Aspo's Q3 28.10.2014

CEO Aki Ojanen

CFO Arto Meitsalo

Group Treasurer Harri Seppälä

Aspo’s strategy

- Aspo is conglomerate that owns and continually develops its business operations and structure without predefined schedules.
- The structure generates Aspo’s goodwill.

- 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.

ASPO

Aspo´s financial targets

- **Operating profit closer to 10% than 5%**
  - Q3 operating profit 6%, January-September operating profit 5%,
- **ROE over 20% on average**
  - At the end of Q3 ROE18.8%
- **Gearing of up to 100%**
  - At the end of Q3 gearing 110%

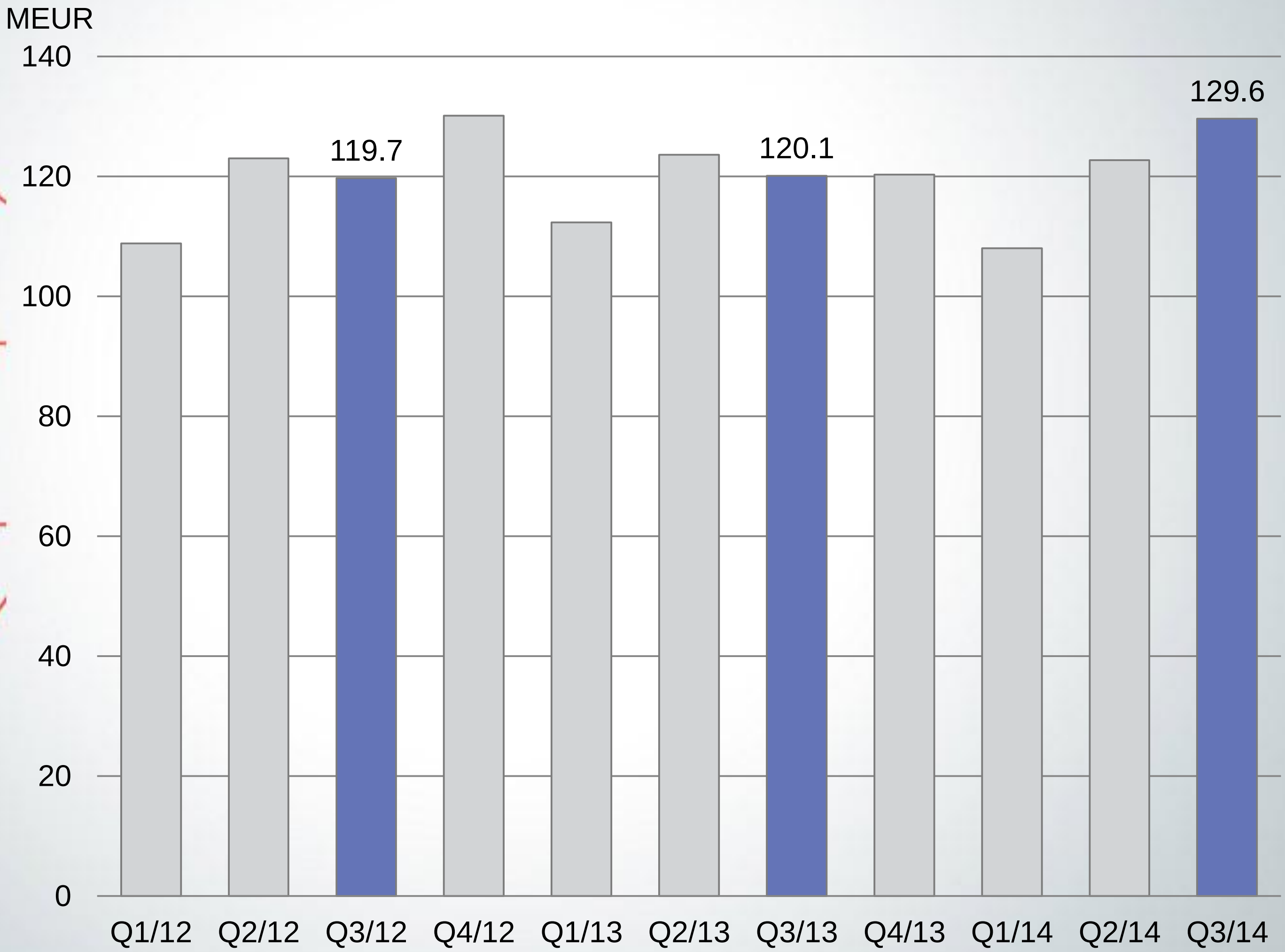
- **Aspo´s dividend division policy:** Aspo will distribute an annual dividend which is, on average, at least half of the annual profit.
  - Dividend at the Shareholders´ Meeting in spring EUR 0.21/share. Aspo announced its intention to distribute an extra dividend in 2014.

ASPO

Initial public offering on Leipurin

- Aspo is reviewing the preconditions for initial public offering of Leipurin Plc as a separate company on the Nasdaq Helsinki official list.
- The preparations for listing have proceeded as planned.
- Aspo would remain as minority owner of the company.
- Aspo’s aim is the listing of Leipurin Plc during the fourth quarter of 2014.
- On September 24, 2014 Aspo board announced its intention to summon an Extraordinary Sharholders´ Meeting for distribution of an extra dividend. The dividend can be paid in Leipurin´s shares, in cash or a combination of these two.

Group net sales, quarterly

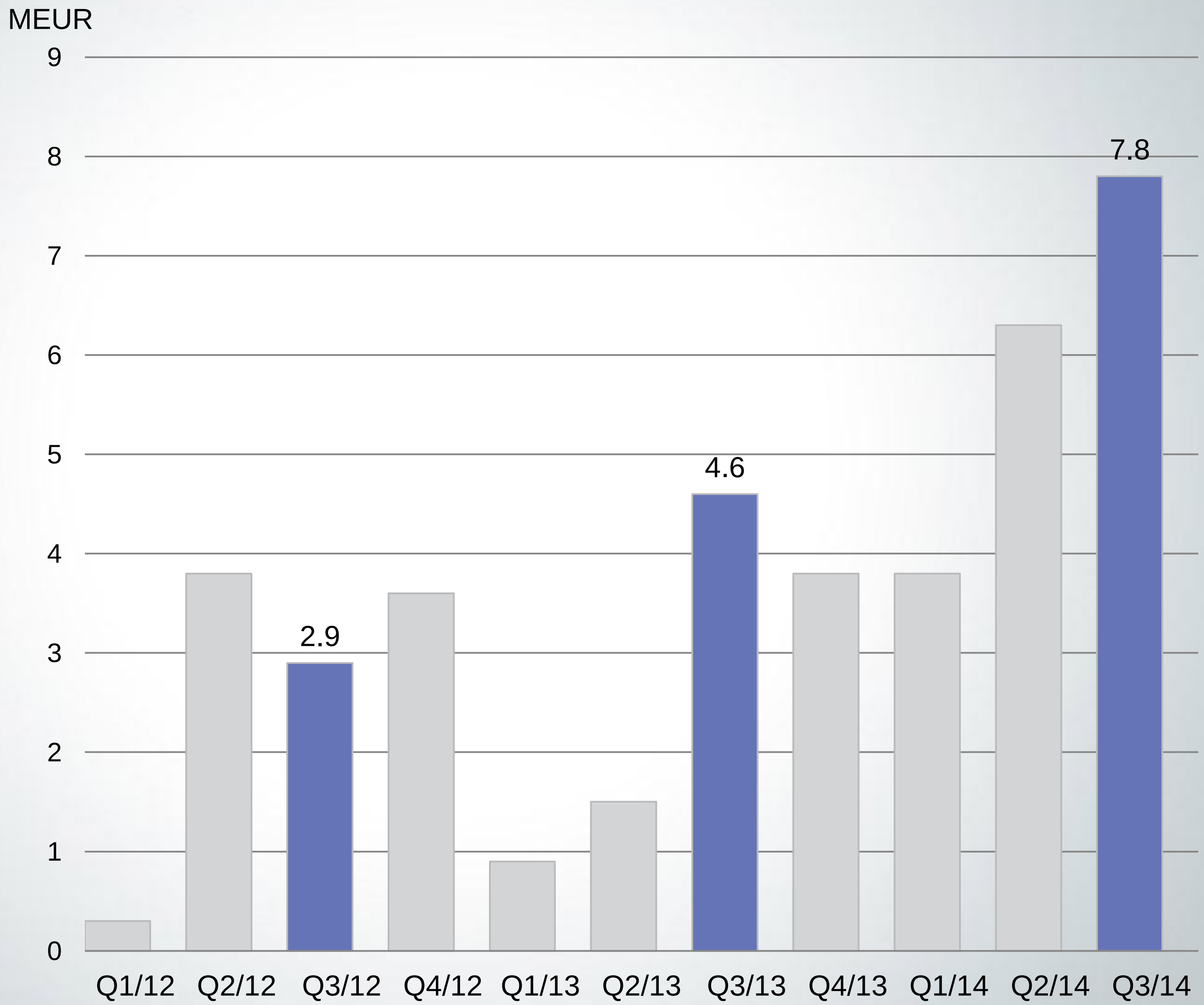


ASPO

Aspo Q3/2014

- Net sales grew to EUR 129.6 million (120.1)
- Operating profit increased significantly to EUR 7.8 million (4.6).
- The operating profit margin was 6.0% (3.8).
- Earnings per share grew significantly to EUR 0.22 (0.11).
- Cash flow from operations during the third quarter was EUR 8.5 million (1.8).
- Aspo amended its guidance on October 17, 2014
- New guidance: Aspo's operating profit will increase significantly in 2014 compared to 2013 and amount to EUR 22–24 million (operating profit for 2013: EUR 10.8 million).
- Previous guidance: Aspo's operating profit will increase significantly in 2014 compared to 2013 and amount to EUR 17–20 million (operating profit for 2013: EUR 10.8 million).

Group operating profit, quarterly



ASPO

Net sales and operating profit Q3

2013/2014	Q1	Q2	Q3	Q4	Cum.
Net sales	108.0	122.7	129.6		360.3
MEUR	112.3	123.6	120.1	120.3	476.3
Operating profit	3.8	6.3	7.8		17.9
MEUR	0.9	1.5	4.6	3.8	10.8

ASPO

Key reasons for the improved result in Q3

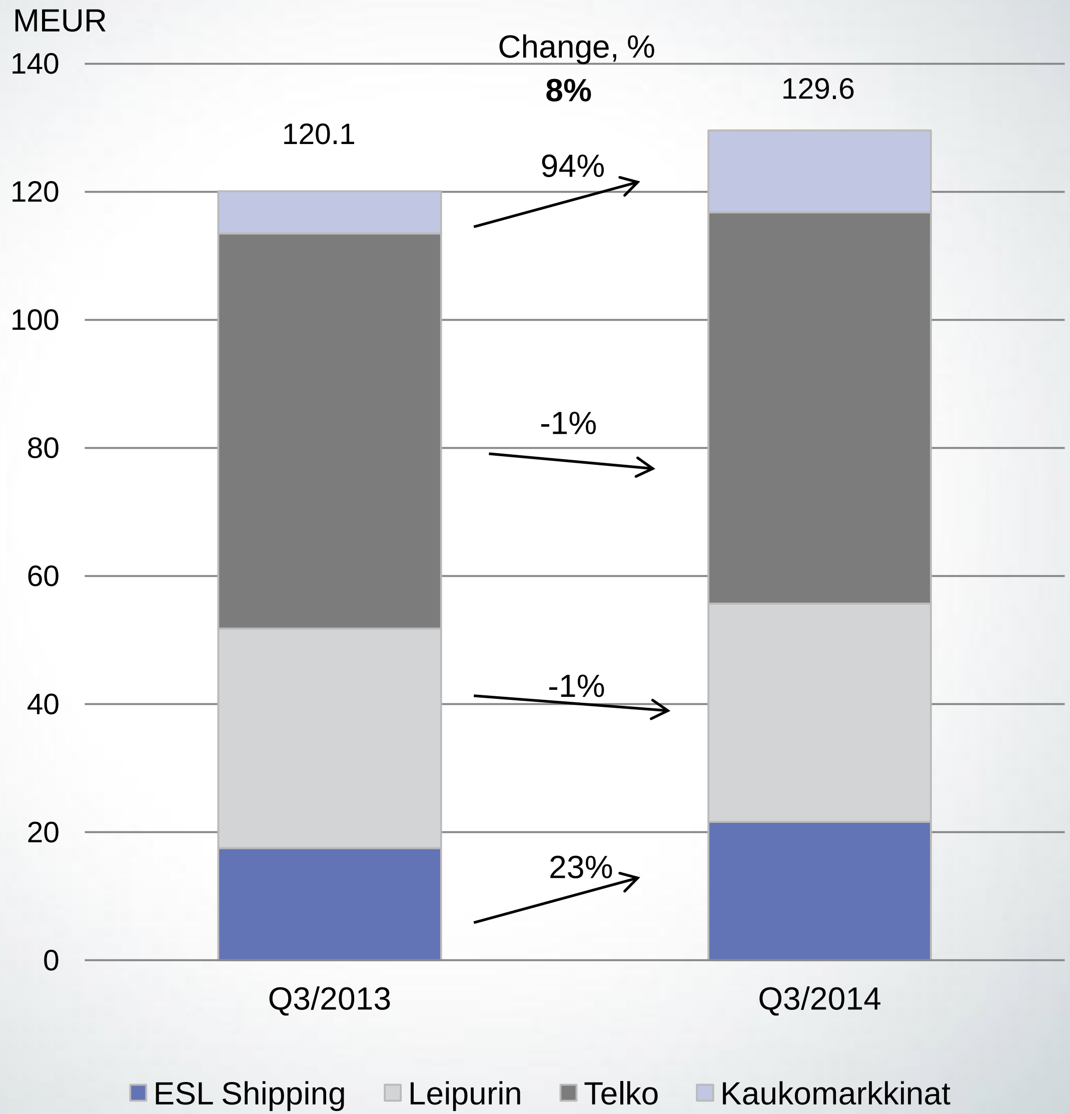
- The Group's net sales and profitability improved within the EU.
- ESL Shipping's operating profit has improved as a result of new customer accounts, loading operations at sea and improved fuel economy.
- Telko's result in Russia, Ukraine, and other CIS countries has remained at a good level regardless of exchange rate losses.
- In Russia, Ukraine, and other CIS countries Leipurin's net sales increased in bakery raw materials by 13% and profitability improved. Operating profit margin was some 10%.
- Kaukomarkkinat has stabilized its operations.
- In addition to higher operating profit, Aspo's earnings per share grew because ESL Shipping is included in the tonnage taxation.

Russia, Ukraine, and other CIS countries 1–9/2014

- Aspo reduced Telko's exchange rate risk and operational risk in Ukraine already in the fall of 2013 due to the poor national economy in Ukraine.
- The crisis escalated between Russia and Ukraine has weakened the region's currencies and reduced economic growth.
- Sanctions imposed by the EU and USA, together with the Russian bans on foodstuff importing, have not had any significant impact on Aspo or its single businesses.
- Net sales within the market area remained at the reference period's level, being EUR 114.0 million (114.8).
- Profitability within the region has remained high regardless of exchange rate losses, with operating profit exceeding 5%.

ASPO

Net sales / segment Q3



Operating profit / segment Q3

MEUR	Q3/14	Q3/13	Change, %
ESL Shipping	4.8	1.8	167
Leipurin	1.7	2.0	-15
Telko	2.1	2.2	-5
Kaukomarkkinat	0.5	-0.5	200
Other operations	-1.3	-0.9	-44
Total	7.8	4.6	70

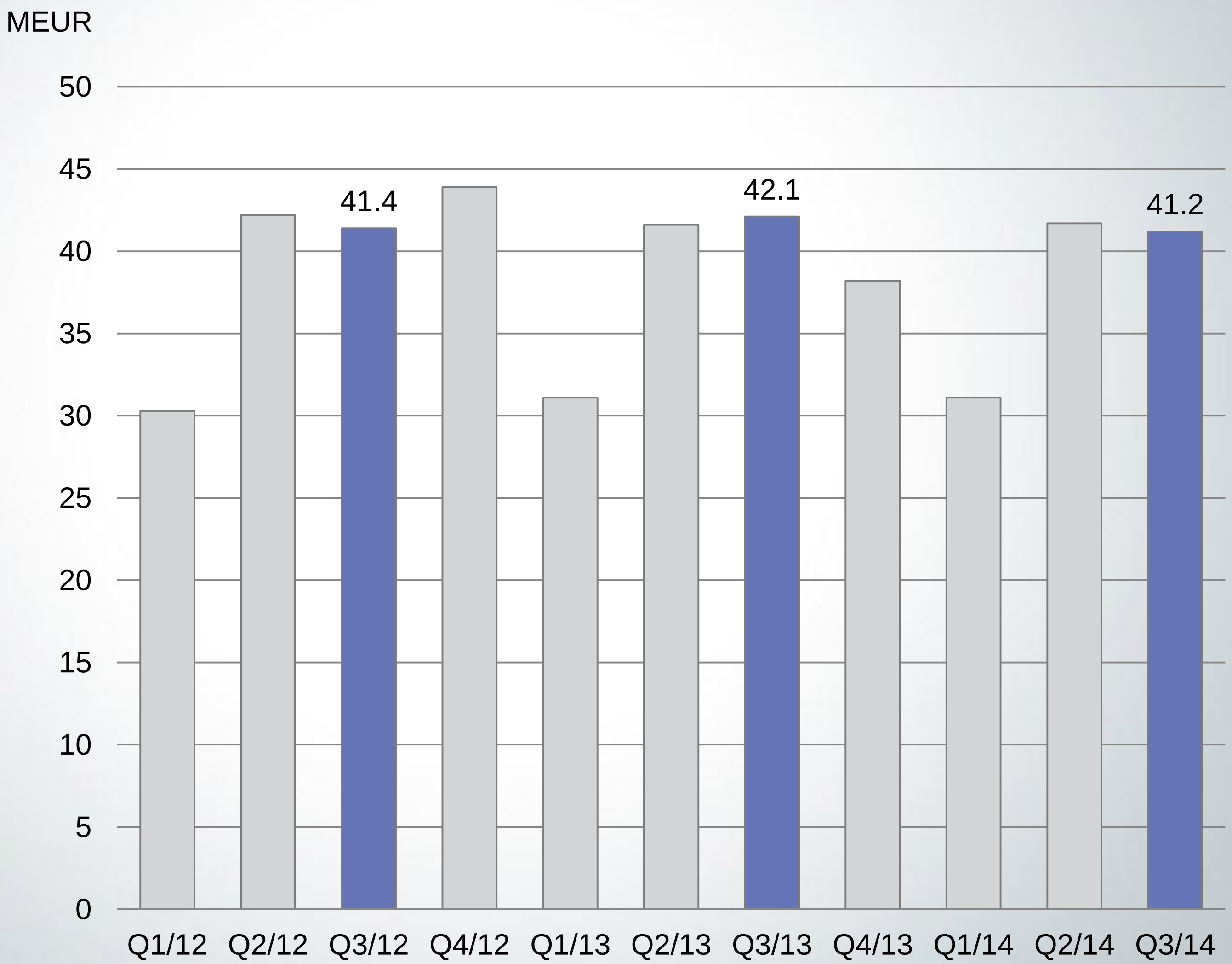
Net sales / market area Q3

MEUR	Q3/14	Q3/13	Change, %
Finland	44.3	37.5	18
Scandinavia	12.1	11.0	10
Baltic countries	13.3	12.5	6
Russia, Ukraine + other CIS	41.2	42.1	-2
Other countries	18.7	17.0	10
Total	129.6	120.1	8

Aspo's countries of operation

Net sales, quarterly

Russia, Ukraine + other CIS countries



ASPO

Aspo's business operations

ESL Shipping

Integral part of Finnish security of supply

ESL Shipping Q3/2014

- Dry bulk freight levels were poor.
- During the review period, ships mainly operated in the Baltic Sea and the Russian arctic area.
- Loading and unloading operations taking place at sea increased from the reference period.
- Net sales stood at EUR 21.6 million (17.5).
- Profitability improved significantly, with operating profit being EUR 4.8 million (1.8).
- The volume of cargo carried by ESL Shipping amounted to 3.1 million tons (2.9).
- The entire fleet was fully employed, which made efficient operations possible.
- Weather conditions were exceptionally favorable for loading and unloading, and fuel-efficient operations.

ESL Shipping key figures Q3

	Q3/14	Q3/13	Change, %
Net sales, MEUR	21.6	17.5	23
Operating profit, MEUR	4.8	1.8	167
Personnel	223	199	12

Baltic Dry Index 2010–2014

Source: Bloomberg

LEIPURIN

The bakery specialist

Leipurin Q3/2014

- The prices of the season's grain products sold fell, falling below the reference period.
- Net sales stood at EUR 34.1 million (34.3), being at the reference period´s level.
- Operating profit fell slightly to EUR 1.7 million (2.0), remaining at a good level, while the operating profit margin was 5%.
- Due to the periodic cycle of bakery machine sales, the net sales and operating profit of bakery machines fell from the reference period.
- The euro-denominated net sales of bakery raw materials in Russia, Ukraine and other CIS countries grew by 13%. Operating profit improved significantly, being some 10%.
- In Finland, the volume of industrially produced bread has decreased. Leipurin has increased its sales towards Out-of-home customers and in-store bakeries within retail.

Leipurin key figures Q3

	Q3/14	Q3/13	Change, %
Net sales, MEUR	34.1	34.3	-1
Operating profit, MEUR	1.7	2.0	-15
Personnel	292	283	3

Net sales in Russia, Ukraine + other CIS countries Q3

Machines, services and raw materials

TELKO

Leading expert in plastic raw materials and chemicals

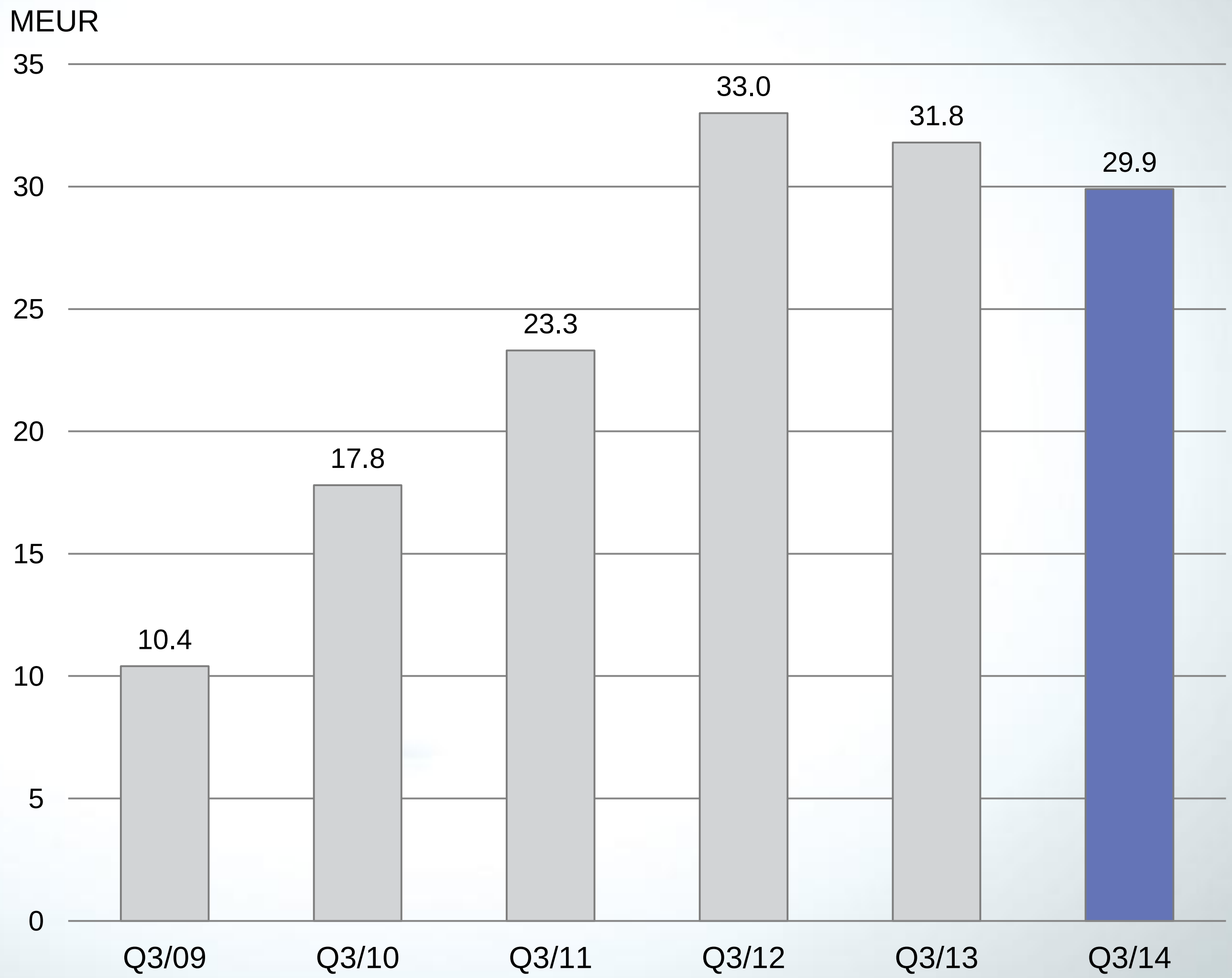
Telko Q3/2014

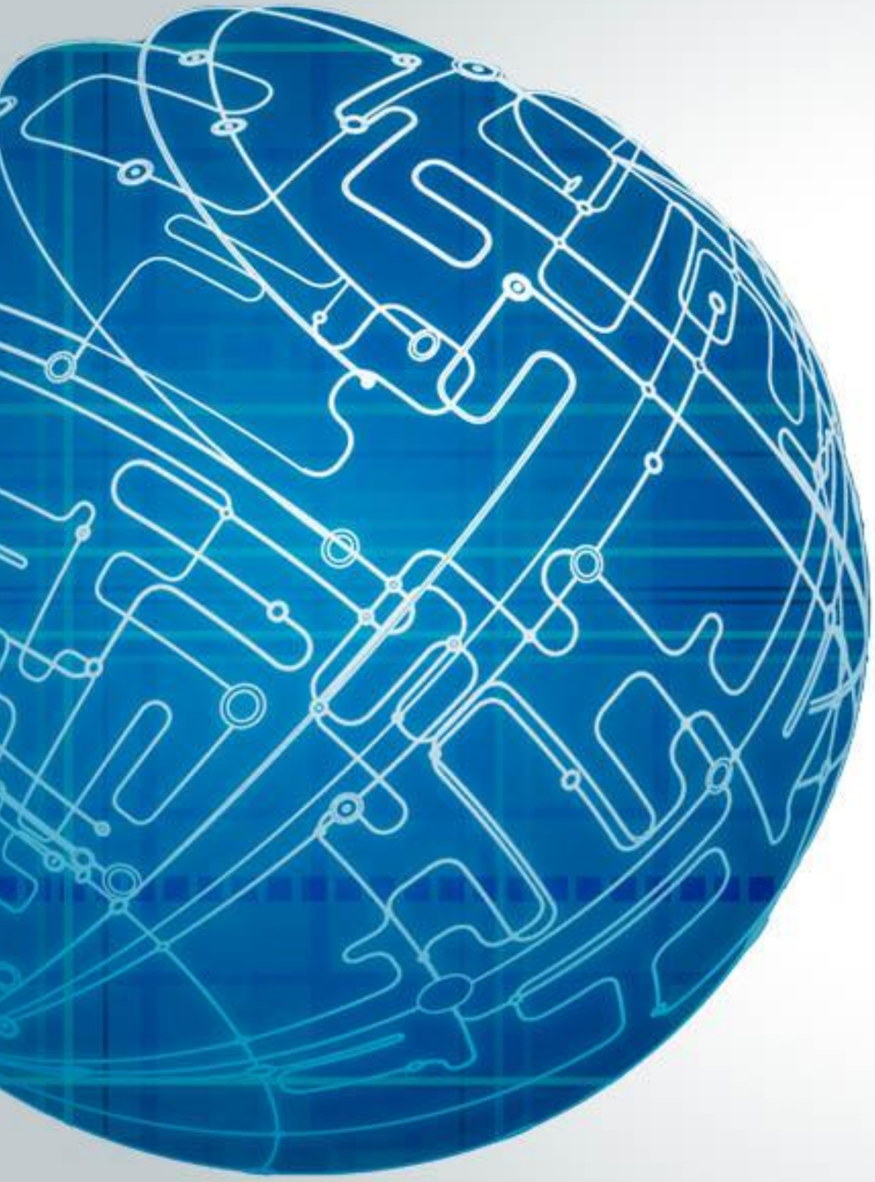
- The prices of raw materials sold by Telko decreased slightly from the previous quarter.
- Net sales stood at EUR 61.1 million (61.7).
- Operating profit stood at EUR 2.1 million (2.2). The exchange rate loss of some EUR 0.4 million caused by the declining Russian and Ukrainian currencies reduced the operating profit.
- The general economic uncertainty within Telko's operating area continued.
- Indicators representing the Russian and Ukrainian economies developed unfavorably.
- The extended crisis between Russia and Ukraine has reduced the sales volume in Ukraine. In Russia, the sale of industrial chemicals to resellers has decreased. This reduced net sales but increased profitability as direct sales grew.
- Operating profit margin in Russia, Ukraine, and other CIS countries was less than 5%.

Telko key figures Q3

	Q3/14	Q3/13	Change, %
Net sales, MEUR	61.1	61.7	-1
Operating profit, MEUR	2.1	2.2	-5
Personnel	254	241	5

Net sales in Russia, Ukraine + other CIS countries Q3





KAUKO MARKKINAT

Expert in energy efficiency

Kaukomarkkinat Q3/2014

- Kaukomarkkinat's net sales amounted to EUR 12.8 million (6.6).
- Operating profit improved significantly to EUR 0.5 million (-0.5). Operating profit was reduced by the credit loss and cost provision of EUR 0.3 million.
- With regard to Finnish operations, the sale of reinforced computers and demanding AV solutions grew in particular, and profitability improved from the reference period.
- In Finland, the sale of energy-efficiency products developed satisfactorily despite the weak economic situation in new and repair construction.
- The sale of paper machinery and equipment developed poorly, with operations showing a loss in China.
- During the review period, Polish frequency converter operations were sold to Vacon. This had no significant impact on the result.
- The suitability of international operations for the strategy of Kaukomarkkinat is being assessed.

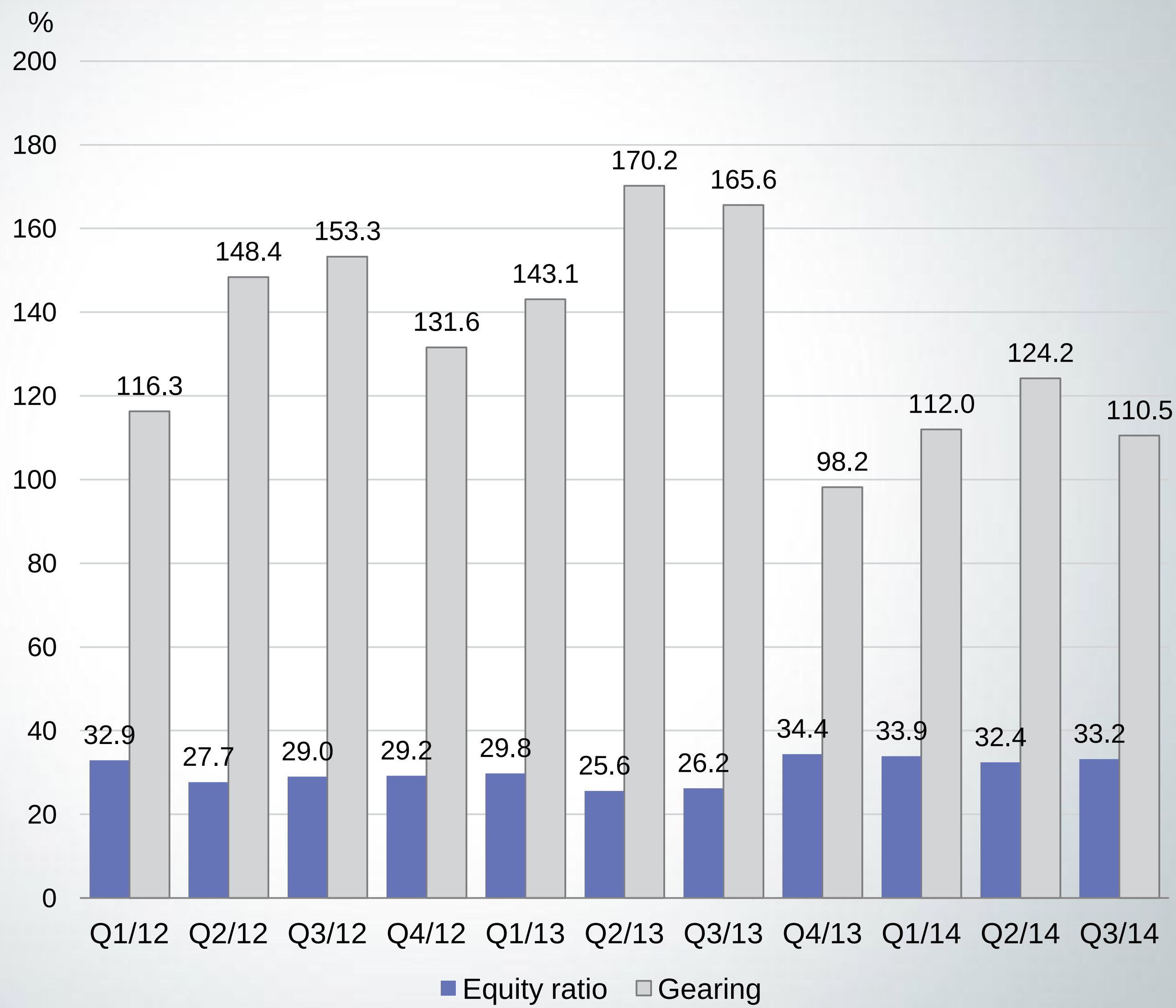
Kaukomarkkinat key figures Q3

	Q3/14	Q3/13	Change, %
Net sales, MEUR	12.8	6.6	94
Operating profit, MEUR	0.5	-0.5	200
Personnel	77	78	-1

Financing

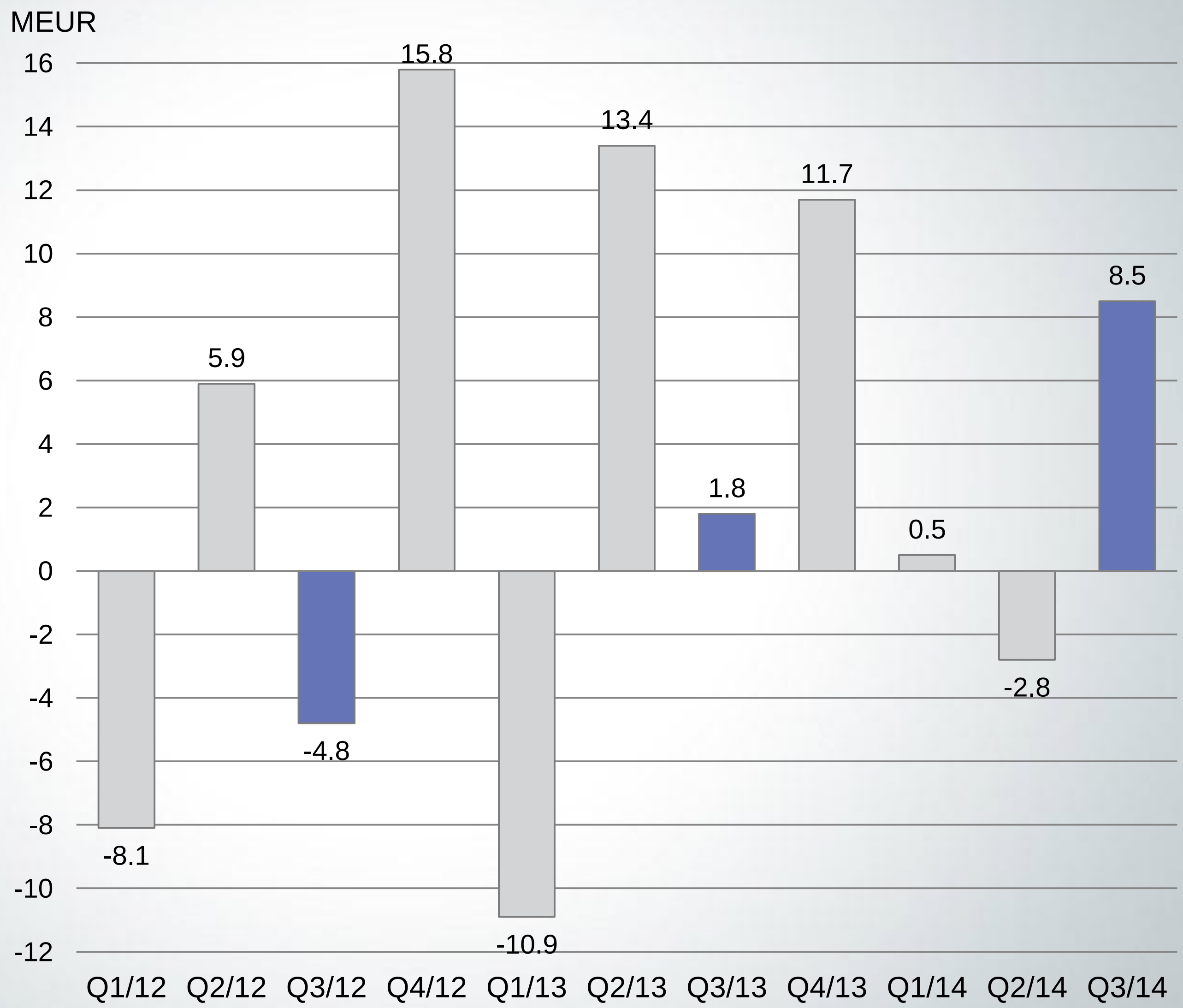
Harri Seppälä

Equity ratio and gearing

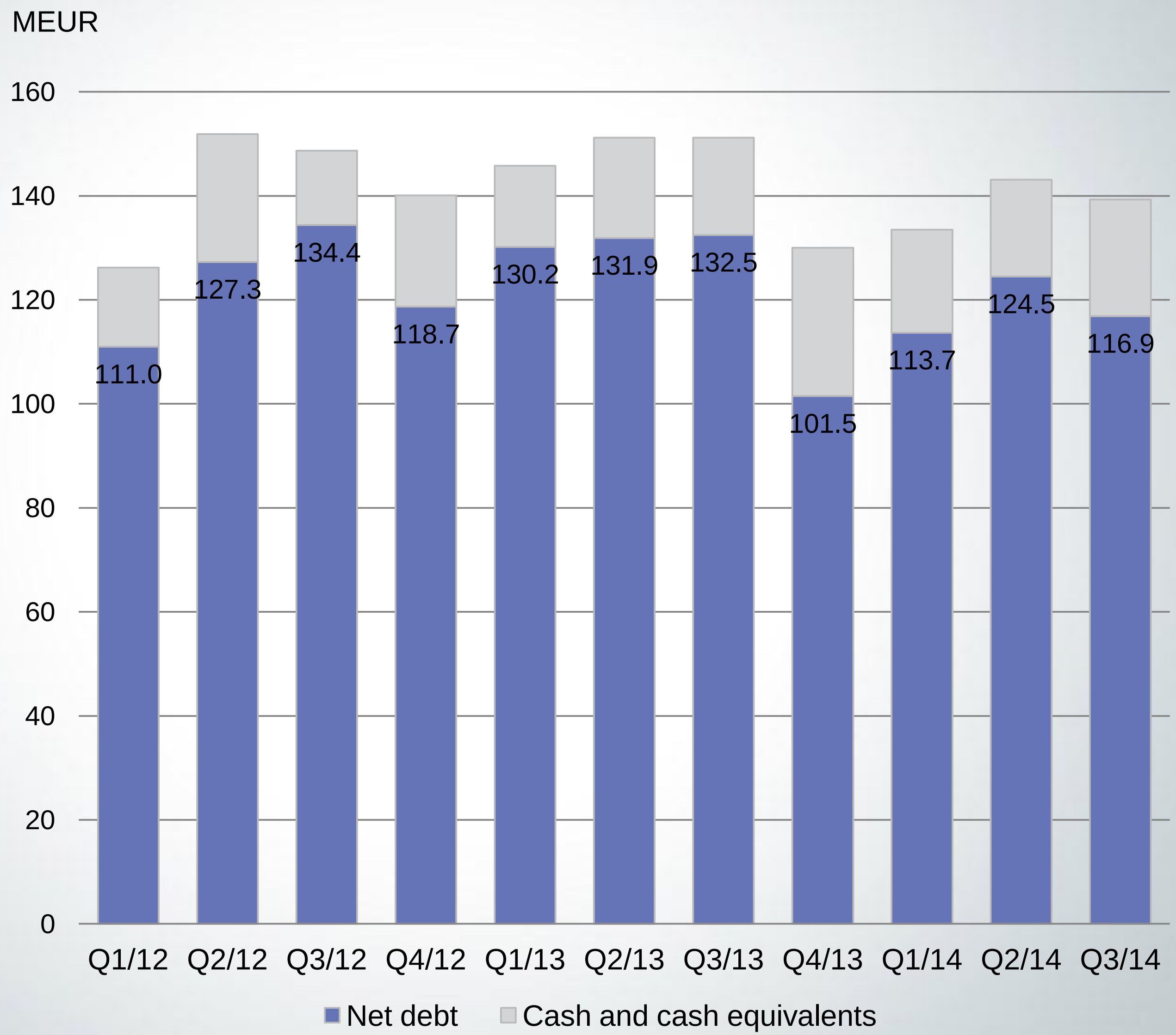


ASPO

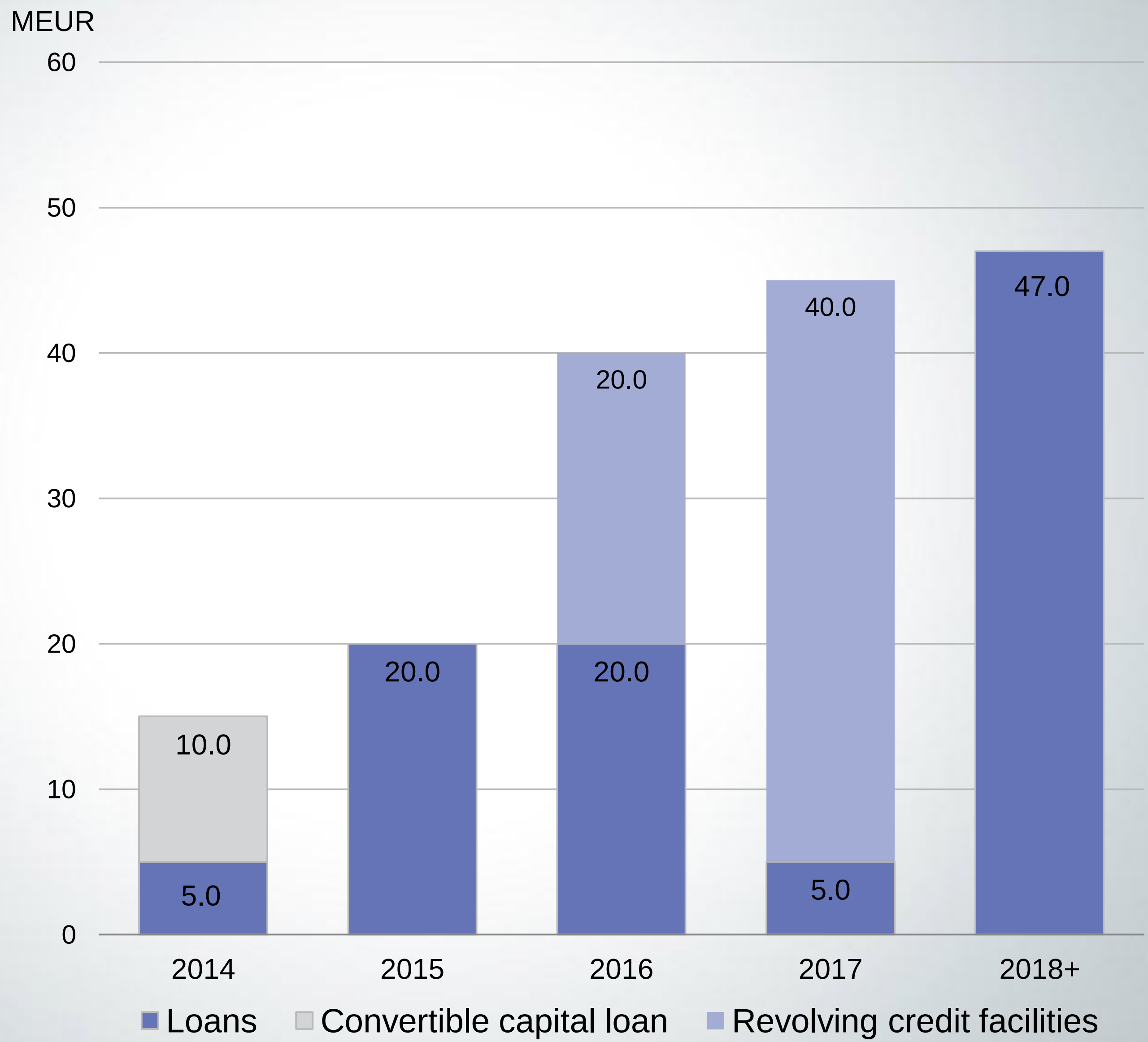
Operational cash flow



Interest bearing liabilities and net debt



Maturity of significant loan agreements



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

Liquidity Q3/2014

MEUR	Total	In use
Revolving credit facilities	60.0	15.0
Commercial paper program	80.0	25.0
Cash and cash equivalents	22.4	

- Interest-bearing liabilities which will mature within one (1) year total EUR 58.3 million.
- Cash + binding unutilized revolving credit facilities total EUR 67.4 million.
- After the period under review, Aspo signed a revolving credit facility agreement of EUR 40 million with a maturity of three years.
- The EUR 15.0 million term loan will mature within one (1) year.

Financials

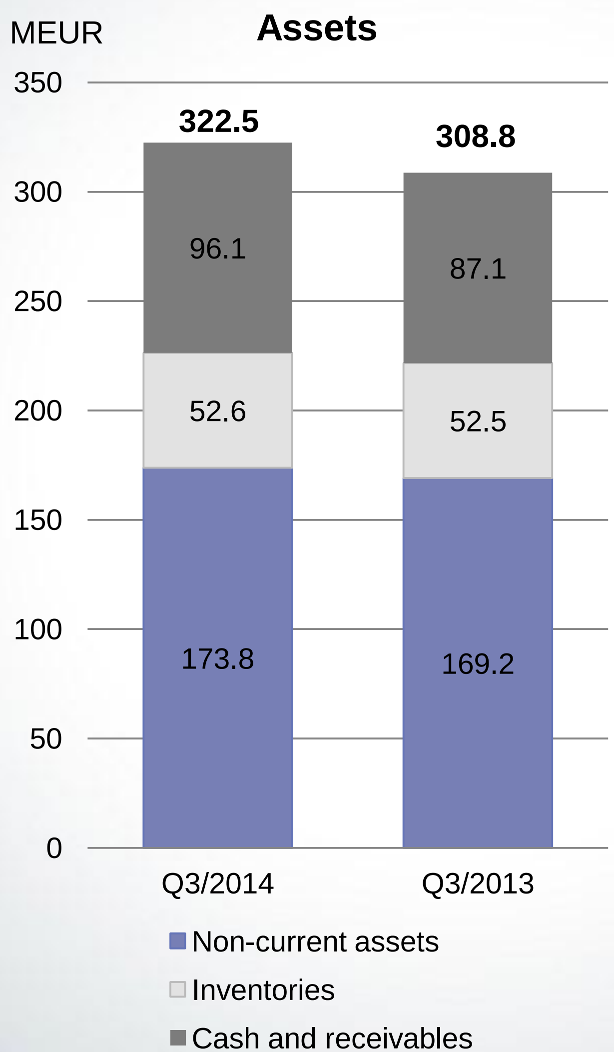
Arto Meitsalo

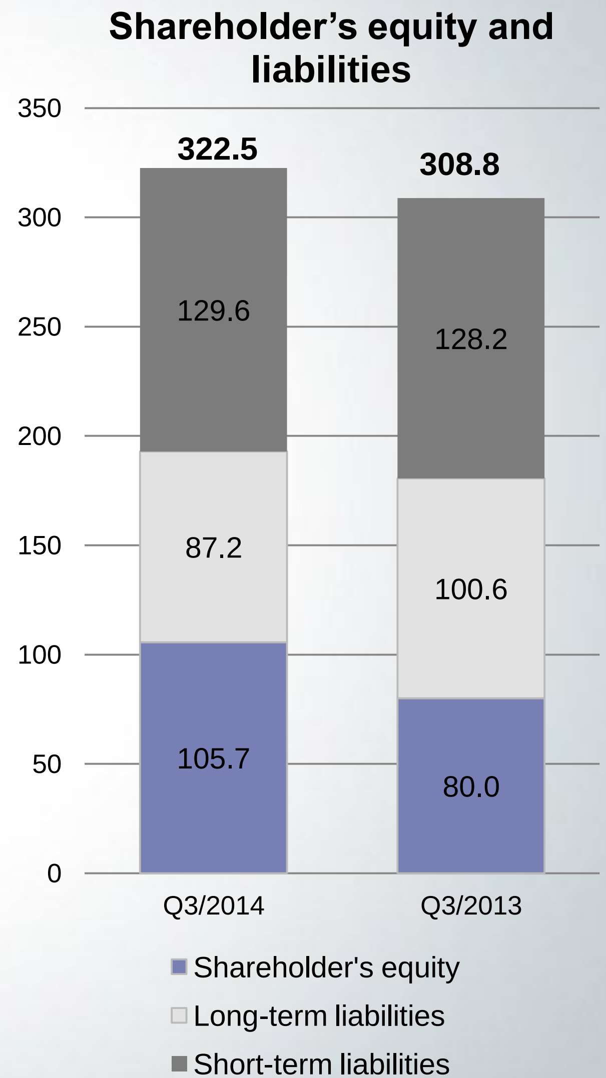
Income statement and key figures Q1-Q3

MEUR	2014	2013
Net sales	360.3	356.0
Depreciations	-8.4	-8.2
Operating profit	17.9	7.0
Net financial expenses	-2.9	-3.1
Profit before taxes	15.0	4.0
Profit for the period	14.7	4.2

	2014	2013
Earnings/share, EUR	0.46	0.14
Equity ratio, %	33.2	26.2
Equity/share, EUR	3.47	2.62

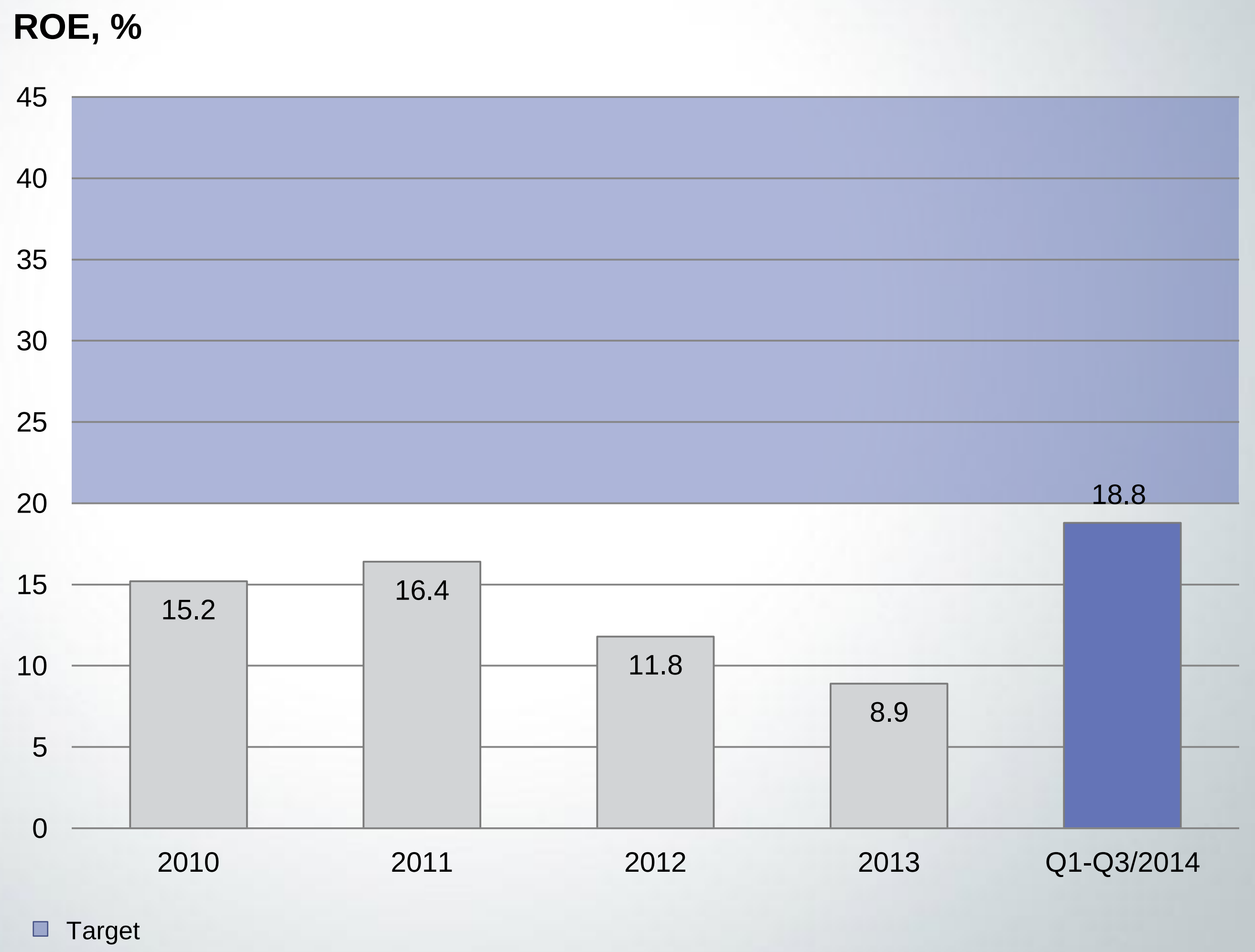
Balance sheet





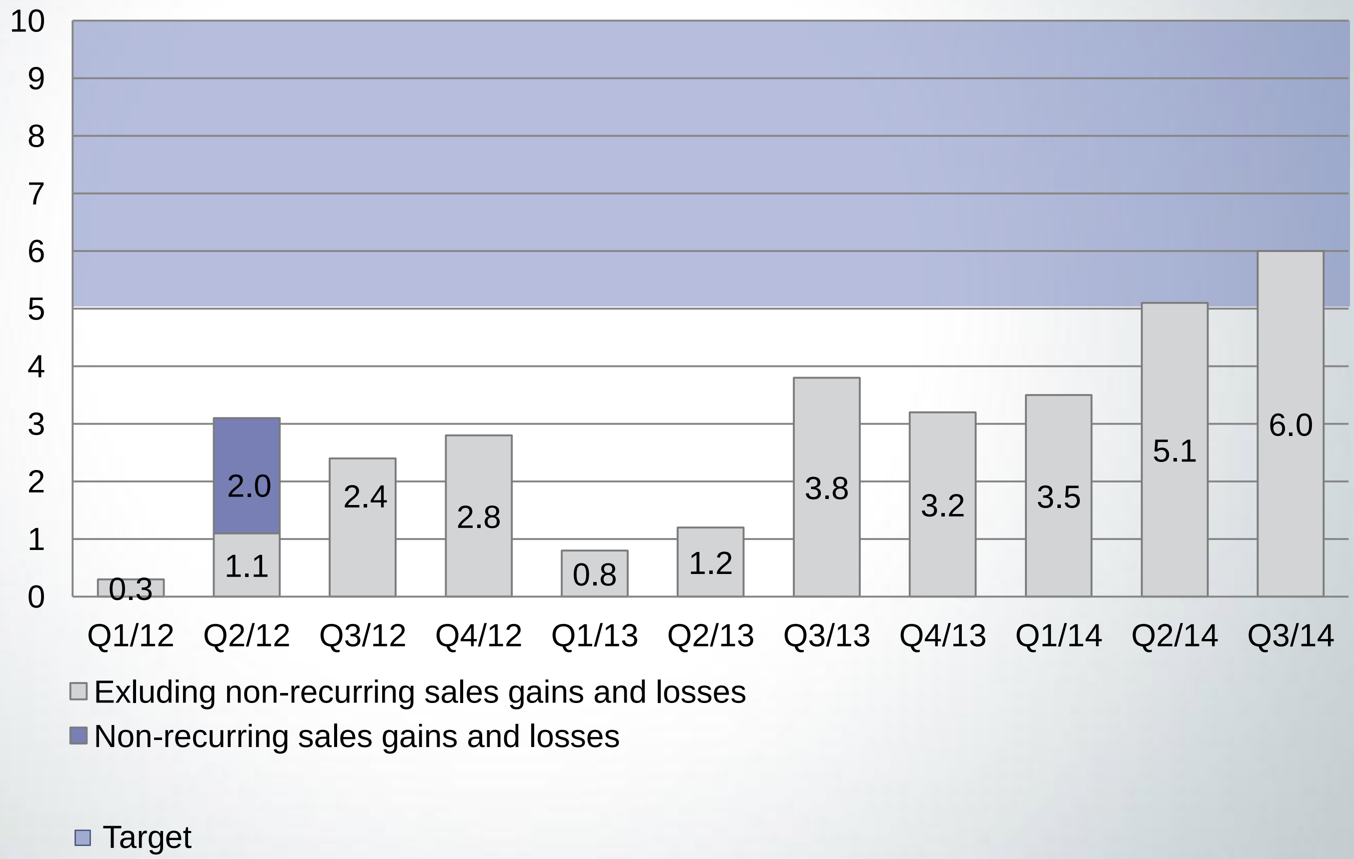
Financial target

Return on equity

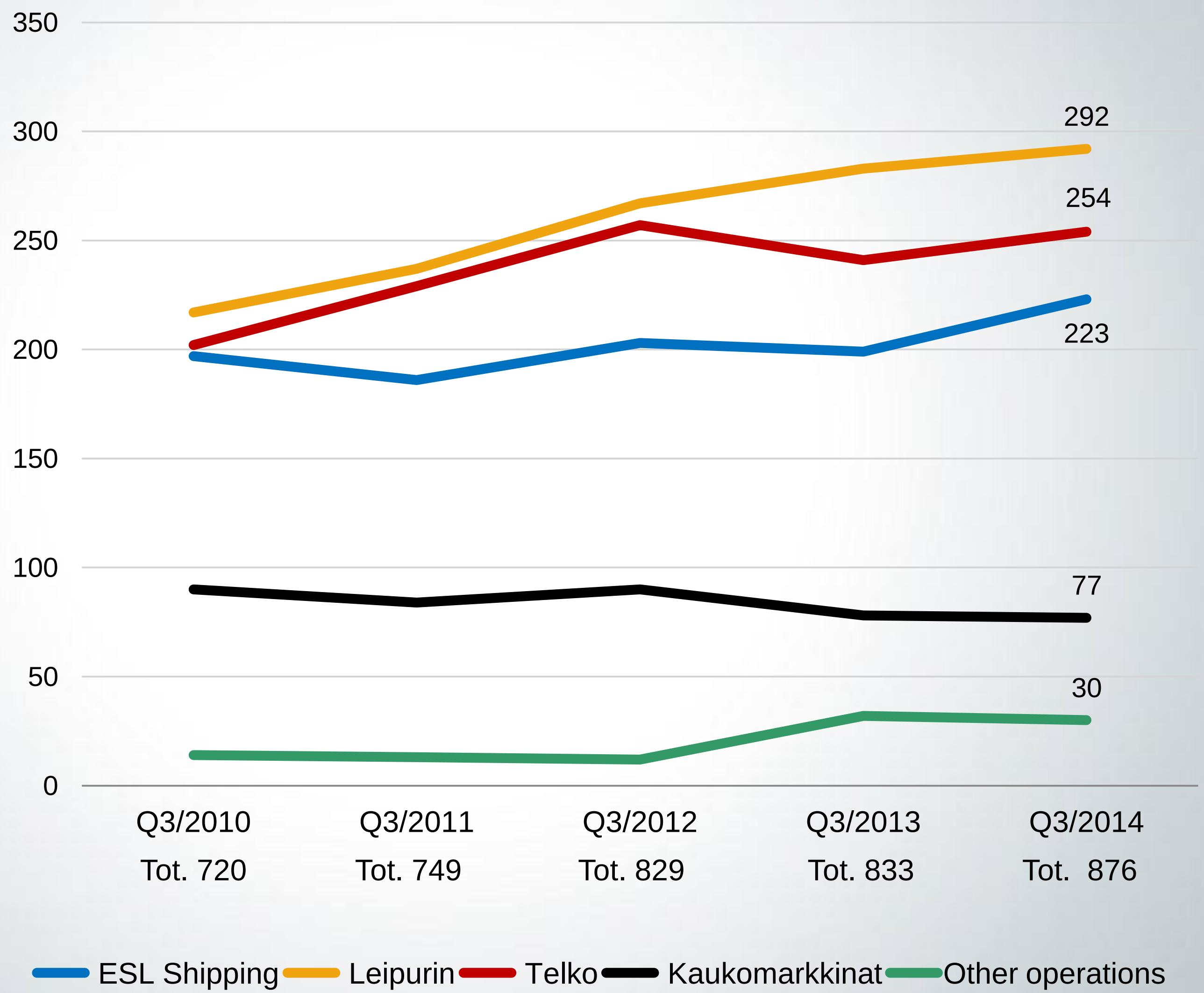


Financial target

Operating profit, %

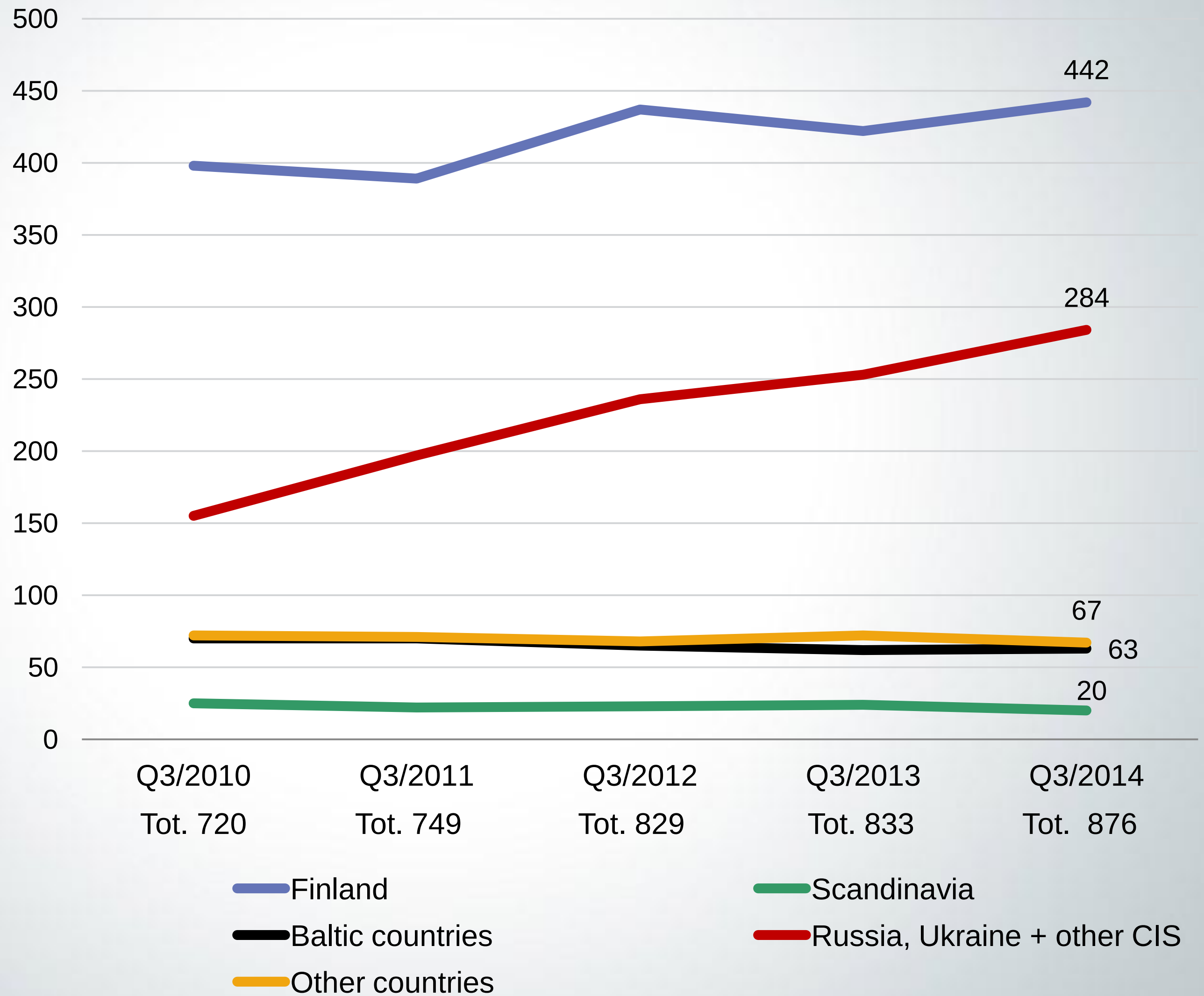


Personnel / segment Q3

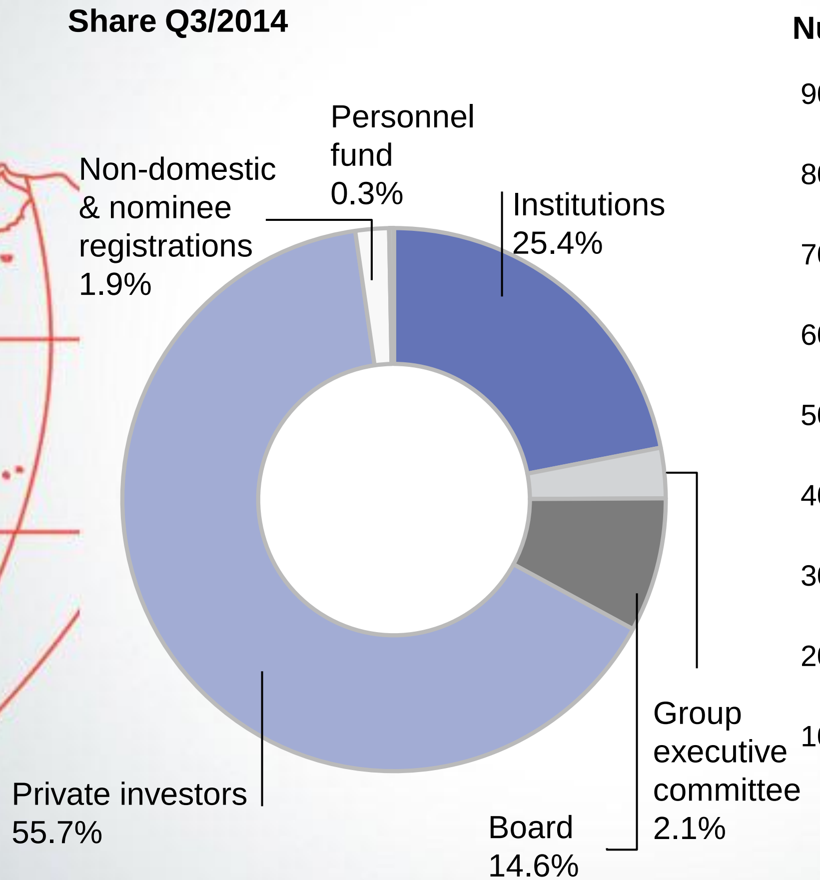


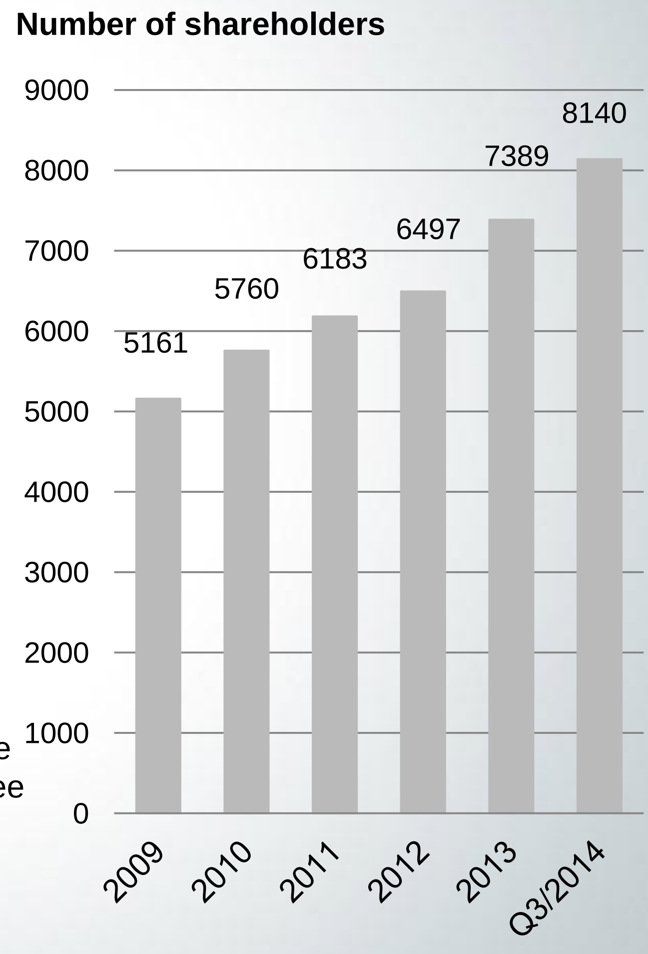
ASPO

Personnel / market area Q3



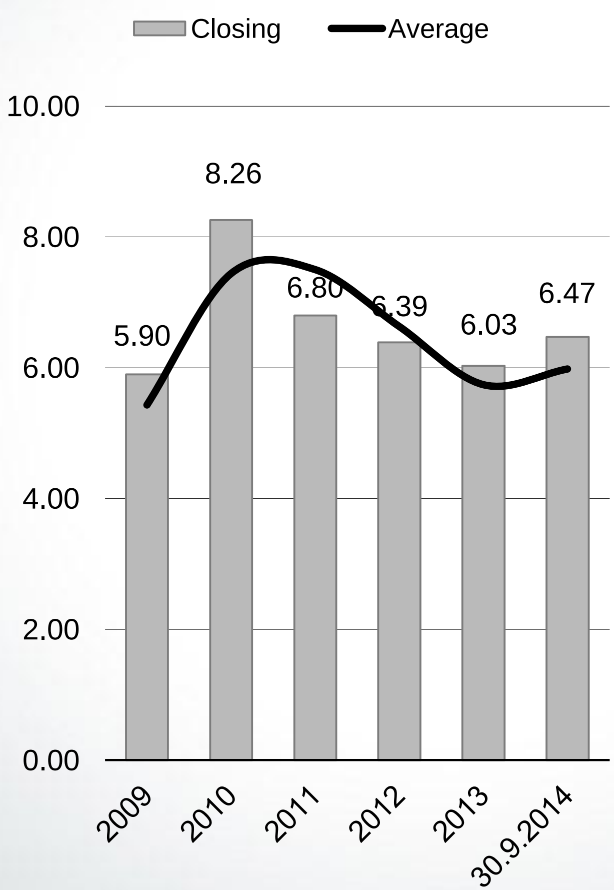
Shareholders / allocation



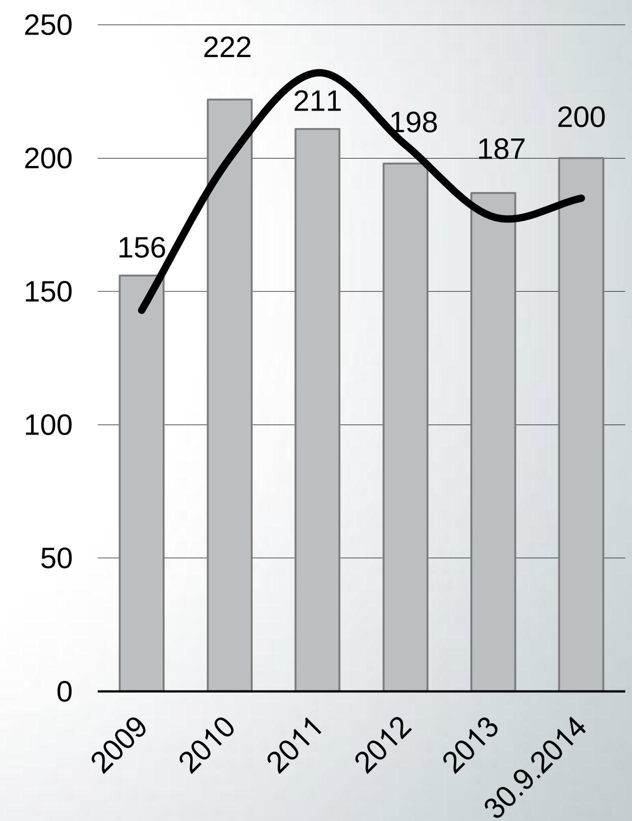


Market value

Share price, EUR



Market value, MEUR
(incl. own shares)



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

ASPO

Outlook for 2014

Expectations for Aspo Group in 2014

- Aspo's objective is to list Leipurin Plc on the stock exchange during the fourth quarter.
- The Board of Directors will summon an Extraordinary Shareholders' Meeting in order to distribute extra dividends.
- The known sanctions and import bans caused by the Russian and Ukrainian crisis do not have any significant impact on the behavior or operating conditions of Aspo's customer companies.
- ESL Shipping's vessels are being prepared for the sulphur directive to enter into force on January 1, 2015.
- Leipurin will improve its operating profit. The order book for bakery machines is normal for the period.
- Kaukomarkkinat is reviewing the suitability of international operations for its strategy.
- Telko will invest in profitable growth.

ASPO

Guidance for 2014

The guidance remains unchanged:

- Aspo's operating profit will increase significantly in 2014 compared to 2013 and amount to EUR 22-24 million (operating profit for 2013: EUR 10.8 million).
- Guidance does not include any positive non-recurring items.

Thank you!