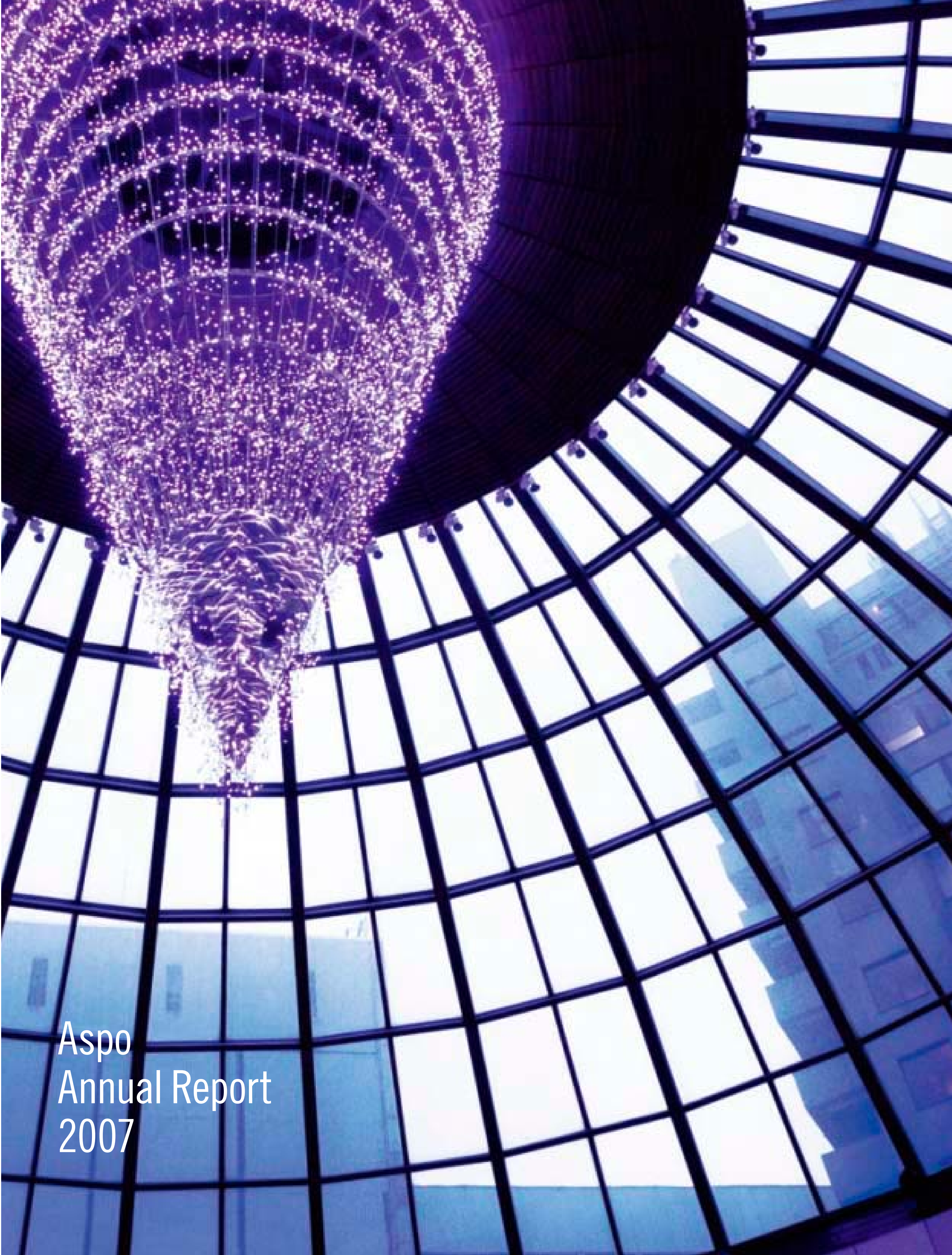


Aspo Annual Report 2007

Aspo Annual Report 2007

Aspo in Brief	2
Business Concept	3
CEO’s Review	4
Aspo’s Strategy in the East	6
Aspo Chemicals	8
Aspo Shipping	14
Aspo Systems	20
Environment	26
Corporate Governance	28
Summary of 2007 Releases	34
Financial Statements	
Report of the Board of Directors	35
Consolidated Financial Statements, IFRS	
Consolidated Income Statement	40
Consolidated Balance Sheet	41
Consolidated Cash Flow Statement	42
Statement of Changes in Shareholders’ Equity	43
Notes to the Consolidated Financial Statements	44
Key Figures	70
Parent Company’s Financial Statements, FAS	
Parent Company’s Income Statement	72
Parent Company’s Balance Sheet	73
Parent Company’s Cash Flow Statement	74
Notes to the Parent Company’s Financial Statements	75
Shares and Shareholders	80
Proposal of the Board on the Distribution of Earnings	82
Auditors’ Report	83
Information for Shareholders	84

Aspo is a conglomerate focusing on sectors that require extensive, specialist knowledge.

Aspo's customers include companies in the energy and process industry sectors, in particular. Our customer relations are long-term partnerships based on solid trust. We have concentrated our operations around the Baltic Sea area.

We operate in three divisions:

Aspo Chemicals

imports and markets industrial chemicals and plastic raw materials, and produces branded automotive chemicals.

Aspo Shipping

handles marine raw material transport for the energy and heavy industry sectors.

Aspo Systems

provides automation systems and maintenance services for service stations.

Key Figures

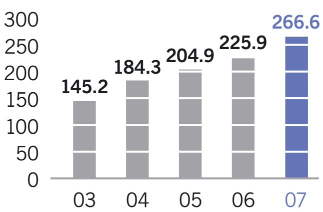
	2007	2006	Change, %
Net sales, MEUR	266.6	225.9	18.0
Operating profit after depreciation, MEUR	23.8	12.8	85.9
Share of net sales, %	8.9	5.7	
Profit before taxes, MEUR	21.4	11.1	
Share of net sales, %	8.0	4.9	
Earnings / share, EUR	0.59	0.32	
Earnings / share, EUR (adjusted)	0.56	0.31	
Earnings / share excluding the sales profit, EUR	0.30	0.32	
Equity / share, EUR	2.43	2.26	
Equity ratio, %	45.1	45.2	
Gearing, %	32.4	35.7	
Personnel, December 31	699	694	

Aspo's Financial Objectives:

- Operating profit as percentage of net sales closer to ten than five
- Approximately 10–15% annual net sales growth
- Return on investment and on equity more than 20% on average
- To distribute approximately half of the year's profit in dividends

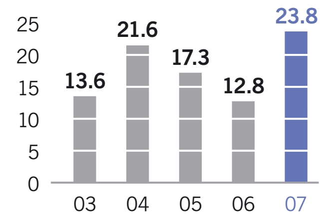
Net Sales

MEUR



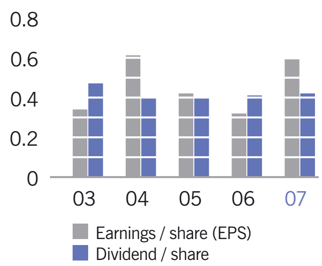
Operating Profit

MEUR



Earnings and Dividend / Share

EUR



Our vision is to increase Aspo's value and competence over the long term, from one generation to the next.

Our goal is to establish enduring client relationships based on strong partnerships and accumulated know-how. We believe this is the best way to increase shareholder value.

All three of our divisions serve demanding B-to-B clients. Our logistics know-how is diversified: we have a long history of managing a variety of value chains. This helps us to better understand the customer's logistics as a whole.

We have concentrated our operations around the Baltic Sea area, which also serves as the home market for our key customers. The Baltic Sea is an economic area with its own unique character that requires its own logistical infrastructure. The Baltic Sea also serves as a major import and export channel for Russia and other East European countries.

As a diversified company we have a good overview of the evolving business environment from several different points of reference. We can leverage experience gained in one sector and transfer what we have learned to other sectors and customer relationships. This allows us to serve our customers better.

Expansion into new market areas provides an excellent opportunity to capitalize on the benefits of diversification. Our divisions can adopt best practices from one other and learn from each other's mistakes. This is a valuable asset, particularly in the Russian and East European markets.

Aspo Chemicals: Linking Producers & End Users

In industrial chemicals the Aspo Chemicals strategy is to link raw material producers and chemical end users. Superior logistical know-how has given Aspo Chemicals excellent credentials to assume responsibility for a part of both the producer and end user businesses. Our key strengths include product and product processing know-how and expert service.

In plastic raw materials our strategy revolves around efficiently serving small and medium-sized subcontractors who manufacture plastic components. These firms have to react rapidly to the changing needs of their own customers, so a responsive local distributor is crucial to their competitiveness. Aspo Chemicals is able to supply its customers with plastic raw materials tailored exactly to their needs.

Aspo Shipping: Just-in-Time Delivery

Aspo Shipping's strategy is to ensure the efficient transport of raw materials for energy producers and industry. Shipping takes particular care of vital transports for businesses that require reliable deliveries all year round and utilize Just-in-Time (JIT) delivery principles based on pinpoint scheduling. Just-in-Time requires a great deal of flexibility and reliability from the shipping company. Customer relationships strengthened over many years, a good reputation and a sufficiently large and interchangeable fleet provide a clear competitive advantage for Aspo Shipping.

Aspo Systems: Total Petrol Station Automation – Reliably

The Aspo Systems strategy is to act as a long-term partner for the market's leading service station chains by providing reliable, cost-effective automation solutions. These chains require dependable suppliers with state-of-the-art automation systems and equipment and, most importantly, maintenance services that ensure uninterrupted operations. With its extensive maintenance services and technologically advanced systems, Aspo Systems can provide service stations with a reliable total service.

Last year, Aspo's earnings reached an all-time high. It gives us a solid platform from which we can take a leap into a fully new size category through a remarkable acquisition.

By the time this annual report goes to print, Aspo has carried out the most significant acquisition in its history. Kauko-Telko, acquired from Kesko, will take Aspo to a new size category and provide us with a stronger basis for profitable enhancement of operations, especially in the growing, dynamic Eastern markets.

In connection with this acquisition we have gained a fourth line of business - that is, the strong Leipurin brand, and industrial raw materials that perfectly suit the Chemicals Division. Expansion into food industry raw materials, equipment and services provides us with more stability and thus evens out operational risks. This business has a strong position and immense growth potential in the Eastern markets. Industrial raw materials enhance the Chemicals Division's product range and strengthen its role as one of the most significant players in the Baltic Sea area.

One success factor for this category is the creation of a uniform corporate culture. Aspo and the new operations have much in common, also historically. Both Leipurin and Aspo were born around the cooperative concept, and that tradition is still alive in the companies' spirit. Similar basic values provide a most positive basis for the construction of a new, common future.

We firmly believe that we are just the right kind of owner for the new operations: a persevering developer who is ready to lead the acquired operations with a new vigor. For example, the respected Leipurin brand will be moved into the spotlight as one of our core businesses. We want to have our new brands in top shape and ready for the strong growth potential in the Baltic region; that is why we will invest in all of them.

In addition to historical facts, modern business operation models are common to Aspo and the new operations. Close customer relationships based on mutual trust and respect are central in all operations. The customers are offered services comprising large entities, not just single deliveries. In all of our business areas we have a central role in our customers' value chain.

The acquisition will have a positive impact on Aspo's per-share earnings. Earnings will also be generated on a larger scale than before, resulting in a new Aspo that is more balanced and has better distributed risks than before. The acquisition increases Aspo's gearing ratio but will not affect our active dividend policy.

We were ready for such a major acquisition as all of our more traditional business areas are in good shape now. We are planning to boost the newly acquired business operations into similar shape.

Last year, Aspo's earnings reached an all-time high. The comparable operative result clearly improved, and the successful vessel deal carried out by the Shipping Division took the result to a record high level.

Buying and selling ships is an integral part of Shipping's line of business. We were paid very well for Ms Arkadia, which we sold last year. Furthermore, the vessels we ordered from India some years ago were purchased at a price considerably below the current price level. Although the Shipping Division's transport capacity diminished when the vessel was sold, the division managed to boost its operations and increase the amount of transported cargo. Simultaneously, customer satisfaction further improved. All in all, the shipping company had a very successful year.

Chemicals also reached an all-time high. Powerful growth continued in the Eastern markets and the acquisition made in Denmark proved to hit the jackpot. We immediately managed to improve the net sales and earnings performance of the acquired operations. What's more, the Chemicals Division finally has a strong presence in the Scandinavian markets. It is also a more important player in the East: a wider geographical coverage has enhanced the Chemicals Division's visibility and brought along new customerships throughout the whole Baltic region.

The Systems Division's problems were associated with Sweden. An extensive restructuring program was started at the end of the year, which is expected to turn the Swedish operations profitable; a strategy focusing on the significance of the Systems Division's maintenance and comprehensive service has already proven to be successful in all other countries.

Approximately one-third of Aspo's net sales already comes from the Eastern markets. The stories in this annual report concretize the enormous potential the Eastern – especially the Russian – markets have. Companies such as Aspo that are well established in the Baltic Rim have proven to be a lower-risk way to benefit from the area's fast growth. The value of Nordic companies that have a strong position in Russia has developed better over the past few years than the RTS index, which measures the Russian equity markets.

Concentration on the Baltic Rim also means that risk factors affecting the global economy, especially problems associated with the US economy, do not have a full impact on Aspo's operations. There will always be several economies in different development stages in the Baltic area. That provides our operations with stability, even when the currency and oil prices are fluctuating.

This year Aspo's structure will change, but it has done so throughout the history of the company. We have always been a dynamic player that has actively searched for ways to add to the shareholders' value. This tradition will continue – as a matter of fact, in the prevailing operating environment, only constantly alert and adaptable companies will survive.

Aspo is dynamic because of its active and energetic employees. I wish to thank our competent and committed employees as well as our customers, other stakeholder groups and shareholders. I also wish to welcome our new employees in building Aspo into an even more remarkable company.

Helsinki, on March 3, 2008

Gustav Nyberg
CEO
gustav.nyberg@aspo.fi


002
33387

The Eastern markets are a strategic focus area and the driving force behind future growth. Russia, Ukraine, Belarus and the Baltic States already account for more than 30 percent of the Group's net sales.

All of Aspo's business areas are tightly connected with present and future growth of the Eastern markets. For example, the Russian GDP is expected to grow at an annual rate of 6 to 8 percent, and imports are growing hand in hand with GDP. In addition to machines and equipment, a considerable quantity of industrial raw materials, cars and foodstuffs is imported to Russia – and Aspo is involved in all of these product groups, either directly or indirectly.

"In Russia, Aspo has only scratched the surface. Even if the country's economic development were to suddenly slow down, we would still be able to multiply our business operations. There are plenty of growth possibilities," says Aki Ojanen, COO.

Ojanen, who started at Aspo in the fall of 2007, is responsible for developing the Group's business operations and expanding them to the Eastern market. Ojanen has extensive experience in the Russian markets, gained, for example, over several years of working in Moscow. He has a clear vision of the country's development: figures illustrating growth potential are also convincing.

"At present, there are fewer than 200 cars per 1,000 inhabitants in Russia, whereas in Western Europe the figure is 400 to 500. Furthermore, the sales of foreign cars are growing at an annual rate of about 80 percent. This means a massive and longlasting investment wave in service station chains. This is where Autotank is planning to have its share."

The Leipurin brand Aspo acquired in February 2008 also has ample opportunities to strengthen its position and market share.

"Per person, Russians consume half as much bread as Finns do. The proportion of consumption of Western-style bread is only about 5 percent. However, as Russians travel abroad, the proportion is increasing. When they return home they ask for Western bread. Hypermarkets providing good service to their customers set up bakeries that purchase the necessary machines, raw materials and bread-making know-how from Leipurin. Our objective is to create similar entities also in our other business areas. We want to be a partner that assumes responsibility for a clear part of the customer's value chain."

Worldwide Purchasing, Local Service

Fixed investments in Russia have recently taken a rapid upward turn. Investments are often associated with industries such as construction and construction companies' suppliers that serve the improvement of the country's infrastructure and standard of living. They also represent the majority of Aspokem's customer base.

Russia finances import and investments by exporting raw materials. A major proportion of the export is carried out by sea, a considerable amount in the Baltic Sea, which is ESL Shipping's home market area.

"Traffic on the Baltic Sea will grow remarkably faster than incoming and outgoing traffic. The more freely the Baltic Rim countries can trade, the better the opportunities for the services ESL Shipping provides. This means that Russian WTO membership would be a very positive thing."

According to Ojanen, expansion to the Eastern markets has clearly made Aspo a more global player. Aspo already imports raw materials to Russia from China, and in the future will do so from India. Its customers are located in the Baltic Sea area but purchases are made on a global scale.

"It is typical of the global economy that the place of production of raw materials and semi-finished products can change at a very fast pace: Iran, for example, is becoming an important raw material producer. Whatever the location, we must be able to acquire products for our customers effectively and safely, and, on top of that, customize our own unique and local service. That is why it is important that we have a strong presence where our customers are. We must not just emulate what we have previously done, for example, in the Nordic countries."

Diverse Operations Help Entering New Markets

According to Ojanen, Aspo is one of the Finnish companies that have established themselves strongly in Russia. Aspo has had subsidiaries selling imported products in the internal markets to Russian customers for a long time. It has hired many local employees and, as one of the few foreign companies, a local president.

"We have been operating in the East for so long that it is nothing exotic for us. It is a market area as any other, and we must be able to evaluate it without any extra emotions. It is an ability that is central for success, and, in Aspo, it has evolved along with persistent work. Russia, Ukraine and Belarus are part of our home markets."

Aspo will expand its presence outside the traditional Russian metropolises of St. Petersburg and Moscow – Aspo already has customers all over the country.

"Companies such as Aspo, based on human know-how, may be able to expand in Russia very rapidly. Major investments are not necessary. Making use of our current strengths, we will be able to establish ourselves in the 11 Russian cities with over one million inhabitants," Ojanen says.

Risks associated with expansion can be kept to a minimum when we manage the delivery chains ourselves and carefully select our customers. Aspo has many customers in Russia – a crucial risk management factor.

Managing the whole delivery chain and diverse business operations are factors that build trust. Those who succeed are typically involved in a wide range of businesses. For Aspo, diversity is a very cost-efficient and safe way to establish new operations. All information relating to the legislation, risks and know-how of local markets can be efficiently utilized in different business areas.

A Move in the West Boosts Advances in Eastern Markets

The Russian subsidiary already accounted for one-third of Aspokem's earnings. At the beginning of this year, Kari Tiiri handed over the task of leading the company to Oxana Helenius and Sergey Kolotaev.

Aspokem's expansion in the West has enhanced the company's attractiveness as a partner for major suppliers in the East as well. The share of Eastern markets already comprises one-fourth of net sales.

Last year Aspokem acquired Wilfert Chemical Nordic, a Danish distributor of plastic raw materials, and solidified its footing in Denmark, Sweden and Norway. **Jari Ranne**, President of Aspokem, says that Aspokem is now clearly viewed as a more attractive partner from the perspective of major international suppliers.

"We now offer unique geographical coverage, which makes us a very interesting partner for many players. Mature Scandinavian markets and the huge potential in the East is an attractive combination for suppliers preferring large corporations as partners. The acquisition was successful from other viewpoints as well. It diversified our expertise and we have succeeded in further increasing earnings from the acquired business," says Mr. Ranne.

In 2007 the Russian units increased their sales by almost 40 percent, while net sales tripled in the year before. Aspokem's growth is thus clearly focused on the East. The company's success is driven by the strong economic growth in Russia: the demand for raw materials within the company's field of knowledge and expertise is brisk in sectors of industry serving construction, for example.

Aspokem has extensive experience of the Eastern market. It began importing industrial chemicals from the Soviet Union to Finland and European markets towards the end of the 1970s. A representative office was established in St. Petersburg in 1995, and export of both automotive and industrial chemicals to Russia began. At the end of 2000 the time was ripe for the establishment of an independent company, OOO Aspokem.

"The timing was perfect. Many Western companies were still wary of the Russian market after the devaluation in 1998. We benefited from the drive of a new growth trend and enhanced our image in Russia. We have had a presence in the country for sufficiently long to have learned to know a large number of major players in the field. This helps us both with customer relationships and recruitment," says **Kari Tiiri**, who acted as OOO Aspokem's President until the end of 2007 and has been involved in Aspokem's Eastern trade from the start.

The past three years have been a period of strong growth. Products supplied by Aspokem are needed in the rapidly growing construction, printing, paint and technochemical industries, for example. Meanwhile, OOO Aspokem's personnel have increased to about 40 people. In addition to St. Petersburg, the company has sales personnel in Moscow and distributors in the largest other cities, such as Yekaterinburg and Novosibirsk.

Power and Responsibility to Local Hands

A concrete expression of Aspokem's established position in Russia is the change in leadership at the beginning of this year. As Kari Tiiri retired, the task of leading OOO Aspokem was divided between **Sergey Kolotaev**, President, and **Oxana Helenius**, Vice President. Mr. Kolotaev is responsible for industrial chemicals and logistics, while plastics and administration fall under Ms Helenius's responsibility.

Mr. Kolotaev has been in the service of OOO Aspokem since the company was established.

"During the first year of operations we had five products, and now the figure in industrial chemicals is about 50 – the product range is already larger than in Finland, for example. The goal is to increase the product range by about ten new products annually. This also means expansion into new fields of industry – for instance, raw materials in the food and cosmetics industries. The geographical product procurement area will also expand; the share of China and Asia, for example, will certainly grow," says Mr. Kolotaev.

The main goal for Ms Helenius, of Ukrainian birth, is to increase the sales of engineering plastics and their proportional share as well.

"In the field of engineering plastics, the role of product expertise in competition is nothing if not equally important as the right price. This means that operations with engineering plastics may be considerably more profitable than those with volume plastics. Our Russian customers appreciate our know-how in raw materials. The goal is to deepen our knowledge of the products' characteristics and the way they behave in the customers' production processes. This allows us to develop more intensive customer relationships and offer more added value," says Ms Helenius.

The Western Operational Culture Is Gaining Ground

Over the past few years a number of large Western companies have started production in Russia. Their subcontractors will become subject to stringent quality requirements: both products and procedures must meet high standards.

"We can help Russian subcontractors to respond to such demands. The more professional production in Russia becomes, the better for us. We often sell our customers not only products but also a broader concept of a Western way of operating and utilizing new technologies," says Ms Helenius.

The Russian operating environment is developing more and more towards favoring companies such as Aspokem, operating in compliance with legislation. The authorities are taking more forceful action to intervene with illegal imports and, for example, have seized the stocks of actors guilty of illegal activities. However, the main reason behind our success in the Eastern market is expert personnel, who are also given a large share of the responsibility.

"OOO Aspokem's operating policy emphasizes reliability and transparency. The sales personnel are responsible for the whole value chain: each of them deals with both the raw material producer and the customer. This gives each one a better overall view of the whole market. Such a culture of sharing responsibility has also proven to be an effective human resources policy. Aspokem's personnel turnover has been very low," muses Mr. Kolotaev.

Growth in New Products and New Markets

At present, almost 50,000 drums of raw materials are mixed and repacked in Aspokem's storage facilities in St. Petersburg each year. Negotiations are in progress for a larger terminal close to St. Petersburg, which would enable the company to close larger deals and boost the growth of operations even further. With Russia's membership of the WTO, volumes will grow even more, so the terminal is clearly needed.

The pace is fast elsewhere in the East as well. Sales have developed well in the Ukraine but the weakening of the local currency affected earnings in 2007. Last year also saw the start of operations in Belarus.

The growth of the Eastern markets also provides opportunities for expanding our product range. Aspokem's new unit that looks for new business opportunities has already generated significant results during its short period of operations. The experts at the unit serve customers who are experiencing price or quality issues with a product sold by another distributor. On the basis of such feedback they look for alternative raw material producers for the customers. For example, a lot of different pigments used by brick manufacturers have been imported to Russia from China. Besides China, raw materials have been imported from India, for instance.

Aspokem is the leading distributor of plastics and chemicals in Finland and its neighboring areas. Specialist know-how and reliable service make Aspokem an efficient link between the raw material producers and end users.

The division's strength lies in specialist know-how, acquired over many years, related to the raw materials required in its customers' processes. Aspokem has three business areas: Industrial Chemicals, Plastic Raw Materials and Automotive Chemicals. In addition to Finland, the division has operations in Russia, Ukraine, Belarus, Estonia, Latvia, Lithuania, Sweden, Denmark and Norway.

Customers and Added Value

Our industrial chemicals customers include companies working in the coatings and paints, inks, process, feed, chemicals and pharmaceutical industries. Our competitive advantage derives from the most versatile storage system in the business, efficient logistics, a comprehensive product range and long-term cooperation with some of the leading international chemical manufacturers.

Our plastic raw material customers include both electrical and electronics companies, as well as firms producing various consumer goods. We supply these customers with engineering and volume plastics. In plastic raw materials our competitive strengths include the largest product range in the business, efficient logistics and technical support service in combination with custom deliveries, feeding material directly into the customer's production process.

The Automotive Chemicals unit manufactures branded products from our own raw materials. Zero and Polar are the leading coolant brands in Finland and the Baltic countries.

Fiscal 2007

In 2007, net sales grew by 40 percent and earnings by 20 percent from the previous year. Two-thirds of the increase of net sales came from the acquisition of the Danish Wilfert Chemical Nordic in March 2007. Of the business units, the Industrial Chemicals unit in Russia recorded the best result. Plastic Raw Materials also reported good earnings, especially in Finland and other Nordic countries. In Finland, Industrial Chemicals made a loss – increasing competition had a negative impact on profitability. In Ukraine, the development was disappointing. In Industrial Chemicals, the product range is still under development; furthermore, the country's currency weakened, causing a decrease in profitability.

Key Earnings Factors

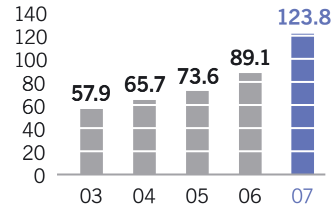
The prices of raw materials change very quickly, which underlines the importance of accurately timed purchases. About a fifth of the purchases are made in US dollars, which means the weakening of the dollar improves the division's earnings. The impact of weather accounts for no more than a quarter of Automotive Chemicals earnings. In terms of demand, the optimal winter is mild and muddy.

In the EU countries, the new European chemical regulation REACH may, at worst, result in the chemicals industry relocating its operations outside the EU area. Aspokem expects the biggest growth in the next few years to take place in the Eastern markets, especially in Russia and Ukraine.

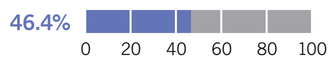
Aspo Chemicals

Net Sales

MEUR

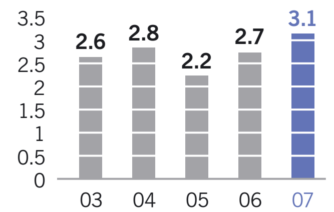


Share in Group Net Sales

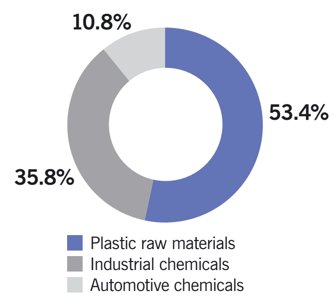


Operating Profit

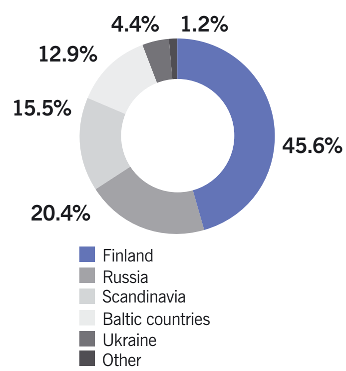
MEUR



Net Sales Distribution



Net Sales Distribution by Country



Expertise and Location Create our Competitive Edge in the Baltic Sea Market

Knowing the special characteristics of different ports is part of the expertise needed in traffic planning. Urmas Sepp from ESL Shipping maintains contact with Russian port authorities almost daily.

The Baltic Sea is one of the most rapidly growing transport markets in the world. ESL Shipping, with its many years of experience in Russian transport, occupies an excellent position in this market, thanks to its expertise and geographical location.

Growth is driven by the rapid development in Russia; raw materials are being exported in large volumes and growing numbers of both industrial and consumer products are being imported. Another factor making the economic area surrounding the Baltic Sea extremely interesting is that the countries in the area are at different stages of development and have different operating environments and cultures. This creates stability in the area: even with risk factors affecting the world economy, the Baltic Sea region will have a number of economies undergoing rapid growth.

By far the largest customer group for ESL Shipping is the steel industry. The energy industry comes second with its substantial imports of energy coal from Russia. In practice, the demand for coal is not expected to exhibit any large or rapid changes. In Helsinki, for example, more than half of district heating and more than one-fourth of electricity is currently generated from coal.

"New coal-fired power plants are being built in Germany, so the demand for Russian coal in Europe will most probably continue to grow," says Markus Karjalainen, President of ESL Shipping.

In coal transport in the surrounding areas, ESL Shipping is able to draw on its in-depth knowledge of practices in the Russian market. This is a competitive edge based on expertise accrued over years of work and through personal relationships.

In particular, expertise is required in order to decipher the numerous factors affecting the coal trade in Russia and the role of the different parties. All these aspects have an impact on how efficiently a shipping company is able to operate in the country's ports and plan its traffic.

A Good Grasp of the Hierarchy of the Coal Trade is Vital

The actual coal trade is mainly conducted in Central Europe and Russia. Some of the suppliers are traders in coal and some are sales companies owned by coal producers. ESL Shipping enters into transport agreements with about ten different suppliers. The size of the suppliers plays a role, particularly when problems arise with the availability of coal at ports. And problems with availability are a typical part of the operating environment for coal transport, despite the development of the Russian infrastructure.

As problems with availability arise, the sellers decide on the order in which they serve their customers. Suppliers, on the other hand, have a number of contractual partners, and the size and date of the contracts, for example, affect the service order. In turn, the availability of coal is affected by the way different players are allocated trains and coal cars, for example. Having a grasp of this hierarchy and knowing its rules is of vital importance to a shipping company.

"We must be well informed of the impact of these various factors on the availability of cargo. We must be sure that the cargo has reached the port when the vessel arrives for loading. This enables us to attain a vessel routing that is as effective as possible, and eliminate situations where ships are idle at ports waiting for cargo. This is extremely valuable know-how in Russian operations," says Mr. Karjalainen.

Expertise has accumulated over a long time. Part of this expertise derives from the personal relationships between ESL Shipping's personnel and people playing influential roles in main Baltic ports. Urmas Sepp, who is in charge of vessel routing at ESL Shipping, has become familiar with ports in the Gulf of Finland over a period of 15 years.

"In practice, we have contact with Russian ports covered by our routes every day. We discuss the current situation with the port authorities, such as the availability of cargo and the schedules of the port and our vessels. We always aim at finding a win-win solution for both, so that operations are as efficient as possible and ports avoid congestion," says Sepp.

The Shipping Company and the Port Are on Familiar Terms

Relationships are also being built outside daily operations. For example, ESL Shipping employees meet with Vysotsky port authorities a few times per year and discuss ways to improve cooperation and eliminate bottlenecks at ports. ESL Shipping's views are appreciated since it is an important shipping company for the port.

"There are a limited number of ice-strengthened vessels on the seas. We run some of them, and thus we also play a significant role in keeping the port fully operational during the winter," says Sepp.

The recent deterioration of the relations between Russia and Estonia has affected coal transport so that, in practice, Russian coal is not transported through Estonian ports. Consequently, Russian ports, particularly Vysotsky and Ust-Luga, have become increasingly congested.

"When we know in advance what is happening, we are able to plan efficient solutions for our own fleet. Therefore, it is important to have positive and direct relationships, intensified by practical co-operation, not only with port authorities but also with customers and raw material suppliers."

ESL Shipping has been operating in Russian traffic for a long time. During this time it has accumulated such strong expertise that it constitutes a distinct competitive edge for the company. This expertise is scalable by nature and may also be expanded to other raw material transport.

The Baltic Sea Is ESL Shipping's Home Market

Another competitive edge for the company arises from its geographical location.

"Should there be any problems with the availability of cargo, we can load replacement cargo at a nearby port. If a Western or Central European shipping company sends a vessel on the Baltic Sea for cargo that happens to be three days late, it has no option but to wait. We, on the other hand, have time to call for replacement combinations and keep the vessels in traffic," says Mr. Karjalainen.

The fleet's operations last year provide concrete evidence of efficiency: the amount of cargo carried by the shipping company increased, even though the largest ship in the fleet was removed from operation. ESL Shipping's position will be reinforced this year and next year when new Eira-class vessels particularly designed for the demanding Baltic Sea traffic will be completed.

According to Mr. Karjalainen, the Baltic Sea provides ample opportunities. Transport of various raw materials in Russian traffic still holds a lot of growth potential as the infrastructure at the country's ports improves. The more mature Baltic markets also hold potential should the shipping company decide to expand its operations to new customer segments.

"We know how to operate in the Baltic Sea and this expertise can also be utilized in potential new product areas. The Baltic Sea, as such, is a very interesting market. It follows the main trends in the transport market but cuts out the extremes. We will not see the most excessive hype here, nor any large crashes either. The Baltic Sea is relatively stable as a market area, which also makes risk management easier."

ESL Shipping is the leading dry bulk sea transport company operating on the Baltic Sea. Important raw material deliveries make ESL Shipping an integral part of its customers' value chain.

ESL Shipping's strengths include its customer relationships built on long-term trust. The shipping company's operating range covers the entire Baltic Sea region. Its self-discharging vessels are designed specifically to operate in the demanding Baltic conditions. The ice-strengthened and shallow draft ships are able to enter safely even the shallowest ports fully loaded. All vessels are also equipped with forward thrusters and on-deck cranes. This reduces the ships' dependence on port handling services and tugboats. In addition, the vessels can also load and unload rapidly at sea. More detailed information regarding the fleet is available at www.eslshipping.fi.

Customers and Added Value

The Shipping Division's main customers are in the steel industry and energy industry. Deliveries for the steel industry mainly include iron ore and pellets (35.5% of cargo), coal (12.1%) and limestone (11.8%). The energy industry receives deliveries of energy coal (31.7%).

The company derives its competitive advantage from its competent personnel and a sufficiently large modern fleet comprising various-sized vessels, which enables flexible and efficient operations. Apart from two time-chartered vessels, all ships sail under the Finnish flag and have a Finnish crew. The shipping company's share of the total mercantile fleet sailing under the Finnish flag is 18 percent.

Fiscal 2007

In 2007, ESL Shipping's net sales and earnings increased. At the beginning of the year, the fleet's largest vessel, Ms Arkadia, was sold. The ship was relatively old, and the market situation for used vessels was favorable. The deal resulted in a sales profit of approximately EUR 10.2 million. The deficit in capacity was replaced by intensifying operations and increasing the fleet's utilization rate. Thanks to the strong condition of the steel industry, the sector's shipping volume increased. On the other hand, the amount of transport for the energy industry decreased somewhat. Demand for transport capacity remained good for the whole fiscal period. However, due to the cargo availability problems in Russia, vessels were not always operated in the best manner economically. Thanks to favorable weather conditions and the increase in freight rates, year-end earnings were better than expected.

Key Earnings Factors

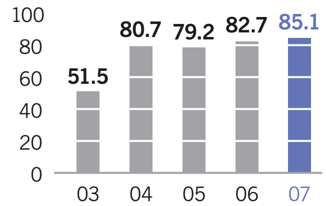
The Baltic Sea is a stable market: there is stability in raw material demand and in long-term customer relationships. Changes in ocean freight affect this market with a lag and on a smaller scale. Of all the products that ESL Shipping transports, the volumes of energy coal vary the most. However, the delicate balance between the production and consumption of electricity is expected to keep consumption at the current level at minimum.

For long-term contract terms and conditions, the effect of vessel fuel prices is taken into account. In other contracts, futures markets are used to hedge against price risks, as necessary. Due to hedging, changes in fuel prices and currency rates do not have a strong impact on earnings.

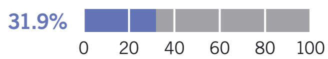
Aspo Shipping

Net Sales

MEUR

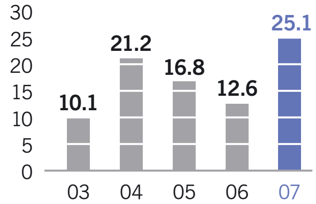


Share in Group Net Sales



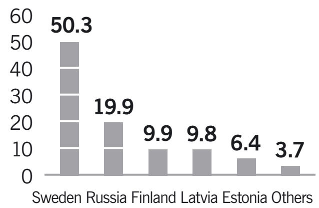
Operating Profit

MEUR

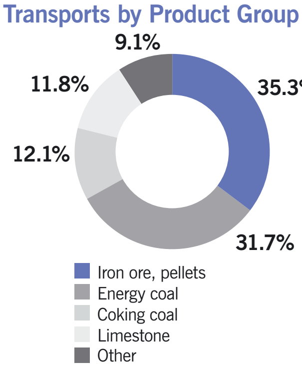


Cargoes by Country

%



Transports by Product Group



The Growing Number of Cars in Russia Boosts Investments in Service Stations

The increase in traffic can be seen on the new ring road in St. Petersburg. Evgeny Kynin from Autotank believes that the country will see new stations being built in large numbers over the next few years.

Autotank is ready to reap the benefits of the impending surge of investments in the service station market. Investments in service stations are driven by rapid growth in the number of cars in the East and by EMV chip card upgrades finally starting in the West.

The motor vehicle population in Russia is growing rapidly and growth is particularly strong in initial registrations of foreign cars. At present, there are 180 cars per thousand people, while the figure in Western Europe is 400–500. Imports of foreign cars are growing at an annual rate of 80%.

This gives rise to new demands concerning not only the availability of fuels but also their quality. More service stations are being built and they must offer higher-quality liquid fuels. At the same time, the safety and environmental impact of service stations are being monitored more closely. The authorities have even closed service stations down if their fuels have not met the quality requirements. All this calls for new investments in service stations.

"The current number of service stations in Russia is about 24,000. When roads are being improved, a lot of new stations will be built," says Evgeny Kynin, head of Autotank's Russian operations.

According to Mr. Kynin, the demand will focus on unmanned, automated stations. The price of land in the cities is high, and thus small and efficient stations will become common. In addition, higher fuel prices as well as increased labor costs tip the scale towards unmanned stations.

Mr. Kynin launched OOO Autotank's operations in the autumn of 2005. Before that, he worked at Lukoil, one of the largest oil companies in the world. Currently, Lukoil is one of OOO Autotank's most important customers. Teboil, which Lukoil has acquired in Finland, was previously Autotank's customer and with the acquisition Lukoil has gained a broader vista on Autotank's expertise.

"Lukoil is a very attractive partner as it wants to be a high-tech company. This shows in development projects related to card payments, for example. Lukoil has its own card company, Licard, which utilizes high-technology smart cards in payments," says Mr. Kynin.

Expanding to New Cities with Our Customers

Currently, OOO Autotank's main market area is northeastern Russia. Mr. Kynin's prime goal is to expand operations more forcefully in Moscow. He also sees opportunities to expand operations elsewhere in Eastern Europe by means of the Lukoil partnership.

"Lukoil currently has a presence in about 30 countries. We have received invitations through Licard to present introductions to our offering in Serbia and Romania, among others. Oil countries, such as Kazakhstan, also possess interesting potential from Autotank's perspective."

OOO Autotank currently employs six people. The company has in-house programming know-how, for example, so it can tailor payment terminals to local requirements.

Since Russia, as yet, has no uniform bank card system, the oil companies' own payment cards are paving the way towards card payments. However, bank cards are becoming more common, and more advanced service stations are showing growing interest in them.

EMV Will Increase Investments in the West

In Autotank's Western market areas, the main change in the near future is the replacement of payment cards with a magnetic strip with EMV chip cards. In Finland, Autotank's products have been EMV certified and the first deliveries will reach customers in the spring of 2008.

"After Finland, the chip card upgrade will proceed to the Baltic countries; Estonia is expected to certify products in the first quarter of 2008. In Sweden, certification will probably take place during the first half of the year. We are currently conducting a number of discussions related to EMV investments with our Nordic customers," says Lars Lindell, President of Autotank.

Expectations concerning a chip card upgrade are also high in Poland, which is one of Autotank's market areas with the greatest potential. Overall, EMV will be one of the most important projects in the service station business in the next few years. Being granted the first EMV certification has also clearly increased Autotank's attractiveness as a partner generally. The company has received inquiries from all over Europe.

"With EMV, other investments are being made in service stations. A number of oil companies have put off other equipment and system upgrades over the past few years in order to implement them in connection with EMV work," says Mr. Lindell.

With the EMV upgrade, the share of equipment and system deliveries in Autotank's net sales will increase from the current share of roughly one-third. However, the bulk of net sales will continue to be harvested from maintenance services, which play an important role for the smooth operation of service stations.

A Larger Part of the Value Chain

Oil companies also invest a great deal in maintenance as a growing proportion of the sales of the retail-outlet-type service stations offering both convenience store and restaurant services are linked to the functionality of fuel distribution. Mr. Lindell emphasizes Autotank's unique value chain concept, in which the oil company is able to closely monitor the functionality and profitability of service stations starting from the moment fuel is unloaded at the station.

"The concept is crystallized in the expression 'from the tank to the bank'. Our technology and services provide for everything that takes place at the station, from wet stock management to real-time profitability monitoring. Thanks to the Smartnet control system, station owners are able to manage their operations efficiently. They can obtain an income statement and the book value of inventories for any individual service station even daily if desired. Smartnet also enables owners to obtain information on key figures related to station maintenance: the number of maintenance interventions and their outcome."

"We provide oil companies with a very comprehensive service: systems, equipment and maintenance in an integrated package. From an oil company's perspective, this means smoothness, reliability and real-time control over stations' operations and profitability. For their customers, this means quick, easy and safe transactions. The more comprehensive services we are able to offer to oil companies, the more important the role we play as a strategic partner."

Mr. Lindell is confident that the rapidly growing Eastern markets will also generate demand for Autotank's broader offering in the near future.

"At present, Eastern markets account for about five percent of net sales. However, their importance is higher in terms of earnings. We anticipate the share of the Eastern markets to double every year over the next few years. Our product range is in top form and we are ready for rapid, strong advances with both current and new customers."

Autotank is the leading Nordic provider of automation systems and maintenance services for service stations.

Autotank's strength is an overall service package for service station chains that includes customized systems as well as efficient maintenance operations. With Autotank's products and services oil companies can manage everything that takes place at the station, from wet stock management to sales monitoring. Autotank's product portfolio includes outdoor payment terminals with an online verification feature, site controllers, point of sale systems, dispensers, wet stock management systems as well as a wide range of installation and maintenance services.

Autotank has operations in the Nordic and Baltic countries, Poland and Russia. Sweden accounts for 45% of total net sales, Finland for 25% and Norway for 25%. Maintenance services generate two-thirds of Autotank's net sales.

Customers and Added Value

Autotank's customers are both international and local fuel retailers. They are offered a comprehensive service where equipment, systems and maintenance are an integrated package. For service stations this means reliable operations and the possibility to monitor the profitability of stations in real time.

Operations are planned with consumer needs in mind. Autotank runs a "Fuel, Pay & Go" concept, which stands for quick, easy and safe fueling services 24/7. Autotank's products and services help ensure that customer service stations are always in good working order. This service is provided to unmanned stations, large retail stations and traditional service stations alike. This business concept has allowed Autotank to take a leading market position in its sector.

Fiscal 2007

In 2007, Autotank's net sales increased and operational earnings improved. Thanks to the efficiency improvement program carried out in 2006, Finland and Sweden reached, and, in some cases, surpassed the goals set. Baltic, Polish and Russian companies also reached their financial targets. In Sweden, on the other hand, new efficiency improvement measures reducing costs and increasing profitability were needed at year-end. The impacts of these measures will be discernible from the second quarter of 2008 onwards.

In the Nordic units, a new ERP system was introduced at the beginning of 2007. The transfer caused some unexpected delays in, for example, invoicing and maintenance work recording. After the initial difficulties, however, the system boosted operations. On November 5, 2007, Lars Lindell assumed the position of Autotank's new president.

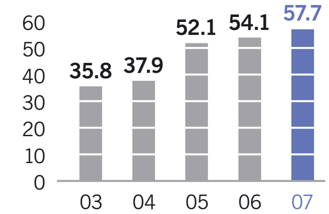
Key Earnings Factors

The winter months of the first half of the year affect performance in the form of more sluggish demand for maintenance and installation projects. The majority of Autotank's net sales is generated outside the euro zone while costs are primarily euro-based, which means that the strengthening of the euro tends to weaken earnings to some extent. The biggest earnings factor in 2008 will be the chip card reform: All payment terminals must be replaced by the end of 2010.

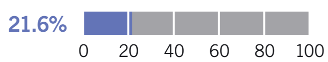
Aspo Systems

Net Sales

MEUR

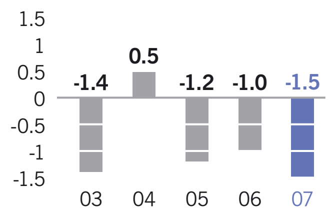


Share in Group Net Sales



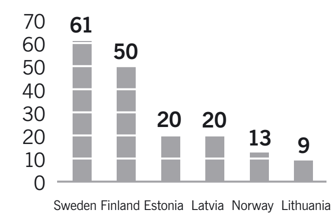
Operating Profit

MEUR

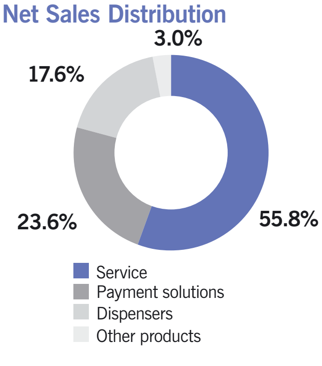


Unmanned Stations as a Proportion of All Service Stations

%



Net Sales Distribution



Having a good environmental reputation is a key factor in Aspo's success. Products that enhance safety and operations that meet strict quality criteria also create new business opportunities.

Aspo's customers and partners have paid considerable attention to environmental issues. For example, Aspokem's major international clients select their partners very carefully – a fact that shows that Aspo manages its environmental issues impeccably. Similarly, Autotank's customers, large international oil companies, expect that their partners provide safe products and reliable service. The better environmental issues are managed, the better competitive advantage they offer. New environmentally friendly technologies and a preemptive approach also create new business opportunities for Aspo. Customers appreciate innovations and services that help them improve their own environmental reputation.

Aspo's environmental policy is currently being updated; environmental issues have been integrated into the company's strategy process. The Group's environmental policy provides guidelines for subsidiaries' use when they are developing their own operating policies. The Group's divisions are responsible for environmental issues, and usually the unit's manager is the person in charge.

Environmental policy is based on legislation: however, Aspo wants to address critical environmental issues beyond the minimum requirements of laws and regulations. We want to be pioneers in all of our operations and also anticipate future developments in environmental regulations.

A central principle covering Aspo's environmental policy is ongoing operational improvement. Throughout our operations we support the principles of sustainable development.

Aspo aims to use technologies that have minimal environmental impact and to avoid hazardous consequences. Furthermore, we train and encourage our employees to operate in an environmentally responsible way. Environmental issues are promoted by supporting employees in using public transport and using low-fuel-consumption company cars.

Aspo monitors changes in environmental issues proactively and continuously seeks ways to further improve monitoring. Precise action and communication plans for exceptional situations have been drawn up. Aspo also seeks to participate in national and international environmental projects.

Technologies and Operating Policies Are Continuously Developed

The clients of Aspo Chemicals consider a good environmental reputation to be one of the necessary operational preconditions. Some clients are not satisfied with just certification and want to personally audit the distributor's quality and environmental systems.

Aspo Chemicals follows the certified ISO 9001 quality management system. Aspo Chemicals strives for zero accidents at all operation levels in environmental, health and safety matters. No major accidents have occurred in the past 12 years.

Aspo Chemicals is also involved in a version of the Responsible Care program that concentrates on chemicals trade. One element of the program is commitment to the continued voluntary improvement of environmental, health and safety affairs. Commitment has been verified by an external ESAD II assessment.

Aspo Chemicals monitors the emissions of volatile organic compounds (VOCs) and the amount of chemical packages and hazardous waste. The VOC emissions from the Rauma terminal have decreased from eight metric tons in the late 1990s to five tons per year.

REACH, European Community Regulation on chemicals and their safe use entered into force on 1 June 2007, and it applies to Chemicals entire product range.

The operations of Aspo Shipping have been certified in accordance with the requirements of the International Safety Management (ISM) Code of the International Maritime Organization (IMO). The purpose of the ISM Code is to provide an international standard for the safe operation of ships, and for pollution prevention. The certificate involves annual audits. All vessels also meet the requirements of ISPS (the International Ship and Port Facility Security Code). Aspo Shipping has also been awarded the ISO 14001 environmental certificate.

Another safety-boosting element is that all vessels are ice-strengthened. What's more, personnel are familiar with the ports, channels and conditions of the Baltic Sea. Apart from two time-chartered vessels, all ships sail under the Finnish flag and have a Finnish crew.

The shipping company aims to transfer to bio-based oils and operate the machines as economically as possible. The vessels use low-sulfur fuels (sulfur content $< 1.5\%$).

Ships are the most ecological alternative for transporting large cargoes. The carbon dioxide emissions of a large cargo ship, in relation to the size of the cargo and the length of the voyage, are 30 percent of the emissions of a combination of vehicles and less than 3 percent of the emissions of an airplane.

For Aspo Systems, environmental considerations represent a key value that guides product development and maintenance services planning. Service station safety is an important corporate image consideration for major international oil companies, which is why there are stringent demands on service station equipment and systems. As a result, the latest technology in the field is being utilized in the manufacture of each piece of equipment.

Aspo Systems assumes responsibility for the entire lifecycle of the critical technology employed at service stations. Services include environmentally friendly high-technology products, remote diagnostics to enable leakage alarms and a preventive maintenance service that reduces service disruptions and the risk of accidents.

Corporate Governance

Members of Aspo's Board of Directors – Esa Karppinen, Kari Stadigh, Matti Arteva and Kari Haavisto and Roberto Lencioni shown on the next spread – owned in aggregate 7.5 percent of Aspo's shares at year-end 2007.

Corporate Governance

Aspo Plc's decision-making and administration are based on the Finnish Companies Act and the company's Articles of Association. Aspo Plc's shares are listed on the OMX Nordic Exchange Helsinki, and the company follows the rules and regulations for listed companies issued by the Helsinki Exchange. Aspo also complies with the Corporate Governance Recommendation for listed companies issued by the Helsinki Exchange with the exception that the Board of Directors has not deemed it necessary to set up committees; instead, the entire Board participates in the preparation of matters.

Group Structure

Aspo Group's parent company Aspo Plc is a Finnish public company domiciled in Helsinki. The highest authority for the management and operations in the Aspo Group is held by the statutory bodies of Aspo Plc, which are the Annual Shareholders' Meeting, the Board of Directors and the Chief Executive Officer.

It is the task of Aspo Plc to own and control assets, control the operations of subsidiaries and other business units, as well as centrally manage issues relating to the administration, financing and strategic planning of all Group companies, as well as to plan and implement financially viable investments.

The operations of Aspo are carried out by its subsidiaries. The operational organization is divided into three divisions and Group headquarters operations. The three divisions are Aspo Chemicals, Aspo Shipping and Aspo Systems.

Annual Shareholders' Meeting

The Annual Shareholders' Meeting is called by the Board of Directors and it is held, as a rule, once a year.

Notice of the Annual Shareholders' Meeting shall be published in national newspapers not earlier than two (2) months and not later than seventeen (17) days prior to the meeting. In addition, the notice and the Board of Directors' proposals to the Annual Shareholders' Meeting will be published in a stock exchange bulletin and posted on the company's website.

Aspo Plc

Aspo Chemicals	Aspo Shipping	Aspo Systems
Aspokem Ltd + subsidiaries	ESL Shipping Ltd + subsidiaries	Autotank Ltd + subsidiaries

A shareholder is entitled to bring matters pertaining to the company for discussion at the Annual Shareholders' Meeting if he or she makes this request to the Board in writing and in sufficient time to have the matter included in the notice of the Annual Shareholders' Meeting.

At the Annual Shareholders' Meeting, the financial statements are approved, decision is made regarding the distribution of earnings and the members of the Board and the auditor are elected. Any decisions made at the meeting will be disclosed in a stock exchange bulletin after the meeting.

Board of Directors

According to the Articles of Association, the Board of Directors of Aspo Plc is to comprise not fewer than four and not more than eight members. The number of members of the Board is determined at the Annual Shareholders' Meeting, where its members are also elected. The members of the Board of Directors elect a chairman and a vice-chairman from amongst themselves. In the Annual Shareholders' Meeting of 2007, five Board members were elected. The members' term of office ends at the end of the Annual Shareholders' Meeting following the election.

More than half of the members present, including either the chairman or the vice-chairman of the Board, constitute a quorum.

The duties and responsibilities of the Board of Directors are set out in the Articles of Association, the Finnish Companies Act and other applicable legislation. Aspo Plc's Board of Directors has confirmed a written agenda, which states that the matters to be handled by the Board include:

- Group strategic policies and divisional strategies
- Group structure
- Group financial reports and financial statements
- Group business plans, budgets and investments
- Expansions and reductions of operations, acquisitions/divestitures of companies or operations
- Group risk management, insurance and financial policies
- Group environmental policy
- Management remuneration and incentive systems
- Appointment of the CEO

The Board will perform an annual self-assessment of its activity and working methods.

In 2007, the Board of Directors held 11 meetings, three of which were teleconferences. All Board members were present at each meeting.

Board Membership Fees

The Annual Shareholders' Meeting approves Board membership fees and reimbursement guidelines annually. Board membership fees are paid in cash.

The 2007 Annual Shareholders' Meeting approved the chairman's monthly fee of EUR 2,300 and EUR 1,300 for other members. Board members with a full-time position in an Aspo Group company are not paid a fee. Travel expenses will be reimbursed in accordance with Aspo's general travel guidelines.

In 2007, Aspo Plc Board members were paid a total of EUR 90,000 in fees.

Board Members

Kari Stadigh

born 1955, Chairman
M.Sc. (Eng.), BBA

Deputy CEO, Sampo Plc, 2001–

Chairman of the Board since 2000, Member of the Board since 1999

Key Work Experience

President, Sampo Life Insurance Company Limited, 1999–2000

President, Nova Life Insurance Company, 1996–1998

President and COO, Jaakko Pöyry Group, 1991–1996

President, JP-Finance Oy, 1985–1991

Key Positions of Trust

Chairman of the Board: Alma Media Corporation, If Skadeförsäkring Holding AB (publ), Sampo Life Insurance Company Ltd and Kaleva Mutual Insurance Company

Holdings and Fees

Shareholdings in Aspo Plc on December 31, 2007: 800,000 or 3.03% of the total number of shares

Changes during fiscal 2007: - 200,000 shares

No holdings or rights based on a share-price-related compensation system.

Fees in 2007: EUR 27,600

Matti Arteva

born 1945, Vice-Chairman, independent Member of the Board
Engineer

Vice-Chairman of the Board since 2000, Member of the Board since 1999

Key Work Experience

Senior Adviser, Rautaruukki Oyj, 2005

President, Rautaruukki Oyj Metal Products 2003–2004

Chief Executive Officer, Asva Ltd, 1993–2003

Management positions, Aspo Ltd, 1975–1993

Manager, Oy Telko Ab, 1970–1975

Key Positions of Trust

Board Member: Komas Oy, Europress Group Oy and Mesera Corporation

Holdings and Fees

Shareholdings in Aspo on December 31, 2007: 225,324 or 0.85% of the total number of shares

Changes during fiscal 2007: + 8,400 shares

No holdings or rights based on a share-price-related compensation system.

Fees in 2007: EUR 15,600

Kari Haavisto

born 1941, independent Member of the Board
Lic. Sc. (Econ.)

Member of the Board since 1999

Key Work Experience

Chief Financial Officer, Metsäliitto Group, 1992–2003

Executive Vice President, Metsä-Serla, 1987–1992

Management positions, Nokia, 1976–1987

Key Positions of Trust

Member of the Board: Exel Oyj and Evli Bank Plc

Holdings and Fees

Shareholdings in Aspo on December 31, 2007: 4,000 or 0.02% of the total number of shares; Fundum Oy 161,000 or 0.62% of the total number of shares

Changes during fiscal 2007: - 35,000 shares (Fundum Oy)

No holdings or rights based on a share-price-related system.

Fees in 2007: EUR 15,600

Roberto Lencioni

born 1961, independent Member of the Board
LL.B.

Managing Director, Oy Gard (Baltic) Ab, 2003–

Member of the Board since 1999

Key Work Experience

Management positions, Oy Baltic Protection Alandia Ab, 1990–2002

Managing Director, Oy Baltic Insurance Brokers Ab, 1994–2001

Sales Manager, Aspocomp Oy, 1988–1990

Group Lawyer, Aspo Group, 1986–1987

Key Positions of Trust

Vice-Chairman of the Board: ESL Shipping Ltd

Holdings and Fees

Shareholdings in Aspo on December 31, 2007: 9,288 or 0.04% of the total number of shares

Aspo's convertible capital loan: EUR 155,000

No changes in holdings during fiscal 2007.

No holdings or rights based on a share-price-related system.

Fees in 2007: EUR 15,600

Esa Karppinen

born 1952, independent Member of the Board
LL.B.

President and CEO, Berling Capital Oy, 1986–

Member of the Board since 2005

Key Work Experience

Vice President and CFO, Oy Expaco Ab, 1983–1986

Key Positions of Trust

Chairman of the Board: Amanda Capital Plc and Oy Air Finland Ltd

Member of the Board: Exel Oyj, Taaleritehdas Oy

Holdings and Fees

Shareholdings in Aspo on December 31, 2007: 794,850 (Berling Capital Oy) or 3.01% of the total number of shares

No changes in holdings during fiscal 2007.

No holdings or rights based on a share-price-related system.

Fees in 2007: EUR 15,600

Executive Board

Gustav Nyberg

born 1956, B.Sc. (Econ.), eMBA

CEO, Aspo Plc, 1999–

Key Work Experience

Management positions, Elfa International Ab, 1985–1995 and Finnboard, 1979–1984

Key Positions of Trust

Chairman of the Board: Aspokem Ltd, ESL Shipping Ltd and Autotank Ltd

Member of the Board: Foundation for Economic Education

Holdings

Shareholdings in Aspo on December 31, 2007: 736,085 or 2.8% of the total number of shares

No changes in holdings during fiscal 2007.

Aki Ojanen

born 1961, eMBA

COO, Aspo Plc, 2007–

Key Work Experience

General Director, Itella Logistics Oy, 2005–2007

CEO, Kuusakoski Oy, 2003–2005

Management positions, Kuusakoski Oy, 1999–2003

General Manager, Canon North-East Oy, 1996–1998

Management positions, Canon Oy, 1988–1996

Key Positions of Trust

Member of the Board: 3 Step IT Group Oy and the Association of Finnish Technical Traders

Holdings

Shareholdings in Aspo on December 31, 2007: 5,000 or 0.02% of the total number of shares

Changes in holdings during fiscal 2007: + 5,000 shares

Dick Blomqvist

born 1949, M. Sc. (Econ.)

CFO, Aspo Plc, 1999–

Key Work Experience

Group Controller, Aspo Plc, 1994–1999

Finance Director, Aspo Plc, 1990–1994

Finance Manager, Aspo Electronics, 1985–1990

Chief Accountant, A Ahlström Osakeyhtiö, 1975–1985

Key Positions of Trust

Member of the Economic Committee: the Association of Finnish Technical Traders

Holdings

Shareholdings in Aspo on December 31, 2007: 38,220 or 0.08% of the total number of shares

Changes in holdings during fiscal 2007: + 16,800 shares

Pekka Piiroinen

born 1969, M.Sc. (Econ.), MBA

Project Manager, Aspo Plc, 2001–

Key Work Experience

Management Consultant, Manager, KPMG Consulting Oy Ab, 1995–2001

Strategic Planning Analyst, AT&T Microelectronics, USA, 1991

Holdings

Shareholdings in Aspo on December 31, 2007: 16,250 or 0.06% of the total number of shares

No changes in holdings during fiscal 2007.

Rami Valonen

born 1972, B.S. Business Administration, B.G.S. Political Science

ICT Manager, Aspo Plc, 2003–

Key Work Experience

IT Manager and other positions, Schering-Plough Oy, 1998–2003

Systems Consultant, Sec-IT Oy, 1997–1998

Holdings

Shareholdings in Aspo Plc on December 31, 2007: 1,250 or 0.005% of the total number of shares

No changes in holdings during fiscal 2007.

Chief Executive Officer

The Board of Directors appoints the Chief Executive Officer of Aspo Plc. The Chief Executive Officer is responsible for the management and development of the company's business and for operational management in accordance with the instructions of the Board of Directors.

The terms and conditions of employment are written into an executive employment contract. Gustav Nyberg (51), B.Sc. (Econ.), eMBA, has served as Aspo's Chief Executive Officer since October 1999. The CEO is assisted by the company's Executive Board consisting of the CEO, COO Aki Ojanen, CFO Dick Blomqvist, Project Manager Pekka Piiroinen and ITC Manager Rami Valonen.

In 2007, the CEO was paid a total of EUR 201,090 in salary and fringe benefits. Fringe benefits accounted for EUR 18,454080. No bonuses were paid in 2007.

The CEO's retirement age is 60 years and the full pension is 60% of the retirement salary.

The period of notice applied to the CEO's term of employment is six months. If the company terminates the employment contract, the CEO is entitled to salary for the notice period and a severance payment corresponding to 18 months' salary.

Management Incentive System

Aspo Plc's Board of Directors has approved a share-performance-based management incentive system, in which any bonus paid is based on the yield of the company share. Aspo does not have a separate stock option program.

Auditors

According to the Articles of Association, the Annual Shareholders' Meeting elects an auditor approved by the Central Chamber of Commerce. The elected auditor is also responsible for internal audits, where applicable. The auditor's term of office ends at the end of the Annual Shareholders' Meeting following the election.

The auditor elected at the Annual Shareholders' Meeting is responsible for the guidelines and coordination of the auditing for the whole Group. The auditor gives the company shareholders the statutory auditing report with the annual financial statements. Members of the Board will also receive interim auditing reports.

The Annual Shareholders' Meeting of 2007 elected PricewaterhouseCoopers Oy as company auditor. Jouko Malinen, M.Sc. (Econ.), Authorized Public Accountant, was the principal auditor. In 2007, PricewaterhouseCoopers companies in Finland and abroad were paid a total of EUR 298,043 in audit fees for the audit of Aspo Group companies. Other services purchased amounted to EUR 119,339.

Internal Control, Internal Audit and Risk Management

The Group has the reporting systems required for internal control. An operative reporting system that covers the whole Group is used to assess monthly whether the objectives are met. In addition to actual and comparison figures, it provides up-to-date forecasts. The reports are provided to the Board of Directors monthly.

Internal auditing is part of the Group's financial management. The controller of each Group company is responsible for ensuring compliance with legislation and the Group's policies and procedures. They report to the CFO. The CFO reports the findings of the internal audit to the CEO and the Board of Directors.

When necessary, the internal audit can be enhanced with externally purchased services.

Risk management is part of the Aspo Group's control system the objective of which is to identify, analyze and contain any operational threats and risks. Any required action is determined on the basis of risk identification, classification and systematic assessment.

Risks have been classified into different categories based on the probability and impact of exposure. This classification offers guidelines for prioritizing risk management action and creates a consistent approach for risk assessment within the entire Group.

Significant, major and moderate risks represent ordinary business risk at the Aspo Group level. The members of the operational management are responsible for risk management in accordance with their specified areas of responsibility. Management is responsible for determining and implementing sufficient measures and for supervising the implementation as a part of ordinary operational management.

For certain risks, the risk management principles and key contents are defined in Group-level policies and instructions. Liability risks are covered by the appropriate insurance policies. Risk management is coordinated by Aspo Plc's CFO, who reports to the CEO.

Insider Regulations

Aspo Plc follows the insider guidelines issued by the OMX Nordic Exchange Helsinki. Aspo Plc's public insiders based on position include the members of the Board, the CEO, the COO and the auditors. In addition, Aspo Plc's permanent insiders include members of the Executive Board, the presidents and vice-presidents of subsidiaries, and certain other persons separately named by the Board of Directors. The company also maintains registers of project-specific insiders.

Permanent insiders are not allowed to trade in securities issued by the company in the 14 days preceding the publication of an interim report or financial statements.

The Group's CFO is in charge of the management and supervision of insider issues. Public insiders' holdings and any changes therein are disclosed on the company website at www.aspo.com. Aspo Plc's insider register is maintained by Finnish Central Securities Depository.

Summary of 2007 Releases

Stock Exchange Bulletins

January 11, 2007 Aspo's ESL Shipping agrees on the sale of Ms Arkadia

The ship will be sold to India, and a profit of approximately EUR 10 million will be recorded as a capital gain. The sale of Ms Arkadia will reduce transport capacity by some 10% on a yearly basis.

February 13, 2007 Aspo Group financial performance for 2006

Aspo Group's net sales amounted to EUR 225.9 million (EUR 204.9 million). Operating profit totaled EUR 12.8 million (EUR 17.3 million) and the profit before taxes was EUR 11.1 million (EUR 15.8 million). Earnings per share totaled EUR 0.32 (EUR 0.45). The proposed dividend is EUR 0.41 (EUR 0.40).

February 13, 2007 Aspo Board's proposals to the Annual Shareholders' Meeting

Aspo Plc Board will propose the following to the Annual Shareholders' Meeting to be held on March 29, 2007: 1. Authorizing the Board of Directors to decide on a share issue 2. Authorizing the Board of Directors to decide on the acquisition of company-held shares 3. Amendment to the Articles of Association 4. Dividend proposal.

March 5, 2007 Invitation to the Aspo Annual Shareholders' Meeting

The shareholders of Aspo Plc are invited to attend the Annual Shareholders' Meeting to be held on Thursday, March 29, 2007, at 12:00 a.m.

March 6, 2007 Aspo Chemicals grows through acquisition

Aspokem Ltd, a subsidiary of Aspo Plc, acquires the entire capital stock of the Danish Wilfert Chemical Nordic A/S. Wilfert delivers plastic raw materials in Denmark, Sweden, Norway and Finland. The company was established in 1984, and it employs 11 persons. Last year, the company's net sales were approximately EUR 21 million, and operating profit approximately EUR 0.6 million. Business operations will be transferred to the buyer immediately, and Aspokem will consolidate them from the beginning of the year.

March 6, 2007 Disposal of company-held shares

Aspo Plc has today disposed of 100,840 of the company's own shares in partial payment for the capital stock of Wilfert Chemical Nordic A/S. The transfer price was EUR 7.14 per share. The purchase price totaled approximately EUR 4 million, of which 20% was paid in Aspo Plc shares.

March 20, 2007 Aspo Annual Report 2006

Aspo's Annual Report 2006 comprising the financial statements, the report of the Board of Directors and the Auditors' report is now available in Finnish, English and Swedish.

March 29, 2007 Decisions of the Aspo Annual Shareholders' Meeting

The Annual Shareholders' Meeting of Aspo Plc on March 29, 2007, approved the parent and consolidated financial statements and discharged the members of the Board of Directors and the CEO from the liability for fiscal 2006. The shareholders approved the payment of a dividend totaling EUR 0.41 per share. The shareholders authorized the Board to decide on a share issue and acquisition of company-held shares.

April 26, 2007 Aspo Interim Report January 1–March 31, 2007

Aspo Group's net sales in January-March were EUR 63.1 million (EUR 49.0 million). The operating profit totaled EUR 3.0 million (EUR 1.8 million) and the profit before taxes was EUR 2.4 million (EUR 1.5 million). Earnings per share were EUR 0.07 (EUR 0.04).

May 4, 2007 Increase in Aspo's share capital

An increase in the share capital of Aspo Plc totaling EUR 6,190.80, resulting from the exercise of subscription rights on 9,240 shares from the convertible capital loan issued in 2004, was registered today.

June 11, 2007 Aki Ojanen appointed Chief Operating Officer of Aspo

Aki Ojanen has been appointed Chief Operating Officer and Deputy CEO of Aspo Plc, starting from October 1, 2007. His responsibilities will include developing the business operations of the Group and expanding them to the growing market. Ojanen will report to CEO Gustav Nyberg. Aki Ojanen, eMBA (46), will move to Aspo from Itella Corporation.

June 11, 2007 Disposal of company-held shares

Under the authorization granted at the Annual Shareholders' Meeting, the Board of Directors has today decided to sell 5,000 Aspo Plc shares to COO Aki Ojanen within the context of the company's management incentive program.

June 26, 2007 Aspo to purchase its own shares

The Board of Directors of Aspo Plc has decided to repurchase a maximum of 400,000 shares through public trading on Helsinki Stock Exchange at the current market price at the time of acquisition according to the terms stated in the regulations of Helsinki Stock Exchange. The repurchases will commence on July 3, 2007, at the earliest.

August 23, 2007 Aspo Interim Report January 1–June 30, 2007

Aspo Group's net sales in January-June were EUR 128.8 million (EUR 102.5 million). The operating profit totaled EUR 17.4 million (EUR 4.0 million) including a non-recurring sales profit of EUR 10.2 million from the sale of a vessel and the profit before taxes was EUR 16.3 million (EUR 3.1 million). Earnings per share totaled EUR 0.47 (EUR 0.09).

August 30, 2007 Increase in Aspo's share capital

An increase in the share capital of Aspo Plc totaling EUR 76,540.80, resulting from the exercise of subscription rights on 114,240 shares from the convertible capital loan issued in 2004, was registered today.

October 16, 2007 Change of leadership at Aspo's Autotank

Mr. Lars Lindell, B.Sc. (Econ.), has been appointed new president of Autotank Ltd, a subsidiary of Aspo Plc, effective November 5, 2007. He succeeds Peter Hutton, who resigns from the service of Autotank Ltd.

October 25, 2007 Aspo Interim Report January 1–September 30, 2007

Aspo Group's net sales in January-September were EUR 195.2 million (EUR 159.5 million). The operating profit totaled EUR 21.1 million (EUR 7.5 million) including a non-recurring sales profit of EUR 10.2 million from the sale of a vessel and the profit before taxes was EUR 19.6 million (EUR 6.1 million). Earnings per share totaled EUR 0.57 (EUR 0.18).

October 31, 2007 Increase in Aspo's share capital

An increase in the share capital of Aspo Plc totaling EUR 119,032.20, resulting from the exercise of subscription rights on 177,660 shares from the convertible capital loan issued in 2004, was registered today.

November 6, 2007 Aspo's financial information in 2008

The Aspo Group Annual Accounts Bulletin for 2007 will be released on Thursday, 14 February 2008. The Annual Report will be published, at the latest, in week 14. Aspo will publish three Interim Reports in 2008: April 29, 2008; August 21, 2008; and October 23, 2008.

November 15, 2007 Varma's notice of change in holdings

Varma Mutual Pension Insurance Company has announced that its holdings fell below 5% of the voting rights and share capital in Aspo Plc.

December 27, 2007 Increase in Aspo's share capital

An increase in the share capital of Aspo Plc totaling EUR 33,205.20, resulting from the exercise of subscription rights on 49,560 shares from the convertible capital loan issued in 2004, was registered today.

Report of the Board of Directors

Operational Overview

At the beginning of 2007, positive market conditions were expected to continue in the Baltic Sea region. The net sales and earnings of the foreign units, in particular, were expected to continue their strong growth. It was anticipated that domestic operations would develop more modestly.

Price fluctuations in the global chemicals markets continued, but average prices were slightly up. The overall price trend was pushed upwards by the rising oil prices. The strengthening of the euro put a damper on the upward pressure on prices in the Baltic Sea region.

Contrary to expectations, sea freight rates continued clearly upward, and the dry bulk cargo market, of particular importance to us, was strong throughout the year. Due to the sale of old tonnage, our transport capacity was reduced, but we managed to compensate for the situation through improved operational efficiency.

The market situation in fuel distribution was strong. Sales grew more rapidly than anticipated during the year. However, our cost management failed, and the end result was unsatisfactory.

Towards the end of the year insecurity increased in the market, which was evident to some extent in our customers' behavior as well.

Aspo Chemicals

A fairly steady demand for chemicals in Asia and Europe continued, and the price trend was up slightly throughout the year. Towards the end of the year, the insecurity regarding the global economic trend was also reflected in the chemicals market, which increased speculative trading activities.

Chemicals carried out a major corporate acquisition by purchasing Wilfert Chemical Nordic A/S, whose net sales stood at about EUR 21 million and operating profit at about EUR 0.6 million in 2006. The company, established in 1984, distributes plastic raw materials in Denmark, Sweden, Norway and Finland. The goal of the acquisition was to expand our geographical coverage and reinforce our position in the Nordic countries. The integration of the company succeeded well; the unit's net sales grew and its earnings improved.

Net sales of the Chemicals Division grew substantially in 2007, boosted by both the implemented corporate acquisition and positive organic growth in the Eastern markets. Strong growth continued in Russia and the Ukraine; Belarus was introduced as a new market area.

With the net sales growth, operating profit also increased and reached a record high. However, profitability was slightly weaker than last year. The development of operating profit varied considerably in different markets and for different products. In Finland, the overall performance development was weak and last year's earnings figures were not attained, due to modest volume growth and fierce competition. The Scandinavian market developed positively. The best level in operating profit was attained in the Eastern markets.

Aspo Shipping

Demand was strong in the global bulk freight markets and freight rates continued to rise. The market situation in the Baltic Sea area also remained good and freight rates were up, partly due to higher fuel prices.

The Shipping Division's transport capacity was lower than last year because the biggest vessel of the fleet was sold during the first half of 2007. Despite the lower transport capacity, net sales grew and earnings improved, due not only to the rising freight rates, but also more efficient operations, more balanced availability of goods and successful cost management.

Total shipping volume increased to 15.1 million tons (14.6). The steel industry accounted for about 60% of the volume and the energy industry for about 32%. The steel industry's share of the volume has increased over the past few years. Freights and services for the energy industry continued at the same level as last year, but the focus of shipping has shifted to Russian export ports over the past few years.

The proportion of United States dollar-denominated amounts in total billing decreased last year, comprising 29% on average. The sale of the company's largest vessel contributed to this trend since it had largely operated on the dollar-based spot market. The shipping company has also actively aimed at increasing the proportion of euro-denominated contracts in order to reduce the currency risk.

The investment program in the Shipping Division proceeded as planned. The first of the two 20,000 gross register ton vessels that are being constructed in India should be completed towards the end of the summer, with the other due in 2009.

Aspo Systems

Market conditions in the service station sector remained positive throughout the year. The reasons behind the trend include both corporate acquisitions in the sector, leading to the reforms of service station networks, and technological development, providing the basis for customers to launch investments. Investments in technology were mainly related to the chip card upgrade and the distribution of new fuel mixtures.

Net sales increased by almost 7% year on year and clearly exceeded the long-term average growth rate in the sector. As for service and maintenance, the largest business unit, net sales and profitability improved in all markets, except for Sweden. Equipment and software deliveries related to fuel payments increased less than expected. The deliveries of fuel dispensing equipment to the growing Eastern markets continued to increase. Except for Sweden, operations were profitable in all market areas.

The aims of the 2006 action plan to streamline and rationalize operations in the Systems Division in order to improve profitability and show positive profit were not attained. However, operational performance improved during the year and earnings for the last quarter allowed showing a slight full-year profit.

The comparable operational result was EUR 0.3 million in the black. The division's profitability issues focus on Sweden, and action has been taken to remedy the situation there. Non-recurring expenses of EUR 1.8 million due to, inter alia, dismissals of personnel and write-downs, have been recognized in the financial statements.

Net Sales

The Aspo Group's net sales were up by EUR 40.7 million (18.0%) to EUR 266.6 million. The Group's direct exports combined with the net sales of foreign subsidiaries totaled EUR 131.7 million (88.5).

The net sales of the Chemicals Division increased by 38.9% to EUR 123.8 million (89.1), boosted by the business acquisition at the beginning of the year. The net sales of the Shipping Division were up by 2.9% to EUR 85.1 million (82.7). Meanwhile, the Systems Division saw an increase of 6.7% in net sales, totaling EUR 57.7 million (54.1).

Net Sales by Division

	2007 MEUR	2006 MEUR	Change MEUR	Change %
Chemicals	123.8	89.1	34.7	38.9
Shipping	85.1	82.7	2.4	2.9
Systems	57.7	54.1	3.6	6.7
Total	266.6	225.9	40.7	18.0

Net Sales by Market Area

	2007 MEUR	2006 MEUR	Change MEUR	Change %
Finland	154.0	137.4	16.6	12.1
Nordic countries	58.5	47.8	10.7	22.4
Baltic countries	18.4	15.6	2.8	17.9
Russia, etc.	35.7	25.1	10.6	42.2
Total	266.6	225.9	40.7	18.0

Earnings

The Aspo Group's operating profit for 2007 amounted to EUR 23.8 million (12.8). Operating profit includes a sales profit of EUR 10.2 million from the sale of a vessel and non-recurring expenses of EUR 1.8 million posted by the Systems Division.

The Chemicals Division's operating profit grew by EUR 0.4 million to EUR 3.1 million (2.7). More than half of the operating profit was generated by international subsidiaries. Due to the sale of a vessel, the Shipping Division recorded an operating profit of EUR 25.1 million (12.6). Due to the approx. EUR 1.8 million write-downs and expenses recorded, the Systems Division's operating profit decreased by EUR 0.5 million and showed a loss of EUR 1.5 million (-1.0).

Operating Profit by Division

	2007 MEUR	2006 MEUR	Change MEUR	Change %
Chemicals	3.1	2.7	0.4	14.8
Shipping	25.1	12.6	12.5	99.2
Systems	-1.5	-1.0	-0.5	-50.0
Other operations	-2.9	-1.5	-1.4	-93.3
Total	23.8	12.8	11.0	85.9

The depreciation recognized by the Group grew by a half million euro to EUR 9.8 million. The Chemicals Division recorded EUR 0.5 million in depreciation, the Shipping Division EUR 8.7 million and the Systems Division EUR 0.5 million.

The Group's net financial expenses totaled 0.9% of net sales, or EUR 2.4 million (1.8).

Earnings before taxes amounted to EUR 21.4 million (11.1). Earnings for the fiscal year totaled EUR 15.4 million (8.2). The Group's direct taxes and the change in deferred tax liabilities amounted to EUR 6.0 million (2.8).

Investments

The Group's investments during the year totaled EUR 11.0 million (10.2). The majority of the investments consisted of the chemicals business acquisition and advance payments for vessel acquisitions.

Financing

The Group's liquidity was good throughout the year, with liquid funds amounting to EUR 13.1 million (9.1) on the balance sheet date. Interest-bearing liabilities on the consolidated balance sheet totaled EUR 33.6 million (29.9) on the balance sheet date, while interest-free liabilities amounted to EUR 34.0 million (31.9).

The Aspo Group's net gearing was 32.4% (35.7), the return on equity was 25.4% (14.1), and the equity ratio adjusted for deferred tax liabilities was 45.1% (45.2).

Risks and Risk Management

Risk management is a part of Aspo Group's management control system. Its objective is to identify, analyze and contain possible operational threats and risks. Risks are considered to include all internal and external factors affecting Aspo's ability to reach its business objectives and to generate earnings.

Risks are surveyed, classified and assessed systematically, and decisions on necessary measures are then taken. For certain risks, the principles and the essential contents of risk management are defined in Group-level policies and instructions. Damage risks are covered by appropriate insurance.

Business Risks

The most important business risks in terms of probability and impact have to do with operations and particularly customer loyalty, adequacy of equipment, the protection of margins and retaining key personnel. Consequently, for Aspo, risk management does not involve just

Investments by Division

	2007 MEUR	2006 MEUR
Chemicals	5.7	1.3
Shipping	3.8	7.3
Systems	1.4	1.4
Other operations	0.1	0.2
Total	11.0	10.2

Average Personnel by Division

	2007	2006
Chemicals		
Office staff	122	90
Non-office workers	10	14
	132	104
Shipping		
Office staff	28	30
Crew members	211	227
	239	257
Systems		
Office staff	166	183
Non-office workers	143	140
	309	323
Group management	11	9
Total	691	693

securing sufficient insurance coverage, but it is an essential part of daily operations and is included in day-to-day processes.

Aspo Chemicals

The earnings of Aspo Chemicals are particularly sensitive to fluctuations in raw material prices. Other essential business risks with a potential impact on operations include mergers and acquisitions between raw material suppliers, reorganization of distribution channels and changes in the chemical industry and legislation. The new European chemical regulation REACH may, at worst, result in the chemicals industry relocating its operations outside the EU area.

Aspo Shipping

The main business risks for Aspo Shipping are unfavorable changes in demand and competitive position, loss of customer confidence, labor conflicts, optimizing capacity and shipments and an emergency or accident at sea. With long-term customer contracts and the constant monitoring and development of operations, Aspo Shipping has been able to manage its risks successfully.

Aspo Systems

For Aspo Systems, changes in the competitive environment or customer purchasing behavior and the loss of key customers are risks that have been systematically addressed by building close partnerships with customers and by expanding the market area.

Financial Risks

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.

Interest Rate Risks

Aspo uses interest rate options and interest rate swaps to hedge the interest rate of Aspo Shipping's long-term loans.

Credit Risks

The Group uses terms of payment based on advance payments and bank guarantees to hedge against credit risks.

Exchange Rate Risks

Aspo Group's hedging measures include forwards and intra-Group currency transactions. Approximately a quarter of ESL Shipping's invoicing is currently in US dollars, and about a fifth of Aspokem's purchases are priced in dollars.

Personnel

At year-end, the Aspo Group employed 699 (694) personnel and an average of 691 (693) during the year. Office staff represented 327 (312) and non-office workers 364 (381) of the total. The parent company employed 11 (9) office staff at year-end and 11 (9) on average during the year.

Of Aspo Group personnel, 57% (60) work in Finland, 29% (28) in other Nordic countries, 5% (5) in the Baltic countries and 9% (7) in Russia. Men represented 70% (82) and women 30% (18) of total personnel. In the Aspo Group, 99% (98) of employment contracts were full-time. During the year, 86 (47) new employment contracts were signed. Total wages and salaries paid to personnel amounted to EUR 27,219,384 (26,493,996).

Rewards and Incentives

The Aspo Group has introduced a profit-sharing plan and a personnel fund, which at this point cover all Aspo Group personnel working in Finnish subsidiaries. Some of the Group's earnings are 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.

In January 2006, Aspo Plc's Board of Directors decided to introduce a share-price-linked incentive program for key personnel, in which any bonus is based on the performance of the company's share in the next three years. The plan covers approximately 30 Aspo Group executives and key employees. The bonus, which is linked to the share price performance, will be paid out in cash when the plan matures in 2009.

Research and Development

The Aspo Group's research and development activities are organized according to the nature of each division. In the Chemicals and Shipping divisions, R&D is mainly focused on the development of operations, methods and production technology without a dedicated organization, which is why these development investments are recorded under normal operating expenses without an itemized breakdown.

The Autotank Group representing the Systems Division invests heavily in R&D with a special focus on the development of new payment solutions. In Finland and Sweden, a total of 30 (20) people have participated in research and development. During fiscal 2007, investments amounted to EUR 2.4 million (1.1), accounting for 4.2% (2.1) of the Autotank Group's net sales.

Environment

The Aspo Group's ordinary activities do not cause any significant harm to the environment. Group companies follow Aspo's environmental policy in their environmental affairs management, the key principle being ongoing operational improvement and sustainable development.

The Aspo Group has also undertaken to comply with the International Chamber of Commerce Business Charter to ensure sustainable development.

Aspo Chemicals

Aspo Chemicals strives for zero accidents on all operational levels in environmental, health and safety affairs. In the past twelve years, there have been no major accidents. Aspo Chemicals is also involved in a version of the Responsible Care program that concentrates on chemicals trade. One element of the program is commitment to the continued voluntary improvement of environmental, health and safety affairs. Aspo Chemicals has also been awarded the ISO 9001 quality certificate.

Aspo Shipping

The operations of Aspo Shipping and all vessels have been certified in accordance with the requirements of the International Safety Management (ISM) Code of the International Maritime Organization (IMO). The purpose of the ISM Code is to provide an international standard for the safe operation of ships and for pollution prevention. The certificate involves annual audits. The fleet has switched over to low-sulfur fuels.

Aspo Systems

For Aspo Systems, environmental considerations represent a key value that guides product development and maintenance services planning. Because there are stringent demands on service station equipment and systems, the latest technology in the field is being exploited in the manufacture of each piece of equipment. Aspo Systems services include environmentally friendly high-technology products, remote diagnostics to enable leakage alarms and a preventive maintenance service that reduces service disruptions and the risk of accidents.

Shares

Aspo Plc has one share series. Each share entitles its holder to one vote at the Annual Shareholders' Meeting. The company share is quoted on the OMX Nordic Exchange Helsinki in the medium-sized companies category and under the GICS classification Industrials.

During 2007, a total of 5,060,372 Aspo Plc shares were traded on the OMX Nordic Exchange Helsinki at EUR 35.3 million, or 19.2% of the shares changed owners. The share reached a high of EUR 7.80 and a low of EUR 6.30 during the period. The average price was EUR 6.97 and the closing price was EUR 6.44. The market value of the share capital at the year-end, less treasury shares, was EUR 166.8 million.

Aspo Plc's registered share capital on December 31, 2007, was EUR 17,686,664.37 and the total number of shares was 26,398,503. The company's own shareholding was 490,240 shares, accounting for 1.86 percent of Aspo Plc's stock.

On November 15, 2007, Varma Mutual Pension Insurance Company announced that its holdings fell below 5% of the voting rights and share capital in Aspo Plc.

At Aspo Plc's Annual Shareholders' Meeting held on March 29, 2007, the Board of Directors was authorized to decide on a share issue, through one or several installments, by transferring an aggregate maximum number of 758,250 treasury shares. The shareholders further authorized the Board to use funds included in distributable profit to repurchase a maximum of 400,000 company shares.

The authorizations are valid until the Annual Shareholders' Meeting of 2008, but no more than 18 months from the approval at the Shareholders' Meeting.

Under the authorization granted at the Shareholders' Meeting, the Board of Directors decided on March 6, 2007, to dispose of 100,840 Aspo Plc shares in partial payment for the acquisition of Wilfert Chemical Nordic A/S, and on June 11, 2007, 5,000 shares to COO Aki Ojanen 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.

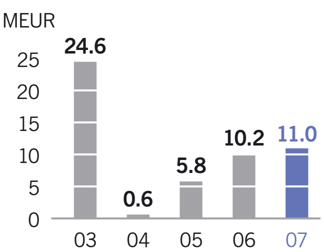
In its meeting on June 26, 2007, the Board of Directors decided to repurchase a maximum of 400,000 shares through public trading on the OMX Nordic Exchange Helsinki at the current market price at the time of acquisition according to the terms stated in the regulations of the OMX Nordic Exchange Helsinki. During the fiscal year, Aspo purchased a total of 246,830 shares at an average price of EUR 6.71, including 9,000 shares whose ownership was transferred to the company in January 2008. The total purchasing cost of EUR 1,655,689.18 was deducted from the unrestricted equity account.

Convertible Capital Notes

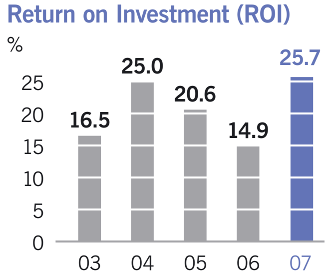
Aspo Plc has issued convertible capital notes worth EUR 15,557,500. The validity period for the notes runs from June 4, 2004, to June 4, 2009. The notes will be repaid in a single installment on June 4, 2009, provided that the repayment conditions specified in chapter 5 of the Companies Act and in the terms and conditions of the convertible capital notes are met. The notes carry a fixed 5% interest rate.

The terms and conditions of the Convertible Capital Notes state that as of January 2, 2005, Aspo is entitled to early repayment of the principal in its entirety at a rate of hundred (100) percent, plus the interest accumulated by the payment date. 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.

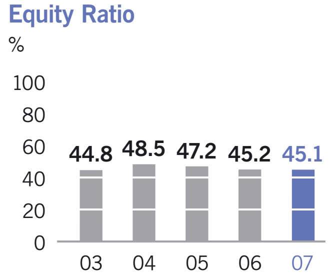
Investments



Return on Investment (ROI)



Equity Ratio



The capital notes can be converted into Aspo stock. Each EUR 500 note entitles the holder to convert 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 350,700 shares, and the share capital was correspondingly increased by EUR 234,969.00.

Management and Auditors

At Aspo Plc's Annual Shareholders' Meeting held on March 29, 2007, Mr. Matti Arteva, Mr. Kari Haavisto, Mr. Esa Karppinen, Mr. Roberto Lencioni and Mr. Kari Stadigh were re-elected to the Board of Directors for a term of one year. Kari Stadigh has acted as Chairman and Matti Arteva as Vice-Chairman of the Board.

In 2007 the Board met 11 times, three of which were teleconferences. All Board members were present at each meeting.

Mr. Gustav Nyberg acts as the company's CEO, Mr. Aki Ojanen as COO and Deputy CEO since October 1, 2007.

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

Prospects for 2008

Overall insecurity in global raw material markets has increased considerably. The main concern is the decline of economic growth in the United States and its potential impact on Europe and Asia. Interest rates appear to be taking a downward turn, which may have a positive impact on demand.

Aspo's business operations focus on narrow niche sectors. The growth and profitability of operations mainly depend on demand from the industrial sector in the Baltic Sea area and the CIS market. In the Nordic countries, a stable basis for demand appears to be continuing in fiscal 2008. The growth trend in the Eastern markets – in Russia and Ukraine, in particular – is also expected to continue.

The Group's net sales are expected to grow further and a good operational performance is expected for 2008.

Aspo Chemicals

Insecurity in the markets will probably increase until a more detailed picture of the impact of the United States economic situation on the global economy emerges. The prices for petrochemicals follow the changes in the demand for oil and oil prices. The impact in Europe largely depends on the overall economic situation and the strength of the euro.

The Chemicals Division aims at continued growth in net sales and operating profit. This goal will be attained via both the exploitation of new market areas and corporate acquisitions. Modest growth is expected in the Nordic countries, while strong growth appears to be continuing in the CIS countries.

The total net sales of the Chemicals Division are expected to grow and, according to current estimates, the division also has good potential for increasing its operating profit.

The largest risks for the Chemicals Division are related to the potentially negative impact of the European Union's REACH regulation. Other risks include political and financial instability in Russia and Ukraine.

Aspo Shipping

The international dry bulk cargo market appears to be continuing more strongly than usual, and good demand is expected to continue in the Baltic Sea region as well.

The company's operations have become more diversified over the past few years, and a wide service range for the needs of exporting and importing industry has been developed besides traditional shipping. The steel industry in the Baltic Sea region has become the company's largest customer group. The proportion of the energy industry is slightly less than one-third.

Shipping capacity will probably remain at the same level as last year for a large part of the year. Of the two vessels under construction, the first is due to start in the Baltic Sea traffic towards the end of the year. Improvements in efficiency may increase the division's net sales slightly and operating profit may continue to improve slightly without any unexpected changes in the flow of materials. The increase in capacity towards the end of the year is not expected to have an impact on net sales or earnings in 2008.

The currency risks involved in the Shipping Division's operations are, for the most part, hedged by forward contracts. To protect ourselves against the risks associated with the fluctuation in fuel prices, our customer contracts include special bunker clauses.

Aspo Systems

Brisk market conditions are expected to continue in fuel distribution. In the Nordic countries and the new EU countries, demand will be boosted by investments in technology, mainly related to the equipment and software required for the chip card upgrade. The level of automation in service station networks will continue to be enhanced; smaller manned stations will be automated and new unmanned stations will be established in connection with shopping malls in densely populated areas. The CIS countries will also see investments in the construction of large manned service stations, besides automation. Payment cards are gradually becoming more common in these markets, and extensive projects related to card payments are being planned.

The corporate acquisitions carried out by Autotank over the past few years have been successfully integrated, and the Group has become a market leader in its field in the entire Baltic Sea region. We believe that the reorganization of the Swedish operations will result in profitable performance in Sweden as well.

The division's net sales growth is expected to continue, and a clear improvement in financial performance is expected compared with the previous year.

Proposal of the Board for the Distribution of Earnings

The parent company's distributable earnings totaled EUR 17,928,576.75 with the fiscal year's earnings totaling EUR 12,465,426.48.

The company's registered share capital on December 31, 2007 was 26,398,503 shares, of which the company held 490,240.

The Board proposes that the company's earnings be distributed as follows: A dividend of EUR 0.42 per share to be paid out on 25,908,263 shares, totaling EUR 10,881,470.46 and EUR 7,047,106.29 to be held in shareholders' equity.

The company's financial position has not changed substantially since the end of the fiscal year. The company's liquidity is good and, in the Board of Director's view, not endangered by the proposed distibution of profit.

Helsinki, on February 14, 2008
Aspo Plc
Board of Directors

Consolidated Income Statement

1 000 EUR	Note	2007	2006
Net Sales	1	266 599	225 897
Change in the inventory of finished goods and work in progress +/-		1 024	3 100
Other operating income	3	10 819	778
Share of associated companies' profit or loss			123
Materials and services	6	-157 112	-124 680
Personnel costs	4	-35 941	-32 985
Depreciation	5	-9 829	-9 333
Other operating expenses	6	-51 736	-50 076
Operating Profit		23 824	12 824
Financial income and expenses	7	-2 426	-1 762
Profit Before Taxes		21 398	11 062
Income taxes from operational activities	8	-6 034	-2 843
Net Profit for the Period		15 364	8 219
Profit to parent company shareholders		15 235	8 174
Minority interest		129	46
Earnings per share to parent company shareholders:			
Earnings per share, EUR	9	0.59	0.32
Earnings per share (diluted), EUR	9	0.56	0.31

Consolidated Balance Sheet

Assets

1 000 EUR	Note	2007	2006
Non-Current Assets			
Intangible assets	10	2 611	1 170
Goodwill	11	10 114	8 212
Tangible assets	12	47 281	54 445
Investments held for trading	13	160	160
Long-term receivables	14	134	217
Shares in associated companies	15	1 126	1 368
Deferred tax receivables	16	2 353	2 092
Total Non-Current Assets		63 779	67 663
Current Assets			
Inventories	17	24 040	17 674
Accounts receivable and other receivables	18	39 784	34 055
Income tax receivables		279	867
Cash and cash equivalents	19	13 146	9 123
Total Current Assets		77 249	61 719
Total Assets		141 028	129 382

Shareholders' Equity and Liabilities

1 000 EUR	Note	2007	2006
Shareholders' Equity			
Share capital	20	17 687	17 452
Premium fund	20	4 311	2 459
Repurchased shares	20	-3 036	-1 828
Translation differences	20	42	
Revaluation fund	20	-904	-42
Invested unrestricted equity fund	20	229	
Retained earnings		29 067	31 622
Net profit for the period		15 235	8 174
Equity portion of the convertible bond	20	220	220
Total Shareholders' Equity Belonging to Shareholders		62 851	58 056
Minority interest		162	113
Total Shareholders' Equity		63 013	58 169
Long-Term Liabilities			
Long-term provisions	24	63	248
Deferred taxes	16	9 239	8 375
Long-term interest-bearing liabilities	21	14 972	19 531
Long-term interest-free liabilities	22	1 219	71
Pension liabilities	23	174	482
Total Long-Term Liabilities		25 667	28 707
Short-Term Liabilities			
Short-term provisions	24	1 044	319
Short-term interest-bearing liabilities	21	18 570	10 360
Short-term interest-free liabilities	22	32 326	31 245
Income tax liabilities		409	583
Total Short-Term Liabilities		52 349	42 507
Total Shareholders' Equity and Liabilities		141 028	129 382

Consolidated Cash Flow Statement

1 000 EUR	2007	2006
Operational Cash Flow		
Operating profit	23 824	12 824
Adjustments to operating profit 1)	-488	6 826
Change in working capital 2)	-7 468	-641
Interest paid	-3 173	-3 198
Interest received	502	969
Dividends received	179	12
Taxes paid	-4 867	-4 492
Operational Cash Flow	8 508	12 300
Cash Flow from Investments		
Investments in tangible and intangible assets	-3 310	-5 018
Advance payments for vessels	-2 395	-5 183
Gains on the sale of tangible and intangible assets	11 155	62
Gains on the sale of other investments		918
Subsidiaries acquired	-4 717	
Associated companies acquired		-12
Cash Flow from Investments	731	-9 233
Cash Flow from Financing		
Repurchase of shares	-1 598	
Disposal of shares	34	53
Change in long-term receivables	83	-74
Repayments of short-term loans	-245	-750
Repayments of long-term loans	-1 388	-3 508
New short-term loans	7 000	8 000
Profit distribution to minorities	-79	-82
Dividends paid	-10 574	-10 127
Cash Flow from Financing	-6 767	-6 488
Changes in Foreign Exchange Rates	97	
Change in Liquid Funds	2 569	-3 422
Liquid funds Jan. 1	9 123	12 545
Liquid Funds at Year-End	11 692	9 123
Overdraft limit at year-end	1 455	
Liquid Funds and Overdraft Limit Used at Year-End	13 146	

Notes to the Consolidated Cash Flow Statement

1) Adjustments to operating profit		
Depreciation and write-downs	9 775	9 333
Gains and losses from the disposal of fixed assets and investments	-10 496	-613
Accrued personnel costs	233	-1 771
Share of affiliate profit or loss		-123
Total	-488	6 826
2) Change in working capital		
Inventories	-6 367	-2 316
Short-term receivables	-5 729	-5 702
Short-term interest-free liabilities	4 610	7 387
Other changes	18	-10
Total	-7 468	-641

Statement of Changes in Shareholders' Equity

1 000 EUR	Share Capital	Premium Fund	Fair Value Fund	Re-valuation Fund	Invested Un-restricted Equity Fund	Other Funds	Repur-chased Shares	Translation Difference	Retained Earnings	Total	Minority Interest	Total Share-holders' Equity
Shareholders' Equity on January 1, 2007	**17 452**	**2 459**		**-42**		**220**	**-1 828**	**94**	**39 702**	**58 056**	**113**	**58 170**
Translation differences								-36	-78		8	
Net profit for the period									15 235		129	
Transfer at the original value of hedged items				42								
Increase in hedging reserve				-1 222								
Share of deferred taxes				318								
Dividend payment									-10 574		-88	
Share repurchase					-83		-1 656					
Sale of repurchased shares					312		448					
Conversion of convertible bond	235	1 852										
Shareholders' Equity on December 31, 2007	**17 687**	**4 311**		**-904**	**229**	**220**	**-3 036**	**58**	**44 286**	**62 851**	**162**	**63 013**
Shareholders' Equity on January 1, 2006	**17 208**	**518**	**320**			**220**	**-1 861**	**44**	**41 726**	**58 175**	**85**	**58 260**
Translation differences								50			-6	
Amount carried to income statement			-432									
Share of deferred taxes			112									
Net profit for the period									8 174		46	
Increase in hedging reserve				-57								
Share of deferred taxes				15								
Dividend payment									-10 127		-82	
Sale of repurchased shares		15					33					
Conversion of convertible bond	244	1 926										
Change in minority interest									-71		71	
Shareholders' Equity on December 31, 2006	**17 452**	**2 459**		**-42**		**220**	**-1 828**	**94**	**39 702**	**58 056**	**113**	**58 170**

Notes to the Consolidated Financial Statements

Basic Information

Aspo Plc is a Finnish public corporation domiciled in Helsinki. Aspo Plc's shares are listed on the OMX Nordic Exchange Helsinki.

Aspo provides logistical services for industrial customers in the energy and process industry sectors. The Group operates in three divisions: Aspo Chemicals, Aspo Shipping and Aspo Systems. We have concentrated our operations around the Baltic Sea.

The Group's parent company is Aspo Plc. The parent company is domiciled in Helsinki and its registered address is Lautatarhankatu 8B, FI-00580 Helsinki, Finland.

A copy of the consolidated financial statements is available from Aspo Plc's head office at Lautatarhankatu 8B, FI-00580 Helsinki, Finland.

Aspo Plc's Board of Directors approved the financial statements for issue at its meeting on February 14, 2008. Pursuant to the Finnish Companies Act, shareholders may either adopt or reject the financial statements at an Annual Shareholders' Meeting held after the issue, and may also decide to modify them.

Accounting Principles

Basis of Presentation

Aspo Plc's consolidated financial statements have been drawn up in line with International Financial Reporting Standards (IFRS) approved in the EU, applying the standards and interpretations valid on December 31, 2007. The notes to the consolidated financial statements also comply with complementary Finnish Accounting Standards based on Finnish accounting legislation and Community legislation.

All of the figures in these financial statements are in thousands of euro and based on original acquisition costs if not otherwise stated in the Accounting Principles.

As of January 1, 2007, the Group has adopted the following new and renewed standards and interpretations:

- IFRS 7 Financial Instruments: Disclosures
- IAS 1 (Amendment) Presentation of Financial Statements – Capital Disclosures
- IFRIC 8 Scope of IFRS 2
- IFRIC 9 Reassessment of Embedded Derivatives
- IFRIC 10 Interim Financial Reporting and Impairment

Principles of Consolidation

The consolidated financial statements include parent company Aspo Plc and all of its subsidiaries. "Subsidiary" refers to a company in which the parent company, directly or indirectly, owns more than 50% of the voting rights or in which it otherwise exercises control. Associated companies, in which the Group owns 20 to 50% of the voting rights and at least a 20% holding or in which it otherwise exercises significant control, have been consolidated using the equity method. If the Group's share of the associated company's losses exceeds the carrying amount, losses in excess of the carrying amount will not be consolidated unless the Group has undertaken to fulfill the associated companies' obligations. Unrealized profits between the Group and an associated company have been eliminated in accordance with the Group's ownership.

Subsidiaries acquired during the year have been consolidated from the time Aspo gained control. Divested operations are included up to the time Aspo surrendered control. Acquired subsidiaries have been consolidated using the acquisition cost method, which involves measuring the acquired company's assets and liabilities at fair value at the time of acquisition. The goodwill acquisition cost is the amount by which the subsidiary acquisition cost exceeds the net fair value of the acquired identifiable assets, liabilities and conditional liabilities. As allowed by IFRS 1, acquisitions made before the adoption of IFRS have not been adjusted to comply with IFRS principles; instead, they remain at the FAS-compliant values.

Goodwill is not amortized in the IFRS; instead, it is tested annually for impairment.

Intra-Group transactions, receivables and liabilities and intra-Group profit distribution have been eliminated in the consolidation.

The distribution of the fiscal year's profit between the parent company shareholders and minorities is shown in the income statement. Minority interest is presented as a separate item under the Group's shareholders' equity.

Foreign Currency Items and Their Measurement

Transactions in foreign currencies are recorded at the exchange rates of the transaction date. Foreign currency receivables and liabilities open at the end of the fiscal year have been measured using the rates of the closing date. Foreign exchange gains and losses related to business operations have been recognized as sales or purchases adjustment items.

Foreign Subsidiaries

Figures for the performance and financial position of the Group's units are measured in the main currency of the unit's business environment ("operational currency"). The consolidated financial statements are presented in euro, the parent company's operational and reporting currency. In the consolidated financial statements, the income statements of foreign subsidiaries have been translated into euro using the average rate of the fiscal year. Balance sheet items have been translated into euro using the exchange rates on the closing date. Translation differences are presented as a separate item under shareholders' equity. When the holding in a subsidiary is divested in its entirety or in part, the accumulated translation differences are recognized on the income statement as part of the sales profit or loss.

However, as allowed by IFRS 1, translation differences arising prior to January 1, 2004, were recognized under retained earnings when IFRS was adopted and will not be recognized on the income statement in connection with any divestment of the subsidiaries. Translation differences that have arisen through consolidation since the adoption date are presented as a separate item under shareholders' equity. Since January 1, 2004, goodwill arising from the acquisition of foreign business units and adjustments to the fair values of these units' assets and liabilities upon acquisition have been treated as assets and liabilities of the foreign units and translated into euro using the exchange rates on the closing date. Goodwill and fair value adjustments related to acquisitions made prior to January 1, 2004, have been posted in euro.

Segment Reporting

The business divisions represent primary segments and geographic areas represent secondary segments. The products and services of each business segment involve different risks and profitability elements. Business segments are based on the Group's internal organizational structure and its financial reporting. Secondary segments are key market areas in which the risks and profitability related to products and services differ from the risks and profitability inherent in the financial environment of other geographic segments.

Sales are shown according to the customer's geographic location while assets and investments are shown according to their own geographic location.

Inter-segment transactions are carried out at market prices.

Tangible Assets

Fixed assets have been recognized at original acquisition cost net of cumulative depreciation less impairment. Planned depreciation is calculated on a straight-line basis over the estimated useful economic life as follows:

Buildings and structures	15–30 years
Vessels	16–20 years
Pushers	8–10 years
Machinery and equipment	3–8 years
Piping	5–20 years
Other tangible assets	5–40 years

Land and water is not depreciated.

A previously recorded write-down on tangible assets will be reversed if the estimates used to determine the recoverable amount change. However, the post-reversal value may not exceed the value the asset had before write-down in previous years. Sales profits and losses arising from removal from use and disposals of tangible assets are included in other operating income and expenses.

Goodwill and Other Intangible Assets

The acquired subsidiaries have been consolidated using the acquisition cost method. The acquisition cost is matched against assets and liabilities on the basis of their fair value at the time of acquisition. The remaining part of the acquisition cost is goodwill. Goodwill is not amortized; instead, its fair value is tested at least annually using the goodwill impairment test based on fair market value (see “Goodwill Impairment Test” on page 55).

Other intangible assets are measured at original acquisition cost and amortized on a straight-line basis during their useful economic life. Other intangible assets include software and software licenses.

The Group assesses goodwill and other intangible assets annually or more often if there are any indications of potential impairment. If indications are present, the recoverable amount of the asset in question is determined. Impairment is assessed at the level of cash-flow-generating units.

The recoverable amount is fair value less costs to sell, or value in use, if higher. Cash-flow-based value in use is determined by calculating the discounted current value of predicted cash flows. The discount rate used in the calculations is based on average cost of capital (WACC), which reflects the market's view of the time value of money and the risks involved in Aspo's business operations.

An impairment loss is recognized in the income statement if the carrying amount of an asset is higher than its recoverable amount. Where an impairment loss is recognized for an asset subject to depreciation, the asset's useful economic life is re-estimated. An impairment recognized for assets other than goodwill is reversed if the estimates used to determine the recoverable amount change substantially. However, the post-reversal value may not exceed the value the asset had before write-down in previous years. An impairment loss recognized for goodwill is not reversed under any circumstances.

Research and Development Costs

As a rule, research and development costs are recognized as expenses at the time of occurrence. However, development costs arising from the design of new products are capitalized in the balance sheet as intangible assets from the point when the product is technically and commercially feasible and expected to generate future economic benefit. Capitalized research and development costs will be amortized over their useful economic life.

Inventories

Inventories are measured at acquisition cost or net realizable value, whichever is lower. Acquisition cost is determined using the FIFO (first in, first out) method. The acquisition cost of finished goods and work in progress includes raw material purchase costs, direct manufacturing wages, other direct manufacturing costs, and a share of manufacturing overheads (based on regular operating capacity) – borrowing costs excluded. Net realizable value is the estimated sales price in the ordinary course of business, less costs from the completion of the product and sales costs.

Leasing Agreements

Fixed asset leasing agreements where the Group assumes an essential part of the risks and benefits inherent in ownership are classified as financial leasing agreements. Assets acquired through financial leasing are recorded on the balance sheet in the amount equaling the fair value of the asset at the start of the agreement or a lower current value of minimum leases. The leasing payments are divided into financial expenses and loan repayment. The corresponding leasing liabilities less financial expenses are included in other long-term interest-bearing liabilities. The interest of finance is recognized in the income statement during the leasing period so that the interest rate for the remaining debt will be the same for each financial year. Assets leased under financial leasing agreements will be depreciated over their useful economic life, or over the term of the leasing agreement if shorter.

Fixed asset leasing agreements in which the material part of risks and benefits inherent in ownership remains with the lessor are classified as other leases (operational leasing) the rents of which are recognized as expenses in equal amounts over the leasing period.

Employee Benefits

Statutory pension cover is provided for by taking out insurance with pension insurance companies. In foreign units, pension cover is arranged in accordance with local legislation and social security regulations. Payments towards defined-contribution pension schemes are recognized as expenses in the income statement during the relevant fiscal year.

Share-Based Payments

In January 2006, the Board of Directors decided to set up a management incentive program based on share price performance for about 30 Aspo Plc executives and key employees selected by the Board of Directors. The payments under the plan are settled in cash.

Costs arising from the plan are measured at fair value and expensed as equal installments in the income statement over the incentive earning period. Fair value is determined on the basis of the Black-Scholes stock option pricing model. The expenditure determined on the granting date is based on a Group estimate as to the number of option rights vested at the end of the vesting period. The Group updates the estimate on the final number of options on each closing date. Cash-settled payments are recognized at fair value in the financial statements, and changes in the debt's fair value are recognized in the income statement.

Treasury Shares

The acquisition cost of Aspo Plc's own shares is recorded as a reduction of shareholders' equity.

Provisions

A provision is entered into the balance sheet if, as a result of a past event, the Group has a present legal or factual obligation that will probably have to be fulfilled, and the amount of the obligation can be reliably estimated. Warranty provisions include the cost of product repair or replacement if the warranty period is still effective on the balance sheet date. Warranty provisions are determined on the basis of historical experience.

Environmental provisions are recorded when the Group has a present obligation under environmental legislation or the Group's environmental responsibility principles related to the decommissioning of a production plant, environmental rehabilitation (and any restoration) or relocating equipment.

A provision for restructuring is recognized when the Group has prepared a detailed restructuring plan and either restructuring has commenced or the plan has been announced in an appropriate manner.

Income Taxes

The Group's taxes include taxes based on the Group companies' profits and losses for the fiscal year, adjustment of taxes from previous fiscal years and changes in deferred taxes. Income taxes have been recorded in accordance with the tax rate in each country. Deferred tax liabilities or receivables are calculated from the temporary difference between accounting and taxation in accordance with the tax rate in force on the balance sheet date or the estimated tax payment date. Elements resulting in temporary differences include provisions, depreciation differences and confirmed losses. Deferred tax receivables are recognized for temporary differences arising from confirmed losses and other temporary differences to the extent that it is likely that they may be utilized in the future. The share of associated companies' profits or losses presented in the income statement has been calculated from net profit or loss, and it includes the impact of taxes.

Income Recognition Principles

Revenue from the sale of products is recognized when the material risks and benefits associated with the ownership of the goods have been transferred to the buyer. Revenue from services is recognized once the services have been rendered. Income and costs from long-term projects are recognized as revenue and expenses on the basis of the percentage of completion when the outcome of the project can be reliably assessed. The percentage of completion is determined on the basis of the share of costs of the work carried out by the time of review of the project's estimated total costs. When it is likely that the project will generate losses, losses will be expensed immediately. During the fiscal year, Aspo had no long-term projects under way. Government subsidies granted to compensate for costs incurred are recognized as income, while costs related to the target of subsidy are expensed.

Accounts Receivable

Accounts receivable are recognized at acquisition cost. The Group writes down receivables if there is objective evidence that the receivable cannot be collected in full.

Financial Assets and Liabilities

The classification of financial assets and liabilities, their measurement and the recognition of derivatives have been performed in accordance with IAS 32 (Financial Instruments: Disclosure and Presentation) and IAS 39 (Financial Instruments: Recognition and Measurement).

Financial assets are derecognized when the Group has lost the contractual right to cash flows or when it has materially moved risks and revenue away from the Group.

Aspo's equity-based convertible loan has been divided into a loan portion and equity portion. To calculate the share of equity, capital and interest measured at current value were subtracted from the cash received. The market interest for a corresponding non-convertible bond was used for calculation purposes. The transaction costs of the bond have been amortized using the effective interest rate method.

Financial Assets

Financial assets have been classified into loans and other receivables, investments held to maturity, financial assets available for sale and financial assets recognized at fair value through profit and loss. The classification takes place upon initial recognition.

Loans and other receivables, as well as all financial liabilities, are recorded on the settlement date and presented on the balance sheet at amortized cost using the effective interest rate method. Transaction costs are included in the original acquisition cost. Financial assets and liabilities recognized at fair value through profit and loss are recorded on the settlement date and measured at fair value.

Financial assets available for sale and financial assets recognized at fair value through profit and loss are measured at fair value using quoted market prices and rates or an imputed current value. Unlisted shares for which fair value cannot be reliably determined are recorded at acquisition cost less impairment. Changes in the fair value of financial assets available for sale are recorded in the fair value fund under shareholders' equity, taking the tax impact into account. When such an asset is sold or otherwise realized or has generated an impairment loss, the accumulated changes in fair value are moved from shareholders' equity to profit or loss. Acquisitions or disposals of financial assets available for sale are recorded on the settlement date.

Investments in shares, fixed-income securities and convertible bonds are classified as financial assets available for sale.

Investments held to maturity are measured at amortized cost and included in long-term investments.

The Group had no financial assets or liabilities held to maturity during the fiscal period.

Financial Liabilities

Financial liabilities are recorded on the settlement date and recognized on the balance sheet at acquisition cost less transaction costs. Interest is allocated on the maturity of the debt using the effective interest rate method.

The fair value of the share in debt of a convertible bond has been determined using the market interest rate of a corresponding debt on the date of issue. The share in debt is recognized at amortized cost until it is amortized completely by converting the loan into stock. The remainder of the money received, the share of equity, less associated taxes, has been recorded under equity.

Cash and Cash Equivalents

Cash and cash equivalents include cash funds, bank deposits and other highly liquid short-term (no more than three months) investments. Bank overdrafts have been presented under other short-term liabilities.

Derivatives

Derivatives are originally booked at fair value on the day the Group becomes a contracting party and subsequently measured at fair value.

The Group has applied hedge accounting in accordance with IAS 39 to protect predicted foreign currency cash flow in the acquisition of fixed assets. The change in the fair value of the effective share of hedging is recorded directly in the hedge fund included in the fair value reserve under equity. Profits and losses recorded under equity are transferred to the acquisition cost of the asset in the fiscal period in which the hedged item is capitalized. Hedge accounting has not been applied to other derivatives.

Changes in the fair value of derivatives associated with financial items are recorded in financial income and expenses. Changes in the fair value of other derivatives are recorded under other operating income and expenses.

Fair value is determined on the basis of quoted market prices and rates, the discounting of cash flows and option measurement models.

The fair value of currency forwards is calculated by discounting the predicted cash flows from the agreements in accordance with the interest rates of the currencies sold, converting the discounted cash flows at the exchange rates on the closing date and calculating the difference between the discounted cash flows. The fair values of interest options are determined using commonly adopted option measurement models.

Estimates

In preparing financial statements in compliance with the international financial reporting standards, assumptions and estimates have to be made that affect the assets and liabilities on the balance sheet at the time of preparation, the reporting of conditional assets and liabilities and the income and expenses during the fiscal year. Estimates have been used, e.g., to determine the amounts of items reported in the financial statements, to determine goodwill and the useful life of tangible and intangible assets. Since the estimates are based on the best current assessments of the management, the final figures may deviate from the assessments used in the financial statements.

Goodwill Impairment Test

The Group tests the balance sheet value of goodwill annually, or more often if there are any indications of potential impairment. An impairment loss recognized for goodwill is not reversed under any circumstances. Goodwill is allocated to the Group's cash-flow-generating units, the identification of which depends on which business unit's management monitors goodwill in its internal reporting. The unit's recoverable amount is calculated from value-in-use calculations. Cash-flow-based value in use is determined by calculating the discounted current value of predicted cash flows. The discount rate used in the calculations is based on the weighted average cost of capital employed in the Group's business operations that is applied in the currency area in which the cash-flow-generating-unit is considered to be located (business area). The weighted average cost of capital reflects the Group's average long-term financial structure. An impairment loss is immediately recognized in the income statement if the asset's carrying value is higher than its recoverable amount.

Accounting Principles Requiring Exercise of Judgment and the Main Sources of Insecurity Related to Estimates

The estimates made in preparing the financial statements are based on the management's best assessment on the balance sheet date. The estimates are based on historical experiences and assumptions regarding the future development of the Group's financial operating environment in terms of net sales and cost level. In the Group management's view, the role of assumptions and estimates is the most significant as regards Systems goodwill impairment testing.

Application of New or Amended IFRS Standards and IFRIC Applications

IASB has published the following standards and interpretations whose application is mandatory in 2008 or subsequently. The Group has decided to adopt them in the next fiscal years.

- IFRIC 11 Group and Treasury Share Transactions
- IFRIC 12 Service Concession Arrangements
- IFRIC 14, IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction

The following standards have been published but will not take effect and will not yet be adopted in 2008:

- IAS 1 (Amendment) Presentation of Financial Statements
- IAS 23 (Amendment) Borrowing Costs
- IFRS 2 (Amendment) Share-Based Payments
- IFRS 8 Operating Segments
- IFRIC 13 Customer Loyalty Programs
- IFRS 3 (Revised) Business Combinations
- IAS 27 (Revised) Consolidated and Separate Financial Statements

Group management will examine the impact of the standards mentioned above on the consolidated financial statements.

1. Net Sales and Segment Information

Aspo's primary reporting segments include the business segments, namely Aspo Chemicals, Aspo Shipping and Aspo Systems. Other operations mainly involve Group administration costs. Secondary reporting covers geographic segments based on key market areas. Net sales are shown according to the customer's geographic location, while assets and investments are shown according to their own geographic location.

1.1 Business Segments

The segment's assets and liabilities are items that the segment uses in its business operations or that can be reasonably allocated to the segment. Non-allocated items include taxes and financial items and Group items. Investments consist of increases in fixed assets, intangible assets and goodwill that will be used in more than one fiscal year.

The Systems Swedish organization has restructured and rationalized its operations due to losses, as a result of which approximately 20 employees in three locations have been given notice of termination of employment. The negotiations with the employees have been completed in part, and agreement on the compensation to be paid for redundancies has been reached. The estimated total cost was expensed in its entirety in 2007, and the Systems operating profit includes a restructuring provision of EUR 0.7 million.

Shipping's operating profit includes a sales profit of EUR 10.2 million received in 2007 from the disposal of Ms Arkadia.

2007

1 000 EUR	Chemicals	Shipping	Systems	Other	Elim.	Group
Sales outside the Group	123 783	85 084	57 732			266 599
Intra-Group sales	9 160	691	6 798		-26 249	22
Net sales	132 943	85 775	74 530		-26 649	266 599
Operating profit	3 136	25 051	-1 460	-2 902		23 824
Net financial expenses						-2 426
Profit before taxes						21 398
Income taxes						-6 034
Net profit for the period						**15 364**
Depreciation on tangible assets	385	8 686	359	26		9 455
Depreciation on intangible assets	130	50	114	80		374
Divisional assets	38 443	54 610	30 077	1 108		124 238
Shares in associated companies		1 126				1 126
Non-allocated funds						15 665
Total funds						**141 028**
Segment's liabilities	11 811	9 232	12 746	1 038		34 827
Non-allocated liabilities						43 187
Total liabilities						**78 014**
Investments	5 654	3 749	1 511	155		**11 069**

2006

1 000 EUR	Chemicals	Shipping	Systems	Other	Elim.	Group
Sales outside the Group	89 127	82 665	54 105			225 897
Intra-Group sales	8 259	650	5 326		-14 235	
Net sales	97 386	83 315	59 431		-14 235	225 897
Operating profit	2 729	12 624	-957	-1 573		12 824
Net financial expenses						-1 762
Profit before taxes						11 062
Income taxes						-2 843
Net profit for the period						**8 219**
Depreciation on tangible assets	378	8 324	365	22		9 089
Depreciation on intangible assets	74	67	38	47		226
Segment's assets	28 057	58 611	28 336	712		115 716
Shares in associated companies		1 368				1 368
Non-allocated funds						12 299
Total funds						**129 382**
Segment's liabilities	11 245	7 818	11 538	1 196		31 798
Non-allocated liabilities						39 416
Total liabilities						**71 213**
Investments	1 314	7 355	1 365	167		**10 201**

1.2 Geographic Areas

1 000 EUR	Net sales 2007	Net sales 2006	Investments 2007	Investments 2006	Assets 2007	Assets 2006
Finland	153 951	137 357	7 086	8 893	83 381	83 209
Nordic countries	58 538	47 795	3 769	984	28 290	21 074
Baltic countries	18 435	15 625	95	72	5 720	5 966
Russia and others	35 675	25 120	120	253	7 972	6 834
Total	266 599	225 897	11 069	10 201	125 363	117 083

2. Acquired Operations

In March 2007, Aspokem Ltd acquired the entire stock of the Danish Wilfert Chemical Nordic A/S, resulting in net sales growth and improved earnings for the Chemicals Division. The total purchase price was EUR 4.4 million, including expert fees of EUR 0.1 million. EUR 0.7 million of the acquisition price was paid in Aspo Plc shares. Client relationships measured at EUR 0.5 million have been recognized in intangible assets. The EUR 1.8 million of goodwill was influenced by the company's market position in plastic raw materials and the chance to utilize its distribution network. The impact of the purchase price on cash flow was approximately EUR 4.4 million. Wilfert distributes plastic raw materials in Denmark, Sweden, Norway and Finland. The company was established in 1984 and employs 11 people. Its net sales totaled about EUR 21 million in 2007, and operating profit stood at EUR 0.6 million. The business operations were immediately transferred to the buyer and have been included in Aspokem's figures from the beginning of 2007.

In September 2007, Autotank AS acquired the entire stock of the Norwegian Bård Andersen AS. The size of the corporate acquisition was not material. Its impact on cash flow was approximately EUR 0.2 million.

Wilfert Acquisition

1 000 EUR	Fair Values Recorded in Combination	Book Value Before
Tangible fixed assets	41	41
Intangible assets	533	
Inventories	2 424	2 424
Accounts receivable and other receivables	3 496	3 496
Total assets	**6 494**	**5 961**
Long-term liabilities	407	407
Short-term liabilities	3 542	3 542
Total liabilities	**3 949**	**3 949**
Net assets	2 545	2 012
Acquisition cost	4 350	4 350
Goodwill	1 805	2 338
Sale price paid in cash	-3 682	-3 682
Overdraft limits of the acquired corporation	-761	-761
Cash flow effect	**-4 443**	**-4 443**

3. Other Income

Other Operating Income

1 000 EUR	2007	2006
Total gains from the sale of fixed assets	10 604	620
Total rents and related remuneration	66	32
Other income	149	127
Total other income	**10 819**	**778**

4. Employee Benefits and Personnel Information

Aspo Group employed 699 personnel at year-end (694) and an average of 691 during the year (693). The average number of office personnel during the year was 327 (312) and of non-office workers 364 (381). The parent company personnel at year-end totaled 11 (9) and averaged 11 (9). All of these were office personnel.

1 000 EUR	2007	2006
Wages and salaries	27 108	26 139
Pension costs, contribution plans	3 387	2 656
Pension costs, defined-benefit plans	-314	-438
Option arrangements paid for in cash	111	355
Other indirect personnel costs	5 648	4 273
Total	35 941	32 985

Information regarding the employee benefits of senior management is given in the Related Parties section.

Personnel by Division at End of Period

	2007	2006
Chemicals	134	109
Shipping	240	257
Systems	314	319
Aspo Plc	11	9
Total	699	694

Personnel by Geographic Area at End of Period

	2007	2006
Finland	398	418
Nordic countries	204	191
Baltic countries	36	35
Russia and others	61	50
Total	699	694

5. Depreciation

1 000 EUR	2007	2006
Intangible assets	373	226
Buildings	163	202
Vessels	8 670	8 307
Machinery and equipment	623	581
Depreciation on land and water, finance lease		17
Total	9 829	9 333

6. Operating Expenses

Materials and Services

1 000 EUR	2007	2006
Purchases during the period		
Chemicals	110 522	79 209
Shipping	14 587	14 807
Systems	21 837	19 294
Total	146 946	113 310
Change in inventories	-3 052	267
Outsourced services		
Chemicals	2 997	1 761
Systems	10 221	9 342
Total	13 218	11 103
Total materials and services	157 112	124 680

Items above operating profit include exchange rate losses in the amount of EUR 111,000 in 2007 (EUR 63,000).

Other Operating Expenses

1 000 EUR	2007	2006
Rents	4 459	4 007
Chemicals	3 267	2 458
Shipping	35 724	36 007
Systems	6 778	6 317
Non-allocated costs	1 493	1 352
Foreign exchange losses		-71
Loss on disposal of non-current assets	15	7
Total	51 736	50 076

Research and development costs of approximately EUR 886,000 have been activated on the balance sheet in the fiscal year.

Product Development Costs

1 000 EUR	2007	2006
Systems	2 406	1 135
% of net sales	4.2	2.1

7. Financial Income and Expenses

Foreign exchange gains and losses include gains and losses from deposits and loans. Financial income and expenses include adjustments to the interest income and expenses from the interest rate swap and interest option used to manage the interest rate risk involved in a long-term loan. These derivatives are not included within the scope of hedge accounting.

1 000 EUR	2007	2006
Dividend income from investments held for trading	179	12
Financial income from loans and other receivables	294	270
Interest rate derivatives	37	89
Foreign exchange gains	255	597
Total financial income	765	969
Financial expenses	-2 322	-1 786
Interest rate derivatives	-23	19
Foreign exchange losses	-778	-964
Other financial expenses	-68	
Total financial expenses	-3 191	-2 730
Total financial income and expenses	-2 426	-1 762

8. Income Taxes

Taxes in the Income Statement

1 000 EUR	2007	2006
Taxes for the fiscal period	-5 282	-3 968
Change in deferred taxes and tax receivables	-753	1 130
Taxes from previous fiscal periods	1	-5
Total	-6 034	-2 843

Reconciliation of Tax Expenses in the Income Statement and Taxes Calculated Using the Parent Company's Tax Rate (26%)

1 000 EUR	2007	2006
Profit before taxes	21 398	11 062
Taxes calculated using the parent company's tax rate	-5 563	-2 876
Impact of foreign subsidiaries' tax rates	90	121
Taxes from previous fiscal periods	1	-5
Change in deferred tax receivables formed in previous years	-552	-123
Other items	-10	40
Taxes in the income statement	-6 034	-2 843
Effective tax rate	28%	26%

9. Earnings Per Share

Undiluted earnings per share have been calculated by dividing the parent company's profit or loss by the weighted average number of outstanding shares during the fiscal year. In calculation of the diluted earnings per share, the average number of shares was adjusted with the dilutive effect of the equity-based convertible bond.

1 000 EUR	2007	2006
Profit before taxes and minority interest	21 398	11 062
- Income taxes on operational activities	-6 035	-2 843
- Minority interest	-129	-46
Total	15 235	8 174
Average number of shares during the fiscal period (in 1,000s)	25 807	25 368
Earnings per share, EUR	0.59	0.32
Earnings excluding the sales profit on Ms Arkadia	7 701	
Earnings per share excluding the sales profit	0.30	
Profit before taxes and minority interest	21 398	11 062
- Income taxes on ordinary activities	-6 035	-2 843
- Minority interest	-129	-46
Interest on convertible bond (adjusted with tax impact)	564	646
Total	15 800	8 820
Conversion of convertible bond to shares	2 614	2 964
Average number of shares during the fiscal period adjusted for dilution of convertible bond (in 1,000s)	28 421	28 332
Diluted earnings per share, EUR	0.56	0.31

10. Intangible Assets

Intangible assets mainly include computer software and its licenses that are amortized on a straight-line basis over five years. Refurbishment costs of premises, the intangible assets acquired in connection with the Wilfert acquisition and the capitalized research and development costs associated with the development of new payment systems in the Systems division have been recorded in other intangible assets. Advance payments are mainly connected with the ERP system of the Autotank Group.

Intangible Assets 2007

1 000 EUR	Intangible Rights	Other Intangible Assets	Advance Payments	Total
Acquisition cost, January 1	1 354	459	777	2 591
Translation difference			-16	-16
Increases	441	1 015		1 456
Increases, business combination		533		533
Decreases	-5			-5
Transfers between items	334	269	-762	-159
Acquisition cost, December 31	**2 124**	**2 276**		**4 400**
Accumulated depreciation, January 1	-1 026	-395		-1 421
Accumulated depreciation from decreases and transfers	5	1		6
Depreciation during the period	-241	-132		-373
Accumulated depreciation, December 31	**-1 262**	**-527**		**-1 789**
Book value on December 31	**862**	**1 749**		**2 611**

Intangible Assets 2006

1 000 EUR	Intangible Rights	Other Intangible Assets	Advance Payments	Total
Acquisition cost, January 1	1 188	463	48	1 699
Translation difference		1		1
Increases	165	2	1 126	1 293
Increases, acquisition	5			5
Decreases	-4	-18	-665	-687
Transfers between items		11	268	279
Acquisition cost, December 31	**1 354**	**459**	**777**	**2 591**
Accumulated depreciation, January 1	-841	-369		-1 210
Translation difference		-1		-1
Accumulated depreciation from decreases and transfers	4	12		16
Depreciation during the period	-189	-38		-226
Accumulated depreciation, December 31	**-1 026**	**-395**		**-1 421**
Book value on December 31	**328**	**64**	**777**	**1 170**

11. Goodwill

Goodwill is allocated to cash-flow-generating units by country or by business unit on the basis of the unit's location and depending on the level of goodwill monitoring in internal reporting. Goodwill is divided among the segments as follows: Chemicals EUR 2.8 million, Shipping EUR 0.8 million and Systems EUR 6.5 million.

Future cash flows used in impairment calculations are based on budgets approved by Group Management. Estimates regarding cash flows cover three years using cautious growth expectations, and subsequently cash flow is estimated cautiously assuming zero growth. The discount rate (WACC) used in the calculations was 11.72% before taxes. The results from impairment testing are not particularly sensitive to changes in discount rates.

Impairment Testing at Systems

The Systems Division has not recognized an impairment loss for the fiscal year since its past and near-future measures are believed to have a positive effect on earnings development. According to the impairment test calculation, no impairment has taken place. The future cash flows used in the impairment calculations are based on the economic plans for the next three years approved by the Group management. The market situation over these years appears very promising due to the introduction of chip cards, among other things. The cash flow for the subsequent years is estimated cautiously, with 1% growth as default.

Goodwill

1 000 EUR	2007	2006
Acquisition cost, January 1	8 212	7 243
Business combination	1 969	
Acquisition		911
Translation difference	-67	58
Acquisition cost, December 31	**10 114**	8 212

Assumptions Used in Impairment Testing

Net Sales
Systems net sales was estimated on the assumption that all payment terminals in the Nordic countries and the Baltic region will be upgraded to allow chip cards. This will increase the Systems net sales significantly over the next three years.

Sales Margin
The sales margin for Systems is expected to increase by a few percentage points due to sales growth.

Fixed Costs
Thanks to improved internal controls, the increase in fixed costs is projected to remain at the level of inflation.

Factors Influencing Impairment Testing

Since the Systems Division has shown a loss for three years in a row, the result of impairment testing depends on the materialization of the predicted future cash flows. A substantial negative change in future cash flows may result in a write-down of goodwill. It is the management's view that the estimates of future cash flows presented above are likely.

There are no indications of potential impairment of the goodwill of Chemicals. The integration of operations has succeeded well.

There are no indications of potential impairment of Shipping's goodwill.

12. Tangible Assets

Tangible Assets 2007

1 000 EUR	Land	Buildings	Machinery and Equipment	Vessels	Other Tangible Assets	Work in Progress and Advance Payments	Total
Acquisition cost, January 1	223	4 300	8 401	146 021	578	5 719	165 242
Translation difference			-101		3	-21	-119
Increases		22	662	1 297	13	2 470	4 463
Increases, acquisition			299				299
Decreases	-162	-1 775	-683		-4		-2 623
Transfers between items		46	374			-51	368
Acquisition cost, December 31	**61**	**2 593**	**8 952**	**147 318**	**590**	**8 116**	**167 631**
Accumulated depreciation, January 1	-17	-1 950	-6 997	-101 457	-375		-110 796
Translation difference			77				77
Accumulated depreciation from decreases and transfers	17	217	-489		1		-254
Depreciation during the period		-89	-578	-8 670	-40		-9 377
Accumulated depreciation, December 31		**-1 823**	**-7 986**	**-110 127**	**-414**		**-120 350**
Book value on December 31	**61**	**770**	**966**	**37 191**	**176**	**8 116**	**47 281**

Tangible Assets 2006

1 000 EUR	Land	Buildings	Machinery and Equipment	Vessels	Other Tangible Assets	Work in Progress and Advance Payments	Total
Acquisition cost, January 1	223	4 298	8 096	143 895	508	60	157 080
Translation difference			65				65
Increases		15	643	2 076	55	5 718	8 507
Increases, acquisition			90				90
Decreases		-14	-221			-51	-286
Transfers between items			-270	49	15	-9	-214
Acquisition cost, December 31	**223**	**4 300**	**8 401**	**146 021**	**578**	**5 719**	**165 242**
Accumulated depreciation, January 1		-1 749	-6 560	-93 150	-332		-101 791
Translation difference			-51				-51
Depreciation	-17						-17
Accumulated depreciation from decreases and transfers			156		-2		155
Depreciation during the period		-202	-541	-8 307	-42		-9 092
Accumulated depreciation, December 31	**-17**	**-1 950**	**-6 997**	**-101 457**	**-375**		**-110 796**
Book value on December 31	**207**	**2 349**	**1 404**	**44 563**	**203**	**5 719**	**54 445**

Financial Leasing Arrangements

The building and land area located in Tampere that was leased under a financial leasing agreement and included in tangible assets has been sold.

2007

1 000 EUR	Land	Buildings	Total
Acquisition cost, January 1	145	1 789	1 934
Decreases	-145	-1 789	-1 934
Acquisition cost, December 31			
Accumulated depreciation, January 1		-253	-253
Depreciation during the period			
Accumulated depreciation from decreases		253	253
Accumulated depreciation, December 31			
Book value on December 31			

2006

1 000 EUR	Land	Buildings	Total
Acquisition cost, January 1	162	1 789	1 951
Depreciation	-17		-17
Acquisition cost, December 31	**145**	**1 789**	**1 934**
Accumulated depreciation, January 1		-172	-172
Depreciation during the period		-81	-81
Accumulated depreciation, December 31		**-253**	**-253**
Book value on December 31	**145**	**1 536**	**1 681**

13. Investments Held for Trading

Investments Held for Trading 2007

1 000 EUR	Quoted	Others	Total
Acquisition cost, January 1		160	160
Acquisition cost, December 31		**160**	**160**
Book value on December 31		**160**	**160**

Investments Held for Trading 2006

1 000 EUR	Quoted	Others	Total
Acquisition cost, January 1	698	160	858
Decreases	-698		-698
Acquisition cost, December 31		**160**	**160**
Book value on December 31		**160**	**160**

14. Long-Term Receivables

The loan granted by Aspo to Vatro, included in long-term receivables in 2006, was repaid in full in 2007.

Other Items Included in Long-Term Receivables

1 000 EUR	2007	2006
Long-term loan receivables	4	109
Long-term derivatives, interest rate option	130	108
Total long-term accounts receivable and other receivables	134	217

15. Associated Companies

ESL Shipping Ltd has a 35% holding in the associated company Credo AB. The carrying amount does not include goodwill. The unlisted Credo AB's registered office is in Donsö, Sweden. The company's net sales for the fiscal year were EUR 3.9 million, assets EUR 24.1 million and liabilities EUR 21.2 million. The company did not show a profit for the fiscal year.

Shares in Associated Companies

1 000 EUR	2007	2006
Acquisition cost, January 1	1 250	1 238
Increases		118
Decreases		-106
Acquisition cost, December 31	1 250	1 250
Share of associated companies' profit or loss	-124	122
Transfers between items		-4
Equity adjustments, December 31	-124	118
Book value on December 31	1 126	1 368

16. Deferred Taxes

Deferred Tax Receivables

1 000 EUR	2007	2006
Unused tax losses	1 944	1 944
Items recorded in shareholders' equity	318	
Other temporary differences	91	148
Total	2 353	2 092

Deferred Taxes

1 000 EUR	2007	2006
Depreciation in excess of plan	8 889	8 150
Capitalization of the dockage	87	115
Convertible bond	54	74
Inventories, forwards, leasing	71	36
Acquisition	138	
Total	9 239	8 375

Change in Deferred Tax Receivables

1 000 EUR	2007	2006
Deferred tax receivables, January 1	2 092	1 630
Items recorded in the income statement		
Measurement of derivatives		-44
Pension liabilities	-81	-114
Warranty provision		-51
Unused tax losses		499
Other temporary differences	24	171
Items recorded in shareholders' equity	318	
Deferred tax receivables, December 31	2 353	2 092

Change in Deferred Taxes

1 000 EUR	2007	2006
Deferred taxes, January 1	8 375	9 535
Items recorded in the income statement		
Inventories, forwards, leasing	35	9
Transaction costs of the convertible bond	-20	-19
Depreciation in excess of plan	739	-866
Capitalization of the dockage	-28	-171
Items recorded in shareholders' equity		-112
Acquisition	138	
Deferred taxes, December 31	9 239	8 375

17. Inventories

Work in progress includes costs of binding customer orders accumulated by the balance sheet date. The accumulated costs include direct labor and material costs and the relative proportion of indirect manufacturing and installation costs. Binding customer orders primarily involve orders for new equipment based on fixed contract prices.

An expense of EUR 1.3 million was recognized for the past fiscal year for a write-down of inventories to net realizable value.

Inventories

1 000 EUR	2007	2006
Materials and supplies	9 570	3 947
Work in progress	958	1
Finished goods	13 132	13 257
Other inventories	380	469
Total	24 040	17 674

18. Accounts Receivable and Other Receivables

Accounts receivable will be written down if there is justifiable evidence suggesting that the Group will not receive all of its receivables under the original terms and conditions.

The carrying amount is considered to be close to fair value. Accounts receivable do not involve significant credit loss risks.

Interest-Free Accounts Receivable and Other Receivables

1 000 EUR	2007	2006
Accounts receivable	33 421	26 691
Refund from the Ministry of Transport and Communications	2 295	2 470
Derivative contracts	29	128
Advance payments	582	3 238
VAT receivable	51	424
Duties receivable	32	8
Other deferred receivables	3 375	1 097
Total	39 784	34 055

19. Cash and Cash Equivalents

Cash and Cash Equivalents

1 000 EUR	2007	2006
Commercial paper	5 400	5 007
Bank accounts	7 746	4 115
Total	13 146	9 123

20. Shareholders' Equity

Shares and Share Capital

On December 31, 2007, Aspo Plc had 26,398,503 shares and its share capital totaled EUR 17.7 million.

The shareholders' equity portion of Aspo's convertible bond has been presented under shareholders' equity. Company shares in Aspo's possession have been recorded as an element reducing shareholders' equity.

Share Capital and Premium Fund 2007

1 000 EUR	In 1,000s	Share Capital	Premium Fund	Invested Unrestricted Equity Fund	Repur-chased Shares	Total
January 1	**25 690**	**17 452**	**2 459**		**-1 828**	**18 083**
Conversion of convertible bond to shares in 2007	351	236	1 852			2 088
Sale of repurchased shares in 2007	106			312	448	312
Shares repurchased in 2007	-247			-83	-1 656	-83
December 31	**25 899**	**17 688**	**4 311**	**229**	**-3 036**	**20 400**
Own shares held by the company	490					
Total number of shares	**26 390**					

Share Capital and Premium Fund 2006

1 000 EUR	In 1,000s	Share Capital	Premium Fund	Invested Unrestricted Equity Fund	Repur-chased Shares	Total
January 1	**25 317**	**17 208**	**518**		**-1 861**	**17 726**
Conversion of convertible bond to shares in 2006	365	244	1 926			2 170
Sale of repurchased shares in May 2006	8		15		33	15
December 31	**25 690**	**17 452**	**2 459**		**-1 828**	**19 910**
Own shares held by the company	358					
Total number of shares	**26 048**					

Revaluation Fund and Other Funds

1 000 EUR	2007	2006
Cash flow hedge fund	-904	-42

Voluntary Provisions

1 000 EUR	2007	2006
Accumulated depreciation in excess of plan	34 188	31 346
Deferred taxes on excess depreciation	-8 889	-8 150
Total	25 299	23 196

Equity Portion of Convertible Bond

1 000 EUR	2007	2006
Equity portion of convertible bond	220	220

21. Interest-Bearing Liabilities

The balance sheet values of interest-bearing liabilities are not essentially different from their fair values. The equity-based convertible bond has fixed 5% interest (loan period from June 4, 2004, to June 4, 2009).

Aspo Plc's equity-based convertible bonds total EUR 15,557,500. The loan principal can only be repaid at maturity if the Group's restricted equity and other non-distributable items as shown on the latest confirmed balance sheet are fully covered. The loan will be repaid in its entirety on June 4, 2009, provided that the repayment requirements specified in chapter 5 of the Companies Act and in the loan terms and conditions are met. According to the loan terms and conditions, Aspo will, as of January 2, 2005, be entitled to early repayment of the entire loan principal plus interest compounded by a factor of one hundred (100) percent up to the repayment date. Each EUR 500 loan portion of Aspo's convertible bond entitles the holder to convert the loan portion into 84 Aspo shares. The conversion rate of the share is EUR 5.95.

Financial Leasing Liabilities

Subsequent to the divestment of its financial leasing agreement, the Group no longer has any financial leasing liabilities.

Long-Term Liabilities

1 000 EUR	2007	2006
Loans	781	1 765
Financial leasing liabilities		1 598
Convertible bond	14 191	16 167
Total	14 972	19 531

Short-Term Liabilities

1 000 EUR	2007	2006
Loans	17 115	10 264
Bank overdrafts used	1 455	
Financial leasing liabilities		82
Pension loans		14
Total	18 570	10 360

22. Interest-Free Liabilities

Long-Term Liabilities

1 000 EUR	2007	2006
Share-based incentive system	181	71
Currency forwards	1 038	
Total	1 219	71

Short-Term Liabilities

1 000 EUR	2007	2006
Accounts payable	15 184	16 566
Advances received	1 427	776
Rents	812	730
Salaries and social contributions	4 570	5 249
Employer contributions	1 036	1 428
Accrued interest	553	1 036
Value added tax liability	1 070	1 504
Dispatch provisions	596	481
Missing purchase invoices and settlements	2 300	1 883
Other short-term deferred liabilities	4 777	1 591
Total	32 326	31 245

23. Pension Obligations

The Group has provided for statutory pension cover by taking out insurance with pension insurance companies. In foreign units, pension cover is arranged in accordance with local legislation and social security regulations. The Group's pension plans are treated in the financial statements as defined-contribution plans. In addition, the Group has defined-benefit plans in Norway, but their impact is not significant.

Reconciliation of Pension Liabilities in the Balance Sheet

1 000 EUR	2007	2006
Net liability at beginning of fiscal year	482	925
Translation differences	6	-5
Downsizing of plan	-314	-438
Net liability at end of fiscal year	174	482

Pension Liabilities in the Income Statement

1 000 EUR	2007	2006
Contribution plans	3 387	2 656
Defined-benefit plans	-314	-438
Total	3 073	2 218

24. Provisions

The Swedish organization of Systems has restructured and rationalized its operations due to losses, as a result of which approximately 20 employees, in three locations, have been given notice of termination of employment. The negotiations with the employees have been completed in part, and agreement on the compensation to be paid for redundancies has been reached. The estimated total cost has been expensed in its entirety in 2007, and the Systems operating profit includes a restructuring provision of EUR 0.7 million.

Provisions

1 000 EUR	Warranty and Other Provisions	Restructuring Provisions
Provisions, January 1	567	
Increases in provisions	187	724
Provisions used	-370	
Provisions, December 31	**384**	**724**

Provisions

1 000 EUR	2007	2006
Long-term provisions	63	248
Short-term provisions	1 044	319
Total	1 107	567

25. Financial Risks and Risk Management

25.1 Financial Risk Management Principles and Organization

The function of Aspo Group's financial risk management is to protect the operating margin and cash flows and effectively manage fund-raising and liquidity. In addition, the Aspo Group aims at developing the predictability of future cash flows and continuously adapting its business operations to changes in the operating environment.

Risk management is based on the risk management policy approved by the Board of Directors, which defines the main principles for financial risk management in the Aspo Group. The risk management policy defines the general objectives of risk management, the division of responsibility within the Group and the related reporting requirements. The risk management policy also provides the basis for operating procedures regarding the management of currency risks, liquidity and payment transactions.

The operating procedures define in more detail the responsibilities and obligations related to risk management in Aspo Group, the controls defined for monitoring operations and the contents and frequency of risk management reporting.

The Group CEO, together with the Group CFO, is responsible for the implementation of financial risk management in accordance with the policy approved by the Board of Directors. It is the responsibility of the business units to hedge their own financial risks in accordance with the risk management policy and the more detailed instructions issued by the parent company.

The parent company is responsible for monitoring and reporting the Aspo Group's currency risk position and administering the Group's liquidity position.

25.2 Market Risks

Currency Risk

The Aspo Group operates internationally and its operations involve currency risks. Cash flows from operating activities are hedged against the effect of foreign exchange rates, since the currency risk may have a negative impact on cash flow and financial performance.

Aspo Group's currency position consists of a fair value position and a cash flow position. The fair value position is based on transactions resulting in foreign-currency-denominated liabilities or receivables on the company's balance sheet. Significant positions are hedged.

The cash flow position arises from predicted foreign currency cash flows from operating activities, also including binding off-balance-sheet foreign currency items, such as investments and order books. The cash flow position consists of expected foreign currency cash flows within about one year.

Aspo Group uses the euro as the primary billing currency to minimize the currency risk. Aspo Shipping and Aspo Chemicals use currency forwards and options to hedge the dollar positions of their cash flows. Aspo Shipping also uses currency forwards and options to hedge the payments for vessel acquisitions priced in dollars. Affiliates engage in internal dollar-denominated transactions, whereby the dollar position resulting from purchases and sales will even out at Group level.

The Aspo Group has investments in foreign subsidiaries, which have an impact on the Group's shareholders' equity and involve a translation risk. The Group's equity investments in foreign subsidiaries on the closing date December 31, 2007, amounted to EUR 15 million. The Group has not found it justifiable to hedge the translation position.

Interest Rate Risk

The Aspo Group has exposure to an interest rate risk through the impact of changes in interest rates on the value of its interest-bearing liabilities and its interest expenses. The Group's interest-bearing liabilities stood at EUR 33.5 million on December 31, 2007, including fixed-rate liabilities of about EUR 16.5 million and floating-rate liabilities of EUR 17 million. The floating interest rates change at an average interval of three months. The Group's interest-bearing receivables at year-end amounted to EUR 13.5 million, including short-term bank deposits of EUR 5.4 million. Realized and open derivatives are recorded at full fair value in the financial items. Aspo Group's long-term floating-rate loan is hedged using interest rate options and swaps.

Sensitivity to Market Risks

The Aspo Group has exposure to interest rate and currency risks via the financial instruments, i.e. financial assets and liabilities and derivatives, included in the balance sheet on the closing date. The cur-

Interest-Bearing Liabilities by Currency

1 000 EUR	2007	2006
EUR	30 951	29 185
SEK	54	677
DKK	2 525	
Others	11	29
Total	33 541	29 891

Accounts Receivable by Currency

1 000 EUR	2007	2006
USD	1 388	1 141
EUR	13 469	9 029
SEK	5 734	6 625
DKK	2 132	305
EEK	1 028	754
RUB	3 047	2 483
NOK	4 581	3 851
LTL	208	1 530
LVL	1 299	291
UAH	505	665
Others	30	17
Total	33 421	26 691

Investments in Foreign Subsidiaries

1 000 EUR	Shareholders' Equity 2007	Shareholders' Equity 2006
SEK	2 800	-1 592
DKK	4 244	
EEK	2 420	1 748
RUB	3 204	2 291
NOK	1 166	1 179
LVL	1 081	938
LTL	271	296
UAH	-86	-73
PLN	177	282
Total	15 276	5 069

Cash and Bank Deposits and Unused Binding Credit Facilities

1 000 EUR	2007	2006
Cash and bank deposits	13 146	9 123
Bank overdrafts	12 118	7 000
Total	25 264	16 123

rency position varies during the year and, accordingly, the position included in the balance sheet on the closing date does not necessarily reflect the situation during the fiscal year. The impact of foreign-currency-denominated sales and purchase transactions made during the year on the income statement is not taken into account in the sensitivity calculations unless they have been hedged through derivatives.

The sensitivity analysis is used to analyze the impact of market trends on measurements.

The sensitivity calculation regarding changes in the euro/dollar rate is based on the following assumptions:

- The exchange rate changes +/-10%.
- The position includes dollar-denominated financial assets and liabilities, i.e. deposits, accounts receivable, other receivables, accounts payable and other liabilities, cash in hand and at banks and derivatives.
- Future cash flows in dollars are not taken into account in the positions.

The sensitivity calculation regarding changes in interest rates is based on the following assumptions:

- The interest level changes by one percentage point.
- The position includes interest-bearing financial liabilities, interest-bearing financial receivables and interest rate swaps.
- The calculation is based on balance sheet values on the closing date, and changes in capital during the year have not been taken into account.

Market risks also have an impact on the Aspo Group through items other than financial instruments. The oil price risk has an impact on Aspo Group's performance through freight costs, which heretofore have been hedged against by means of contractual clauses. The fluctuations in raw material prices for chemicals also affect the Group's financial performance.

Hedge Accounting

Currency options related to the vessel acquisition by Aspo Shipping and currency forwards and options related to vessel acquisition have been classified to fall within the scope of hedge accounting in fiscal years 2006 and 2007, respectively. These derivatives have been entered into to hedge dollar-denominated advance payments related to vessel acquisition against currency risks. The advance payments fall due in the fiscal years 2008 and 2009 and will then be recognized as vessel acquisition expenses.

25.3 Liquidity and Financing Risks

Aspo Group's main source of financing is the cash flow from operating activities. Aspo's liquidity position is administered at Group level, and the parent company is responsible for ensuring the adequacy of the subsidiaries' liquidity reserve. The subsidiaries report their daily liquidity needs to the parent company on a weekly basis.

To minimize the liquidity and financing risks and to cater for the estimated financing needs, the Aspo Group has negotiated bilateral credit facilities of 1–2 years, whose value totaled EUR 28 million on December 31, 2007.

The fair values of currency and interest rate options have been calculated using commonly adopted option measurement models. The fair value of currency forwards is the current value of predicted future cash flows. The fair value of currency forwards is calculated by discounting the predicted cash flows from the agreements in accordance with the interest rates of the currencies sold, converting the discounted cash flows at the exchange rates on the closing date and calculating the difference between the discounted cash flows.

The cash flows presented are exclusive of interest expenses and income.

The Group does not have significant receivables.

25.4 Credit and Counterparty Risks

A company becomes exposed to credit risks when it allows its customers a period of payment, invests its assets or acquires derivative instruments. The amount of receivables on the balance sheet at any given time represents the Group's maximum credit risk. Derivative contracts have been entered into with credit institutions having good credit ratings, and materialization of the credit risk involved is considered highly unlikely.

The main principle for credit risk management in the Aspo Group is to establish long-term customer relationships with known and creditworthy companies. The credit risks associated with individual customers are relatively low. To protect itself against credit risks, Aspo uses payment terms based on advance payments and bank guarantees as necessary. Advance payments prior to delivery are required from new customers, in particular.

The Group's exposure to the counterparty risk is reduced by determining that permitted investment objects comprise risk-free investment objects with good tradability on the secondary market.

25.5 Management of Capital Structure

The aim of the Group's capital structure management is to support the operations and to ensure the prerequisites for the Group's operations on the capital market in varying market conditions and regardless of the volatility of its business sector.

Sensitivity to Market Risks Based on Financial Instruments

	2007 Income	2007 Shareholders' Equity	2006 Income	2006 Shareholders' Equity
+10% in the euro/USD exchange rate	212	-5 441	-34	-307
-10% in the euro/USD exchange rate	-159	631	42	-141
Change of +100 basic points in market interest rates	-157		29	
Change of -100 basic points in market interest rates	113		-10	

Accounts Receivable by Age

1 000 EUR	2007	2006
Not matured	26 491	20 791
Matured 1–30 days ago	5 054	2 674
Matured 31–60 days ago	750	1 037
Matured over 60 days ago	1 126	2 189
Total	33 421	26 691

Maturity Analysis 2007

1 000 EUR	Balance Sheet Value Dec. 31, 2007	Cash Flow 2008[1]	2009	2010	2011	2012-
Loans	-17 896	-17 322	-152	-159	-240	-24
Convertible bond	-14 191		-14 191			
Bank overdrafts	-1 454	-1 455				
Accounts payable, other payables	-32 326	-32 326				
Off-balance-sheet commitments[2]	-7 299	-2 083	-5 217			
Derivatives						
Interest rate options						
Cash flows to be received	171	171				
Interest rate swaps						
Cash flows to be paid	-12	-12				
Currency derivatives						
Cash flows to be paid	-1 222	-184	-1 038			
Currency derivatives						
Cash flows to be paid	-6	-6				
Cash flows to be received	37	37				

[1]Repayments in 2008 are included in short-term items.
[2]Off-balance-sheet commitments are related to advance payments for vessels under construction.

Maturity Analysis 2006

1 000 EUR	Balance Sheet Value Dec. 31, 2006	Cash Flow 2007[1]	2008	2009	2010	2011-
Loans	-4 030	-2 264	-1 613			
Convertible bond	-16 167			-16		
Pension loans	-14	-14				
Financial leasing liabilities	-1 680	-82	-91	-91	-91	-1 325
Bank overdrafts	-8 000	-8 000				
Accounts payable, other payables	-31 245	-31 245				
Off-balance-sheet commitments[2]	-8 658	-1 896	-6 762			
Derivatives						
Interest rate options						
Cash flows to be paid	-1		-1			
Cash flows to be received	135	3	131			
Interest rate swaps						
Cash flows to be paid	-35	-14	-22			
Currency derivatives						
Cash flows to be paid	-57	-57				

[1]Repayments in 2007 are included in short-term items.
[2]Off-balance-sheet commitments are related to advance payments for vessels under construction.

Book Values of Financial Assets and Liabilities by Measurement Group

2007

1 000 EUR	Financial Assets/Liabilities Recognized at Fair Value through Profit or Loss	Loans and Other Receivables	Financial Assets Available for Sale	Financial Liabilities Recognized at Amortized Cost	Book Values of Balance Sheet Items
Long-term financial assets					
Long-term receivables		4			4
Derivatives	130				130
Other financial assets			160		160
Short-term financial assets					
Accounts receivable and other receivables		39 755			39 755
Derivatives	29				29
Book value by measurement group	**159**	**39 759**	**160**		**40 078**
Long-term financial liabilities					
Long-term interest-bearing liabilities				14 972	14 972
Derivatives	1 038				1 038
Long-term interest-free liabilities	181				181
Short-term financial liabilities					
Short-term interest-bearing liabilities				18 570	18 570
Derivatives	202				202
Short-term interest-free liabilities				32 326	32 326
Book value by measurement group	**1 421**			**65 868**	**67 289**

2006

1 000 EUR	Financial Assets/Liabilities Recognized at Fair Value through Profit or Loss	Loans and Other Receivables	Financial Assets Available for Sale	Financial Liabilities Recognized at Amortized Cost	Book Values of Balance Sheet Items
Long-term financial assets					
Long-term receivables		109			109
Derivatives	108				108
Other financial assets			160		160
Short-term financial assets					
Accounts receivable and other receivables		33 927			33 927
Derivatives	128				128
Book value by measurement group	**236**	**34 036**	**160**		**34 432**
Long-term financial liabilities					
Long-term interest-bearing liabilities				19 531	19 531
Long-term interest-free liabilities	71				71
Short-term financial liabilities					
Short-term interest-bearing liabilities				10 360	10 360
Short-term interest-free liabilities				31 245	31 245
Book value by measurement group	**71**			**61 136**	**61 207**

26. Derivative Contracts

Available market rates and prices, the current value of future cash flows and option measurement models are used to calculate the fair value.

1 000 EUR	Face Values 2007	Fair Values, Net 2007	Face Values 2006	Fair Values, Net 2006
Currency derivatives				
Currency forwards	-11 851	-1 190	-1 955	-57
Interest rate derivatives				
Interest rate swaps	7 915	-12	7 915	-35
Interest rate options purchased	27 655	-452	27 655	-488
Interest rate options sold	27 655	229	27 655	228
Total		-1 425		-352

27. Commitments

As part of their ordinary business activities, the Group and some of its subsidiaries sign different agreements under which financial or performance guarantees are offered to third parties on behalf of these subsidiaries. These agreements are signed primarily to support or improve the Group companies' credit rating, which will help obtain sufficient funding for the subsidiaries' intended business activities.

Collateral for Own Debt

1 000 EUR	2007	2006
Mortgages given	25 519	26 864
Bank guarantees	9 035	10 251
Other contingent liabilities		
Other leasing liabilities		
Within one year	2 369	862
More than a year and no more than five years	4 007	2 039
Bareboat contract		
Within one year	2 083	1 896
More than a year and no more than seven years	5 217	6 762
Total	48 229	48 673

28. Inner Circle

Management Benefits

In January 2006, the Board of Directors decided to introduce a share-ownership plan linked to share price development for management including about 30 executives and key employees chosen by the Board of Directors. Each person covered by the plan purchased an agreed number of Aspo Plc shares in May 2006. The requirement for receiving the bonus involved is that the person retains ownership of the shares until the plan expires in August 2009.

The plan is based on granting share units to key personnel. A share unit is a benefit to be defined in July 2009. The share unit's value will be the trade-weighted average quotation of the Aspo share between January 1, 2009, and June 30, 2009, less the trade-weighted average quotation of the Aspo share in May 2006 (EUR 6.89). To the difference thus calculated will be added the dividends per share distributed between May 1, 2006, and June 30, 2009. However, the value of the share unit will not be more than EUR 10/share unit. The bonus will be paid in cash between August and December 2009, provided the employment relationship is still effective and the person owns the Aspo shares purchased. A further condition for receiving the value of the share units is that the person uses 20% of the gross income from the share units to purchase Aspo shares.

The retirement age of the CEO and COO is 60 years and full pension comprises 60 percent of the pensionable salary. The period of notice applied in the employment relationship of the CEO and COO is six months. If notice is given by the company, severance pay corresponding to 18 months' salary will be paid in addition to the salary for the notice period.

Information on convertible bonds subscribed to by the inner circle is presented in the Corporate Governance section.

Group Companies

Company	Country of Incorporation	Ownership %
Aspo Plc, parent company	Finland	
Suhi-Suomalainen Hiili Oy	Finland	100
Autotank Ltd	Finland	100
Aspokem Ltd	Finland	100
ESL Shipping Oy	Finland	100
Oy Troili Ab	Finland	100
Oy Bomanship Ab	Finland	100
O.Y. Näppärä	Finland	100
Aspokem Eesti AS	Estonia	100
Aspokem Latvia SIA	Latvia	100
UAB Aspokemlit	Lithuania	100
OOO Aspokem	Russia	100
LLC Aspokem Ukraine	Ukraine	100
Aspokem AB	Sweden	100
Wilfert Chemical Nordic A/S	Denmark	100
Wilfert Chemical Denmark A/S	Denmark	100
Wilfert Chemical Sweden AB	Sweden	100
Wilfert Chemical Norway AS	Norway	100
Wilfert Chemical Finland Oy	Finland	100
Autotank OÜ	Estonia	100
Autotank SIA	Latvia	100
UAB Autotank	Lithuania	100
Autotank Holding AB	Sweden	100
Autotank AB	Sweden	100
Autotank Halmstad AB	Sweden	100
Autotank Service AB	Sweden	100
Autotank Skellefteå AB	Sweden	100
Bård Andersen AS	Norway	100
Autotank AS	Norway	100
Autotank Sp.zo.o.	Poland	55
OOO Autotank	Russia	51

Information on associated companies is presented in Note 15.

Assumptions Used to Determine Fair Value

	2007	2006
Expected volatility	29%	29%
Expected maturity of option on granting date (years)	3.25	3.25
Risk-free interest	4%	4%
Fair value of instrument determined on granting date	1.77	1.72

Salaries and Benefits

1 000 EUR	2007	2006
CEO and COO, salaries	272	181
CEO, incentive		461
Board members	90	90
Total	362	732

Key Figures

	IFRS 2007	IFRS 2006	IFRS 2005	IFRS 2004	FAS 2003
Net sales, MEUR	**266.6**	225.9	204.9	184.3	145.2
Operating profit, MEUR	**23.8**	12.8	17.3	21.6	13.6
% of net sales	**8.9**	5.7	8.4	11.7	9.3
Profit before taxes, MEUR	**21.4**	11.1	15.8	19.7	4.8
% of net sales	**8.0**	4.9	7.7	10.7	3.3
Return on investments, % (ROI)	**25.7**	14.9	20.6	25.0	16.5
Return on equity, % (ROE)	**25.4**	14.1	19.9	27.4	14.5
Equity ratio, %	**45.1**	45.2	47.2	48.5	44.8
Equity ratio net of tax liabilities, %	**51.8**	51.7	54.9	56.8	52.7
Gearing, %	**32.4**	35.7	23.6	25.6	22.2
Gross investments in fixed assets, MEUR	**11.0**	10.2	5.8	0.6	24.6
% of net sales	**4.1**	4.5	2.8	0.3	17.0
Personnel, December 31	**699**	694	681	566	538
Personnel, average	**691**	693	688	569	525
Share-Related Key Figures *					
Earnings per share (EPS), EUR	**0.59**	0.32	0.45	0.61	0.34
Diluted earnings per share, EUR	**0.56**	0.31	0.43	0.58	
Shareholders' equity per share, EUR	**2.43**	2.26	2.30	2.25	2.18
Nominal dividend per share, EUR (Board's proposal)	**0.42**	0.41	0.40	0.40	0.47
Adjusted dividend per share, EUR	**0.42**	0.41	0.40	0.40	0.47
Dividend / earnings, %	**71.3**	128.9	87.9	65.3	138.3
Effective dividend yield, %	**6.50**	6.00	5.80	7.80	10.80
Price / earnings ratio (P/E)	**10.9**	21.1	15.2	8.4	12.9
Diluted price / earnings ratio (P/E)	**11.6**	21.8	16.2	8.8	
Share price performance					
Average price, EUR	**6.97**	6.96	6.64	4.83	3.35
Low, EUR	**6.30**	5.75	5.05	3.57	2.87
High, EUR	**7.80**	8.62	7.83	5.45	4.67
Average price on the closing day, EUR	**6.44**	6.80	6.90	5.10	4.34
Market value of total shares outstanding, Dec. 31, MEUR	**170.0**	177.1	177.2	130.8	111.2
Market value of shares, less own shares, Dec. 31, MEUR	**166.8**	174.7	174.7	129.6	111.3
Share turnover, 1,000 shares	**5 060**	6 044	7 598	3 245	1 531
Share turnover, %	**19.2**	23.2	29.6	37.9	17.9
Total share trading, 1,000 EUR	**35 320**	41 934	71 909	46 997	15 391
Total number of shares on December 31, 1,000 shares	**26 399**	26 048	25 683	25 653	25 653
Outstanding	**25 908**	25 690	25 317	25 415	25 653
Outstanding, average	**25 807**	25 368	25 391	25 415	25 653
Diluted average number of shares	**28 421**	28 332	28 720	27 357	

* Share-related key figures were calculated using the number of shares after the share split.

Calculation of Key Figures

Return on investment, % (ROI)

Profit before taxes + Interest and other financial expenses x 100 / Balance sheet total – Interest-free liabilities (average)

Return on equity, % (ROE)

Profit before taxes – Taxes x 100 /
Shareholders' equity + Minority interest (average)

Equity ratio, %

Shareholders' equity + Minority interest x 100 /
Balance sheet total – Advances received

Gearing, %

Interest-bearing liabilities – Liquid funds /
Shareholders' equity + Minority interest

Average number of personnel

Average of the number of personnel at the end of each month

Earnings per share (EPS), EUR

Profit before taxes – Income taxes on ordinary activities – Minority interest / Average adjusted number of shares during the fiscal year

Shareholder's equity per share, EUR

Shareholders' equity / Adjusted number of shares on balance sheet date

Adjusted dividend per share, EUR

Dividend per share paid for the fiscal year /
Share issue multiplier

Dividend / earnings, %

Adjusted dividend per share x 100 /
Earnings per share

Effective dividend yield, %

Adjusted dividend per share x 100 /
Average share price on closing day weighted with trading volume

Price / earnings ratio (P/E)

Adjusted average share price on closing day /
Earnings per share

Market value of shares, EUR

Number of shares outside the Group x
Average share price on closing day weighted with trading volume

The impact of own shares has been eliminated in the calculation of key figures.

Parent Company's Income Statement

1 000 EUR	Note	2007	2006
Other operating income	1.1	990	1 450
Personnel costs	1.2	-1 586	-1 022
Depreciation and write-down	1.3	-105	-69
Other operating expenses	1.4	-2 201	-2 021
Operating Loss		-2 902	-1 662
Financial income and expenses	1.5	-364	3 499
Profit/Loss Before Extraordinary Items		-3 266	1 837
Extraordinary items	1.6	20 123	15 732
Profit Before Appropriations and Taxes		16 857	17 569
Appropriations	1.7	10	13
Direct taxes	1.8	-4 401	-3 601
Net Profit for the Period		12 465	13 981

Parent Company's Balance Sheet

Assets

1 000 EUR	Note	2007	2006
Fixed Assets			
Intangible assets	2.1	243	116
Tangible assets	2.1	149	147
Long-term investments	2.2	14 706	14 706
Total Fixed Assets		15 098	14 969
Current Assets			
Long-term receivables	2.3	1 500	1 584
Short-term receivables	2.3	81 153	46 243
Short-term investments	2.4	5 400	4 400
Cash and bank deposits		299	153
Total Current Assets		88 352	52 380
Total Assets		103 450	67 349

Liabilities

1 000 EUR	Note	2007	2006
Shareholders' Equity			
Share capital	2.5	17 687	17 452
Premium fund	2.5	4 311	2 459
Invested unrestricted equity fund	2.5	226	
Retained earnings	2.5	5 237	3 038
Profit for the period	2.5	12 465	13 981
Total Shareholders' Equity		39 926	36 929
Accumulated Appropriations	2.6		10
Mandatory Provisions	2.7	64	18
Liabilities			
Long-term liabilities, capital loan	2.8	15 557	17 645
Short-term liabilities	2.9	47 903	12 747
Total Liabilities		63 460	30 392
Total Shareholders' Equity and Liabilities		103 450	67 349

Parent Company's Cash Flow Statement

1 000 EUR	2007	2006
Operational Cash Flow		
Operating profit/loss	-2 902	-1 662
Adjustments to operating profit/loss	148	-1 152
Change in working capital	-35	11
Interest paid	-1 530	-1 501
Interest received	1 800	1 466
Dividends received	6	8
Taxes paid	-3 925	-4 339
Operational Cash Flow	-6 437	-7 168
Cash Flow from Investments		
Investments in tangible and intangible assets	-235	-167
Gains from the disposal of other investments		812
Capital loan to Autotank Ltd		-1 500
Cash Flow from Investments	-235	-855
Cash Flow from Financing		
Sale of repurchased shares	306	53
Repurchase of shares	-1 598	
Change in short-term receivables	-15 175	3 875
Change in short-term liabilities	34 860	11 240
Dividends paid	-10 574	-10 127
Cash Flow from Financing	7 819	5 041
Change in Liquid Funds	1 147	-2 983
Liquid funds on January 1	4 553	7 536
Liquid Funds on December 31	5 699	4 553

Notes to the Parent Company's Financial Statements

1.1 Other Operating Income

Other Operating Income

1 000 EUR	2007	2006
Gains on the sale of fixed assets	4	546
Other Group operating income	534	480
Rental income and related remuneration	448	414
Other operating income	4	10
Total	990	1 450

1.2 Notes on Personnel and Board Members

Personnel Costs

1 000 EUR	2007	2006
Salaries and wages	907	536
Share-based incentive plan	46	18
Profit bonus paid to personnel fund	2	1
Pension costs	521	305
Other personnel costs	111	162
Total	1 586	1 022

Management Salaries and Benefits

1 000 EUR	2007	2006
CEO's salary	220	180
CEO's bonuses		461
Board Members	90	90
CEO and Board Members, Total	310	731

1.3 Depreciation and Write-Downs

Depreciation and Write-Downs

1 000 EUR	2007	2006
Depreciation of tangible and intangible assets	105	69

1.4 Other Operating Expenses

Other Operating Expenses

1 000 EUR	2007	2006
Rent	685	648
Other expenses	1 516	1 374
Total	2 201	2 021

1.5 Financial Income and Expenses

Financial Income and Expenses

1 000 EUR	2007	2006
Dividend income		
From Group companies		3 510
From outside the Group	6	8
Income from long-term investments	6	3 518
Other interest and financial income		
From Group companies	1 612	1 135
From others	189	332
Total interest and financial income	1 801	1 466
Interest and other financial expenses		
To Group companies	708	89
To others	1 463	1 397
Total interest and other financial expenses	2 171	1 486
Total financial income and expenses	-364	3 499

1.6 Extraordinary Items

Extraordinary Items

1 000 EUR	2007	2006
Income		
Group contribution, Aspokem Ltd		430
Group contribution, ESL Shipping Ltd	20 200	15 280
Group contribution, Suhi - Suomalainen Hiili Oy	33	22
Expenses		
Group contribution, Aspokem Ltd	-110	
Total extraordinary items	20 123	15 732

1.7 Appropriations

Appropriations

1 000 EUR	2007	2006
Excess depreciation	10	13

1.8 Direct Taxes

Direct Taxes

1 000 EUR	2007	2006
Taxes from previous fiscal period	-1	5
Income taxes on extraordinary items	5 232	4 090
Income taxes on ordinary activities	-830	-494
Total	4 401	3 601

2.1 Tangible and Intangible Assets

Tangible and Intangible Assets

1 000 EUR	Intangible Rights	Advance Payments	Total Intangibles	Land	Buildings	Machinery and Equipment	Other Tangible Assets	Total Tangibles
Acquisition cost, January 1	375		375	1	467	438	125	1 031
Increases	132	74	207			28		
Acquisition cost, December 31	**507**	**74**	**581**	**1**	**467**	**466**	**125**	**1 060**
Accumulated depreciation, January 1	-258		-258		-465	-368	-52	-884
Depreciation for the fiscal year	-80		-80		-25	-25		-26
Accumulated depreciation, December 31	**-338**		**-338**		**-465**	**-393**	**-52**	**-910**
Book value on December 31	**169**	**74**	**243**	**1**	**2**	**73**	**73**	**149**

2.2 Investments

Investments

1 000 EUR	Subsidiary Shares	Other Shares	Total
Acquisition cost, January 1	14 548	158	14 706
Acquisition cost, December 31	**14 548**	**158**	**14 706**
Book value on December 31	**14 548**	**158**	**14 706**

2.3 Receivables

Long-Term Receivables

1 000 EUR	2007	2006
Loan receivables		84
From Group companies		
Capital loan from Autotank Ltd	1 500	1 500
Total long-term receivables	1 500	1 584

Short-Term Receivables

1 000 EUR	2007	2006
From Group companies		
Dividend claim	3 510	3 510
Group contributions receivable	35 965	15 732
Loan receivables	41 455	26 163
	80 930	45 405
Deferred receivables*)	223	838
Total short-term receivables	81 153	46 243
*) Main item		
Tax receivable	107	769

2.4 Short-Term Investments

Short-Term Investments

1 000 EUR	2007	2006
Replacement	5 400	4 400
Book value	5 400	4 400

2.5 Shareholders' Equity

The parent company has a capital loan of EUR 15,557,500. The loan principal can only be repaid at maturity if the restricted equity and other non-distributable items as shown on the latest confirmed balance sheet are fully covered. The loan will be repaid in its entirety on June 4, 2009, provided that the repayment requirements specified in chapter 5 of the Companies Act and in the loan terms and conditions are met. According to the Article 7 of the loan terms and conditions, Aspo will as of January 2, 2005, be entitled to early repayment of the entire loan principal plus interest compounded by a factor of one hundred (100) percent up to the repayment date. A fixed annual interest of 5% will be paid on the loan principal.

Shareholders' Equity

1 000 EUR	2007	2006
Share capital, January 1	17 452	17 208
Conversions	235	244
Share capital, December 31	17 687	17 452
Premium fund, January 1	2 459	518
Conversions	1 852	1 926
Gain from the sale of repurchased shares		15
Premium fund, December 31	4 311	2 459
Invested unrestricted equity fund, January 1		
Gain from the sale of repurchased shares	226	
Invested unrestricted equity fund, December 31	226	
Retained earnings, January 1	17 018	13 132
Dividend payment	-10 574	-10 127
Share repurchase	-1 655	
Sale of repurchased shares	448	33
Retained earnings, December 31	5 237	3 038
Net profit for the year	12 465	13 980
Total shareholders' equity	36 926	36 929

2.6 Accumulated Appropriations

Accumulated Appropriations

1 000 EUR	2007	2006
Accumulated depreciation in excess of plan and voluntary provisions, December 31		10

2.7 Mandatory Provisions

Mandatory Provisions

1 000 EUR	2007	2006
Share-based incentive plan	64	18

2.8 Long-Term Liabilities

Long-Term Liabilities

1 000 EUR	2007	2006
Capital loan, Group	1 050	1 050
Capital loan	18 765	18 765
Conversions	-4 258	-2 170
Total long-term liabilities	15 557	17 645

2.9 Short-Term Liabilities

Short-Term Liabilities

1 000 EUR	2007	2006
Loans from financial institutions	15 000	8 000
Unpaid dividend 2002–2006	9	8
Accounts payable	75	110
Employer contributions	35	376
Deferred payables *)	855	684
Total	15 974	9 179
Debts to Group companies	110	
Loans	31 783	3 536
Deferred payables	36	33
Total	31 929	3 569
Total short-term liabilities	47 903	12 747
*) Main items		
Accrued interest	524	536
Annual vacation and other salary allocations	139	105

3. Other Notes

Unpaid Lease Payments

1 000 EUR	2007	2006
Payable in the next fiscal year	114	81
Payable later	113	195
Total leasing liabilities	227	276

Guarantees on Behalf of Group Companies

1 000 EUR	2007	2006
Duty guarantee	600	505
Saka Hallikiinteistöt Oy	1 524	
Pension loans		14
Total	2 124	518

Liabilities

1 000 EUR	2007	2006
Leasing liabilities	273	2 675
Bareboat contract	7 299	8 659
Total	7 572	11 333
Derivative contracts, sales	1 276	379
Derivative contracts, purchases		-2 335

Shares and Shareholders

Share Capital

On December 31, 2007, the registered share capital of Aspo Plc was EUR 17,686,664.37, consisting of 26,398,503 shares. During the fiscal year, Aspo convertible capital notes were used to subscribe for a total of 350,700 shares, and the share capital was correspondingly raised by EUR 234,969.00. The company's own shareholding was 490,240 shares, accounting for 1.86% of Aspo Plc's stock.

Shares

Aspo Plc has one share series. Each share entitles its holder to one vote at the Annual Shareholders' Meeting. The company shares are quoted on the OMX Nordic Exchange Helsinki in the medium-sized companies category and under the GICS classification Industrials. The trading code of the share is ASU1V.

Dividend

Aspo Plc has an active, cash-flow-based dividend policy, the goal of which is to distribute on average at least half of the company's annual earnings to shareholders.

The Board of Directors of Aspo Plc will propose at the Annual Shareholders' Meeting that a dividend of EUR 0.42 per share be paid for fiscal 2007, representing 71.3% of the Group's earnings.

Authorizations

Authorization to Repurchase and Dispose of the Company's Own Shares

The Annual Shareholders' Meeting of 2007 authorized the Board of Directors to decide on a share issue, through one or several installments, by transferring an aggregate maximum number of 758,250 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' preemptive 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 the OMX Nordic Exchange Helsinki at the going price under the terms stated in the regulations of the OMX Nordic Exchange Helsinki.

Repurchases of Aspo Plc Own Shares During the Fiscal Period

Time	Number	Nominal Value EUR 0.67/ Share	Repurchase Price, EUR	EUR/Share Average	EUR/Share Range
July	19,776	13,250	135,971.12	6.88	6.78–6.98
August	12,428	8,327	85,064.66	6.84	6.75–6.93
September	37,625	25,209	253,623.70	6.74	6.61–6.88
October	28,447	19,059	191,619.81	6.74	6.60–6.86
November	79,704	53,402	540,555.42	6.78	6.57–6.98
December	68,850	46,130	448,854.47	6.52	6.37–6.60

Major Shareholders on December 31, 2007

	Number of Shares	Share of Stock and Voting Rights %	Less Own Shares %
Nyberg, H.B.	3,252,000	12.32	12.55
Vehmas, A.E.	1,360,920	5.16	5.25
Vehmas, Tapio	1,181,838	4.48	4.56
Vehmas, Liisa	999,090	3.78	3.89
Stadigh, Kari	800,000	3.03	3.09
Berling Capital Oy	794,850	3.01	3.07
Nyberg, Gustav	736,085	2.79	2.84
Estlander, Henrik	667,752	2.53	2.58
Mutual Employee Pension Insurance Co. Varma	493,236	1.87	1.90
Oy Scripo Ab	402,000	1.52	1.55
10 major shareholders, total	**10,687,771**	**40.49**	**41.25**
Nominee registrations	542,454	2.05	
Other shares	14,678,038	55.60	
Total shares outstanding	**25,908,263**	**98.14**	
Own shares	490,240	1.86	
Total shares	**26,398,503**	**100.0**	

Distribution of Ownership on December 31, 2007 by Number of Shares

Number of Shares	Number of Owners	Share of Owners %	Total Shares	Share of Stock %	Less Own Shares
1–100	442	8.78	31,812	0.12	0.12
101–500	1,594	31.65	494,003	1.88	1.91
501–1,000	1,126	22.36	904,607	3.43	3.50
1,001–5,000	1,464	29.07	3,331,096	12.62	12.86
5,001–10,000	223	4.43	1,609,507	6.10	6.21
10,001– 50,000	139	2.76	2,728,631	10.34	10.53
50,001–100,000	14	0.28	969,030	3.67	3.74
100,001–500,000	26	0.51	6,528,818	24.73	23.31
500,001–	8	0.16	9,792,535	37.09	37.80
Total in joint accounts			4,464	0.02	0.02
Total	**5,036**	**100,0**	**26,398,503**	**100.0**	**100.0**

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 plan 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 percent of the company's stock.

The authorizations are valid until the Annual Shareholders' Meeting of 2008, but no more than 18 months from the approval at the Shareholders' Meeting.

Under the authorization granted at the Shareholders' Meeting, during fiscal 2007, the Board of Directors decided to dispose of 100,840 Aspo Plc shares in partial payment for the acquisition of Wilfert Chemical Nordic A/S, and 5,000 shares to COO Aki Ojanen 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 June 26, 2007, the Board of Directors decided to repurchase a maximum of 400,000 shares through public trading on the OMX Nordic Exchange Helsinki at the current market price at the time of acquisition according to the terms stated in the regulations of the OMX Nordic Exchange Helsinki. A total of 246,830 shares were repurchased during the fiscal period at an average purchase price of EUR 6.71 including 9,000 shares whose ownership was transferred to the company in January 2008. The total purchasing cost of EUR 1,655,689.18 was deducted from the unrestricted equity account.

Share Trading and Share Price Development

During 2007, a total of 5,060,372 Aspo Plc shares were traded on the OMX Nordic Exchange Helsinki at EUR 35.3 million, or 19.2% of the shares changed owners. The share reached a high of EUR 7.80 and a low of EUR 6.30 during the period. The average price was EUR 6.97 and the closing price was EUR 6.44. The company has a liquidity provision agreement regarding its share with Kaupthing Bank Oyj.

The market value of the share capital at year-end, less treasury shares, was EUR 166.8 million. For the latest trading information, please visit www.aspo.com.

Share Ownership

Aspo Plc's shares are included in the book-entry system maintained by Finnish Central Securities Depository Ltd.

No major changes have occurred in Aspo Plc ownership. At the end of 2007 the number of shareholders totaled 5,036. Of these, 97.9% represented direct shareholding and 2.1% nominee registrations. A total of 0.7% of the shares were held by foreign entities. On December 31, 2007, the ten largest shareholders owned 40.5% of the company's shares and voting rights.

On November 15, 2007, Varma Mutual Pension Insurance Company announced that its holdings had fallen below 5% of the voting rights and share capital in Aspo Plc.

A list of major shareholders is shown with monthly updates on the company website at www.aspo.com.

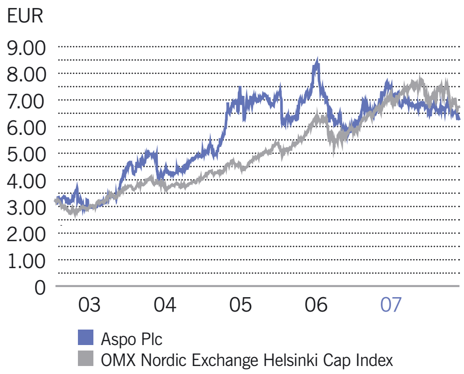
Share Ownership by the CEO and the Board of Directors

The total number of shares held by the CEO, the COO and the members of the Board of Directors of Aspo Plc with their related parties on December 31, 2007, was 2,929,517, which represents 11.1% of the shares and voting rights outstanding.

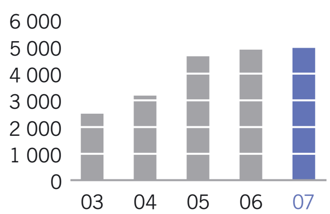
Distribution of Ownership on December 31, 2007 by Owner Groups

%	Ownership	Shares
1. Households	92.2	68.6
2. Companies	5.7	17.3
3. Financial and insurance institutions	0.3	5.2
4. Non-profit organizations	1.3	4.8
5. Public organizations	0.1	3.4
6. Non-domestic	0.4	0.7

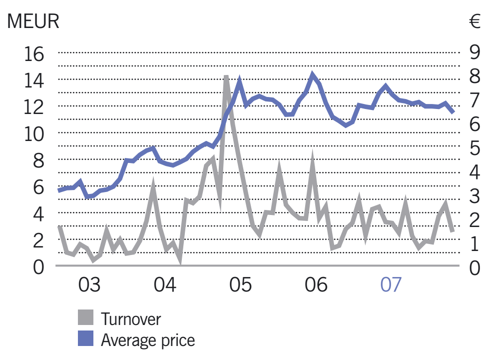
Share Price Performance



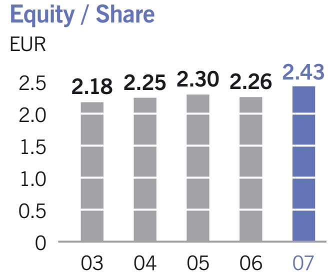
Number of Shareholders



Share Trading and Average Prices



Equity / Share



Proposal of the Board for the Distribution of Earnings

The parent company's distributable earnings totaled EUR 17,928,576.75, with the fiscal year's earnings totaling EUR 12,465,426.48. The company's registered share capital on December 31, 2007, was 26,398,503 shares, of which the company held 490,240.

The Board proposes that the company's earnings be distributed as follows:

– A dividend of EUR 0.42 per share to be paid out on 25,908,263 shares	EUR 10,881,470.46
– To be held in shareholders' equity	EUR 7,047,106.29
	EUR 17,928,576.75

Helsinki, on February 14, 2008

Kari Stadigh	Matti Arteva
Kari Haavisto	Esa Karppinen
Roberto Lencioni	Gustav Nyberg CEO

Auditors' Report

To the Shareholders of Aspo Plc

We have audited the accounting records, the report of the Board of Directors, the financial statements and the administration of Aspo Plc for the period 1.1.–12.31.2007. The Board of Directors and the CEO have prepared the consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, as well as the report of the Board of Directors and the parent company's financial statements, prepared in accordance with prevailing regulations in Finland, containing the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements. Based on our audit, we express an opinion on the consolidated financial statements, as well as on the report of the Board of Directors, the parent company's financial statements and administration.

We have conducted our audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the report of the Board of Directors and the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the report of the Board of Directors and in the financial statements, assessing the accounting principles used and significant estimates made by the management and evaluating the overall financial statement presentation. The purpose of our audit of the administration is to examine whether the members of the Board of Directors and the CEO of the parent company have complied with the rules of the Companies Act.

Consolidated Financial Statements

In our opinion the consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, give a true and fair view, as defined in those standards and in the Finnish Accounting Act, of the consolidated results of operations as well as of the financial position.

Parent Company's Financial Statements, Report of the Board of Directors and Administration

In our opinion the parent company's financial statements have been prepared in accordance with the Finnish Accounting Act and other applicable Finnish rules and regulations. The parent company's financial statements give a true and fair view of the parent company's result of operations and of the financial position.

In our opinion the report of the Board of Directors has been prepared in accordance with the Finnish Accounting Act and other applicable Finnish rules and regulations. The report of the Board of Directors is consistent with the consolidated financial statements and the parent company's financial statements and gives a true and fair view, as defined in the Finnish Accounting Act, of the result of operations and of the financial position.

The consolidated financial statements and the parent company's financial statements can be adopted and the members of the Board of Directors and the CEO of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the disposal of distributable funds is in compliance with the Companies' Act.

Helsinki, on February 29, 2008

PricewaterhouseCoopers Oy
Authorized Public Accountants

Jouko Malinen
Authorized Public Accountant

Information for Shareholders

Basic Share Information

Listed on: OMX Nordic Exchange, Helsinki
Industry sector: Industrials
Category: Mid Cap
Trading code: ASU1V
ISIN code: FI0009008072

Annual Shareholders' Meeting

The Aspo Plc Annual Shareholders' Meeting will be held in the Stock Exchange Building at Fabianinkatu 14, 00100 Helsinki on Thursday, April 10, 2008, at 2:00 p.m.

The record date of the Annual Shareholders' Meeting is March 31, 2008. Shareholders should register for the meeting no later than on April 7, 2008, by 4 p.m. by telephone on +358 9 7595 368, by fax to +358 9 7595 301, by e-mail to hilkka.jokiniemi@aspo.fi or by letter to Aspo Plc, P.O. Box 17, FIN-00581 Helsinki.

In connection with the registration, shareholders are requested to notify the company of any persons authorized to exercise their voting rights. The proxies should be delivered to the company within the registration period.

Dividend Payments

Aspo's dividend policy is to distribute approximately half of the year's earnings in dividends. The Board of Directors will propose at the Annual Shareholders' Meeting that a dividend of EUR 0.42 per share be paid for 2007 on shares outstanding and that no dividend be paid for treasury shares.

Ex-dividend date April 11, 2008
Dividend record date April 15, 2008
Dividend payment date April 22, 2008

Financial Reporting in 2008

Financial Statements Bulletin
February 14, 2008
Annual Report for 2007 Week 14
Interim Report January–March
April 29, 2008
Interim Report January–June
August 21, 2008
Interim Report January–September
October 23, 2008

Aspo's website at www.aspo.com offers a wide range of investor information. The company's annual reports, interim reports and stock exchange releases are also available on the website in Finnish and in English. Aspo's printed annual report will be published in Finnish, Swedish, English and Russian. Reports can also be ordered by phone from +358 9 7595 361, by fax at +358 9 7595 301 or by e-mail from asta.nurmi@aspo.fi.

Address Changes

Material will be sent to shareholders at the address shown in the shareholder register maintained by Finnish Central Securities Depository. Address changes should be reported to the manager of the shareholder's own book-entry account.

Aspo Plc's Investor Relations

Aspo will not organize meetings with investors and the Group's representatives will not comment on the financial performance in the period between the end of the fiscal period and the publication of the results for the period in question.

For any further information concerning Aspo's investor relations issues, please contact:

Gustav Nyberg, CEO
Tel. +358 9 7595 256
gustav.nyberg@aspo.fi

Aki Ojanen, COO
Tel. +358 9 7595 363
aki.ojanen@aspo.fi

Dick Blomqvist, CFO
Tel. +358 9 7595 300
dick.blomqvist@aspo.fi

Aspo Plc
Lautatarhankatu 8 B, P.O.Box 17
FI-00581 Helsinki, Finland
Tel. +358 9 75 951
Fax +358 9 759 5301
www.aspo.com