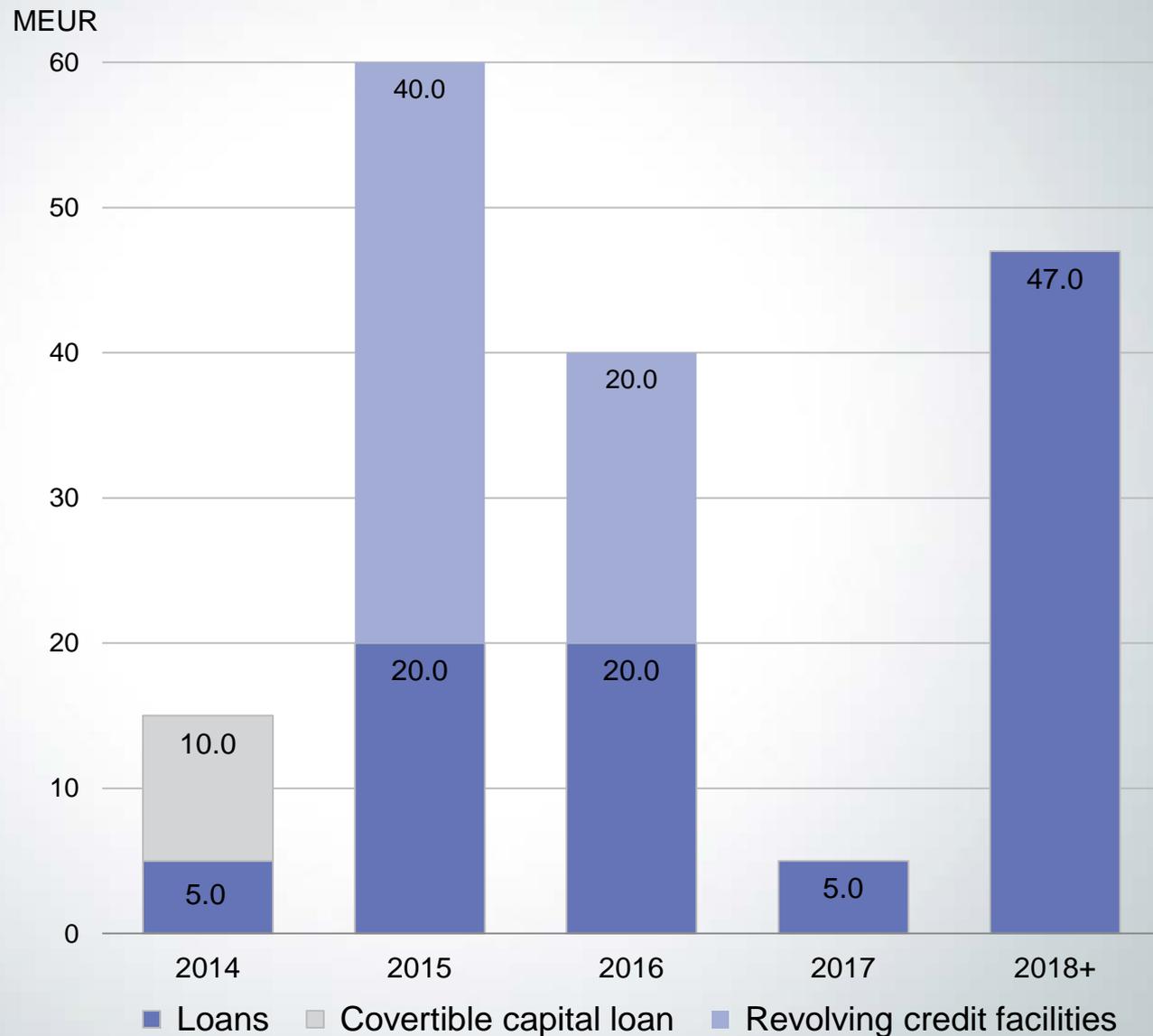
Interest bearing liabilities and net debt



MEUR



Maturity of significant loan agreements



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



Liquidity Q1/2014

MEUR	Total	In use
Revolving credit facilities	60.0	14.0
Commercial paper program	80.0	17.0
Cash and cash equivalents	19.8	

- Interest-bearing liabilities which will mature within one (1) year total EUR 48.4 million.
- Cash + binding unutilized revolving credit facilities total EUR 65.8 million.
- The EUR 10.3 million convertible capital loan will mature within one (1) year.



Financials

Arto Meitsalo

Income statement and key figures Q1



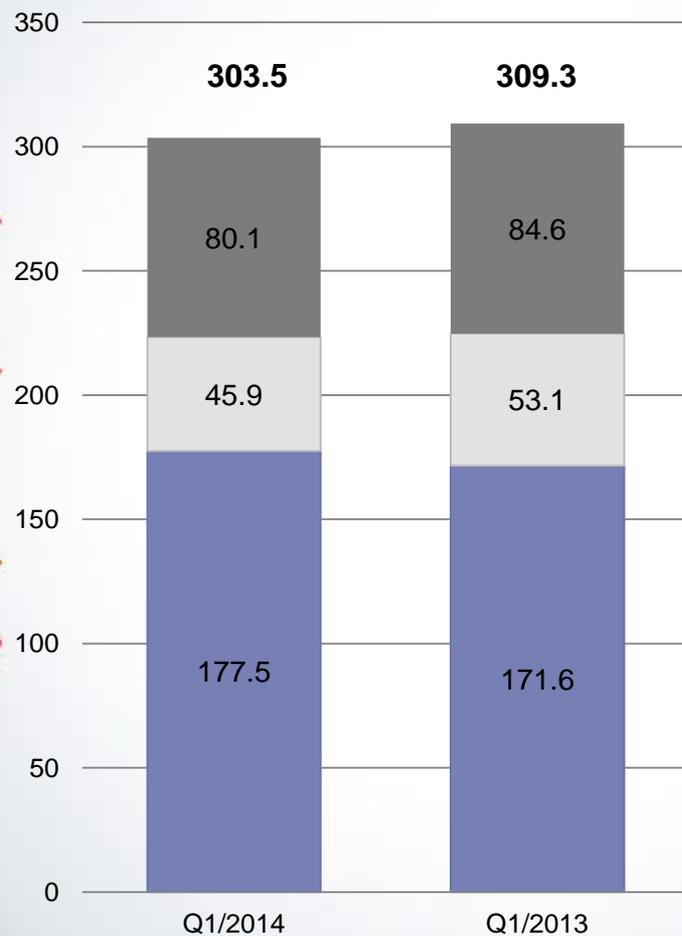
MEUR	2014	2013
Net sales	108.0	112.3
Depreciations	-2.7	-2.8
Operating profit	3.8	0.9
Net financial expenses	-1.2	-0.8
Profit before taxes	2.6	0.1
Profit for the period	2.4	0.2
	2014	2013
Earnings/share, EUR	0.07	0.01
Equity ratio, %	33.9	29.8
Equity/share, EUR	3.33	2.98

Balance sheet

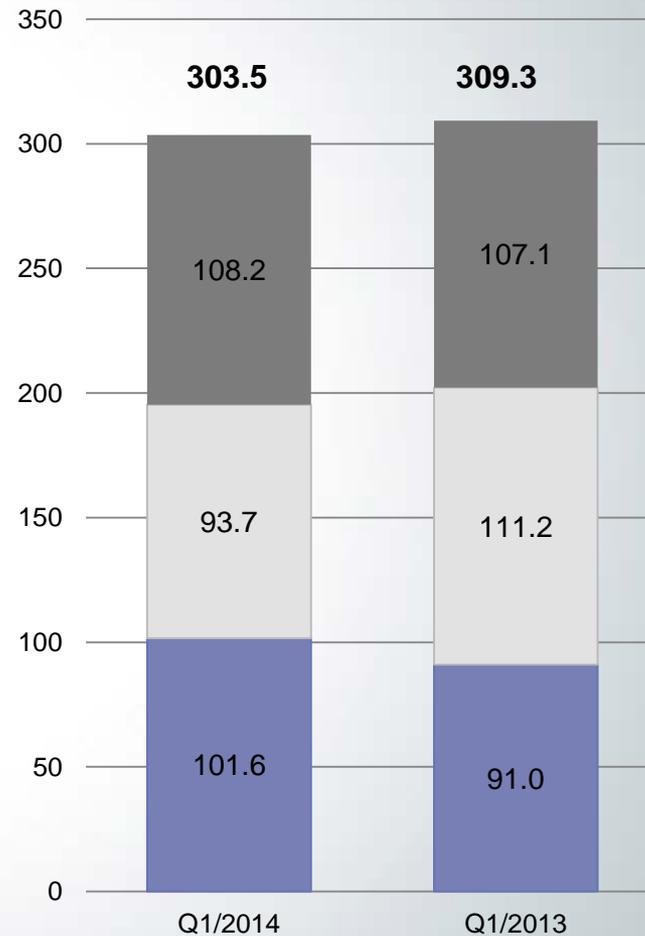


Assets

MEUR



Shareholders' equity and liabilities

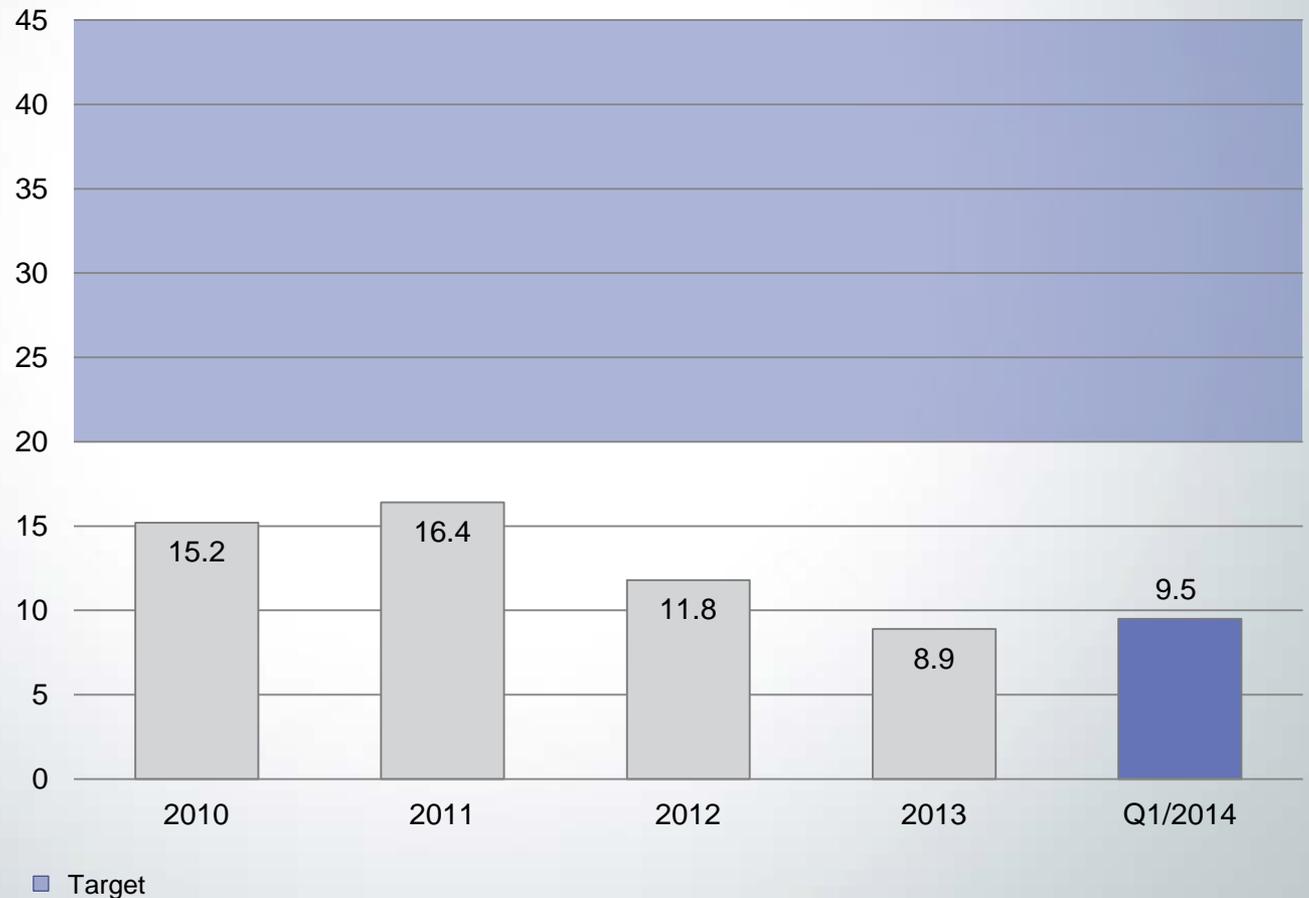




Financial target

Return on equity

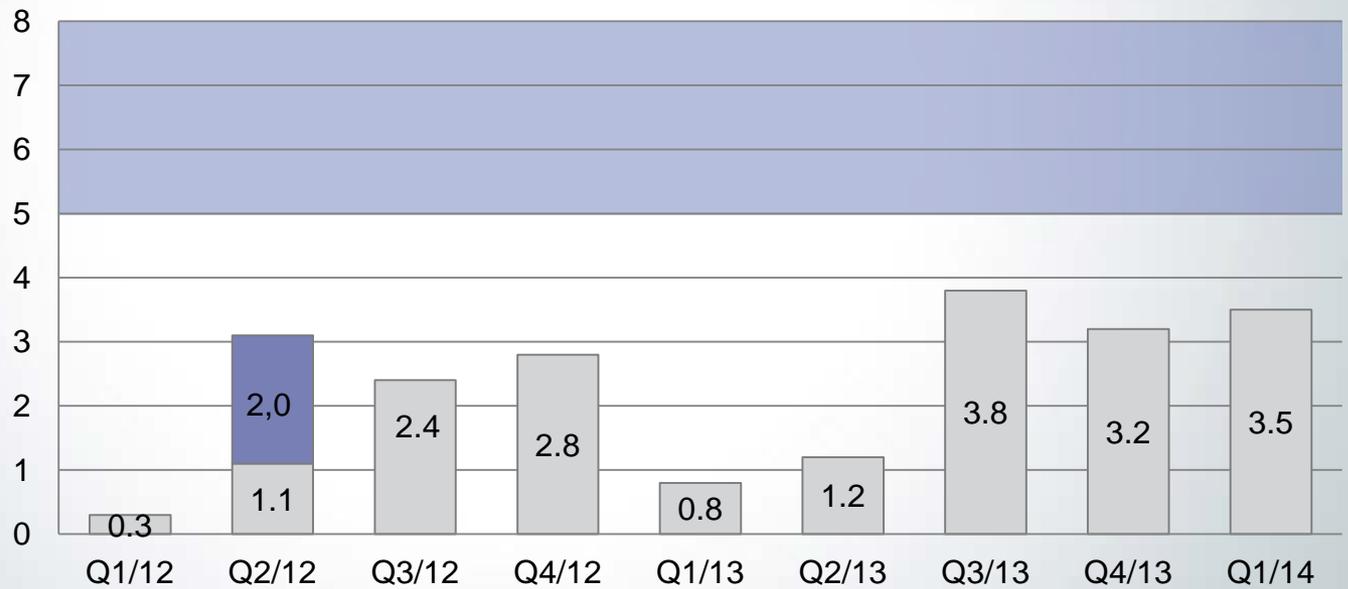
ROE, %





Financial target

Operating profit, %



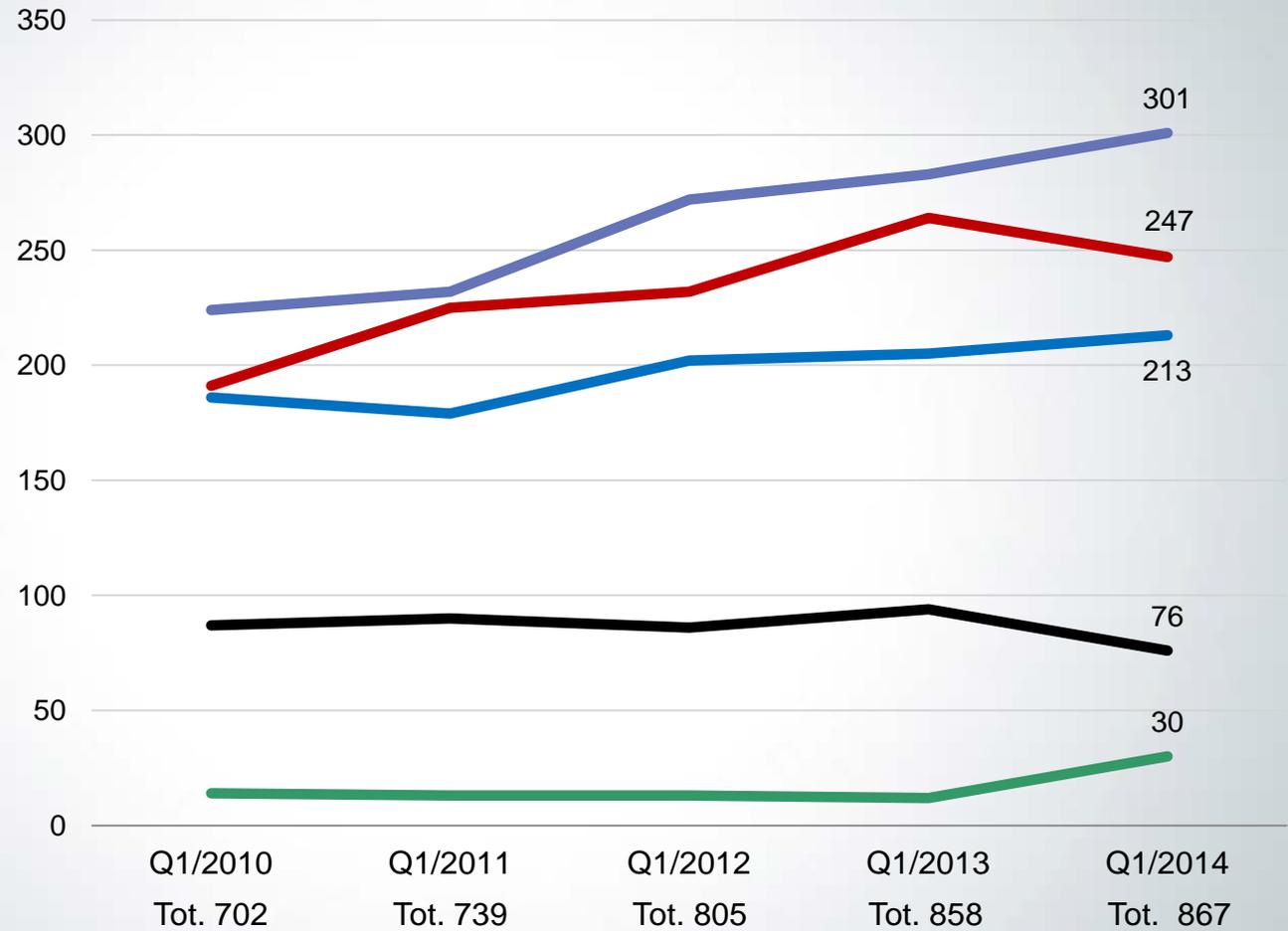
□ Excluding non-recurring sales gains and losses

■ Non-recurring sales gains and losses

■ Target



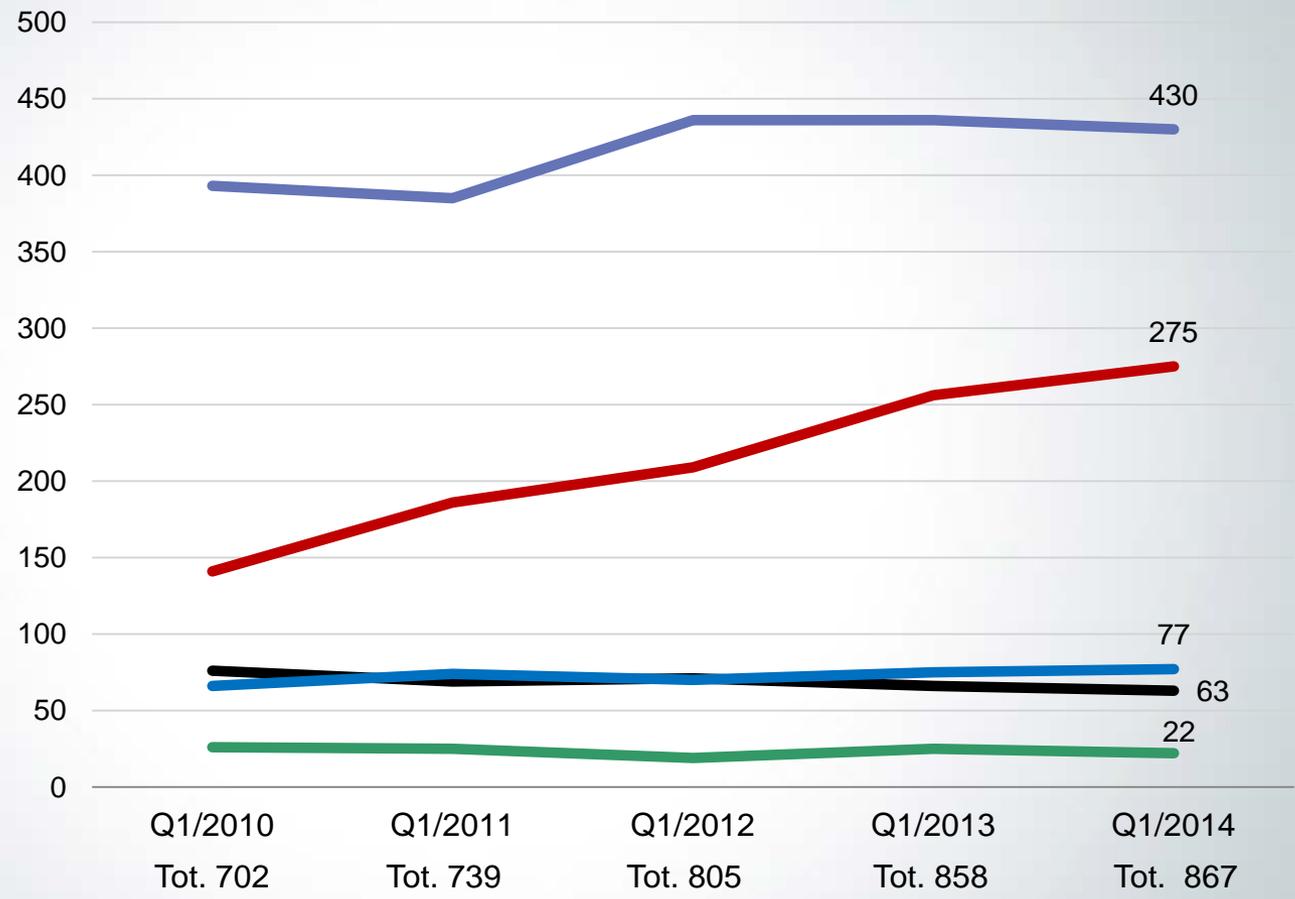
Personnel / segment Q1



ESL Shipping Leipurin Telko Kaukomarkkinat Other operations



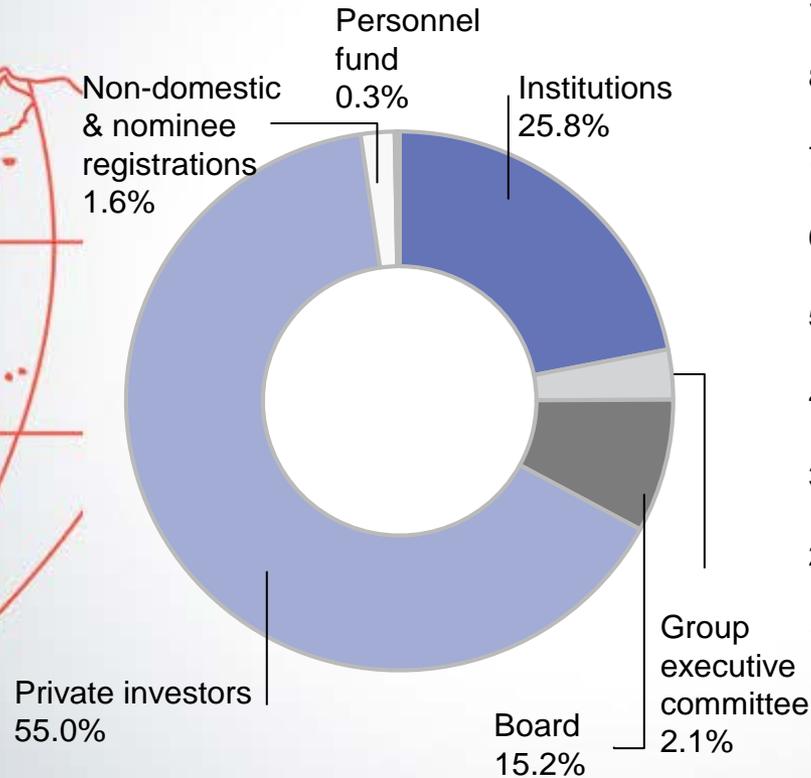
Personnel / market area Q1



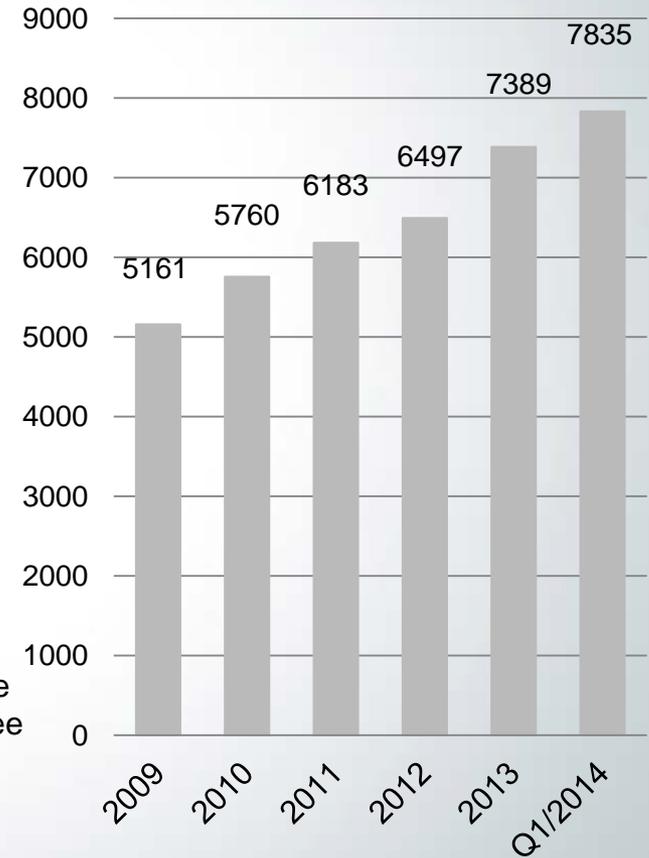
- Finland
- Baltic countries
- Other countries
- Scandinavia
- Russia, Ukraine + other CIS

Shareholders / allocation

Share Q1/2014



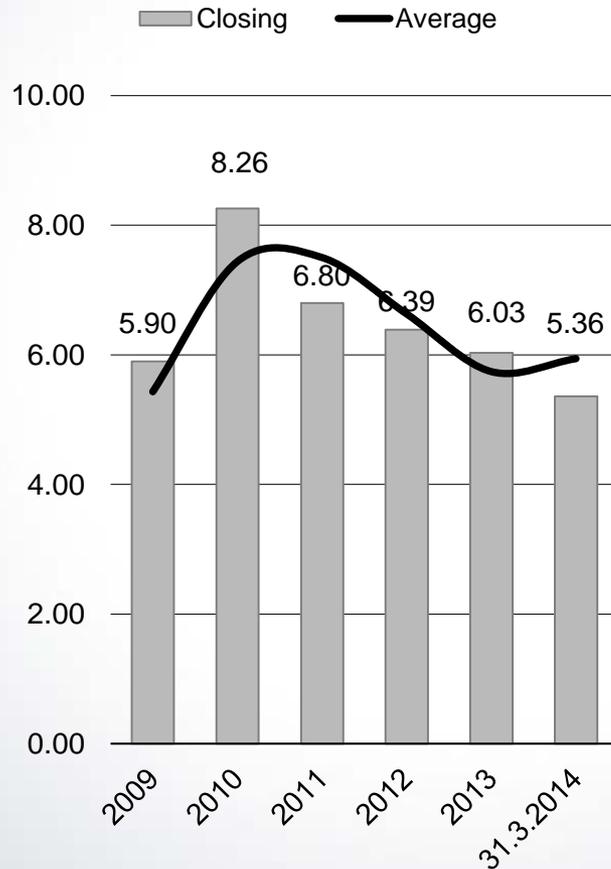
Number of shareholders



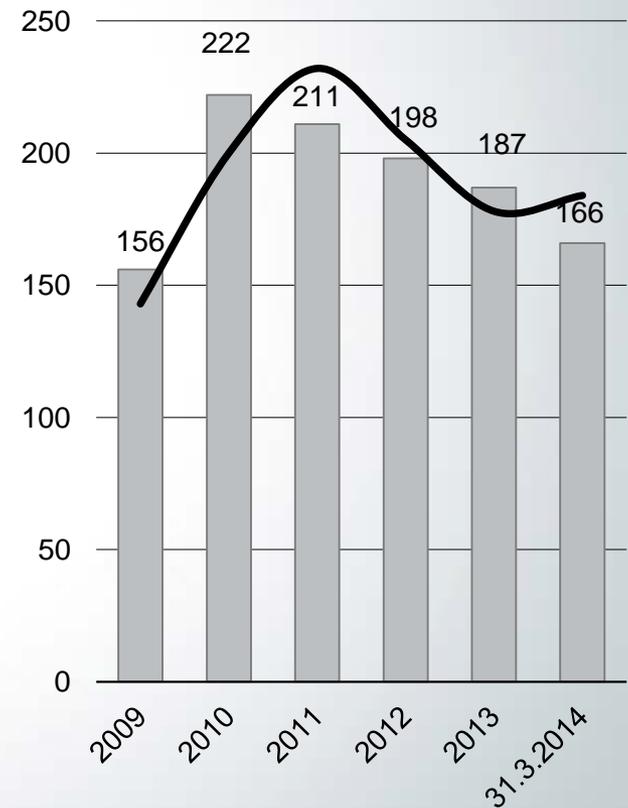


Market value

Share price, EUR



Market value, MEUR (incl. own shares)



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



Outlook for 2014



Expectations for Aspo Group in 2014

- Aspo's target is to list Leipurin Ltd on the stock exchange during 2014.
- The crisis between Russia and Ukraine will have an impact on customer behavior, operating preconditions, and exchange rates. It is difficult to assess the effect of these factors on Aspo in the future.
- The preparation of ESL Shipping's vessels for the sulphur directive, which enters into force on 1 January 2015, will cause additional service days.
- The net sales of Leipurin's bakery raw materials will increase and profitability will improve. The order book for bakery machines is normal for the period.
- Kaukomarkkinat will focus on strategic operations and improving its profitability.



Guidance for 2014

The guidance for 2014 remains unchanged:

- Aspo will improve its operating profit.



**Next interim report
Q2 on August 18, 2014**



Thank you!