ASPO GROUP ANNUAL ACCOUNTS BULLETIN
ASPO 2008: Aspo shows strong net sales growth and record earnings per share

January-December, continuing operations
-The Group’s net sales amounted to EUR 358.2 million (MEUR 208.9); the net sales for discontinued operations amounted to EUR 45.1 million (EUR 57.7 million)
-Operating profit totaled EUR 14.1 million (EUR 15.1 million and a sales gain of EUR 10.2 million in addition)
-Profit before taxes amounted to EUR 9.5 million (EUR 14.1 and a sales gain of EUR 10.2 million in addition)
-Profit after taxes was EUR 7.0 million (EUR 8.2 million and a sales gain of EUR 10.2 million in addition)
-Earnings per share EUR 0.27 (EUR 0.42 and a sales gain representing EUR 0.29)

-The Group’s earnings per share totaled EUR 0.60 (EUR 0.59)
-The Group’s return on investment (ROI) was 18.5% (25.7) and the return on equity (ROE) 24.1% (25.4)
-The Board’s dividend proposal is for EUR 0.42 (EUR 0.42)

October-December, continuing operations
-The Group’s net sales increased 85% to EUR 100.2 million (EUR 54.2 million)
-Operating profit totaled EUR 1.2 million including non-recurring costs of EUR 0.3 million (EUR 3.8 million)
-Profit before taxes was EUR -0.4 million (EUR 3.7 million)
-Interest-bearing net liabilities totaled EUR 82.4 million (EUR 20.5 million) at the end of the review period

-In 2009, the focus on operations will be to improve profitability
-Aspo has the prerequisites to improve the result of continuing operations
-The earnings per share are expected to be lower than in 2008

KEY FIGURES

	2008	2007
Continuing operations		
Net sales, MEUR	358.2	208.9
Operating profit, MEUR	14.1	25.3*
Share of net sales, %	3.9	12.1
Profit before tax, MEUR	9.5	24.3*
Share of net sales, %	2.7	11.6
Personnel at the end of period	821	390
Earnings per share, EUR, continuing operations	0.27	0.71
Earnings per share, EUR, discontinued operations	0.33	-0.12
Earnings per share, EUR, total	0.60	0.59
EPS adjusted for dilution, EUR, continuing operations	0.26	0.67
EPS adjusted for dilution, EUR, discontinued operations	0.30	-0.11
EPS adjusted for dilution, EUR, total	0.56	0.56
Comparable earnings per share, EUR, continuing operations	0.27	0.41
Comparable earnings per share, EUR, discontinued operations	-0.03	-0.12
The Group on the whole		
Equity per share, EUR	2.56	2.43
Equity ratio, %	30.6	45.1
Gearing, %	124.9	32.4

*) including a sales gain of EUR 10.2 million

Aki Ojanen, Aspo’s CEO:

“Aspo’s business model has proven itself. At the beginning of the year we did not believe that it would be realistic to expect our earnings per share to reach the 2007 level – we had sold the M/S Arkadia in 2007, generating a sales gain of EUR 10.2 million. The acquisition carried out in May increased our net sales and enabled a change in the Group structure. The new business portfolio is even stronger and the sustainability of our businesses is even better than before in economic downturns.

“Financially the acquisition had a positive effect already in the first operating year. Our perseverance in developing Autotank Group was awarded with a successful divestment in June. The new Aspo is a clear entity with business operations that focus on trade and logistics in the growing Baltic Sea markets.

“The beginning of 2008 was challenging due to high raw material and oil prices, and October-December was challenging due to a steep drop in prices. I am particularly glad about the development possibilities of our businesses and the cost savings that the new organization will bring already in 2009.

“Aspo Group’s earnings per share was good, EUR 0.60.”

ASPO AS A COMPANY

Aspo is a conglomerate that owns and develops businesses in the Baltic Sea region focusing on demanding B-to-B customers. The aim of our strong corporate brands – ESL Shipping, Leipurin, Telko and Kaukomarkkinat – is to be the market leaders in their sectors. They are responsible for their own operations, customer relationships and the development of these. Together they generate Aspo’s goodwill. Aspo’s Group structure and business operations are developed persistently without any predefined schedules.

OPERATIONAL PERFORMANCE

The year 2008 was diverse. The strong increase in prices and demand seen in early 2008 collapsed in the fall as a result of an international economic crisis with a steep decline in oil and other petrochemical products. The raw material prices for food industry also peaked during spring but the decrease has been less dramatic. Sea freight prices on the Baltic Sea made a downturn during the fall. Even though ESL Shipping has run on short capacity all year due to the sale of a vessel, its annual operational result remained at last year’s level. Leipurin and Kaukomarkkinat, which have been included in Aspo’s figures since May, increased their net sales and improved their profitability. Telko’s result development was good until the steep drop in oil prices caused by the financial crisis. Demand decreased heavily in all of Telko’s market areas in the last quarter. The company was also forced to record non-recurring foreign currency losses from Ukraine and Russia and make write-downs of inventories.

The acquisition of Kauko-Telko in the spring enabled a target-oriented reorganization. The acquisition lifted Aspo to a new size class, the chemical and plastics business was strengthened and traditional food industry companies formed a new business. The acquisition enabled the disposal of Autotank Group generating a sales gain of EUR 8.2 million. The organization was renewed and grouped into independent business areas: ESL Shipping, Leipurin, Telko and Kaukomarkkinat. The Finnish and Swedish adhesive tape operations and Far Eastern sourcing services were divested because they do not fit the new organization. A sales gain of EUR 1.2 million was recorded from the divestments. In order to strengthen its fleet, ESL Shipping repurchased M/S Eira for EUR 14.7 million. The ship has been built for Baltic Sea conditions and has been leased by ESL Shipping since its completion, with a so-called bareboat agreement.

The Group's overall costs in 2008 were unusually high. The result was burdened by costs related to corporate reorganization, integration and rationalization of overlapping operations. The increase in interest-bearing liabilities as a result of financing the acquisition led to an increase in interest expenditure. Despite the exceptional foreign currency losses in late 2008, the Group reached last year's earnings per share of EUR 0.59. The strong operational cash flow has enabled stable debt repayment and strengthening of equity since the acquisition.

ESL Shipping

	10-12/08	10-12/07	Change	2008	2007
Net Sales, MEUR	20.9	22.2	-1.3	84.1	85.1
Operating Profit, MEUR	4.2	4.1	0.1	15.6	25.1*
Personnel	240	239	1	240	239

*) including a sales gain of EUR 10.2 million

The year was challenging for the shipping company and due to decreased capacity it was not realistic to expect its result to reach the 2007 level. M/S Arkadia was sold in 2007, M/S Tali was docked until July due to an average in February, and M/S Mazdy's long-term time-charter agreement ended in March. Thanks to skilful tonnage operation; ESL Shipping still managed to reach an excellent result. Due to hedging in accordance with our operating model, the changes in fuel prices did not have a significant effect on the result.

The change in the general market situation in the fall affected particularly the cargo volume for steel industry. Our strong position in Russian coal transports has so far been able to compensate for the decreased volumes in steel industry.

Leipurin

	10-12/08	10-12/07	Change	5-12/08	2007
Net Sales, MEUR	27.1		27.1	69.3	
Operating Profit, MEUR	1.1		1.1	3.1	
Personnel	168		168	168	

Leipurin was formed by merging the traditional Leipurien Tukku (LT-Tukku), LT-Kone and LT-Telko. It focuses on flavor and textured development for the baking, meat and dairy industries and on raw material and machinery deliveries for the baking industry. Leipurin operates in Finland, Poland, the Baltic countries and Russia.

The raw material prices in food industry rose to record levels in 2008 but also made a downturn in the fall. Machinery deliveries to bakeries focused on Finland, Russia and Estonia.

Leipurin reached better than estimated operating result. The result for the last quarter was good despite the foreign currency loss caused by the Russian ruble.

Telko

	10-12/08	10-12/07	Change	2008	2007
Net Sales, MEUR	40.4	32.0	8.4	172.7	123.8
Operating Profit, MEUR	-2.5	0.6	-3.1	1.0	3.1
Personnel	230	132	98	230	132

Aspokem and Kauko-Telko’s industrial raw material operations were combined at the beginning of May 2008. Since the acquisition, Telko’s position has strengthened in Northern Europe in particular in engineering plastics that have higher unit prices. In addition to Finland, Telko operates in Scandinavia, the Baltic countries, Poland, Ukraine and Russia. The Hamina terminal that specializes in logistics services for Russian liquid chemicals has strengthened Telko’s position further on the Russian markets. In Finland and Scandinavia operations suffered from a steep decline in volumes and prices in the last quarter.

Telko’s loss in the last quarter was caused by lower volumes, storage losses caused by price decreases and foreign currency losses.

Other Operations/Kaukomarkkinat

	10-12/08	10-12/07	Change	2008	2007
Net Sales, MEUR	11.8		11.8	32.1	
Operating Profit, MEUR	-1.6	-0.9	-0.7	-5.6	-2.9
Personnel	183	11	172	183	10

Other operations include Aspo’s Group administration and Kaukkomarkkinat’s business unit. Kaukomarkkinat focuses on improving energy efficiency and project sales for process industry. The high energy price and the demands to increase efficiency in energy use have boosted the overall markets and strengthened Kaukomarkkinat’s position on the Finnish heat pump markets. The Chinese unit made several project deliveries and generated a good result. Kaukomarkkinat’s sourcing services and packaging and adhesive tape business were sold during the year.

Kaukomarkkinat increased its net sales and improved its profitability.

NET SALES

The net sales of Aspo Group’s continuing operations increased by EUR 149.3 million (71.5%) to EUR 358.2 million (208.9). The Group’s direct exports together with the net sales of foreign subsidiaries amounted to EUR 173.7 million (131.7).

Net Sales by Division, MEUR

	10-12/08	10-12/07	Change	2008	2007
ESL Shipping	20.9	22.2	-1.3	84.1	85.1
Leipurin	27.1		27.1	69.3	
Telko	40.4	32.0	8.4	172.7	123.8
Other operations	11.8	11.8		32.1	
Continuing operations total	100.2	54.2	46.0	358.2	208.9
Discontinued operations	1.9	17.2	-15.3	45.1	57.7
Total	102.1	71.4	30.7	403.3	266.6

Net Sales by Market Area, MEUR

	10-12/08	10-12/07	Change	2008	2007
Finland	50.4	31.2	19.2	191.1	127.7
Nordic countries	12.2	8.2	4.0	47.5	33.0
Baltic countries	12.2	4.5	7.7	32.8	15.9
Russia, etc.	25.4	10.3	15.1	86.8	32.3
Continuing operations total	100.2	54.2	46.0	358.2	208.9
Discontinued operations	1.9	17.2	-15.3	45.1	57.7
Total	102.1	71.4	30.7	403.3	266.6

The significance of Russia and other CIS markets in Aspo’s business will be further emphasized when ESL Shipping’s raw material transports from Russia are included in the Russian market area. When the calculation is carried out this way, the distribution of net sales between Finland and Russia is as follows:

	10-12/08	10-12/07	Change	2008	2007
Finland	43.7	22.4	21.3	161.6	91.9
Russia, etc.	32.2	19.1	13.1	116.3	68.1

EARNINGS

The operating profit for Aspo Group’s continuing operations was EUR 14.1 million (EUR 25.3 million including a EUR 10.2 million sales gain). The operating profit includes EUR 1.1 million in non-recurring costs.

The operating profit of ESL Shipping totaled EUR 15.6 million (EUR 25.1 million including a sales gain of EUR 10.2 million). The comparable operating profit grew by EUR 0.7 million.

Leipurin Group’s operating profit amounted to EUR 3.1 million clearly exceeding the estimate. Leipurin is included in Aspo Group's figures from the beginning of May.

Telko’s operating profit decreased by EUR 2.1 million to EUR 1.0 million (3.1). The operating profit was depressed by a heavy decrease in demand in late 2008 and the subsequent drop in market prices and rapid devaluation of currencies in the main market areas outside the euro area. The operating profit is mainly generated in Russia. The acquired operations are included in Telko’s figures from the beginning of May.

Other operations include Kaukomarkkinat and Aspo’s Group administration. The operating profit for other operations was EUR 5.6 million negative, the figure includes EUR 7.7 million in administrative costs. Nearly half of the additional costs were generated as a result of the acquisition and overlapping in operations.

Operating Profit by Division, MEUR

	10-12/08	10-12/07	Change	2008	2007
ESL Shipping	4.2	4.1	0.1	15.6	25.1*
Leipurin	1.1		1.1	3.1	
Telko	-2.5	0.6	-3.1	1.0	3.1
Other operations	-1.6	-0.9	-0.7	-5.6	-2.9
Continuing operations total	1.2	3.8	-2.6	14.1	25.3*
Discontinued operations	0.6	-1.1	1.7	9.6	-1.5
Total	1.8	2.7	-0.9	23.7	23.8*

*) including a sales gain of EUR 10.2 million

Earnings per share

Earnings per share for continuing operations was EUR 0.27 (EUR 0.71 with the sales gain representing EUR 0.29).

The Group’s earnings per share totaled EUR 0.60 (0.59) and the diluted earnings per share EUR 0.56 (0.56). Equity per share was EUR 2.56 (2.43).

INVESTMENTS

The investments of the Group’s continuing operations amounted to EUR 116.7 million (9.6). Of this, the acquisition of Kauko-Telko Oy’s stock represented EUR 96.2 million. This is the largest investment the Group has ever made. The acquisition price includes EUR 18.0 million in cash. A majority of the remaining investments, EUR 19.7 million, was used to repurchase ESL Shipping’s M/S Eira from SEB Leasing Oy and advance payments for vessel acquisitions.

Investments by Division, acquisitions excluded, MEUR

	10-12/08	10-12/07	Change	2008	2007
ESL Shipping	0.2		0.2	18.8	3.8
Leipurin	0.1		0.1	0.1	
Telko	0.1	0.9	-0.8	0.4	5.7
Other operations	0.4		0.4	1.2	0.1
Continuing operations total	0.8	0.9	-0.1	20.5	9.6
Discontinued operations		0.7	-0.7	0.6	1.4
Total	0.8	1.6	-0.8	21.1	11.0

FINANCING

The Group’s financing position changed considerably during the year. The purchase of Kauko-Telko Oy’s entire stock and the repurchase of the Eira vessel increased the amount of interest-bearing debt. Divestment of the Autotank Group and other smaller operations together with the strong operational cash flow enabled repayment of some interest-bearing debt in late 2008. At the end of the period the Group had EUR 12.6 million (13.1) in liquid assets. There was a total of EUR 95.0 million (33.6) in interest-bearing liabilities on the consolidated balance sheet at the end of the period. Interest-free liabilities totaled EUR 43.6 million (34.0).

Aspo Group’s net gearing was 124.9% (32.4), return on equity was 24.1% (25.4) and the equity ratio adjusted for deferred tax liabilities was 30.6% (45.1).

The Group’s cash flow strengthened considerably towards the end of the year. In January-September the operational net cash flow was EUR 17.6 million and in January-September it was EUR 30.9 million. Aspo Plc and its key financing banks have signed binding financial limits for a total of EUR 120 million. Credit withdrawn within the framework of these financial limits amounted to EUR 38.5 million at the end of the period.

RISKS AND RISK MANAGEMENT

The rapid and deep economic recession in late 2008 caused widespread risks in our market areas. The best tool in risk management is Aspo’s healthy business and its broad expertise in processes. The economic recession in our neighboring areas and in particular the rapid weakening in the economic basis in several countries caused risks as exchange rates turned unfavorable for us, the global market prices of products weakened and customers' solvency decreased. Losses were recorded from exchange rates and value loss in inventories but no major credit losses were generated.

Risk management is part of Aspo’s internal supervision. The aim is to detect, analyze and limit the operational threats and risks. All internal and external factors that affect Aspo's ability to reach operational targets and profitability have been determined as risks.

Risks are mapped, categorized and assessed systematically and decisions on required actions are made. In terms of risks, the risk management principles and main content have been defined in Group level policies and guidelines. Accident risks are covered with appropriate insurance policies.

Risks were constantly monitored and particularly in connection with the acquisition when operations were integrated into Aspo Group. No significant risks were detected in this area.

The near-term operational risks focus on the effects of the global economic recession. Particular attention is paid to maintaining customer relationships and the validity of contracts.

In operational risks, the main risks in terms of likelihood and effect are connected to the permanence of customer relationships, equipment sufficiency, maintaining the balance level and key personnel. Therefore, risk management in Aspo does not simply mean maintaining sufficient insurance coverage but it is an integral part of continuous operations and is built into all operational processes.

Aspo Group’s financing and financial risk management are handled centrally by the parent company in accordance with the financial policy approved by the Board of Directors.

PERSONNEL

At year-end, the Aspo Group employed 827 (699) personnel and an average of 882 (691) during the year. Office staff represented 553 (327) and non-office workers 329 (364) of the total. The parent company employed 14 (11) office staff at year-end and 13 (11) on average during the year.

Of Aspo Group personnel, 64% (57) work in Finland, 41% (29) in other Nordic countries, 6% (5) in the Baltic countries, and 14% (9) in Russia. Men represented 67% (70) and women 33% (30) of total personnel. In the Aspo Group, 99% (99) of employment contracts were full-time. During the year, 66 (86) new employment contracts were signed. Total wages and salaries paid to personnel in 2008 amounted to EUR 35,443,649 (27,219,384).

Average Personnel by Division

	2008	2007
ESL Shipping		
Office staff	30	28
Crew members	199	211
Total	229	239
Leipurin		
Office staff	98	
Non-office workers	26	
Total	124	
Telko		
Office staff	187	122
Non-office workers	17	10
Total	204	132
Other operations		
Office staff	138	11
Non-office workers	2	
Total	140	11
Discontinued operations		
Office staff	100	166
Non-office workers	85	143
Total	185	309
TOTAL	882	691

Rewards and Incentives

The Aspo Group has introduced a profit-sharing scheme and a personnel fund, which at this point cover all of Aspo Group personnel working in Finnish subsidiaries. Part of the Group’s earnings is placed in the personnel fund as a profit bonus. The objective is for the fund to use the majority of the profit bonuses to acquire Aspo Plc shares. The long-term objective is to make the personnel one of the company’s key shareholder groups. Aspo’s business areas pay part of their earnings as bonuses to the personnel. The calculation principles for the bonuses are decided on by business area.

In January 2006, Aspo Plc’s Board of Directors decided to introduce a share price-linked incentive scheme for key personnel, in which any bonus is based on the performance of the company's share in the next three years. The scheme covers approximately 30 Aspo Group executives and key employees.

RESEARCH AND DEVELOPMENT

Aspo Group’s R&D focuses mainly on developing operations, procedures and production technology without a separate organization, which means that the development investments are included in normal operational costs and are not itemized.

ENVIRONMENT

Aspo Group’s regular operations do not have any significant environmental impact. The Group companies follow Aspo’s environmental policy with the main principle of continuously improving operations. Throughout our operations we support the principles of sustainable development.

Aspo looks after the environment by taking initiatives and continuously monitoring the laws and recommendations connected to its operation and any revisions to these. We want to be pioneers in all of our operations and also anticipate future developments in environmental regulations.

MANAGEMENT AND AUDITORS

At Aspo Plc’s Annual Shareholders’ Meeting held on April 10, 2008, Matti Arteva, Esa Karppinen, Roberto Lencioni and Kari Stadigh were re-elected to the Board of Directors for a term of one year. Risto Salo and Gustav Nyberg were elected as new members to the Board of Directors. Kari Stadigh has acted as the Chairman and Matti Arteva as Vice-Chairman of the Board.

In 2008, the Board of Directors held 13 meetings, 6 of which were teleconferences. The average participation rate was 99%.

Gustav Nyberg has acted as the company’s CEO since October 1999, Aki Ojanen as the COO and Deputy CEO since October 1, 2007.

The company auditor is PricewaterhouseCoopers Oy, an authorized public accountant firm with Jan Holmberg as the auditor in charge.

BOARD AUTHORIZATIONS

The Annual Shareholders’ Meeting of 2008 authorized the Board of Directors to decide on a share issue, through one or several instalments, by transferring an aggregate maximum number of 1,158,250 treasury shares.

The shares will be used to finance any acquisitions or other transactions, or for other purposes to be decided on by the Board of Directors. The authorization includes the right for the Board to decide on the terms and conditions applicable to the share issue, as well as the right to decide on a directed share issue deviating from the shareholders’ pre-emptive right on conditions laid down by law.

The shareholders further authorized the Board to use funds included in distributable profit to repurchase a maximum of 400,000 company shares irrespective of the shareholders’ holdings. The shares will be purchased through public trading organized by NASDAQ OMX Helsinki at the going price under the terms stated in the regulations of NASDAQ OMX Helsinki.

The shares will be acquired to finance any acquisitions or other transactions, for the balancing of the financial risk in the company’s share-based incentive scheme or for other purposes to be decided on by the Board of Directors. The Board may not exercise the authorization if, after the acquisition, the company or its subsidiary were to possess or have as a pledge more than ten (10) percent of the company’s stock.

The authorization is valid until the Annual Shareholders’ Meeting of 2009, but no more than 18 months from the approval at the Shareholders’ Meeting.

Under the authorization granted at the Shareholders’ Meeting, during fiscal 2008, the Board of Directors decided to dispose of 14,630 Aspo Plc shares within the context of the company’s management incentive program. The disposal price was the fair value at the time of disposal based on public trading.

In its meeting on August 21, 2008, the Board of Directors decided to repurchase a maximum of 400,000 shares through public trading on NASDAQ OMX Helsinki at the current market price at the time of acquisition according to the terms stated in the regulations of NASDAQ OMX Helsinki. A total of 144,390 shares were repurchased during the fiscal period. The average purchase price of the shares was EUR 5.64. The total purchasing cost of EUR 861,363.49 was deducted from the unrestricted equity account.

SHARES AND SHAREHOLDERS

Aspo Plc’s registered share capital on December 31, 2008, was EUR 17,691,729.57 and the total number of shares was 26,406,063. The company’s own shareholding was 620,000 shares, accounting for 2.35 percent of Aspo Plc’s stock.

Aspo Plc has one share series. Each share entitles its holder to one vote at the Annual Shareholders’ Meeting. The company’s shares are quoted on NASDAQ OMX Helsinki in the medium-sized companies category and under the GICS classification Industrials.

During 2008, a total of 3,403,573 Aspo Plc shares were traded on NASDAQ OMX Helsinki at EUR 19.8 million, or 12.9% of the shares changed owners. The share reached a high of EUR 6.90 and a low of EUR 3.57 during the period. The average price was EUR 5.81 and the closing price was EUR 4.03. The market value of the share capital at the year-end, less treasury shares, was EUR 103.9 million.

CONVERTIBLE CAPITAL NOTES

Aspo Plc has issued Convertible Capital Notes worth EUR 15,512,500. The validity period for the notes runs from June 4, 2004 to June 4, 2009. The notes will be repaid in a single instalment on June 4, 2009 provided that the repayment conditions specified in chapter 5 of the Companies Act and in the terms and conditions of the Convertible Capital Notes are met. The notes carry a fixed 5% interest rate. Aspo is entitled to extend the loan period by a maximum of five years. If the loan period is extended, the fixed interest rate for the loan is 8%.

If the loan is not repaid on the due date, interest will be paid on the unpaid principal at a total of two percentage points above the confirmed annual interest rate.

The capital notes can be converted into Aspo stock. Each EUR 500 note entitles the holder to covert the note into 84 Aspo Plc shares. The conversion rate is EUR 5.95.

During the year, convertible capital notes were used to subscribe for 7,560 shares, and the share capital was correspondingly increased by EUR 5,065.20.

EVENTS AFTER THE REPORTING PERIOD

Group management

Aki Ojanen, eMBA, who has worked as Aspo Plc's COO since October 1, 2007 started working as Aspo Plc's CEO on January 1, 2009. Simultaneously, Gustav Nyberg, M.Sc. (Econ.), eMBA, who has worked as Aspo’s CEO since 1999, became the full-time Chairman of Aspo’s Board of Directors.

Arto Meitsalo, M.Sc. (Econ.) started working as Aspo Plc’s CFO on January 1, 2009. He previously worked as Kauko-Telko Oy’s CFO and acting CEO.

Flagging

Henrik B. Nyberg announced on January 19, 2009 that his share of Aspo Plc’s share capital and votes fell below 10%.

ORGANIZATION

Harri Seppälä was appointed Aspo’s Group Treasurer on April 1, 2008 and Jamima Löfström was appointed corporate communications manager on September 1, 2008. Toni Santalahti started working as the Group’s lawyer on January 1, 2009.

DIVIDEND PROPOSAL

At the Annual Shareholders’ Meeting scheduled for March 31, 2009, the Board will propose that a dividend of EUR 0.42 be distributed for fiscal 2008 on shares outstanding and that no dividend be paid for treasury shares.

OUTLOOK FOR 2009

The general economic uncertainty in the Baltic Sea region continues. The basic industrial demand is expected to be lower than in 2008. Consumers' confidence in their own economy has weakened, which is expected to increase the demand for basic food products.

Aspo Group’s new structure creates a good basis for growth in continuing operations. Administrative costs are expected to be clearly lower than in 2008. The targeted level in cost efficiency will be reached in the last quarter as the Finnish operations move into joint premises.

Aspo Group’s aim is to improve its profitability and the Group has the prerequisites to improve the result of continuing operations.

ESL Shipping

The shipping company’s capacity has decreased since 2007. We expect that the first of the vessels ordered from India will be completed in the fall of 2009. A majority of the 2009 transport capacity has been covered with long-term agreements, but the transport volumes of the steel and construction industry customers in particular will decrease from 2008. The Baltic Sea freight prices made a downturn in the fall of 2008. It is not realistic to expect that ESL Shipping’s result would reach the 2008 level.

Leipurin

Organic growth is expected to continue. Leipurin will continue to establish itself in Russian megalopolis and possibly in Ukraine during 2009. The new offices create a good basis for several years of growth. We expect Leipurin to generate a good result.

Telko

Telko will focus on improving its result and profitability without any net sales target. If Telko is successful in directing its operations, the result is expected to improve from 2008.

Kaukomarkkinat

The main target of the operation is to grow at least as much as general market growth in the Finnish air-source heat pump markets. Project sales are expected to remain at last year’s level. Audio-visual and giant screens operations are developed as a new growth area, but its earnings effect will not be substantial in 2009.

Operational Risks

The general economic situation affects the industrial demand in the Baltic Sea region. Of customer segments, basic industry especially has announced that it will reduce production from 2008. Changes in demand in developing markets are more difficult to estimate. We expect that in Russia, in particular, markets will, despite the recession, develop so that Russia’s share of Aspo Group’s operations will remain intact, or increase. The risk of a recession in the financial markets and the economy is reflected in the exchange rates in our neighboring areas (Russia, Ukraine, the Baltic region and Poland) and possibly also in customers’ solvency.

Helsinki February 10, 2009

ASPO Plc

Board of Directors

ASPO GROUP INCOME STATEMENT

	10-12/2008		10-12/2007	
	MEUR	%	MEUR	%
Net sales	100.2	100.0	54.2	100.0
Other operating income	0.4	0.4	0.1	0.2
Depreciation and write-downs	-3.0	-3.0	-2.4	-4.4
Operating profit	1.2	1.2	3.8	7.0
Financial income and expenses	-1.6	-1.6	-0.1	-0.2
Profit before taxes	-0.4	-0.4	3.7	6.8
Profit for the period, continuing operations	0.5	0.5	2.7	5.0
Profit for the period, discontinued operations	0.3		-2.0	
Profit for the period	0.8		0.7	
Profit attributable to shareholders	0.8		0.6	
Minority interest			0.1	

	1-12/2008		1-12/2007	
	MEUR	%	MEUR	%
Net sales	358.2	100.0	208.9	100.0
Other operating income	1.6	0.4	10.4	5.0
Depreciation and write-downs	-10.8	-3.0	-9.4	-4.5
Operating profit	14.1	3.9	25.3*	12.1
Financial income and expenses	-4.6	-1.3	-1.0	-0.5
Profit before taxes	9.5	2.7	24.3	11.6
Profit for the period, continuing operations	7.0	1.9	18.4	8.8
Profit for the period, discontinued operations	8.5		-3.0	
whereof the gain on the sale of the Autotank group	8.2			
Profit for the period	15.5			
Profit attributable to shareholders	15.5		15.3	
Minority interest			0.1	

*) including a sales gain of EUR 10.2 million

ASPO GROUP BALANCE SHEET	12/08 MEUR	12/07 MEUR	Change %
Assets			
Non-current assets			
Intangible assets	17.0	2.6	553.8
Goodwill	40.4	10.1	300.0
Tangible assets	69.1	47.3	46.1
Available-for-sale assets	0.2	0.2	
Long-term receivables	1.1	2.5	-56.0
Shares in associated companies	0.9	1.1	-18.2
Total non-current assets	128.7	63.8	101.7
Current assets			
Inventories	33.4	24.0	39.2
Sales and other receivables	43.3	40.1	8.0
Cash and bank deposits	12.6	13.1	-3.8
Total current assets	89.3	77.2	15.7
Assets classified as held for sale	0.7		
Total assets	218.7	141.0	55.1
Shareholders' Equity and Liabilities			
Shareholders’ equity			
Share capital	17.7	17.7	
Other shareholders’ equity	48.3	45.3	6.6
Shareholders’ equity attributable to equity holders of the parent	66.0	62.8	5.1
Minority interest		0.2	
Long-term liabilities	50.2	25.7	95.3
Short-term liabilities	102.0	52.3	95.0
Liabilities classified as held for sale	0.5		
Total shareholders’ equity and liabilities	218.7	141.0	55.1

STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY

A = Share Capital
B = Premium Fund
C = Fair Value Fund
D = Other Funds
E = Repurchased Shares
F = Translation Difference
G = Retained Earnings
H = Total
I = Minority Interest
J = Total Shareholders’ Equity

MEUR	A	B	C	D	E	F	G	H	I	J
Balance at 12/31/2007	17.7	4.3	-1.0	0.5	-3.0	0.0	44.3	62.8	0.2	63.0
Translation differences						-1.5				
Transfer to the original value of hedged funds			1.0							
Increase in hedging reserve			-0.4							
Share of deferred taxes			0.1							
Net profit for the period							15.5		0.0	
Dividend payment							-10.8			
Share repurchase					-0.8					
Share disposal					0.1					
Net result recognized directly to equity							-0.0			
Change in minority interest									-0.2	
Balance at 12/31/2008	17.7	4.3	-0.3	0.5	-3.7	-1.5	49.0	66.0	0.0	66.0
Balance at 12/31/2006	17.5	2.5	-0.1	0.2	-1.8	0.1	39.7	58.1	0.1	58.2
Translation differences						-0.1				
Increase in hedging reserve			-1.2	0.0						
Share of deferred taxes			0.3	0.0						
Net profit for the period							15.2		0.1	
Dividend payment							-10.6			
Share repurchase					-1.7					
Share disposal				0.3	0.5					
Conversion of convertible bond to shares	0.2	1.8								
Balance at 12/31/2007	17.7	4.3	-1.0	0.5	-3.0	0.0	44.3	62.8	0.2	63.0

ASPO GROUP CASH FLOW STATEMENT	2008 MEUR	2007 MEUR
Net operational cash flow	30.9	8.6
Investments		
Investments in tangible and intangible assets	-22.0	-5.7
Gains on the sale of tangible and intangible assets	0.7	11.1
Purchases of subsidiary shares	-78.2	-4.7
Sale of subsidiary shares	28.8	
Total cash flow from investments	-70.7	0.7
Financing		
Share acquisition	-0.8	-1.6
Share disposal	0.1	
Change in short-term borrowings	16.9	8.3
Change in long-term borrowings	34.0	-1.4
Profit distribution to minorities	-0.1	
Dividends paid	-10.8	-10.6
Total financing	39.3	-5.3
Increase / Decrease in liquid funds	-0.5	4.0
Liquid funds in beginning of year	13.1	9.1
Liquid funds at period end	12.6	13.1

KEY FIGURES AND RATIOS	2008	2007
Earnings per share, EUR, continuing operations	0.27	0.71
Earnings per share, EUR, discontinued operations	0.33	-0.12
Earnings per share total	0.60	0.59
EPS adjusted for dilution, EUR, continuing operations	0.26	0.67
EPS adjusted for dilution, EUR, discontinued operations	0.30	-0.11
EPS adjusted for dilution, EUR, total	0.56	0.56
Comparable earnings per share, EUR, continuing operations	0.27	0.41
Comparable earnings per share, EUR, discontinued operations	-0.03	-0.12
The Group on the whole		
Equity per share, EUR	2.56	2.43
Equity ratio, %	30.6	45.1
Gearing, %	124.9	32.4

Accounting principles

The Financial Statements bulletin has been prepared in accordance with the IAS 34 (Interim Reports) standard. The accounting principles that were applied in the preparation of the financial statements of December 31, 2007 have been applied in the preparation of this report. All figures are unaudited.

Discontinued Operations, total

	1-12/08 MEUR	1-12/07 MEUR
Net sales	45.1	57.7
Other operating income	9.4	0.4
Depreciations and write downs	-0.4	-0.4
Operating profit	9.6	-1.5
Financial income and expenses	-0.8	-1.4
Profit before taxes	8.8	-2.9
Profit for the period	8.5	-3.1
- whereof the gain on the sale of the Autotank Group	8.2	

Assets of Discontinued Operations Dec. 31, 2008

Short term assets	0.7
Total assets held for sale	0.7
Assets classified as held for sale	
Short-term liabilities	0.5
Total liabilities held for sale	0.5

Liabilities and financing costs attributable to discontinued operations have been recorded in their results.

Kauko-Telko Acquisition
Preliminary combination

	Fair Values Recorded in Combination MEUR	Book Value Before MEUR
Acquired assets		
Intangible assets	17.9	3.9
Tangible assets	12.6	8.9
Inventories	23.9	23.1
Accounts receivable and other assets	30.5	30.5
Cash and bank deposits	20.7	20.7
Total assets	105.6	87.8
Long-term liabilities	9.6	4.8
Short-term liabilities	37.2	37.2
Net assets	58.8	
Goodwill	37.4	
Total acquisition price	96.2	

Total acquisition price was EUR 96.2 million including estimated expert fees of EUR 1.8 million.

Aspo Group Contingent Liabilities	2008 MEUR	2007 MEUR
Securities on Group liabilities	79.0	34.6
Leasing liabilities	10.0	13.7
Derivative contracts	0.7	1.4

Helsinki, February 10, 2009

ASPO Plc

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CFO

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FINANCIAL INFORMATION
Aspo has arranged a press conference for the media and analysts to be held today, February 10, 2009, starting at 10:30 at Hotel Kämp, Pohjoisesplanadi 29, 00100 Helsinki, Finland.

ANNUAL SHAREHOLDERS’ MEETING
The Aspo Plc Annual Shareholders’ Meeting is scheduled to be held on Tuesday, March 31, 2009, at 14:00 in the Stock Exchange Building at Fabianinkatu 14, 00100 Helsinki.

FINANCIAL REPORTS 2009
The 20087 Annual Report will be published during week 13 in Finnish, in English and in Swedish. You can read and order the report on our website at www.aspo.fi

Aspo Plc will publish three Interim Reports in 2009:
for the first quarter on April 27, 2009
for the second quarter on August 24, 2009
for the third quarter on October 26, 2009

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Aspo is a conglomerate that owns and develops businesses in the Baltic Sea region focusing on demanding B-to-B customers. The aim of our strong corporate brands – ESL Shipping, Leipurin, Telko and Kaukomarkkinat – is to be the market leaders in their sectors. They are responsible for their own operations, customer relationships and the development of these. Together they generate Aspo’s goodwill. Aspo’s Group structure and business operations are developed persistently without any predefined schedules.