

# Financial Statements 2009

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# Report of the Board of Directors

## Operational Performance

The year 2009 began with a steep decline in sold raw material prices and demand, which bottomed out during summer, and prices stabilized at a low level. In the fall, product prices and demand made a moderate upturn. The prices of food raw materials showed a slight decline in 2009, but demand remained stable.

Among important customer segments, the steel industry decreased production considerably, which was reflected in cargo volumes. In the fall, a production increase in the Scandinavian steel industry boosted the volume of cargo carried. Increased volumes in the energy industry boosted the amount of energy coal carried in the summer and the amount for the full year exceeded the 2008 level.

In the CIS countries and Ukraine, stabilization of currencies for 2009 and the strengthening of the Russian ruble towards the end of the year have generated general confidence in a positive turn in the market in Russia, other CIS countries and Ukraine.

Group net sales started growing after summer, and in December the Group reached the highest net sales level of the year.

### ESL Shipping

The shipping company's operating environment was challenging throughout 2009. A considerable drop in the cargo volume for steel industry contract customers, as well as a decrease in free cargo, reduced net sales. ESL Shipping adjusted to the situation by selling its oldest vessel, m/s Kontula, in the second quarter, from which a EUR 2.9 million sales gain was recognized, and by laying up barges in summer and early fall. Coal shipping partially compensated for the decrease in steel industry cargo. In August, m/s Nassauborg was period chartered to ensure winter transport for contract customers. In the last quarter, the cargo volume for the steel industry increased, which helped raise the cargo volume for the steel industry in 2009 to 5.7 million tons (8.7). The cargo volume for the energy industry grew from 3.8 million to 4.6 million tons. The total cargo volume in 2009 was 10.7 million tons (13.7).

ESL Shipping estimates that the market situation in the ship building industry has changed for the positive for the company. The company will, in accordance with its strategy, increase its capacity and renew its fleet. Due to a delay in the construction schedule, the shipping company cancelled

one of two vessels ordered from India. The vessel that is still under construction has been delayed, and it is expected to be completed by summer 2010. ESL Shipping has been compensated for the losses related to the delay. On the other hand, exchange rate losses have been recorded from reversal of fixed assets and currency hedging of future installments in the balance sheet. The joint effect from compensation for loss of income and the exchange rate losses is not considerable in terms of ESL Shipping's result.

### Leipurin

Leipurin's operations developed as planned in terms of bakery raw materials. Offices were established in Siberia and Tatarstan. The new offices have started out well and operations were profitable already in the first year of operation. A subsidiary was established in Ukraine and test bakeries were established in Siberia and Poland. At the end of the year, Leipurin acquired the share capital of the Latvian company Raugs un citas preces SIA, which sells and markets ingredients for the bakery and food industry. Leipurin is now the market leader in Finland and in all the Baltic countries. Russia's share of sales has increased and is now approximately 20% of total net sales. Bakery machine sales increased in 2009 and line deliveries were completed in the last quarter as planned. Other food industry operations grew modestly. The result in the fourth quarter was the best for the year.

### Telko

Telko's business environment in 2009 was historically weak. The result was affected both by a drop in sold raw material prices at the beginning of 2009 and by a steep drop in demand from 2008. Telko announced at the beginning of the year that it was aiming to improve profitability without any net sales target.

Telko continued improving internal operations and reorganization measures caused by weak demand in Finland and Scandinavia. Loss-making products and operations were abandoned. The new CEO, M.Sc. Kalle Kettunen, took over on August 1, 2009. In the fall, a reorganization was carried out and the focus of the organization was shifted to the Eastern markets, which created preconditions for additional growth. Operations in Russia and other CIS countries developed well throughout 2009. Their share of net sales was 30%.

In the third quarter, Telko divested its terminal operations in Hamina as unsuitable for the current strategy, which generated a EUR 3.2 million sales gain. In the fourth quarter the loss-making Dutch plastic operations' trading unit was closed. The full-year result includes non-recurring costs of EUR 2.3 million from reorganization measures and a decrease in personnel, of which EUR 0.5 million was allocated to the fourth quarter. The result in the fourth quarter was also depressed by the write-down of receivables from a Finnish customer worth EUR 0.4 million.

In the fall of 2009, Telko combined its Finnish operations under one roof and adopted a new ERP system from the beginning of 2010.

### Kaukomarkkinat

In energy efficiency products, sales of air-source heat pumps have been weaker in Finland than last year due to the general economic situation. As a result of marketing campaigns, sales recovered in the fourth quarter. Kaukomarkkinat's result was depressed by a EUR 0.5 million sales loss recorded from the divestment of Metex Deutschland in the summer. In August, Kaukomarkkinat divested its component and mechatronics operations. The deal had no effect on Kaukomarkkinat's result.

Towards the end of the year, Kaukomarkkinat signed an agreement on delivering energy-saving bulbs to the Finnish market. In project sales for improving process industry efficiency, a slight recovery has been witnessed since the summer, in Poland in particular. A substantial project from China was recorded in the fourth quarter. In security and digital solutions, sales of durable hunting phones and laptops in particular developed favorably.

### Other Operations

Other Operations include Aspo Group's administration and other operations not belonging to the business units. The Group's administrative costs were still unusually high. The ongoing cost-cutting program for fixed costs will reach its full effect from the fourth quarter 2009 onwards. The aim is annual cost savings of EUR 2 million. Aspo's offices in Helsinki and Espoo moved into new common premises during the fall of 2009.

## Net Sales

The net sales for Aspo Group's continuing operations decreased by EUR 28.8 million, or 8.0 percent, to EUR 329.4 million (358.2).

## Earnings

Operating profit for Aspo Group's continuing operations in 2009 amounted to EUR 15.3 million (14.1). Operating profit includes EUR 6.1 million in sales gains, EUR 0.5 million in sales losses and non-recurring costs from Telko of EUR 2.3 million.

ESL Shipping's operating profit was EUR 14.7 million (15.6), including a EUR 2.9 million sales gain from m/s Kontula. Leipurin's operating profit was EUR 3.2 million (3.1). Telko's operating profit grew by EUR 2.1 million to EUR 3.1 million (1.0). Kaukomarkkinat's operating profit was EUR 0.5 million (2.1).

Other operations include Aspo Group's administration and a small share of other items not belonging to the business units. The operating profit of other operations was EUR 6.2 million in the red (-7.7). Administrative costs decreased considerably from the fourth quarter onwards.

## Investments

The investments from the Group's continuing operations amounted to EUR 7.4 million (20.5), which mainly includes ESL Shipping's dockings and Telko's new ERP system adopted at the beginning of 2010. Other investments were maintenance investments.

## Financing

The Group's financing position improved considerably during the year. The divestment of Hamina Terminal Services Ltd's operations, the Kontula vessel and smaller individual business operations together with strong operational cash flow enabled a considerable decrease in interest-bearing debt in the review period. In addition, the cancellation of ESL Shipping's second vessel order from India strengthened the Group's financial position. The Group's liquidity is good and the amount of cash and cash equivalents on the closing date was EUR 11.5 million (12.6). There was a total of EUR 70.3 million (95.0) in interest-bearing liabilities on the consolidated balance sheet on the closing date. Interest-free liabilities totaled EUR 57.6 million (43.6).

Aspo Group's net gearing was 87.9% (124.9), the return on equity was 13.0% (24.1) and the equity ratio was 34.6% (30.6).

The Group's cash flow from operations still remained strong. The cash flow for January–December was EUR 13.0 million (30.9). The Group maintained its strong operating profit level but

## Net Sales by Segment

	2009 MEUR	2008 MEUR	Change MEUR	Change %
ESL Shipping	63.8	84.1	-20.3	-24.1
Leipurin	99.3	69.3	30.0	43.3
Telko	128.8	172.7	-43.9	-25.4
Kaukomarkkinat	36.4	30.8	5.6	18.2
Other operations	1.1	1.3	-0.2	-15.4
<b>Continuing operations total</b>	<b>329.4</b>	<b>358.2</b>	<b>-28.8</b>	<b>-8.0</b>
Discontinued operations		45.1	-45.1	-100.0
<b>Total</b>	<b>329.4</b>	<b>403.3</b>	<b>-73.9</b>	<b>-18.3</b>

## Net Sales by Market Area

	2009 MEUR	2008 MEUR	Change MEUR	Change %
Finland	151.8	166.0	-14.2	-8.6
Nordic countries	30.0	47.5	-17.5	-36.8
Baltic countries	37.0	32.8	4.2	12.8
Russia + other CIS countries	56.2	61.1	-4.9	-8.0
Other countries	54.4	50.8	3.6	7.1
<b>Continuing operations total</b>	<b>329.4</b>	<b>358.2</b>	<b>-28.8</b>	<b>-8.0</b>
Discontinued operations		45.1	-45.1	-100.0
<b>Total</b>	<b>329.4</b>	<b>403.3</b>	<b>-73.9</b>	<b>-18.3</b>

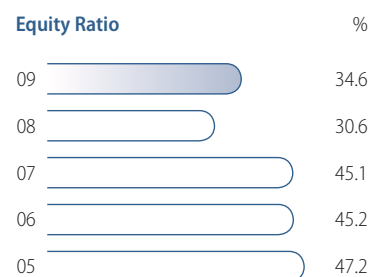
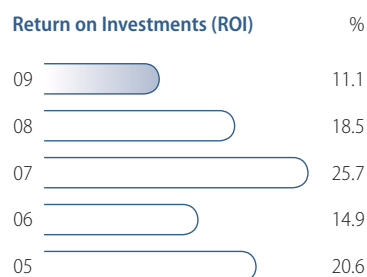
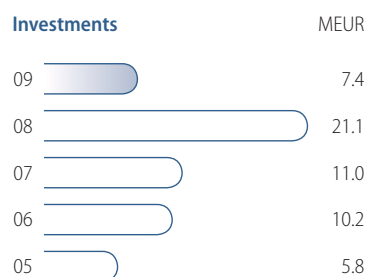
## Operating Profit by Segment

	2009 MEUR	2008 MEUR	Change MEUR	Change %
ESL Shipping	14.7	15.6	-0.9	-5.8
Leipurin	3.2	3.1	0.1	3.2
Telko	3.1	1.0	2.1	210.0
Kaukomarkkinat	0.5	2.1	-1.6	-76.2
Other operations	-6.2	-7.7	1.5	-19.5
<b>Continuing operations total</b>	<b>15.3</b>	<b>14.1</b>	<b>1.2</b>	<b>-8.5</b>
Discontinued operations		9.6	-9.6	-100.0
<b>Total</b>	<b>15.3</b>	<b>23.7</b>	<b>-8.4</b>	<b>-35.4</b>

## Investments by Segment\*

	2009 MEUR	2008 MEUR	Change MEUR
ESL Shipping	3.1	18.8	-15.7
Leipurin	0.5	0.1	0.4
Telko	2.5	0.4	2.1
Kaukomarkkinat	0.6	0.1	0.5
Other operations	0.7	1.1	-0.4
<b>Continuing operations total</b>	<b>7.4</b>	<b>20.5</b>	<b>-13.1</b>
Discontinued operations		0.6	-0.6
<b>Total</b>	<b>7.4</b>	<b>21.1</b>	<b>-13.7</b>

\*without business acquisitions



less working capital was released than in the comparison period. The Group's free cash flow was EUR 33.9 million (-39.8). Divestment and transfer gains from business operations and material commodities generated a strong cash flow for the Group. Similarly the low level of considerable investments affected free cash flow in the period.

The amount of working capital decreased further. At the end of the period the change in working capital stood at EUR 6.8 million (14.9).

The amount of binding revolving credit facility signed between Aspo and its main financing banks stood at EUR 80 million at the end of the period. At the end of the period the binding revolving credit facility remained fully unused.

## Risks and Risk Management

The deep economic recession that began in 2008 continued in 2009, maintaining an elevated risk level in all of Aspo's business areas. The economic uncertainty and slow or even negative growth increased uncertainty throughout early 2009, but did not prevent operations and controlled growth in most of our business areas. Towards the end of the year, stabilization in the economy and a slight recovery in prices also decreased risks.

The Group is growing in developing market areas where growth risks are also affected by investments, interest rate levels, exchange rates and customers' liquidity, as well as changes in legislation and import regulations. In terms of Aspo's market areas, the general economic uncertainty also affects industrial demand in Western countries. Of customer segments, basic industry in particular has announced that its order book has decreased from 2009. Changes in demand in developing markets are more difficult to estimate.

The Group has avoided considerable exchange rate losses due to active hedging of currency positions and currency flow. Risks of bad debt have increased, and in 2009 the group recognized some provisions for bad debts, of which a significant was made in the last quarter.

The risks caused by the economic recession were monitored in 2009 particularly actively at Aspo. The merger of operations as a result of the 2008 acquisition was completed in the fall of 2009 and the risk management of the merger was combined with the general Group risk management. The business areas still continued carrying out risk analyses controlled by external assessors and making continuity plans. Risks were also analyzed to ensure sufficient insurance coverage and no major shortcomings were detected. In December, Aspo's Board of Directors approved internal supervision principles in which risk assessment and management instructions are included as an integral part.

Risk management is part of Aspo's internal supervision and its task is to ensure the implementation of the Group's strategy, development of financial results, shareholder value, dividend payment ability and continuity in business operations. The operational management of the business areas are responsible for risk management. The management is responsible for defining sufficient measures, implementation and for monitoring that the measures are implemented as part of day to day operational control. Risk management is coordinated by Aspo's CFO, who reports to the Group CEO.

Risks related to goodwill are monitored through impairment testing in each business area at least once a year, but more frequently in 2009 due to the recession. In 2009, there was no need to make changes to goodwill.

Aspo Group's financing and financing risk management is centralized in the parent company in accordance with the financing policy approved by the Board of Directors.

## Business Risks

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

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

### ESL Shipping

The main business risks for ESL 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.

### Leipurin

In the business areas of Leipurin, the biggest risks are exchange rate risks and the strengthening of the euro as a factor affecting pricing, especially in Russia; exchange rate risks are also recognized in the Baltic countries and Poland. The recession may affect the demand for bakery machines as the willingness to invest decreases. Other operational risks are international food crises and import

restrictions. Leipurin has been successful in its risk management. The direct effects from foreign exchange rate fluctuations have been controlled and no significant losses have occurred.

### Telko

Telko's result is affected in particular by the general lack of demand caused by the economic recession. Exchange rate risks and the weakening of the customer company's solvency are also an outcome of the recession. 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. Telko has recorded exchange rate losses and value decreases on inventories.

### Kaukomarkkinat

A decrease in customers' domestic market or export sales is a risk for Kaukomarkkinat. Selling of products based on energy conservation may suffer if energy prices decrease. The main exchange rate risks are connected to the strengthening of the Japanese yen and rising import prices. In China, the economic situation and a slowdown in growth may affect customers' willingness to invest. Risk management has been successful; exchange rate fluctuations have not had a significant effect on earnings.

## 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 hedges against interest rate risks by binding interest-bearing debt partly to floating rate loans and partly to fixed rate loans. The company also uses interest rate derivatives.

### 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.

## Personnel

At the end of the period the number of employees at Aspo Group was 717 (827) and the average during the fiscal period was 723 (882). The average number of officials during the year was 492 (553) and of employees was 231 (329). The number of personnel in the parent company consisting of officials was 13 (14) at the end of the period and 15 (13) on average during the period.

Of Aspo Group's personnel, 59% (64) work in Finland, 4% (4) in other Nordic countries, 10% (6) in Baltic countries, 18% (14) in Russia and other CIS countries, and 9% (12) in other countries. Men make up 64% (67) and women 36% (33) of employees. Of Aspo Group's employment contracts, 99% (99) are full time. During the financial year, 30 (66) new employment contracts were signed. Total wages and salaries paid to personnel in 2009 amounted to EUR 36.4 million (35.4).

### Rewards and Incentives

The Aspo Group has introduced a profit-sharing scheme. Part of the Group's profit is placed in a 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. The personnel fund covers all of Aspo Group personnel working in Finnish subsidiaries. In addition to this, Aspo's business areas pay part of their earnings as bonuses to the personnel. The calculation principles for the bonuses are decided on by business area.

In 2006, Aspo's Board of Directors decided on a share price-linked incentive scheme for key personnel, in which any bonus is based on the three-year yield of the company's share. No bonuses were paid based on the program in 2009. The Board of Directors decided, however, to continue the 2006 management share-ownership plan by granting the people included in the plan a possibility to receive Aspo shares in spring of 2010. The possible bonus will be paid in part as shares and in part as cash. The 2006 share-ownership plan encompasses about 30 people.

In March 2009, Aspo's Board of Directors also decided on a share price-linked incentive scheme for key personnel, in which any bonus is based on the performance of the company's share in 2009–2011. The scheme covers approximately 40 Aspo Group executives and key employees.

## Average Personnel by Segment

ESL Shipping	2009	2008
Office staff	32	30
Crew members	167	199
	199	229
<b>Leipurin</b>		
Office staff	164	98
Non-office workers	32	26
	196	124
<b>Telko</b>		
Office staff	177	187
Non-office workers	24	17
	201	204
<b>Kaukomarkkinat *</b>		
Office staff	94	
Non-office workers	8	
	102	
<b>Other operations</b>		
Office staff	25	138
Non-office workers		2
	25	140
<b>Discontinued operations</b>		
Office staff		100
Non-office workers		85
		185
<b>Total</b>	<b>723</b>	<b>882</b>

\*Kaukomarkkinat reported in other operations in 2008

## Research and Development

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

## Environment

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

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

## ESL Shipping

The operations of ESL 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. ESL Shipping also has ISO 14001 environmental certification. The fleet has switched over to low-sulfur fuels.

## Leipurin

Leipurin pays particular attention to the quality, safety and environmental impact of its foodstuff raw materials. All raw material suppliers are ISO 9001:2000 certified. Environmental issues are also taken into account when choosing the suppliers.

## Telko

Telko adheres to industry regulations and recommendations in all of its operations, whether it's a question of the environment, products or personnel. Telko 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. Telko has also been awarded the ISO 9001 quality certificate.

## Kaukomarkkinat

Kaukomarkkinat specializes in energy efficiency applications and services. Environmental concern is most important to its suppliers: the commitment to sustainable development is seen in all activities from product planning and production to recycling.

## Management and Auditors

Aspo Plc's Annual General Meeting on March 31, 2009 re-elected Matti Arteva, Esa Karppinen, Roberto Lencioni, Gustav Nyberg and Risto Salo to the Board of Directors for a one-year term. As Kari Stadigh opted out of the Board of Directors, Kristina Pentti-von Walzel was elected as a new member of the Board. Gustav Nyberg has acted as the full-time Chairman of the Board since January 1, 2009. Matti Arteva has acted as the deputy Chairman.

In 2009, the Board of Directors arranged 13 meetings, of which four were teleconferences. The average participation rate was 99%.

Since January 1, 2009 the Group CEO has been Aki Ojanen, and the Group CFO Arto Meitsalo.

The authorized public accounting firm Price-waterhouseCoopers Oy has been the company's auditor. Mr. Jan Holmberg, APA, has acted as the auditor in charge.

## Shares and Shareholders

Aspo Plc's registered share capital on December 31, 2009, was EUR 17,691,729.57 and the total number of shares was 26,406,063. The company's own shareholding was 620,000 shares, accounting for 2.35 percent of Aspo Plc's stock. Aspo Plc has one share series. Each share entitles its holder to one vote at the Annual Shareholders' Meeting. The company's shares are quoted on NASDAQ OMX Helsinki in the mid cap category and under the GICS classification Industrials.

During 2009, a total of 2,262,316 Aspo Plc shares were traded at EUR 12.2 million or 8.6% of the shares changed owners. The share reached a high of EUR 6.20 and a low of EUR 3.94 during the period. The average price was EUR 5.43 and the closing price was EUR 5.90. The market value of the share capital at the year-end, less treasury shares, was EUR 152.1 million.

At year-end, the number of Aspo Plc shareholders was 5,161. A total of 818,331 shares or 3.1% of the total share capital was nominee registered or held by non-domestic shareholders.

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

The Annual Shareholders' Meeting of 2009 authorized the Board to decide on a share issue, through one or several installments, to be executed by conveying shares held by the company. An aggregate maximum amount of 1,020,000 shares may be conveyed based on the authorization.

The authorization will be used for the financing or execution of corporate acquisitions or other transactions or for other purposes determined by the Board. The authorization includes the right of the Board of Directors to decide on all the terms and conditions of the conveyance and thus also includes the right to convey shares otherwise than in proportion to the holdings of the shareholders,

in deviation from the shareholders' pre-emptive right on the conditions provided by law.

Furthermore, the shareholders authorized the Board to decide on the acquisition of company-held shares using the unrestricted shareholders' equity of the company. The authorization covers a maximum of 400,000 own shares. The shares shall be acquired through public trading, for which reason the shares are acquired otherwise than in proportion to the holdings of the shareholders and the consideration paid for the shares shall be the market price of Aspo's share at the time of repurchase. The authorization does not exclude the Board's right to resolve on a directed repurchase. The shares shall be acquired through public trading on NASDAQ OMX Helsinki Ltd in accordance with its rules and regulations.

The shares shall be acquired to be used to finance or carry out possible acquisitions or other arrangements, to balance the financial risk of the company's share-ownership program or for other purposes determined by the Board. The Board may not exercise the authorization if after the acquisition the company or its subsidiary would possess or have as a pledge more than ten (10) per cent of the company's stock.

The authorization is valid until the Annual Shareholders' Meeting of 2010, but no more than 18 months from the approval at the Shareholders' Meeting.

The Board of Directors has not exercised the authorizations granted by the Annual General Meeting.

Aspo Plc's Extraordinary Shareholders' Meeting held on June 8, 2009 authorized the Board of Directors to decide on an issue of shares and special rights entitling to shares. A maximum of 2,600,000 shares may be issued on the basis of the authorization. The authorization will be used for a convertible capital loan to be issued by Aspo Plc, directed to a limited group of investors. The authorization will not supersede the authorization to decide on a share issue given to the Board of Directors by the Annual Shareholders' meeting.

The Board of Directors exercised the authorization granted by the Extraordinary General Meeting on June 8, 2009, and decided to offer a convertible capital loan with a maximum loan amount of EUR 15,000,000 for subscription by a limited group of selected investors.

## Convertible Capital Loan

The convertible capital loan issued in 2004 of EUR 15,512,500 was repaid on June 4, 2009 in accordance with the loan terms.

Aspo Plc has EUR 15,000,000 in a convertible capital loan issued in 2009. The loan period is June 30, 2009–June 30, 2014. The loan will be repaid in one installment on June 30, 2014, assuming that the repayment conditions outlined in Chapter 5 of the Finnish Companies Act and the loan terms are met. The loan has a fixed interest rate of 7%.

The capital notes can be converted into Aspo stock. Each EUR 50,000 share of the loan entitles the loan shareholder to convert the loan share to 7,690 Aspo Plc shares. The conversion price for the share is EUR 6.50. The loan can be converted annually between January 2 and November 30. The conversion period ends on June 15, 2014. No conversions were made in 2009.

## Events after the Reporting Period

The company arranged a Capital Markets Day on January 19, 2010 and issued a stock exchange release on the subject on January 19, 2009.

Revolving credit facilities were reorganized after the review period. The maturity of the agreements was extended and the total amount was decreased from EUR 80 million to EUR 50 million. The company also implemented a new financing source by signing a sales agreement concerning some of Telko's trade receivables.

The Group CTO Harri Seppälä, was on February 1, 2010, in addition to his previous duties, appointed responsible for Aspo's investor relations reporting to the CEO.

## Outlook for 2010

Aspo Group's current structure creates a good basis for growth in operations. Administrative costs are expected to decrease considerably from 2009. The Group is seeking growth in particular in Russia and other CIS countries, as well as in Western markets as the economy recovers.

Aspo's aim is to improve its profitability.

Aspo has the preconditions to increase its net sales and improve its earnings per share.

## ESL Shipping

The shipping company's vessel capacity has decreased in recent years. The vessel ordered from India is expected to be completed by summer and be with us on the Baltic during the fall. In order to ensure winter traffic, which has been more challenging than in previous years, and to cover docking in early summer, two new vessels have been period chartered. M/s Beatrix is chartered from February to June and m/s Princenborg to the end of April. M/s Nassauborg's period of charter is continuing for the time being. A considerable share of the transportation capacity of 2010 has been covered with long-term agreements. The volume in the steel industry is estimated to exceed 2009 levels and the cargo volumes in the energy sector are expected to remain at the same level as in previous years. ESL Shipping is preparing to increase its capacity and renewing its fleet in accordance with its strategy.

The amendment to the tonnage tax legislation that is awaiting approval from the EU commission would have a considerable effect on ESL Shipping's post-tax result if applied. The new tonnage tax legislation is expected to become retroactively valid from January 1, 2010.

## Leipurin

Organic growth is expected to continue. During 2010, Leipurin will continue establishing itself in new major cities in Russia, will establish a test bakery in Ukraine and investigate the possibility of starting operations in Belarus and Kazakhstan. The wherewithal for growth is created by a new customs agreement between Russia, Kazakhstan and Belarus that will take effect on July 1, 2010. The new offices create a good foundation for several years of growth in bakery raw material sales. Bakery machine sales is estimated to be at last year's level. In terms of market areas, growth is expected from Russia, but sales in the Baltic region is expected to decline. The order book for project deliveries has decreased from the 2009 level.

Leipurin aims at an operating profit level that is at least on par with the 2009 level.

## Telko

The savings effect on fixed costs from reorganization methods completed in 2009 is estimated to be approximately EUR 2 million in 2010. Telko will continue to make its operations more efficient.

In early 2010 a new subsidiary will be founded in China. Operations will initially be based on service to Northern European plastic industry customers operating in China. The company will continue expanding in Russia and the CIS countries in accordance with its strategy. New offices will be opened in major cities in Russia. The new customs treaty between Russia, Belarus and Kazakhstan from July 1, 2010 creates good opportunities to expand into Belarus and Kazakhstan. The decision to expand into new countries will be made during 2010. Telko will focus on further developing logistics and finding strong new suppliers. The price level increased moderately in the fall of 2009 but is still clearly below the 2008 level. Prices are not expected to decrease during 2010.

Telko is aiming to improve its operating profit.

## Kaukomarkkinat

Kaukomarkkinat's main target is to grow at least as much as general market growth in the Finnish air-source heat pump markets. In addition, the business is aiming to expand its product portfolio – the company will introduce its own air-water source heat pump to the markets by summer.

Project sales in the process industry are expected to improve to 2008 levels. The company's order book in China has improved compared to 2009. Growth is being sought in security and digital applications.

Kaukomarkkinat has the preconditions to improve its operating profit level.

## Operational Risks

The general economic situation is affecting industrial demand in the Baltic Sea region. Of customer segments, basic industry in particular has announced that its order book has decreased from 2009. Changes in demand in developing markets are more difficult to estimate. In Russia in particular the overall market is expected to continue developing positively, and the share of Russia and CIS countries in Aspo Group's operations is expected to remain intact or increase. The risk of a recession in the financial markets and the economy is still reflected in the exchange rates in our neighboring areas (Russia, Ukraine, the Baltic region and Poland). The economic recession may affect customers' liquidity.

# Consolidated Income Statement

1 000 EUR	Notes	2009	2008
<b>Net sales</b>	1	<b>329 405</b>	358 233
Other operating income	4	<b>9 934</b>	1 585
Change in inventory of finished goods and work in progress +/-	7	<b>-3 600</b>	-1 545
Share of associated companies' profit or loss	17	<b>569</b>	-14
Materials and services	7	<b>-222 502</b>	-248 147
Personnel costs	5	<b>-36 415</b>	-32 927
Depreciation	6	<b>-8 863</b>	-10 822
Other operating expenses	8	<b>-53 276</b>	-52 286
<b>Operating profit</b>		<b>15 252</b>	14 077
Financial income	9	<b>1 679</b>	1 016
Financial expenses	9	<b>-5 254</b>	-5 556
Total financial expenses		<b>-3 575</b>	-4 540
<b>Profit before taxes</b>		<b>11 677</b>	9 537
Income taxes	10	<b>-3 062</b>	-2 545
<b>Net profit for the period from continuing operations</b>		<b>8 615</b>	6 992
<b>Discontinued operations</b>			
<b>Net profit for the period from discontinued operations</b>			8 528
<b>Profit for the Year</b>		<b>8 615</b>	15 520
<b>Other comprehensive income</b>			
Translation differences		<b>-150</b>	-1 506
Cash flow hedges		<b>357</b>	865
Net result recognized directly to equity		<b>203</b>	-18
Income tax on other comprehensive income		<b>-92</b>	-226
Other comprehensive income for the year net of taxes		<b>318</b>	-885
<b>Total comprehensive income</b>		<b>8 933</b>	14 635
<b>Profit of the year attributable to</b>			
Parent company shareholders		<b>8 553</b>	15 507
Minority interest		<b>62</b>	13
<b>Total comprehensive income attributable to</b>			
Parent company shareholders		<b>8 871</b>	14 622
Minority interest		<b>62</b>	13
<b>Earnings per share to parent company shareholders, EUR</b>			
Undiluted earnings per share			
From continuing operations	11	<b>0.33</b>	0.27
From discontinued operations	11		0.33
<b>Total, EUR</b>		<b>0.33</b>	0.60
Diluted earnings per share, EUR			
From continuing operations	11	<b>0.33</b>	0.26
From discontinued operations	11		0.30
<b>Total, EUR</b>		<b>0.33</b>	0.56

The notes presented on pages 12–42 form an integral part of the consolidated financial statements



# Consolidated Balance Sheet

## Assets

1 000 EUR	Notes	2009	2008
<b>Non-current assets</b>			
Other intangible assets	12	16 642	17 014
Goodwill	13	40 224	40 351
Tangible assets	14	50 111	69 108
Investments held for trading	15	206	193
Receivables	16	211	258
Shares in associated companies	17	1 556	925
Deferred tax receivable	18	412	896
<b>Total non-current assets</b>		<b>109 362</b>	128 745
<b>Current assets</b>			
Inventories	19	29 246	33 418
Accounts receivable and other receivables	20	43 307	42 286
Income tax receivables for the period		1 423	979
Cash and cash equivalents	21	11 525	12 621
		<b>85 501</b>	89 304
Non-current assets classified as available for sale	3		679
<b>Total current assets</b>		<b>85 501</b>	89 983
<b>Total assets</b>		<b>194 863</b>	218 728

## Shareholders' equity and liabilities

1 000 EUR	Notes	2009	2008
<b>Shareholders' equity</b>			
Share capital		17 692	17 692
Premium fund	22	4 351	4 351
Treasury shares	22	-3 778	-3 778
Translation differences	22	-383	-81
Revaluation fund	22		-265
Invested unrestricted equity fund	22	274	248
Retained earnings	22	37 678	32 063
Net profit for the period		8 553	15 507
Equity portion of the convertible bond	22	2 572	220
<b>Total shareholders' equity belonging to shareholders</b>		<b>66 959</b>	65 957
Minority interest		-62	13
<b>Total shareholders' equity</b>		<b>66 897</b>	65 970
<b>Long-term liabilities</b>			
Deferred tax liability	18	13 538	13 971
Loans	23	43 407	36 302
Other liabilities	24	183	
<b>Total long-term liabilities</b>		<b>57 128</b>	50 273
<b>Short-term liabilities</b>			
Provisions	26	174	201
Loans and overdraft facilities	23	26 925	58 729
Accounts payable and other liabilities	24	43 399	41 871
Income tax liabilities for the period		340	1 186
		<b>70 838</b>	101 987
Liabilities related to non-current assets classified as held for sale	3		498
<b>Total short-term liabilities</b>		<b>70 838</b>	102 485
<b>Total liabilities</b>		<b>127 966</b>	152 758
<b>Total shareholders' equity and liabilities</b>		<b>194 863</b>	218 728

# Consolidated Cash Flow Statement

1 000 EUR	2009	2008
<b>Operational cash flow</b>		
Operating profit	15 252	23 717
Adjustments to operating profit		
Depreciation and impairment	8 863	11 199
Sales gains and losses from fixed assets and investments	-5 780	-9 480
Accrued personnel costs	-852	-474
Share of associated companies' profit or loss	-569	14
Change in working capital		
Inventories	4 696	7 298
Current receivables	1 054	17 586
Non-interest bearing current liabilities	1 045	-10 468
Other change		507
Interest paid	-5 509	-6 047
Interest received	235	1 025
Dividends received	2	7
Taxes paid	-5 479	-3 972
<b>Operational cash flow</b>	<b>12 958</b>	<b>30 912</b>
<b>Cash flow from investments</b>		
Investments in tangible and intangible assets	-1 349	-19 765
Advance payments for vessels	-2 337	-2 285
Gains on the sale of tangible and intangible assets	13 774	757
Gains on the sale of other investments		-34
Gains on the sale of business operations	11 050	
Subsidiaries acquired less the cash flow at time of acquisition	-1 204	-78 202
Subsidiaries sold	1 000	28 836
<b>Cash flow from investments</b>	<b>20 934</b>	<b>-70 693</b>
<b>Cash flow from financing</b>		
Repurchase of shares		-804
Disposal of shares		62
Repayments of short-term loans	-36 663	-34 480
New short-term loans	3 950	51 434
New long-term loans	28 555	34 000
Repayments of long-term loans	-20 000	
Profit distribution to minorities		-118
Dividends distributed	-10 830	-10 838
<b>Cash flow from financing</b>	<b>-34 988</b>	<b>39 256</b>
<b>Change in liquid funds</b>	<b>-1 096</b>	<b>-525</b>
Liquid funds Jan. 1	12 621	13 146
<b>Liquid funds at year-end</b>	<b>11 525</b>	<b>12 621</b>

The notes presented on pages 12–42 form an integral part of the consolidated financial statements

## Statement of Changes in Shareholders' Equity

1 000 EUR	Notes	Share capital	Premium fund	Revaluation fund	Invested unrestricted equity fund	Other funds	Treasury shares	Translation differences	Retained earnings	Total	Minority interest	Total shareholders' equity
<b>Shareholder's equity January 1, 2009</b>		<b>17 692</b>	<b>4 351</b>	<b>-265</b>	<b>248</b>	<b>220</b>	<b>-3 778</b>	<b>-81</b>	<b>47 570</b>	<b>65 957</b>	<b>13</b>	<b>65 970</b>
Dividend payment	22								-10 830			
Equity portion of the convertible bond						3 222						
Share of deferred taxes						-870						
Share-based incentive system	22								547			
Transfer of funds					26				-26			
Change in minority interest											13	
Total comprehensive income				265				-302	8 970		-62	
<b>Shareholder's equity December 31, 2009</b>		<b>17 692</b>	<b>4 351</b>	<b>0</b>	<b>274</b>	<b>2 572</b>	<b>-3 778</b>	<b>-383</b>	<b>46 231</b>	<b>66 959</b>	<b>-62</b>	<b>66 897</b>
<b>Shareholder's equity January 1, 2008</b>		<b>17 687</b>	<b>4 311</b>	<b>-904</b>	<b>229</b>	<b>220</b>	<b>-3 036</b>	<b>58</b>	<b>44 286</b>	<b>62 851</b>	<b>162</b>	<b>63 013</b>
Dividend payment	22								-10 838			
Repurchase of shares							-804					
Disposal of shares					19		62					
Conversion of convertible capital loan	22	5	40									
Change in minority interest											-162	
Total comprehensive income				639				-139	14 122		13	
<b>Shareholder's equity December 31, 2008</b>		<b>17 692</b>	<b>4 351</b>	<b>-265</b>	<b>248</b>	<b>220</b>	<b>-3 778</b>	<b>-81</b>	<b>47 570</b>	<b>65 957</b>	<b>13</b>	<b>65 970</b>

# 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 NASDAQ OMX Helsinki Oy.

Aspo is a conglomerate that focuses on sectors that require extensive specialist knowledge. The Group's operations are organized into independent segments - ESL Shipping, Leipurin, Telko and Kaukomarkkinat, as well as Other Operations.

The Group's parent company is Aspo Plc. The parent company is domiciled in Helsinki and its registered address is Lintulahdenkuja 10, FI-00500 Helsinki, Finland.

A copy of the consolidated financial statements is available from Aspo Plc's head office at Lintulahdenkuja 10, FI-00500 Helsinki, Finland.

Aspo Plc's Board of Directors has approved the financial statements for issue at its meeting on February 15, 2010. 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, 2009. 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 EUR thousands and based on original acquisition costs unless otherwise stated in the Accounting Principles.

Aspo has adopted the following new or amended standards and interpretations to existing standards as of January 1, 2009:

- IAS 1 (Revised), Presentation of financial statements. The change in accounting policy mainly impacts presentation aspects. Comparative information has been re-presented so that it also is in conformity with the revised standard.
- IFRS 8, Operating segments. The new standard requires a 'management approach', under which segment information is presented on the same basis as that used for internal reporting purposes.
- IFRS 7 (Amendment) Enhancing Disclosures on Financial Instruments. The amendment requires enhanced disclosures about fair value measurement and liquidity risk. In particular, the amendment requires disclosure of fair value measurements by levels of a fair value measurement hierarchy.

Aspo has adopted the following new or amended standards and interpretations to existing standards as of January 1, 2009 which have no significant impact on the consolidated financial statements:

- IAS 23 (Revised), Borrowing costs
- IFRIC 11, IFRS 2 – Group and treasury share transactions
- IFRIC 13 Customer Loyalty Programmes
- IFRIC 14, IAS 19 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- IFRS 2 (Amendment), Share-based payment – vesting conditions and cancellations

- IAS 1 and IAS 32 (Amendments), Financial Instruments Puttable at Fair Value and Obligations Arising on Liquidation
- IFRS 1 and IAS 27 (Amendments), Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate in Adoption of IFRS
- IAS 39 (Amendment), Financial instruments: Recognition and measurement – Eligible Hedged Items

IASB published changes to 34 standards in May 2008 as part of the annual Improvements to IFRSs project. The changes have no significant impact on the consolidated financial statements.

### Principles of Consolidation

The consolidated financial statements include the 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.

In the IFRS, goodwill is not amortized; 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. The losses and gains from foreign currency denominated transactions and conversion of monetary items are recorded in the income statement. Foreign exchange gains and losses related to business operations have been recognized in the corresponding items above the operating profit. Foreign exchange gains and losses from foreign currency denominated loans are included in financial income and expenses.

### 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

From January 1, 2009, Aspo's business segments are ESL Shipping, Leipurin, Telko and Kauko-markkinat. The comparative figures of 2008 are changed to correspond with the new business segments. The business segments are reported in a manner that is uniform with internal reporting to the operative decision maker of the company. The highest operative decision maker in the company is the Group's Board of Directors that makes strategic decisions. 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	15–40 years
Vessels	16–30 years
Pushers	8–10 years
Machinery and equipment	3–8 years
Piping	5–20 years
Other tangible assets	5–40 years

Land 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 66).

No depreciation is recognized on intangible assets with unlimited useful economic lives, they are tested annually for impairment. The useful economic lives for the brands belonging to Leipurin and Telko segments have been assessed as unlimited. The fact that the brands are well-known and have a strong history supports the management's view that the brands affect accumulation of cash flow for an undefined period.

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 actual sales price in the ordinary course of business, less costs from the completion of the product and sales costs.

### Leasing Agreements - Group as Lessee

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 longer-term interest-bearing liabilities. The interest on 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 either 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 remain 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

The Group has share-based incentive programs for the management, where part of the bonus is paid as shares and the rest in cash. More information on share-based arrangements can be found in Note 30. Options rights and assigned shares are value at fair value at the time of assignment and recognized as costs in the income statement as even installments between the time the right is generated and the end of the incentive program. The effects of other than market based terms (e.g. profitability and profit growth target) are not included in the fair value but taken into account in the amount of options or shares to which a right is assumed to be generated by the end of the period in which rights are generated.

### 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 the Group, as a result of a past event, 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 restoration, or relocating equipment.

A provision for restructuring is recognized when the Group has prepared a detailed restructuring plan and restructuring has either com-

menced or the plan has been announced in an appropriate manner.

The amount recorded in provisions is the current value of the costs that are expected to occur when fulfilling the obligation.

### 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. Aspo had no long-term projects under way during the fiscal year. Government subsidies granted to compensate costs incurred are recognized as income, while costs related to the target of subsidy are expensed.

### Long-Term Assets Classified as Available for Sale and Discontinued Operations

Long-term assets and assets and liabilities related to discontinued operations are classified as available for sale if the amount corresponding to their book value is mainly accumulated from the sale of the asset instead of from continued use. The preconditions for classifying an item as available for sale are met when the sale is highly likely and the management is committed to the sale.

Immediately prior to classification as available for sale, the assets in question or the assets and liabilities of the group to be surrendered are measured based on the applicable IFRS standards. From the point of measurement onwards, the assets available for sale are measured at book value or at a lower fair value less the costs accumulated from the sale.

The result of discontinued operations is presented as its own item in the consolidated income statement. Assets available for sale, groups of items to be surrendered and the liabilities included in the groups of items to be surrendered are included in other items in the balance sheet.

### 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.

### Accounts Payable

Accounts payable are originally recognized at fair value and later measured at amortized cost using the effective interest method.

### 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

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 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.

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.

An impairment is recognized in liabilities and receivables when the balance sheet value is higher than the recoverable amount.

### 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 and 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. Overdraft facilities 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 are 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 during the fiscal period 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

When 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 in which business units the management monitors goodwill in their 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 of the calculations is determined based on the weighted average cost of capital (WACC) that depicts the overall costs of shareholders' equity and liabilities, taking into account the particular risks related to the asset items and location of operations. The weighted average cost of capital reflects the Group's average

long-term financial structure. An impairment loss is recognized in the income statement immediately 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 when 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 goodwill impairment testing. Goodwill and its testing is discussed in more detail in section 13.

## Application of New or Amended IFRS Standards and IFRIC Applications

As of January 1, 2010, Aspö will apply the following new or amendment standards and interpretations to existing standards:

- IFRS 3 (Revised), Business combinations. The amendments will mainly impact the accounting of transaction costs, step acquisitions, goodwill and non-controlling interests.
- IAS 27 (Revised), Consolidated and separate financial statements. The amendments to IAS 27 require the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control.

In addition to the new standards and interpretations presented in the annual financial statements for 2008, the following standards, interpretations and amendments to existing standards and interpretations issued during the year 2009 will be adopted by the Group in 2010:

- IFRIC 18, Transfers of Assets from Customers
- IFRIC 9 and IAS 39 (Amendment), Reassessment of embedded derivatives on reclassification
- IFRS 2 (Amendment), Share-based Payment – Group Cash-settled Share-based Payment Transactions

IASB published changes to 12 standards or interpretations in April 2009 as part of the annual Improvements to IFRS project. Management is assessing the impact of these changes and interpretations on the financial statements of the Group.

The following standards, interpretations and amendments will be adopted in 2011 or later:

- IAS 32 (Amendment), Financial Instruments: Presentation – Classification of Rights Issues
- IAS 24 (Revised), Related Party Disclosures
- IFRIC 19, Extinguishing Financial Liabilities with Equity Instruments
- IFRIC 14 (Amendment), Prepayments of a Minimum Funding Requirement
- IFRS 9, Financial Assets – Classification and Measurement



## 1. Net Sales and Segment Information

From January 1, 2009, Aspo's business segments are ESL Shipping, Leipurin, Telko and Kaukomarkkinat.

ESL Shipping handles sea transportation of energy sector and industrial raw materials and offers related services.

Leipurin serves the baking and other food industry by supplying ingredients, production machinery and production lines, as well as bakery industry related expertise.

Telko acquires and supplies plastic raw materials and chemicals to industry. Its extensive customer service also covers technical support and the development of production processes.

Kaukomarkkinat specializes in electronics and industrial machinery sales.

Other Operations include Aspo Group's administration and other operations not belonging to the business units. The segment structure corresponds with the Group's organizational structure and internal reporting, where evaluation principles of assets and liabilities are IFRS accordant.

The assessment of each segment's profitability is based on the segment's operating profit. The Group's Board of Directors is responsible for assessing the segments and making resourcing decisions.

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. Items that are not allocated to the segments include tax and financing items and joint Group items, which are mainly a result of the Group's centralized financing. Investments consist of increases in fixed assets and intangible assets that will be used in more than one fiscal year. Pricing between segments is based on fair market prices.

### 1.1 Business segments

2009

1 000 EUR	ESL Shipping	Leipurin	Telko	Kaukomarkkinat	Unallocated items	Group total
Sales outside the Group	63 830	99 363	128 794	36 303	1 115	329 405
Inter-segment sales		41	10	83		
Net sales	63 830	99 404	128 804	36 386		329 405
Share of profit in associated companies	574			-5		569
Operating profit	14 661	3 213	3 104	530	-6 256	15 252
Net financial expenses						-3 575
Profit before taxes						11 677
Income taxes						-3 062
<b>Net profit for the period from continuing operations</b>						<b>8 615</b>
<b>Net profit for the period from discontinued operations</b>						
<b>Net profit for the period</b>						<b>8 615</b>
Depreciation on tangible assets	4 926	447	1 110	430	207	7 120
Depreciation on intangible assets	45	533	750	345	70	1 743
Segment's assets	51 675	55 775	44 728	23 013	18 116	193 307
Shares in associated companies	1 556					1 556
<b>Total assets</b>	<b>53 231</b>	<b>55 775</b>	<b>44 728</b>	<b>23 013</b>	<b>18 116</b>	<b>194 863</b>
Segment's liabilities	7 714	14 119	15 130	3 735	87 268	127 966
<b>Total liabilities</b>	<b>7 714</b>	<b>14 119</b>	<b>15 130</b>	<b>3 735</b>	<b>87 268</b>	<b>127 966</b>
<b>Investments</b>	<b>3 078</b>	<b>542</b>	<b>2 479</b>	<b>568</b>	<b>670</b>	<b>7 337</b>

## 2008

1 000 EUR	ESL Shipping	Leipurin	Telko	Kauko- markkinat	Unallocated items	Group total
Sales outside the Group	84 125	69 293	172 686	30 759	1 370	358 233
Inter-segment sales			11	2		
Net sales	84 125	69 293	172 697	30 761		358 233
Operating profit	15 575	3 031	1 038	2 139	-7 706	14 077
Net financial expenses						-4 540
Profit before taxes						9 537
Income taxes						-2 545
<b>Net profit for the period from continuing operations</b>						<b>6 992</b>
<b>Net profit for the period from discontinued operations</b>						<b>8 528</b>
<b>Net profit for the period</b>						<b>15 520</b>
Depreciation on tangible assets	7 546	123	960	178	601	9 408
Depreciation on intangible assets	49	297	224	64	780	1 414
Segment's assets	65 409	49 050	53 621	22 502	27 221	217 803
Shares in associated companies	919			6		925
<b>Total assets</b>						<b>218 728</b>
Segment's liabilities	7 731	19 792	20 876	6 173	98 186	152 758
<b>Total liabilities</b>						<b>152 758</b>
<b>Investments</b>	18 779	99	399	61	1 223	<b>20 561</b>

### 1.2 Geographic areas

The Group monitors its net sales on the basis of the following geographical division: Finland, the Nordic countries, the Baltic countries, Russia and other CIS countries (including Ukraine), and other countries. The turnover of the geographical regions is presented based on customer location and their assets are presented based on location. Sales income from foreign customers are defined based on IFRS regulations.

1 000 EUR	Net sales		Assets*	
	2009	2008	2009	2008
Finland	151 841	165 919	105 860	122 882
Nordic countries	30 030	47 505	1 797	2 221
Baltic countries	36 986	32 819	737	867
Russia + other CIS countries	56 124	61 149	430	388
Other countries	54 424	50 841	126	1 491
<b>Total</b>	<b>329 405</b>	<b>358 233</b>	<b>108 950</b>	<b>127 849</b>

\* Long term assets other than financial assets and assets related to taxes.

## 2. Acquired Operations

### Acquisitions in 2009

On December 30, 2009 Leipurin acquired the entire stock of the Latvian company Raugs un citas preces SIA (RCP). The deal price was EUR 1.4 million and it had no significant effect on the Group's financial position. The acquisition cost also included EUR 0.1 million in legal and other expert fees.

The acquisition generated EUR 0.5 million in goodwill based on the synergy benefits expected to be achieved from the RCP acquisition. According to the management, the goodwill is connected to the utilization of Leipurin's joint sales and marketing network in the Baltic region.

### Acquisitions in 2008

The Group acquired the entire stock of Kauko-Telko Oy on April 30, 2008. The deal price was EUR 96 million and the deal was mainly financed with loans. The acquisition cost also included EUR 1.7 million in legal and other expert fees.

The acquisition generated EUR 37.4 million in goodwill based on the synergy benefits expected to be achieved from the Kauko-Telko acquisition. According to the management, the goodwill is connected to the personnel and the utilization of a joint sales and marketing network.

Kauko-Telko Group's eight-month net sales totaling EUR 154.5 million and result of EUR 3.2 million, is included in Aspo Group's 2008 income statement. Aspo Group's net sales would have been EUR 484 million and the operating profit would have been EUR 17 million if the business acquisition carried out during the fiscal year would have been consolidated in the consolidated financial statements from the beginning of 2008. The value of the acquired assets and liabilities received on the day of acquisition were:

2008

<b>Acquisition of Kauko-Telko Group 1 000 EUR</b>	<b>Fair values recorded in combination</b>	<b>Book value before combination</b>
Tangible fixed assets	12 622	8 882
Other intangible assets	3 842	3 842
Brands (included in other intangible assets)	5 303	
Supplier contracts (included in other intangible assets)	8 728	
Investments	55	55
Inventories	23 934	23 134
Accounts receivable and other receivables	30 448	30 448
Cash and cash equivalents	20 670	20 670
<b>Total assets</b>	<b>105 602</b>	<b>87 031</b>
Deferred tax liabilities	6 147	1 319
Financial Liabilities	7 121	7 121
Other liabilities	33 533	33 533
<b>Total liabilities</b>	<b>46 801</b>	<b>41 973</b>
Net assets	58 801	
Acquisition cost	96 164	
Goodwill	37 363	
Sale price paid in cash	96 164	
Overdraft limits and liquid funds of the acquired corporation	-17 961	
<b>Cash flow effect</b>	<b>78 203</b>	

### 3. Discontinued Operations

Group had no discontinued operations in 2009.

In 2008, Aspo Plc and Gilbarco Veeder-Root signed an agreement by which Aspo Plc sold the entire stock of Oy Autotank Ab to Gilbarco Veeder-Root. Autobank Group was included in the Aspo Systems segment in Aspo Group. Autotank offers systems and equipment related to automatic payments for gas stations and related maintenance services. At the time of the divestment the company employed 350 people.

In 2008, the Group divested the following operations belonging to other operations: Kauko-Telko's procurement operations unit was sold to Nikolai Sourcing Oy and Kauko-Telko's packaging operations in Finland were sold to Telpak Oy and in Sweden to Conti Investments B.V.

#### Profit from discontinued operations

1 000 EUR	2008
Income	45 170
Expenses	-45 724
Profit before taxes	-554
Taxes	-193
<b>Profit after taxes</b>	<b>-747</b>

Profit from surrender of discontinued operations before tax	9 389
Taxes	-114
Profit from surrender of discontinued operations after tax	9 275

**Net profit for the period from discontinued operations** **8 528**

#### Cash flow from discontinued operations

1 000 EUR	2008
Operational cash flow	1 392
Cash flow from investments	-299
Cash flow from financing	1 221
<b>Total cash flow</b>	<b>2 314</b>

#### Effect of sales from discontinued operations on the Group's financial position

1 000 EUR	2008
Tangible fixed assets	2 018
Goodwill	6 662
Other intangible assets	1 082
Receivables	11 644
Inventories	8 695
Cash and cash equivalents	6 526
Financial liabilities	-27 978
Other liabilities	-10 398
<b>Total assets and liabilities</b>	<b>259</b>

Compensation received in cash	35 362
Liquid assets of surrendered operations	6 526
<b>Cash flow effect</b>	<b>28 836</b>

#### Assets classified as held for sale

1 000 EUR	2008
Inventories	50
Accounts receivable and other receivables	629
<b>Total assets classified as held for sale</b>	<b>679</b>

#### Liabilities classified as held for sale

1 000 EUR	2008
Accounts payable and other liabilities	498

#### 4. Other Operating Income

1 000 EUR	2009	2008
Total gains from the sale of fixed assets	3 166	69
Total gains from the sale of business operations	3 171	
Overdue and suspension compensations	2 070	705
Total rents and related remunerations	279	200
Changes in values of FX forward contracts	348	142
Other income	900	469
<b>Total</b>	<b>9 934</b>	<b>1 585</b>

#### 5. Employee Benefits and Personnel Information

At the end of the period the number of employees at Aspo Group was 717 (827) and the average during the fiscal period was 723 (882). The average number of officials during the year was 492 (553) and of employees was 231 (329).

##### Personnel costs

1 000 EUR	2009	2008
Wages and salaries	30 152	26 652
Pension costs, contribution plans	3 586	2 142
Option arrangements paid for in cash	771	-19
Other indirect personnel costs	1 906	4 152
<b>Total</b>	<b>36 415</b>	<b>32 927</b>

Information regarding the employee benefits of senior management is presented in the Related parties section.

##### Personnel by business division at year-end

	2009	2008
ESL Shipping	194	240
Leipurin	218	168
Telko	193	230
Kaukomarkkinat	90	100
Other operations	22	83
<b>Total</b>	<b>717</b>	<b>821</b>

##### Personnel by geographic area at year-end

	2009	2008
Finland	423	526
Nordic countries	29	33
Baltic countries	72	49
Russia + other CIS countries	129	115
Other countries	64	98
<b>Total</b>	<b>717</b>	<b>821</b>

#### 6. Depreciation and Impairment

1 000 EUR	2009	2008
Intangible assets	1 743	1 414
Buildings	820	834
Vessels	4 842	7 531
Machinery and equipment	1 458	1 043
<b>Total</b>	<b>8 863</b>	<b>10 822</b>

## 7. Materials and Services

1 000 EUR	2009	2008
Purchases during the period		
ESL Shipping	10 381	17 458
Leipurin	78 394	57 196
Telko	101 477	140 845
Kaukomarkkinat	23 861	20 011
Other operations	1 000	1 239
<b>Total</b>	<b>215 113</b>	<b>236 749</b>
Change in inventories	3 600	2 951
Outsourced services		
Leipurin	3 866	2 842
Telko	3 019	6 745
Kaukomarkkinat	491	329
Other operations	13	76
<b>Total</b>	<b>7 389</b>	<b>9 992</b>
<b>Total materials and services</b>	<b>226 102</b>	<b>249 692</b>

## 8. Other Operating Expenses

1 000 EUR	2009	2008
Rents	6 969	5 592
ESL Shipping	28 579	32 625
Leipurin	4 017	3 624
Telko	6 696	6 324
Kaukomarkkinat	3 085	2 912
Other operations	2 696	858
Fair value valuation of currency forwards, not included in hedge accounting	675	340
Loss from assignment in tangible assets	559	11
<b>Total</b>	<b>53 276</b>	<b>52 286</b>

### Auditor's fees, Group

1 000 EUR	2009	2008
Auditing	312	175
Tax advice	66	17
Other services	114	509
<b>Total</b>	<b>492</b>	<b>701</b>

## 9. Financial Income and Expenses

The items above operating profit include EUR 2.3 million (1.3) in exchange rate losses in 2009. Other financial expenses include EUR 0.2 million (0.1) in fluctuating rents recognized as costs from finance lease agreements.

1 000 EUR	2009	2008
Dividend income from investments held for trading	2	7
Interest income from loans and other receivables	1 181	697
Foreign exchange gains	496	312
<b>Total financial income</b>	<b>1 679</b>	1 016
Interest rate expenses	-4 802	-4 567
Foreign exchange losses	-452	-989
<b>Total financial expenses</b>	<b>-5 254</b>	-5 556
<b>Total financial income and expenses</b>	<b>-3 575</b>	-4 540

## 10. Income Taxes

### Taxes in the income statement

1 000 EUR	2009	2008
Taxes for the period	-4 037	-3 961
Change in deferred taxes and tax receivables	1 098	1 421
Taxes from previous fiscal periods	-123	-5
<b>Total</b>	<b>-3 062</b>	-2 545

Balancing calculation of the tax expense in the income statement and taxed calculated using the Group's parent company's tax rate (26%).

1 000 EUR	2009	2008
Profit before taxes	11 677	9 537
Taxes calculated using the parent company's tax rate	-3 036	-2 480
Impact of foreign subsidiaries' tax rates	-68	327
Taxes from previous fiscal periods	-123	-5
Other items	165	-387
<b>Taxes in the income statement</b>	<b>-3 062</b>	-2 545
Effective tax rate	26%	27%

### Income tax on other comprehensive income

1 000 EUR	2009	2008
Cash flow hedges	92	226

## 11. Earnings per Share

Undiluted earnings per share have been calculated by dividing the profit or loss belonging to the parent company's shareholders by the weighted average number of outstanding shares during the fiscal year. When calculating 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	2009	2008
<b>Undiluted</b>		
Profit belonging to the shareholders of the company, continued operations	8 553	6 979
Profit belonging to the shareholders of the company, discontinued operations		8 528
<b>Total</b>	<b>8 553</b>	15 507
Average number of shares during period (1,000)	25 786	25 826
Earnings per share, EUR continued operations	0.33	0.27
Earnings per share, EUR discontinued operations		0.33
<b>Total, EUR</b>	<b>0.33</b>	0.60
Earnings per share from continued operations excluding sales gain, EUR	0.16	0.27
<b>Diluted</b>		
Profit belonging to the shareholders of the company, continued operations	8 553	6 979
Profit belonging to the shareholders of the company, discontinued operations		8 528
<b>Total</b>	<b>8 553</b>	15 507
Interest of the convertible capital loan (adjusted by tax effect)	581	515
Conversion of convertible capital loan into shares (1,000)	2 307	2 606
Average number of shares during period adjusted by the dilution effect from the convertible capital loan (1,000)	28 093	28 432
Diluted earnings per share, EUR continued operations	0.33	0.26
Diluted earnings per share, EUR discontinued operations		0.30
<b>Total, EUR</b>	<b>0.33</b>	0.56



## 12. Other Intangible Assets

Intangible rights mainly consist of corporate brands which are described in Note 13, and also computer software and their licenses that are amortized on a straight-line basis over a five-year period. Refurbishment costs of premises and supplier relationships acquired in business combinations are included in other intangible assets.

2009

1 000 EUR	Intangible rights	Other intangible assets	Total
Acquisition cost, Jan. 1	13 421	9 188	22 609
Translation difference	8	177	185
Increases	77		77
Increases, business combination	12	185	197
Decreases	-667	-167	-834
Decreases, business divestments	-307		-307
Transfers between items	-2 588	2 588	
<b>Acquisition cost, Dec. 31</b>	<b>9 956</b>	<b>11 971</b>	<b>21 927</b>
Accumulated depreciation, Jan. 1	-4 690	-905	-5 595
Transfers between items	191	-191	
Accumulated depreciation from decreases and transfers	548	167	715
Decreases, business divestments	253		253
Depreciation during the period	-481	-1 257	-1 738
<b>Accumulated depreciation, Dec. 31</b>	<b>-4 179</b>	<b>-2 186</b>	<b>-6 365</b>
<b>Book value, Dec. 31</b>	<b>5 777</b>	<b>9 785</b>	<b>15 562</b>

2008

1 000 EUR	Intangible rights	Other intangible assets	Total
Acquisition cost, Jan. 1	2 124	2 276	4 400
Translation difference		-47	-47
Increases	517	1	518
Increases, business combination	12 384	8 728	21 112
Decreases	-772		-772
Decreases, business divestments	-832	-1 770	-2 602
<b>Acquisition cost, Dec. 31</b>	<b>13 421</b>	<b>9 188</b>	<b>22 609</b>
Accumulated depreciation, Jan. 1	-1 262	-527	-1 789
Translation difference	4	8	12
Business combination	-3 390	-46	-3 436
Accumulated depreciation from decreases and transfers	514		514
Decreases, business divestments	325	393	718
Depreciation during the period	-881	-733	-1 614
<b>Accumulated depreciation, Dec. 31</b>	<b>-4 690</b>	<b>-905</b>	<b>-5 595</b>
<b>Book value, Dec. 31</b>	<b>8 731</b>	<b>8 283</b>	<b>17 014</b>

## 13. Goodwill

Goodwill is allocated to cash flow-generating units depending on the level of goodwill monitoring in internal reporting. Every unit represent each of Aspo's business segments. Goodwill is divided into the segments as follows: ESL Shipping EUR 0.8 (0.8) million, Leipurin EUR 22.9 (22.4) million, Telko EUR 5.0 (5,5) million and Kaukomarkkinat EUR 11.6 (11.6) million.

The useful lives of the brands of Leipurin and Telko have been estimated to be unlimited. The strong image and history of these brands support the management's view that these brands will affect cash flow generation over an indefinable period.

### Impairment Testing

Future cash flows used in impairment calculations are based on financial plans approved by Group Management. Estimates regarding cash flows cover three years using conservative growth expectations, and subsequently cash flow is estimated cautiously assuming even growth. No impairment has been recognized for the fiscal period and no impairment has occurred according to the impairment tests.

When estimating net sales, the assumption is that current operations can be maintained and net sales will grow in a controlled manner at the rate estimated in financial plans.

The sales margin is assumed to follow net sales growth.

Due to more efficient internal functions and the economic recession, the fixed costs are expected to increase moderately at the rate of inflation.

The discount rate is determined based on the weighted average cost of capital (WACC) that depicts the overall costs of shareholders' equity and liabilities, taking into account the particular risks related to the asset items and location of operations. The discount rate is determined before taxes. The discount rate (WACC) used in the calculations was 9.05% (10.19%) before taxes.

### Goodwill

1 000 EUR	2009	2008
Acquisition cost, Jan. 1	40 351	10 114
Decreases		-282
Acquired operations	479	37 363
Divested operations	-626	-6 662
Translation difference	20	-182
<b>Acquisition cost, Dec. 31</b>	<b>40 224</b>	<b>40 351</b>

### Allocation of goodwill

1 000 EUR	2009	2008
ESL Shipping	790	790
Leipurin	22 873	22 417
Telko	4 955	5 526
Kaukomarkkinat	11 570	11 582
Other operations	36	36
<b>Total</b>	<b>40 224</b>	<b>40 351</b>

### Brands

1 000 EUR	2009	2008
Leipurin	3 148	3 148
Telko	2 155	2 155
<b>Total</b>	<b>5 303</b>	<b>5 303</b>

### Factors Influencing Impairment Testing and Sensitivity Analysis

Despite the fast economic recession, the assumptions used in impairment testing are appropriate and the tested business operations have a sustainable basis. There are no indications of impairment in the business operations' commercial value but the result of future impairment testing will depend on the materialization of the estimated future cash flow. 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.

A sensitivity analysis has been carried out for each unit by lowering the values used as the basic assumption of the testing and as a result the corporate value of the segment becomes weaker. The changes and their effects are:

- WACC was at most raised to 20%, effect 14–18%
- EBIT was cut by 10%, effects approximately 2%
- Sales growth was cut by 10% annually, effect 0–4%

Based on the sensitivity analysis no future impairment losses are expected.

## 14. Tangible Assets

2009

1 000 EUR	Land	Buildings	Machinery and equipment	Vessels	Other tangible assets	Work in progress and advance payments	Total
Acquisition cost, Jan. 1	212	23 885	10 665	163 782	1 872	9 863	210 279
Translation difference		-15	-45		-20		-80
Increases		47	493	2 337	1	689	3 567
Increases, business combination			176				176
Decreases			-2 581		-1	-10 305	-12 887
Decreases, business divestments	-152	-19 048	-1 689		-1 294	-132	-22 315
<b>Acquisition cost, Dec. 31</b>	<b>60</b>	<b>4 869</b>	<b>7 019</b>	<b>166 119</b>	<b>558</b>	<b>115</b>	<b>178 740</b>
Accumulated depreciation, Jan. 1		-15 581	-9 011	-117 658	-926		-143 176
Translation difference		15			21		36
Accumulated depreciation from decreases and transfers		12 701	3 802		575		17 078
Depreciation during the period		-820	-586	-4 842	-92		-6 340
<b>Accumulated depreciation, Dec. 31</b>		<b>-3 685</b>	<b>-5 795</b>	<b>-122 500</b>	<b>-422</b>		<b>-132 402</b>
<b>Book value, Dec. 31</b>	<b>60</b>	<b>1 184</b>	<b>1 224</b>	<b>43 619</b>	<b>136</b>	<b>115</b>	<b>46 338</b>

2008

1 000 EUR	Land	Buildings	Machinery and equipment	Vessels	Other tangible assets	Work in progress and advance payments	Total
Acquisition cost, Jan. 1	61	2 593	8 952	147 318	590	8 116	167 630
Translation difference		13	3		-14	-61	-59
Increases		621	444	16 464		2 285	19 814
Increases, business combination	211	21 322	8 800		1 477		31 810
Decreases		-404	-3 157		-6	-75	-3 642
Decreases, business divestments	-60	-260	-4 377		-175	-402	-5 274
<b>Acquisition cost, Dec. 31</b>	<b>212</b>	<b>23 885</b>	<b>10 665</b>	<b>163 782</b>	<b>1 872</b>	<b>9 863</b>	<b>210 279</b>
Accumulated depreciation, Jan. 1		-1 823	-7 986	-110 127	-414		-120 350
Translation difference			62				62
Business combination		-13 049	-7 571		-555		-21 175
Accumulated depreciation from decreases and transfers		140	7 252		149		7 541
Depreciation during the period		-849	-768	-7 531	-106		-9 254
<b>Accumulated depreciation, Dec. 31</b>		<b>-15 581</b>	<b>-9 011</b>	<b>-117 658</b>	<b>-926</b>		<b>-143 176</b>
<b>Book value, Dec. 31</b>	<b>212</b>	<b>8 304</b>	<b>1 654</b>	<b>46 124</b>	<b>946</b>	<b>9 863</b>	<b>67 103</b>

## 14.1 Financial Leasing Arrangements

2009

1 000 EUR	Other payments of intangible assets	Advance payments of intangible assets	Machinery and equipment	Total
Acquisition cost, Jan. 1			3 069	3 069
Increases	94	991	3 947	5 032
Decreases			-2 309	-2 309
<b>Acquisition cost, Dec. 31</b>	<b>94</b>	<b>991</b>	<b>4 707</b>	<b>5 792</b>
Accumulated depreciation, Jan. 1			-1 064	-1 064
Depreciation during the period	-5		-780	-785
Depreciation accumulated in decreases			910	910
<b>Accumulated depreciation, Dec. 31</b>	<b>-5</b>		<b>-934</b>	<b>-939</b>
<b>Book value, Dec. 31</b>	<b>89</b>	<b>991</b>	<b>3 773</b>	<b>4 853</b>

2008

1 000 EUR	Machinery and equipment	Total
Acquisition cost, Jan. 1		
Increases, business combination	2 922	2 922
Increases	985	985
Decreases	-838	-838
<b>Acquisition cost, Dec. 31</b>	<b>3 069</b>	<b>3 069</b>
Accumulated depreciation, Jan. 1		
Business combination	-985	-985
Depreciation during the period	-331	-331
Depreciation accumulated in decreases	252	252
<b>Accumulated depreciation, Dec. 31</b>	<b>-1 064</b>	<b>-1 064</b>
<b>Book value, Dec. 31</b>	<b>2 005</b>	<b>2 005</b>

## 15. Investments Held for Trading

2009

1 000 EUR	Unlisted shares
Acquisition cost, Jan. 1	193
Increase, business combination	13
<b>Acquisition cost, Dec. 31</b>	<b>206</b>
<b>Book value, Dec. 31</b>	<b>206</b>

2008

1 000 EUR	Unlisted shares
Acquisition cost, Jan. 1	160
Increase, business combination	33
<b>Acquisition cost, Dec. 31</b>	<b>193</b>
<b>Book value, Dec. 31</b>	<b>193</b>

## 16. Long-term Receivables

### Other items included in long-term receivables

1 000 EUR	2009	2008
Long-term loan receivables	211	175
Long-term derivatives		83
<b>Total long-term accounts receivable and other receivables</b>	<b>211</b>	<b>258</b>

## 17. Associated Companies

ESL Shipping Ltd has a 35% holding in 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 3.8 million, assets EUR 20.7 million and liabilities EUR 15.6 million. Kaukomarkkinat Oy has a 33.3% holding in associated company Roll Systems Oy. The unlisted Roll Systems Oy's registered office is in Valkeakoski, Finland.

### Shares in associated companies

1 000 EUR	2009	2008
Acquisition cost, Jan. 1	925	1 250
Share of associated companies' profit or loss	569	-138
Increases, business combination		20
Effect from exchange rates	62	-207
<b>Acquisition cost, Dec. 31</b>	<b>1 556</b>	<b>925</b>

## 18. Deferred Taxes

### Changes in Deferred Taxes

On December 31, 2009, the Group had EUR 0.5 million confirmed losses, on which no deferred tax receivables had been recognized because the Group is unlikely to accumulate taxable income against which the losses could be utilized before the losses expire. EUR 1.6 million of the retained earnings by the foreign subsidiaries in 2009 are not recognized in deferred taxes, since the funds are permanently invested in the countries in question.

### Deferred tax receivables

1 000 EUR	2009	2008
Unutilized tax losses		169
Items recorded in shareholders' equity		114
Employee benefits	171	22
Other temporary differences	241	591
<b>Total</b>	<b>412</b>	<b>896</b>

### Deferred tax liabilities

1 000 EUR	2009	2008
Depreciation in excess of plan	8 933	8 887
Convertible capital loan	880	23
Valuation of intangible and tangible assets at fair value in business combination	3 135	4 075
Other	590	986
<b>Total</b>	<b>13 538</b>	<b>13 971</b>

### Changes in deferred tax receivables

1 000 EUR	2009	2008
Deferred tax receivables, Jan. 1	896	2 353
Items recorded in the income statement		
Measurement of derivatives	-80	11
Unutilized tax losses	-169	
Employee benefits	149	
Other temporary differences	-270	56
Items recorded in shareholders' equity	-114	-204
Acquisition of associates		624
Sales of associates		-1 944
<b>Deferred tax receivables, Dec. 31</b>	<b>412</b>	<b>896</b>

### Changes in deferred tax liabilities

1 000 EUR	2009	2008
Deferred tax liabilities, Jan. 1	13 971	9 239
Items recorded in the income statement		
Depreciation in excess of plan	46	-668
Intangible and tangible assets	-1 003	
Other	-396	-133
Items recorded in shareholders' equity, capital loan	857	-31
Acquisition	63	5 564
<b>Deferred tax liabilities, Dec. 31</b>	<b>13 538</b>	<b>13 971</b>

## 19. Inventories

An expense of EUR 1.1 (1.7) million was recognized for the past fiscal year for a write-down of inventories to net realizable value.

1 000 EUR	2009	2008
Materials and supplies	3 090	2 091
Finished goods	25 468	30 492
Other inventories	688	835
<b>Total</b>	<b>29 246</b>	<b>33 418</b>

## 20. Accounts Receivable and Other Receivables

The carrying amount is considered to be close to fair value. Accounts receivable do not involve significant credit loss risks. EUR 0.6 million (0.2) has been recognized as impairment loss on accounts receivable.

1 000 EUR	2009	2008
Accounts receivable	33 385	36 155
Refund from the Ministry of Transport and Communications	1 743	2 348
Advance payments	564	189
VAT receivable	1 076	1 125
Other deferred receivables	6 539	2 469
<b>Total</b>	<b>43 307</b>	<b>42 286</b>

## 21. Cash and Cash Equivalents

1 000 EUR	2009	2008
Commercial papers		222
Bank accounts	11 525	12 399
<b>Total</b>	<b>11 525</b>	<b>12 621</b>

## 22. Shareholders' Equity

### Shares and Share Capital

On December 31, 2009, Aspo Plc's number of shares was 26,406,063 and the share capital was EUR 17.7 million.

The equity portion of Aspo's convertible bond is included in shareholders' equity. Own shares held by the company are recognized as a decrease in shareholders' equity.

Shareholders' equity consists of the share capital, premium fund, translation difference, invested unrestricted equity fund and retained earnings.

Share subscriptions based on the convertible bond issued during the validity of the old Companies Act (29.9.1978/734) are recognized in the premium fund. The invested unrestricted equity fund includes other equity-type investments and share subscription prices to the extent that they are not based on a separate agreement included in the share capital. The revaluation fund includes the changes in the fair value of instruments included hedge accounting.

### Dividends

Since the closing date, the Board of Directors has proposed that a dividend of EUR 0.42 per share be distributed for 2009. A dividend of EUR 0.42 per share was distributed in 2008 (EUR 0.42 in 2007).

### Share capital and premium fund 2009

1 000 EUR	in 1,000s	Share capital	Premium fund	Invested unrestricted equity fund	Treasury shares	Total
<b>January 1</b>	<b>25 786</b>	<b>17 692</b>	<b>4 351</b>	<b>248</b>	<b>-3 778</b>	<b>18 513</b>
Transfer to fund				26		26
<b>December 31</b>	<b>25 786</b>	<b>17 692</b>	<b>4 351</b>	<b>274</b>	<b>-3 778</b>	<b>18 539</b>
Own shares held by the company	620					
<b>Total number of shares</b>	<b>26 406</b>					

### Share capital and premium fund 2008

1 000 EUR	in 1,000s	Share capital	Premium fund	Invested unrestricted equity fund	Treasury shares	Total
<b>January 1</b>	<b>25 899</b>	<b>17 687</b>	<b>4 311</b>	<b>229</b>	<b>-3 036</b>	<b>19 191</b>
Conversion of convertible bonds to shares in 2008	8	5	40			45
Sale of repurchased shares in 2008	14			19	62	81
Shares repurchased in 2008	-135				-804	-804
<b>December 31</b>	<b>25 786</b>	<b>17 692</b>	<b>4 351</b>	<b>248</b>	<b>-3 778</b>	<b>18 513</b>
Own shares held by the company	620					
<b>Total number of shares</b>	<b>26 406</b>					

### Revaluation fund

1 000 EUR	2009	2008
Cash flow hedge fund		-265

### Voluntary provisions

1 000 EUR	2009	2008
Accumulated depreciation in excess of plan	34 405	31 671
Deferred taxes on excess depreciation	-8 934	-8 887
<b>Total</b>	<b>25 471</b>	<b>22 784</b>

### Equity portion of the convertible bond

1 000 EUR	2009	2008
Equity portion of the convertible bond	2 572	220

## 23. Loans

The balance sheet values of interest-bearing liabilities do not deviate significantly from their fair values. The equity-based convertible capital loan has a fixed 7% interest rate (loan period June 30, 2009–June 30, 2014).

Aspo Plc has EUR 15,000,000 in equity-based convertible capital loan. The loan will be repaid in one installment on June 30, 2014, assuming that the repayment conditions outlined in Chapter 5 of the Finnish Companies Act and the loan terms are met. The capital notes can be converted into Aspo stock. Each EUR 50,000 share of the loan entitles the loan shareholder to convert the loan share to 7,690 Aspo Plc shares. The conversion price for the share is EUR 6.50. The loan can be converted annually between January 2 and November 30. The conversion period ends on June 15, 2014.

The convertible capital loan is divided between equity-based and external financing in the financial statement. The share of the equity-based component is EUR 2.4 million.

The convertible capital loan issued in 2004 of EUR 15,512,500 was repaid on June 4, 2009 in accordance with the loan terms.

### Long-term liabilities

1 000 EUR	2009	2008
Loans	21 049	35 090
Pension loans	10 404	1 212
Convertible capital loan	11 954	
<b>Total</b>	<b>43 407</b>	<b>36 302</b>

### Short-term liabilities and used overdraft facilities

1 000 EUR	2009	2008
Loans	22 021	39 435
Convertible capital loan		14 209
Used overdraft facilities	4 097	4 278
Pension loans	807	807
<b>Total</b>	<b>26 925</b>	<b>58 729</b>

### Maturing of financial leasing liabilities

1 000 EUR	2009	2008
<b>Financial leasing liabilities – total amount of minimum rents</b>		
Within one year	1 181	447
After one year and within five years	4 168	1 734
<b>Total</b>	<b>5 349</b>	<b>2 181</b>
<b>Current value of minimum rents in financial leasing liabilities</b>		
Within one year	1 087	368
After one year and within five years	3 916	1 656
<b>Total</b>	<b>5 003</b>	<b>2 024</b>
Financial expenses accumulated in the future	345	157



## 24. Accounts Payable and Other Liabilities

### Other long-term liabilities

1 000 EUR	2009	2008
Share-based incentive system	171	
Financial leasing liabilities	12	
<b>Total</b>	<b>183</b>	

### Accounts payable and other liabilities

1 000 EUR	2009	2008
Accounts payable	25 348	21 487
Advances received	1 392	3 003
Salaries and social contributions	3 004	6 688
Employer contributions	1 839	1 502
Accrued interest	860	1 354
VAT liability	2 335	3 521
Share-based incentive system	102	50
Other short-term deferred liabilities	8 519	4 266
<b>Total</b>	<b>43 399</b>	<b>41 871</b>

## 25. 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.

### Pension liabilities in the income statement

1 000 EUR	2009	2008
Contribution plans	3 586	2 142

## 26. Provisions

The recorded provisions are based on best estimates on the closing date. Warranty provisions are primarily connected to the Group's product warranties and other provisions to pension and rent provisions.

1 000 EUR	Warranty and other provisions
<b>Dec. 31, 2008</b>	201
Provisions in use	-27
<b>Dec. 31, 2009</b>	<b>174</b>

## 27. Financial Risks and Financial Risk Management

### 27.1 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. Aspo Group aims at developing the predictability of future cash flows and continuously adapting its business operations to changes in the operating environment.

Financial risk management is based on the treasury policy approved by the Board of Directors, which defines the main principles for financial risk management in the Aspo Group. The treasury policy defines the general objectives of risk management, the relationship between the Group's parent company and business units, the division of responsibility and reporting requirements related to risk management. The treasury policy also defines the operating principles related to the management of exchange rate risks, interest rate risks and liquidity and refinancing risks.

The Group CEO, together with the Group Treasurer, is responsible for the implementation of financial risk management in accordance with the treasury policy approved by the Board of Directors. The business units are responsible for recognizing their own financial risks and managing them together with the parent company in accordance with the Group's treasury policy and more detailed instructions provided by the parent company.

### 27.2 Market Risks

#### Exchange Rate Risk

Aspo Group has subsidiaries, inter alia, in Scandinavia, the Baltic countries, as well as Russia and other CIS-countries (including Ukraine). All these countries of operation use their own currency. The Group's exchange rate risk consists of foreign currency-denominated receivables, liabilities, estimated currency flows, derivative agreements and translation risks related to results and capital. The aim of the Group is to decrease the uncertainty related to fluctuations in results, cash flows and balance sheets.

A large proportion of the operational volume of the Telko and Leipurin segments comes from Russia. The main currency risks of these segments pertain therefore to the Russian ruble. ESL Shipping's exchange rate risks are mainly connected to dollar-denominated investments and operational cash flow. At the closing date, Aspo Group's currency position in accordance with IFRS 7 mainly

consisted of internal and external interest-free and interest-bearing receivables and liabilities, and currency derivatives. Aspo Group's 2009 financial statements do not include significant exchange rate losses or gains in accordance with IAS 32 and IAS 21.

The 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, 2009, amounted to EUR 22.5 million. Since these investments do not have a significant impact on the Group's shareholder's equity, the Group has not found it justifiable to hedge the translation position. The table below shows the Group's share in the subsidiaries' equity by currency.

#### Interest Rate Risk

The effects of changes in the interest rate levels on Aspo Group's cash flow and earnings generate an interest rate risk. On December 31, 2009, the Group's interest-bearing liabilities amounted to EUR 70.3 million and cash and cash equivalents to EUR 11.5 million. The Group's loan portfolio is reviewed based on the average interest rate, average maturity and the ratio between fixed rate and variable rate loans. At the closing date, the average interest rate of interest-bearing liabilities was 3.4%, average maturity 2.7 years and the share of fixed rate loans was 44%.

#### 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 currency 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%.

#### Interest-bearing liabilities by currency

1 000 EUR	2009	2008
EUR	66 236	91 991
Other	4 096	3 040
<b>Total</b>	<b>70 332</b>	<b>95 031</b>

#### Accounts receivable by currency

1 000 EUR	2009	2008
USD	1 837	1 482
EUR	14 753	22 270
SEK	424	1 174
DKK	814	1 228
EEK	1 453	1 569
RUB	7 602	4 496
UAH	1 028	536
Other	5 474	3 400
<b>Total</b>	<b>33 385</b>	<b>36 155</b>

#### Investments in foreign subsidiaries

1 000 EUR	Shareholders' equity 2009	Shareholders' equity 2008
SEK	2 040	2 798
DKK	6 008	5 043
EEK	3 003	2 667
RUB	7 534	5 512
NOK	89	25
LVL	1 794	979
LTL	677	454
UAH	-351	-751
PLN	2 006	2 131
BYR		10
CNY	203	523
EUR	-458	1 487
<b>Total</b>	<b>22 545</b>	<b>20 878</b>

#### Cash and bank deposits and unutilized binding credit limit agreements

1 000 EUR	2009	2008
Cash and bank deposits	11 525	12 621
Credit limits	80 000	81 500
<b>Total</b>	<b>91 525</b>	<b>94 121</b>

- The position includes dollar-denominated financial assets and liabilities, i.e. deposits, accounts receivable and other receivables, accounts payable, cash at hand and in 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 and 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 the Group's performance through freight costs, which have been hedged against by means of contractual clauses. The fluctuations in raw material prices for chemicals and food also affect the Group's financial performance.

#### Hedge Accounting

Currency forwards related to the vessel acquisition by ESL Shipping classified to fall within the scope of hedge accounting in the 2006 fiscal year have been reversed during 2009. On the closing date, the Group had no currency forwards within the scope of hedge accounting.

#### 27.3 Liquidity and Financing Risk

The objective of Aspo Group is to ensure sufficient financing for operations in all situations and market conditions. In accordance with the treasury policy, the sources of financing are spread among a sufficient number of counterparties and different loan instruments. The sufficient number of binding financing agreements and sufficient maturity ensure the Group's current and near future financing needs. During the 2009 fiscal year, the main focus was on sufficient diversification of financing sources and on extending the maturity distribution.

Aspo Group's main financing needs are related to parent company Aspo Plc's corporate reorganization and ESL Shipping's vessel investments. The main financing source of Telko, Leipurin and Kaukomarkkinat is the cash flow from their operations. Aspo Group's liquidity is ensured through cash funds, issuing of commercial papers and binding account limits, as well as revolving credit facilities granted by selected cooperation banks.

Aspo Group's liquid cash funds at the end of the 2009 fiscal year were EUR 11.5 million. Aspo Plc had an unused EUR 50 million domestic commercial paper program on the day of closing. At

#### Risks based on financial instruments

1 000 EUR	2009 Income statement	2009 Share- holders' equity	2008 Income statement	2008 Share- holders' equity
+10% in the EUR/USD exchange rate			-436	-1 411
-10% in the EUR/USD exchange rate			436	1 411
Change of +100 basic points in the market interest rates	-115		-824	
Change of -100 basic points in the market interest rates	115		824	

#### Accounts receivables by age

1 000 EUR	2009	2008
Not matured	24 313	26 134
Matured 1-30 days ago	7 224	7 269
Matured 31-60 days ago	1 076	1 550
Matured more than 60 days ago	772	1 202
<b>Total</b>	<b>33 385</b>	<b>36 155</b>

the closing date, Aspo Plc also had revolving credit facilities granted by selected cooperation banks in the amount of EUR 80 million, which were unutilized in full. At the closing date, all of the revolving credit facilities were agreements that mature in less than 12 months. A binding financing agreement has been signed for the vessel ordered from India by ESL Shipping. The building is estimated to be completed in the spring of 2010. The Group's aim was to make the maturity structure of its financing more long-term during 2009.

All considerable financial limit contracts include a financial covenant that is based on the equity ratio. On the closing date, Aspo Group's equity ratio was 34.6%. When calculating the financial covenant subordinated loans are included in equity. 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.

#### 27.4. Credit and Counterparty Risk

Aspo Group has credit risk from accounts receivables. Telko and Leipurin have an international and highly diversified customer base and no considerable customer risk centers exist. The 2009 financial statements included EUR 0.4 million in write downs from Telko's sales receivables. ESL Shipping's accounts receivable are connected to long-term customer relationships with credit-worthy companies. The turnover rate of its accounts receivable is high. All segments hedge

against credit risks by using payment terms based on advance payments and bank guarantees as necessary.

The Group's aim is to have low liquid cash funds. The credit risk is managed by selecting known and financially sound domestic and international banks as counterparties. Excess funds are invested in bank deposits and short-term money market instruments. ESL Shipping's vessel investments also include advance payments made to the shipyard. Only known and solvent banks have been selected as granters of bank guarantees given as collateral for the repayment of the advance payments. At the closing date, there was no bank guarantees related to advance payments, due to the cancellation of ESL Shipping's vessel order from India. The counterparty risk based on derivative agreements is small due to the limited number of counterparties and agreements.

#### 27.5 Management of Capital Structure

The objective of the Group is to achieve an optimal capital structure with which Aspo Group can ensure the operational framework for short and long-term operations.

The main factors affecting the capital structure are possible reorganizations within Aspo Group, Aspo Plc's dividend policy, the vessel investments of the shipping operations and the profitability of the subsidiaries' operations.

The development of Aspo Group's capital structure is mainly monitored through the equity ratio and net gearing. On December 31, 2009, the Group's equity ratio was 34.6% (30.6) and gearing 87.9% (124.9).

## Maturity analysis

2009	Balance sheet value Dec. 31, 2009	Cash flow 2010 <sup>1</sup>	2011	2012	2013	2014-
<b>1 000 EUR</b>						
Loans	-38 066	-21 730	-1 294	-6 213	-1 125	-10 033
Convertible capital loan	-11 954	-1 065	-1 065	-1 065	-1 062	-16 073
Pension loans	-11 211	-1 190	-1 748	-2 285	-2 218	-5 252
Overdraft facility	-4 097	-4 097				
Financial leasing liabilities	-5 003	-1 181	-1 919	-1 156	-740	-353
Accounts payable, other liabilities	-43 573	-43 573				
<b>Derivative instruments</b>						
Currency derivatives						
Not in hedge accounting						
Cash flows to be paid		-675				
Cash flows to be received		2				

<sup>1</sup>Repayments in 2010 are included in short-term items.

2008	Balance sheet value Dec. 31, 2008	Cash flow 2009 <sup>1</sup>	2010	2011	2012	2013-
<b>1 000 EUR</b>						
Loans	-34 000	-2 554	-21 551	-1 160	-1 145	-11 158
Convertible capital loan	-14 209	-15 000				
Credit limits	-38 500	-38 500				
Pension loans	-2 018	-895	-855	-413		
Overdraft facility	-4 278	-4 278				
Financial leasing liabilities	-2 024	-447	-1 003	-513	-218	
Accounts payable, other liabilities	-41 800	-41 800				
Off-balance-sheet commitments <sup>2</sup>			-6 160			
<b>Derivative instruments</b>						
In hedge accounting						
Cash flows to be paid	-439	-439				
Cash flows to be received	83		83			
Not in hedge accounting						
Cash flows to be paid	-311	-311				
Commodity derivatives						
Not in hedge accounting						
Cash flows to be paid	-7	-7				

<sup>1</sup>Repayments in 2009 are included in short-term items.

<sup>2</sup>Off-balance-sheet commitments are related to advance payments for vessels under construction.

## Book values of financial assets and liabilities by measurement group

2009	Financial assets/liabilities recognized at fair value through profit or loss	Loans and other receivables	Other liabilities	Financial assets available for sale	Financial liabilities recognized at amortized cost	Book values of balance sheet items
1 000 EUR						
<b>Long-term financial assets</b>						
Long-term receivables		211				211
Derivative contracts	2					2
Other financial assets				206		206
<b>Short-term financial assets</b>						
Accounts receivable and other receivables		43 305				43 305
<b>Book value by measurement group</b>	2	43 516		206		43 724
<b>Long-term financial liabilities</b>						
Long-term interest-bearing liabilities					43 407	43 407
<b>Short-term financial liabilities</b>						
Short-term interest-bearing liabilities					26 925	26 925
Derivative contracts	675					675
Non-interest bearing current liabilities			42 724			42 724
<b>Book value by measurement group</b>	675		42 724		70 332	113 731

2008	Financial assets/liabilities recognized at fair value through profit or loss	Loans and other receivables	Other liabilities	Financial assets available for sale	Financial liabilities recognized at amortized cost	Book values of balance sheet items
1 000 EUR						
<b>Long-term financial assets</b>						
Long-term receivables		175				175
Derivative contracts	83					83
Other financial assets				193		193
<b>Short-term financial assets</b>						
Accounts receivable and other receivables		42 286				42 286
<b>Book value by measurement group</b>	83	42 461		193		42 737
<b>Long-term financial liabilities</b>						
Long-term interest-bearing liabilities					36 313	36 313
<b>Short-term financial liabilities</b>						
Short-term interest-bearing liabilities					58 729	58 729
Derivative contracts	757					757
Non-interest bearing current liabilities			41 043			41 043
<b>Book value by measurement group</b>	757		41 043		95 042	136 842

## 28. Derivative Contracts

Available market rates and prices are used to calculate the fair value.

1 000 EUR	Face values 2009	Fair values, net 2009	Face values 2008	Fair values, net 2008
Currency derivatives				
Currency forwards (level 2)	-478	-671	-17 810	-667
Commodity derivatives (level 2)			620	-7
<b>Total</b>		<b>-671</b>		<b>-674</b>

## 29. Guarantees and 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 primarily made in order to support or improve Group companies' creditworthiness, which makes it easier to find sufficient financing.

### Collateral for own debt

1 000 EUR	2009	2008
Mortgages given	37 500	37 500
Bank guarantees	33 553	39 758
Other contingent liabilities	1 378	1 760
Other leasing liabilities		
Within one year	3 112	4 404
Over a year and five years at most	13 767	5 546
<b>Total</b>	<b>89 310</b>	<b>88 968</b>

### Guarantees given on behalf of associated companies

1 000 EUR	2009	2008
Guarantees	50	

### Guarantees given on behalf of others

1 000 EUR	2009	2008
Guarantees	206	

### 30. Insiders

#### Group Companies

Information on associated companies is presented in Note 17.

#### Group companies:

Company	Country of incorporation	Holding %
Aspo Plc, parent company	Finland	
Aspokem AB	Sweden	100.00
Aspokem Eesti AS	Estonia	100.00
Aspokem International B.V.	The Netherlands	100.00
Aspotel Oy	Finland	100.00
Oy Bomanship Ab	Finland	100.00
ESL Shipping Ltd	Finland	100.00
Hamina Terminal Services Ltd	Finland	100.00
ZAO Kauko	Russia	100.00
OOO Kauko Rus	Russia	100.00
Kaukomarkkinat Ltd	Finland	100.00
Kaukomarkkinat Shanghai Ltd.	China	100.00
Kauko Time AB	Sweden	100.00
Leipurin Ltd	Finland	100.00
Leipurien Tukku Oy	Finland	100.00
Leipurien Tukku AS	Estonia	100.00
OOO Leipurien Tukku	Russia	100.00
LLC Leipurin	Ukraine	100.00
SIA Leipurin	Latvia	100.00
UAB Leipurin	Lithuania	100.00
Leitok Oy	Finland	100.00
Master Oil AB	Sweden	100.00
Molub-Alloy AB	Sweden	100.00
Opas Baltic AS	Estonia	100.00
OptiKem Ltd	Finland	100.00
Raugš un citas preces SIA	Latvia	100.00
Suhi-Suomalainen Hiili Oy	Finland	100.00
Telko Ltd	Finland	100.00
LLC Telko	Ukraine	100.00
OOO Telko	Russia	100.00
Telko UAB	Lithuania	100.00
Telko Denmark A/S	Denmark	100.00
Telko Latvia SIA	Latvia	100.00
Telko Norway AS	Norway	100.00
Telko Plast & Gummi AB	Sweden	100.00
Telko-Poland Sp. z o.o.	Poland	100.00
Oy Troili Ab	Finland	100.00
Wilfert Chemical Denmark A/S	Denmark	100.00
Wilfert Chemical Finland Oy	Finland	100.00
Wilfert Chemical Nordic A/S	Denmark	100.00
Wilfert Chemical Norway AS	Norway	100.00
Wilfert Chemical Sweden AB	Sweden	100.00

## Management Benefits

In March, Aspo Plc's Board of Directors decided on a shareholding program for Aspo Group's key personnel.

The plan earning period started on January 1, 2009, and will end on December 31, 2011. Participation in the plan and rewarding requires that the key employee obtains a number of Aspo Plc shares specified by the Board of Directors in advance.

The potential gain is based on continuation of the key employee's employment relationship and Aspo Group's cumulative Earnings per Share indicator (EPS) in 2009–2011. The potential gain will be paid partly in Aspo shares and partly in cash between January and March 2012. The proportion to be paid in cash will cover taxes and tax-related costs arising from the bonus.

The program covers approximately 40 people. The bonuses paid based on the program will in total correspond at most with the value of 950,000 Aspo Plc shares including the portion paid in cash.

In addition, the Board of Directors decided to continue the 2006 shareholding program by granting all the people involved the possibility to get company shares in the spring of 2010. The possible bonus will be paid in part as shares and in part as cash. The proportion to be paid in cash will cover taxes and tax-related costs arising from the bonus. The employee must retain ownership of the shares until October 1, 2010. If the employment relationship ends before this date, the shares received as reward must be returned to the company without any compensation. The 2006 shareholding program covers approximately 30 people and the amount of the gross bonus to be paid in the spring of 2010 corresponds at most with the value of 90,000 Aspo Plc shares.

## Year 2008

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). The dividends per share distributed between May 1, 2006, and June 30, 2009, will be added to the difference thus calculated. 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 that 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 is 60. The CEO has a payment-based pension plan in which the pension is determined based on the accumulated insurance saving at the time of retirement. The period of notice applied in the employment relationship of the CEO 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 by the insiders is presented in the Corporate Governance section.

## Share bonuses granted

	Grant date	Maximum number of shares awarded	Market value of share on grant date, EUR
Year 2009	March 10, 2009	425 000	4.69
Year 2006 continued program	March 10, 2009	43 150	4.69

## Assumptions used in determining fair value

	2008
Expected volatility	29%
Expected validity of option when granted (years)	3.25
Risk-free interest	4%
Fair value of instrument determined when granted	0.27

## Management benefits

1 000 EUR	2009	2008
CEO and Deputy CEO, salaries	349	457
CEO and Deputy CEO, bonuses	85	146
Members of the Board of Directors	398	131
<b>Total</b>	<b>832</b>	<b>734</b>



## Key Figures

	IFRS 2009	IFRS 2008	IFRS 2007	IFRS 2006	IFRS 2005
Net sales, EUR million	329.4	358.2*	208.9*	225.9	204.9
Operating profit, EUR million	15.3	14.1*	25.4*	12.8	17.3
% of net sales	4.6	3.9	12.1	5.7	8.4
Profit before tax, EUR million	11.7	9.5*	24.3*	11.1	15.8
% of net sales	3.6	2.7	11.6	4.9	7.7
Group					
Return on investment, % (ROI)	11.1	18.5	25.7	14.9	20.6
Return on equity, % (ROE)	13.0	24.1	25.4	14.1	19.9
Equity ratio, %	34.6	30.6	45.1	45.2	47.2
Equity ratio excluding deferred tax liabilities, %	41.6	37.1	51.8	51.7	54.9
Gearing, %	87.9	124.9	32.4	35.7	23.6
Gross investments in fixed assets, EUR million	7.4	21.1	11.0	10.2	5.8
% of net sales	2.2	5.8	4.1	4.5	2.8
Number of personnel, Dec. 31	717	827	699	694	681
Average number of personnel	723	882	691	693	688
<b>Share-specific indicators</b>					
Earnings/share (EPS), EUR, Continued	0.33	0.27	0.71		
Earnings/share, EUR, Discontinued		0.33	-0.12		
Earnings/share (EPS), EUR, Group	0.33	0.60	0.59	0.32	0.45
Diluted earnings/share, EUR, Continued	0.33	0.26	0.67		
Diluted earnings/share, EUR, Discontinued		0.30	-0.11		
Diluted earnings/share, EUR, Group	0.33	0.56	0.56	0.31	0.43
Group					
Equity/share, EUR	2.59	2.56	2.43	2.26	2.30
Nominal dividend/share, EUR (proposed by Board of Directors)	0.42	0.42	0.42	0.41	0.40
Share issue adjusted dividend/share, EUR	0.42	0.42	0.42	0.41	0.40
Dividend/earnings, %	126.6	70.1	71.3	128.9	87.9
Effective dividend yield, %	7.1	10.4	6.50	6.00	5.80
Price/earnings ratio (P/E)	17.8	6.7	10.9	21.1	15.2
Diluted price/earnings ratio (P/E)	18.1	7.2	11.6	21.8	16.2
Share price development					
average price, EUR	5.43	5.81	6.97	6.96	6.64
lowest price, EUR	3.94	3.57	6.30	5.75	5.05
highest price, EUR	6.20	6.90	7.80	8.62	7.83
Closing price on the last day of trading during the fiscal year, EUR	5.90	4.03	6.44	6.80	6.90
Market cap, Dec. 31, EUR million	155.8	106.4	170.0	177.1	177.2
excluding treasury shares, EUR million	152.1	103.9	166.8	174.7	174.7
Development of share turnover, 1,000	2 262	3 404	5 060	6 044	7 598
Development of share turnover, %	8.6	12.9	19.2	23.2	29.6
Total share trading, EUR 1,000	12 259	19 764	35 320	41 934	71 909
Total number of shares, Dec. 31, 1,000	26 406	26 406	26 399	26 048	25 683
outstanding	25 786	25 786	25 908	25 690	25 317
outstanding, average	25 786	25 827	25 807	25 368	25 391
diluted number of shares, average	28 093	28 433	28 421	28 332	28 720

\* Continued operations

# Calculation Principles of Key Figures

<b>Return on investment, % (ROI)</b>	=	$\frac{\text{Profit before taxes} + \text{Interest and other financial expenses} \times 100}{\text{Balance sheet total} - \text{Interest-free liabilities (average)}}$
<b>Return on equity, % (ROE)</b>	=	$\frac{\text{Profit before taxes} - \text{Taxes} \times 100}{\text{Shareholders' equity} + \text{Minority interest (average)}}$
<b>Equity ratio, %</b>	=	$\frac{\text{Shareholders' equity} + \text{Minority interest} \times 100}{\text{Balance sheet total} - \text{Advances received}}$
<b>Gearing, %</b>	=	$\frac{\text{Interest-bearing liabilities} - \text{Liquid funds}}{\text{Shareholders' equity} + \text{Minority interest}}$
<b>Average number of personnel</b>	=	Average number of personnel as the end of each month
<b>Earnings per share (EPS), EUR</b>	=	$\frac{\text{Profit before taxes} - \text{Income taxes on ordinary activities} - \text{Minority interest}}{\text{Adjusted average number of shares during the fiscal year}}$
<b>Shareholder's equity per share, EUR</b>	=	$\frac{\text{Shareholders' equity}}{\text{Adjusted number of shares on balance sheet date}}$
<b>Adjusted dividend per share, EUR</b>	=	$\frac{\text{Dividend per share paid for the fiscal year}}{\text{Share issue multiplier}}$
<b>Dividend / earnings, %</b>	=	$\frac{\text{Adjusted dividend per share} \times 100}{\text{Earnings per share}}$
<b>Effective dividend yield, %</b>	=	$\frac{\text{Adjusted dividend per share} \times 100}{\text{Average share price on closing day weighted with trading volume}}$
<b>Price / earnings ratio (P/E)</b>	=	$\frac{\text{Adjusted average share price on closing day}}{\text{Earnings per share}}$
<b>Market value of shares, EUR</b>	=	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	Notes	2009	2008
Other operating income	1.1	1 718	1 014
Personnel costs	1.2	-3 095	-2 392
Depreciation and impairment	1.3	-95	-134
Other operating expenses	1.4	-4 001	-3 103
<b>Operating loss</b>		<b>-5 473</b>	<b>-4 615</b>
Financial income and expenses	1.5	3 800	-1 487
<b>Loss before extraordinary items</b>		<b>-1 673</b>	<b>-6 102</b>
Extraordinary items	1.6	15 630	18 212
<b>Profit before appropriations and taxes</b>		<b>13 957</b>	<b>12 110</b>
Income taxes	1.7	-2 132	-2 307
<b>Profit for the period</b>		<b>11 825</b>	<b>9 803</b>

# Parent Company's Balance Sheet

## Assets

1 000 EUR	Notes	2009	2008
<b>Non-current assets</b>			
Intangible assets	2.1	37	104
Tangible Assets	2.1	123	146
Investments	2.2	12 967	12 967
<b>Total non-current assets</b>		<b>13 127</b>	13 216
<b>Current assets</b>			
Long-term receivables	2.3	75	
Current receivables	2.3	133 506	173 106
Cash and bank deposits		3 407	1 792
<b>Total current assets</b>		<b>136 988</b>	174 897
<b>Total assets</b>		<b>150 115</b>	188 113

## Liabilities

1 000 EUR	Notes	2009	2008
<b>Shareholders' equity</b>			
Share capital	2.4	17 692	17 692
Premium fund	2.4	4 351	4 351
Invested unrestricted equity fund	2.4	248	248
Retained earnings	2.4	5 095	6 122
Profit for the period		11 825	9 803
<b>Total shareholders' equity</b>		<b>39 211</b>	38 216
<b>Mandatory provisions</b>	2.5	<b>288</b>	19
<b>Liabilities</b>			
Long-term liabilities	2.6	30 000	20 000
Short-term liabilities	2.7	80 616	129 878
<b>Total liabilities</b>		<b>110 616</b>	149 878
<b>Total liabilities</b>		<b>150 115</b>	188 113

# Parent Company's Cash Flow Statement

1 000 EUR	2009	2008
<b>Operational cash flow</b>		
Operating loss	-5 473	-4 615
Adjustments to operating loss	428	98
Change in working capital	305	7
Interest paid	-3 796	-5 770
Interest received	1 434	4 745
Dividends received	4	5
Taxes paid	-4 198	-2 431
<b>Operational cash flow</b>	<b>-11 296</b>	<b>-7 961</b>
<b>Cash flow from investments</b>		
Investments in tangible and intangible assets	-36	-65
Other investments		-3
Gains on the sale of other investments		5 060
<b>Cash flow from investments</b>	<b>-36</b>	<b>4 992</b>
<b>Cash flow from financing</b>		
Disposal of shares		92
Share repurchases		-861
New long-term loans	15 000	20 000
Change in short-term receivables	69 771	-73 246
Change in short-term liabilities	-60 481	62 415
Convertible capital loan	15 000	1 500
Convertible capital loan amortized	-15 513	
Dividends distributed	-10 830	-10 838
<b>Cash flow from financing</b>	<b>12 947</b>	<b>-938</b>
<b>Change in liquid funds</b>	<b>1 615</b>	<b>-3 907</b>
Liquid funds Jan. 1	1 792	5 699
<b>Liquid funds Dec. 31</b>	<b>3 407</b>	<b>1 792</b>

# Notes to the Parent Company's Financial Statements

## Accounting Principles of the Financial Statement

Aspo Plc's financial statements have been compiled in accordance with FAS. The accounting principles have not changed from the previous year. When compiling the financial statements, the management of the company has, in accordance with value regulations and good accounting practice, to make estimates and assumptions that affect the valuation and allocation of financial statement items. The actual figures may differ from the estimates.

## Foreign Currency Transactions

Transactions in foreign currencies are recorded at the exchange rates of the transaction date. On the closing date, the receivables and liabilities in the balance sheet are valued at the exchange rates of the closing date. The hedging instruments for foreign currency denominated items are valued at the rate of day taking into account interest rates. Foreign exchange gains and losses related to business operations are recognized as net sales and operational expense adjustment items. Foreign exchange gains and losses related to financing are recognized in financial income and expenses.

## Pensions

The company's pension coverage is arranged through pension insurance.

## Research and Development Costs

R&D costs are recognized as costs in the financial period in which they are generated.

## Receivables

Receivables are valued at the lower of purchase cost or probable value.

## Non-current Assets and Depreciations

Non-current assets are recognized in the balance sheet at direct purchase cost less depreciations made. The depreciation periods for non-current assets are:

- |                           |             |
|---------------------------|-------------|
| - Other long-term costs   | 3–10 years  |
| - Buildings               | 15–40 years |
| - Machinery and equipment | 3–8 years   |
| - Other material goods    | 5–40 years  |

## Leasing

Leasing payments are treated as rent expenses.

## Incidental Income and Expenses

Incidental income and expenses include items outside actual business operations such as group contributions.

## Mandatory Provisions

Mandatory provisions in the balance sheet include items that are either based on contracts or otherwise binding obligations but that have not materialized. Changes to mandatory provisions are included in the income statement.

## Income Taxes

The income taxes in the income statement include taxes calculated on profit for the period based on Finnish tax legislation and adjustment of taxes from previous financial periods.

## Dividends

No recognition of the dividend proposed by the Board of Directors to the Annual Shareholders' Meeting has been made in the financial statements, the dividend is only accounted for after the decision by the Annual Shareholders' Meeting.

## 1.1 Other Operating Income

1 000 EUR	2009	2008
Gains on the disposal of fixed assets	2	9
Other operating income, group	905	583
Rents and related remunerations	810	417
Other operating income	1	5
<b>Total</b>	<b>1 718</b>	<b>1 014</b>

1.2 Notes Concerning  
Personnel and Board  
Members

1 000 EUR	2009	2008
<b>Personnel costs</b>		
Salaries and benefits	1 876	1 642
Share-based incentive system	270	-45
Profit bonus paid to the personnel fund	-17	19
Pension costs	759	669
Other personnel costs	207	107
<b>Total</b>	<b>3 095</b>	<b>2 392</b>

## Management salaries and benefits

1 000 EUR	2009	2008
CEO and Deputy CEO, salaries	349	457
CEO and Deputy CEO, bonuses	85	146
Members of the Board of Directors	398	131
<b>Total</b>	<b>832</b>	<b>734</b>

1.3 Depreciation and  
Impairment

1 000 EUR	2009	2008
Depreciation on tangible and intangible assets	95	134

1.4 Other Operating  
Expenses

1 000 EUR	2009	2008
Rents	1 438	747
Other expenses	2 563	2 355
<b>Total</b>	<b>4 001</b>	<b>3 103</b>
<b>Auditor's fees</b>		
Auditing fees	40	52
Other fees	90	409
<b>Total</b>	<b>130</b>	<b>461</b>

## 1.5 Financial Income and Expenses

1 000 EUR	2009	2008
<b>Dividend income</b>		
From Group companies	5 800	
From outside the Group	4	5
<b>Income from long-term investments</b>	5 804	5
<b>Other interest and financial income</b>		
From Group companies	1 410	4 513
From others	24	232
<b>Total interest and other financial income</b>	1 434	4 745
<b>Interest expenses and other financial expenses</b>		
To Group companies	-545	-1 759
To others	-2 893	-4 478
<b>Total interest and other financial expenses</b>	-3 438	-6 237
<b>Total financial income and expenses</b>	3 800	-1 487

## 1.6 Extraordinary Items

1 000 EUR	2009	2008
<b>Income</b>		
Sales gain from fixed asset shares		3 319
Group contributions	22 300	18 535
<b>Expenses</b>		
Group contributions	-6 670	-3 642
<b>Total extraordinary items</b>	15 630	18 212

## 1.7 Income Taxes

1 000 EUR	2009	2008
Taxes from previous fiscal period	-7	4
Income taxes on extraordinary items	4 064	4 735
Change in deferred taxes	75	
Income taxes on ordinary activities	-2 000	-2 433
<b>Total</b>	2 132	2 307



## 2.1 Intangible and Tangible Assets

1 000 €	Intangible rights	Total intangibles	Land	Buildings	Machinery and equipment	Other tangible assets	Total tangibles
Acquisition cost, Jan. 1	539	539	1	467	500	125	1 093
Increases					36		36
Decreases					-30		-30
<b>Acquisition cost, Dec. 31, 2009</b>	<b>539</b>	<b>539</b>	<b>1</b>	<b>467</b>	<b>506</b>	<b>125</b>	<b>1 099</b>
Accumulated depreciation, Jan. 1	-435	-435		-465	-430	-52	-947
Depreciation during the period	-67	-67		-1	-28		-29
<b>Accumulated depreciation, Dec. 31, 2009</b>	<b>-502</b>	<b>-502</b>		<b>-466</b>	<b>-458</b>	<b>-52</b>	<b>-976</b>
<b>Book value, Dec. 31, 2009</b>	<b>37</b>	<b>37</b>	<b>1</b>	<b>1</b>	<b>48</b>	<b>73</b>	<b>123</b>
<b>Book value, Dec. 31, 2008</b>	<b>104</b>	<b>104</b>	<b>1</b>	<b>1</b>	<b>70</b>	<b>73</b>	<b>145</b>

## 2.2 Investments

1 000 EUR	Subsidiary shares	Other shares	Total
Acquisition cost, Jan. 1	12 809	158	12 967
<b>Acquisition cost, Dec. 31, 2009</b>	<b>12 809</b>	<b>158</b>	<b>12 967</b>
<b>Acquisition cost, Dec. 31, 2008</b>	<b>12 809</b>	<b>158</b>	<b>12 967</b>

## 2.3 Receivables

### Long-term receivables

1 000 EUR	2009	2008
Deferred tax receivable	75	

### Current receivables

1 000 EUR	2009	2008
<b>Receivables from Group companies</b>		
Dividend receivables	5 800	3 510
Group contribution receivables	22 390	54 500
Group cash account receivable	437	
Loan receivables	102 442	114 731
Deferred receivable	35	
	<b>131 104</b>	172 741
Other receivables	26	26
Deferred receivables <sup>*)</sup>	2 376	339
<b>Total current receivables</b>	<b>133 506</b>	173 106
<sup>*)</sup> Main item		
Tax receivable	2 272	224

## 2.4 Shareholders' Equity

Aspo Plc has EUR 15,000,000 in equity-based convertible capital loan. The loan will be repaid in one installment on June 30, 2014, assuming that the repayment conditions outlined in Chapter 5 of the Finnish Companies Act and the loan terms are met. The loan has a fixed interest rate of 7%. The capital notes can be converted into Aspo stock. Each EUR 50,000 share of the loan entitles the loan shareholder to convert the loan share to 7,690 Aspo Plc shares. The conversion price for the share is EUR 6.50. The loan can be converted annually between January 2 and November 30. The conversion period ends on June 15, 2014.

The convertible capital loan issued in 2004 of EUR 15,512,500 was repaid on June 4, 2009 in accordance with the loan terms.

1 000 EUR	2009	2008
Share capital, Jan. 1	17 692	17 687
Increase in share capital		5
<b>Share capital, Dec. 31</b>	<b>17 692</b>	17 692
Premium fund, Jan. 1	4 351	4 311
Conversions		40
<b>Premium fund, Dec. 31</b>	<b>4 351</b>	4 351
Invested unrestricted equity fund, Jan. 1	248	229
Sales gain from selling repurchased shares		19
<b>Invested unrestricted equity fund, Dec. 31</b>	<b>248</b>	248
Retained earnings, Jan. 1	15 925	17 702
Dividend payment	-10 830	-10 838
Share repurchases		-804
Disposal of shares		62
<b>Retained earnings, Dec. 31</b>	<b>5 095</b>	6 122
<b>Profit for the period</b>	<b>11 825</b>	9 803
<b>Total shareholders' equity</b>	<b>39 211</b>	38 216

Distributable unrestricted equity totals EUR 17,167,926.09 (16,173,319.28).

## 2.5 Mandatory Provisions

1 000 EUR	2009	2008
Share-based incentive system	288	19

## 2.6 Long-Term Liabilities

1 000 EUR	2009	2008
Convertible capital loan	15 000	
<b>Total capital loan</b>	<b>15 000</b>	
Loans from Group companies	10 000	
Loans from financial institutions	5 000	20 000
	15 000	20 000
<b>Total long-term liabilities</b>	<b>30 000</b>	20 000

## 2.7 Short-Term Liabilities

<b>1 000 EUR</b>	<b>2009</b>	<b>2008</b>
Capital loan, Group		1 050
Convertible capital loan		18 765
Conversions		-4 303
<b>Total capital loan</b>		15 513
Loans from financial institutions	<b>20 000</b>	38 500
Unpaid dividend 2003–2008	<b>8</b>	8
Accounts payable	<b>24</b>	82
Other liabilities	<b>58</b>	93
Deferred liabilities	<b>1 368</b>	1 344
<b>Total</b>	<b>21 458</b>	40 026
Debts to Group companies	<b>6 670</b>	3 752
Cash pool accounts	<b>52 327</b>	70 556
Deferred liabilities	<b>161</b>	31
<b>Total</b>	<b>59 158</b>	74 339
<b>Total short-term liabilities</b>	<b>80 616</b>	129 878

## 2.8 Other Notes

## Unpaid lease payments

<b>1 000 EUR</b>	<b>2009</b>	<b>2008</b>
Payable in the next fiscal year	<b>331</b>	144
Payable later	<b>662</b>	187
<b>Total</b>	<b>993</b>	331
<b>Remainder value liabilities</b>	<b>194</b>	187
<b>Total leasing liabilities</b>	<b>1 187</b>	518

## Other rental liabilities

<b>1 000 EUR</b>	<b>2009</b>	<b>2008</b>
Payable in the next fiscal year	<b>1 379</b>	
Payable later	<b>11 035</b>	
<b>Total</b>	<b>12 414</b>	

## Guarantees on behalf of Group companies

<b>1 000 EUR</b>	<b>2009</b>	<b>2008</b>
Guarantees	<b>35 020</b>	27 580

## Guarantees on behalf of associated companies

<b>1 000 EUR</b>	<b>2009</b>	<b>2008</b>
Guarantees	<b>50</b>	

## Derivative contracts

<b>1 000 EUR</b>	<b>2009</b>	<b>2008</b>
Derivative contracts, sales		-105
Derivative contracts, purchases		-560
<b>Total</b>		-665

# Shares and Shareholders

## Share Capital

On December 31, 2009 the registered share capital of Aspo Plc was EUR 17,691,729.57, consisting of 26,406,063 shares. The company's own shareholding was 620,000 shares, accounting for 2.35% 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 NASDAQ OMX 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 2009, representing 126.6% of the Group's earnings.

## Authorizations

Authorization to purchase and dispose of the company's own shares

The Annual Shareholders' Meeting of 2009 authorized the Board of Directors to decide on a share issue, through one or several installments, by treasury shares. An aggregate maximum amount of 1,020,000 shares may be conveyed on the basis of the authorization.

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

The Annual Shareholders' Meeting also authorized the Board to use funds included in distributable profit to repurchase a maximum of 400,000 company shares. The shares will be purchased through public trading, which means that the purchase will not be made irrespective of the shareholders' holdings and the price paid for the shares will be the market price of Aspo's share at the time of the acquisition. The authorization does not exclude the Board's right to decide on a directed issue. The shares will be purchased

## Major shareholders on December 31, 2009

	Number of shares	Share of stock and voting rights %	Less own shares %
Nyberg H.B.	1 800 000	6.82	6.98
Vehmas A.E.	1 410 920	5.34	5.47
Vehmas Tapio	1 181 838	4.48	4.58
Vehmas Liisa	999 090	3.78	3.87
Berling Capital Oy	794 850	3.01	3.08
Nyberg Gustav	656 285	2.48	2.54
Estlander Henrik	622 752	2.36	2.42
Stadigh Kari	574 856	2.18	2.23
Lawhill Ab	510 000	1.93	1.98
Mutual Employee Pension Insurance Co. Varma	463 236	1.75	1.80
<b>10 major shareholders, total</b>	<b>9 013 627</b>	<b>34.13</b>	<b>34.95</b>
Nominee registrations	315 078	1.19	
Other shares	16 457 358	62.32	
<b>Total shares outstanding</b>	<b>25 786 063</b>	<b>97.65</b>	
Own shares	620 000	2.35	
<b>Total shares</b>	<b>26 406 063</b>	<b>100.0</b>	

## Distribution of ownership December 31, 2009, by number of shares

Number of shares	Number of owners	Share of owners %	Total shares	Share of stock	Less own shares
1 – 100	560	10.85	39 122	0.15	0.15
101 – 500	1 689	32.73	518 448	1.96	2.01
501 – 1 000	1 064	20.62	856 977	3.25	3.32
1 001 – 5 000	1 415	27.42	3 235 502	12.25	12.54
5 001 – 10 000	230	4.46	1 651 522	6.25	6.40
10 001 – 50 000	147	2.85	3 004 862	11.38	11.65
50 001 – 100 000	13	0.25	931 798	3.53	3.61
100 001 – 500 000	33	0.64	6 992 977	26.48	27.12
500 001 –	10	0.19	9 170 391	34.73	33.18
Total in joint accounts			4 464	0.02	0.02
<b>Total</b>	<b>5 161</b>	<b>100.0</b>	<b>26 406 063</b>	<b>100.0</b>	<b>100.0</b>

## Distribution of ownership December 31, 2009, by owner groups

%	Ownership	Shares
1.	Households	67.7
2.	Companies	17.8
3.	Financial and insurance institutions	4.5
4.	Non-profit organizations	5.0
5.	Public organizations	3.1
6.	Non-domestic	1.9

through public trading organized by NASDAQ OMX Helsinki under the terms stated in the regulations of NASDAQ OMX Helsinki.

The shares will be acquired to finance any acquisitions or other transactions, for the balancing of the financial risk in the company's share-based incentive 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 10 percent of the company's stock.

The authorizations are valid until the Annual Shareholders' Meeting of 2010, but no more than 18 months from the approval at the Shareholders' Meeting.

The Board of Directors has not exercised the authorizations granted by the Annual Shareholders' Meeting.

The Extraordinary Shareholders' Meeting held on June 8, 2009 authorized the Board of Directors to decide on an issue of shares and special rights entitling to shares. A maximum of 2,600,000 shares may be issued on the basis of the authorization. The authorization will be used for a convertible

capital loan to be issued by Aspo Plc, directed to a limited group of investors. The authorization will not supersede the authorization to decide on a share issue given to the Board of Directors by the Annual Shareholders' Meeting.

The Board of Directors exercised the authorization granted by the Extraordinary Shareholders' Meeting on June 8, 2009, and decided to offer a convertible capital loan of a maximum of EUR 15,000,000 for subscription by a limited group of selected investors.

### Share Trading and Share Price Development

During 2009, a total of 2,262,316 Aspo Plc shares were traded on NASDAQ OMX Helsinki at EUR 12.2 million, or 8.6% of the shares changed owners. The share reached a high of EUR 6.20 and a low of EUR 3.94 during the period. The average price was EUR 5.43 and the closing price was EUR 5.90. The company has a liquidity providing agreement regarding its share with Nordea Bank Finland Plc.

The market value of the share capital at the year-end, less treasury shares, was EUR 152.1 million. For the latest trading information, please visit [www.aspo.com](http://www.aspo.com).

### Share Ownership

Aspo Plc's shares are included in the book-entry system maintained by Euroclear Finland Ltd.

No major changes have occurred in Aspo Plc ownership. At the end of 2009 the number of shareholders totaled 5,161. Of these 96.9% represented direct shareholding and 1.2% nominee registrations. A total of 1.9% of the shares was held by foreign entities. On December 31, 2009, the ten largest shareholders owned 34.1% of the company's shares and voting rights.

A list of major shareholders is shown with monthly updates on the company website at [www.aspo.com](http://www.aspo.com).

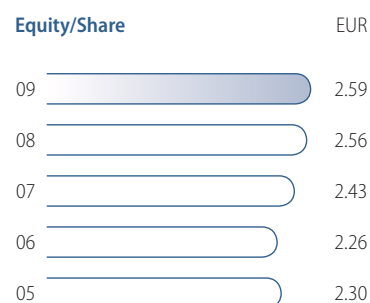
### Share Ownership by the CEO and the Board of Directors

The total number of shares held by the CEO and the members of the Board of Directors of Aspo Plc with their related parties on December 31, 2009 was 2,242,228, which represents 8.5% of the shares and voting rights outstanding.

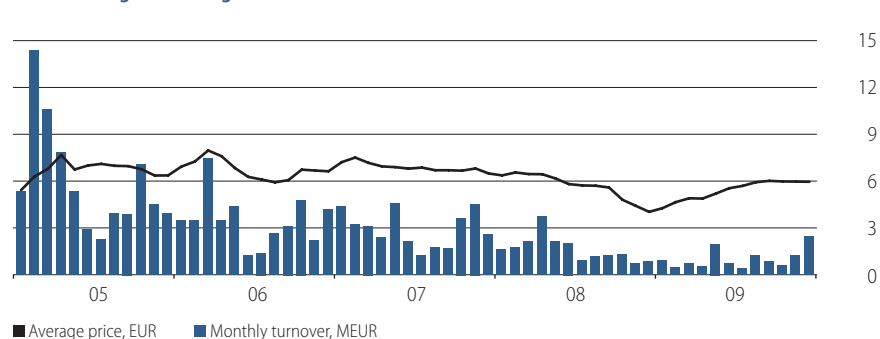
### Share Price Performance



### Equity/Share



### Share Trading and Average Prices



### Number of Shareholders



# Proposal of the Board for the Distribution of Earnings

The parent company's distributable earnings totaled EUR 17,167,926.09 with the fiscal year's earnings totalling EUR 11,824,753.27.

The company's registered share capital on December 31, 2009, was 26,406,063 shares, of which the company held 620,000.

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

– A dividend of EUR 0.42 per share be paid out on 25,786,063 shares	EUR 10,830,146.46
– to be held in shareholders' equity	EUR 6,337,779.63
	<hr/>
	EUR 17,167,926.09

No significant changes have taken place in the company's financial position since the end of the financial year. The company's liquidity is good and in the opinion of the Board of Directors the proposed dividend will not put the company's solvency at risk.

Helsinki, March 5, 2010

Gustav Nyberg

Matti Arteva

Esa Karppinen

Roberto Lencioni

Kristina Pentti-von Walzel

Risto Salo

Aki Ojanen  
CEO

# Auditors' Report

## To the Annual General Meeting of Aspo Plc

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Aspo Oyj for the year ended on 31 December, 2009. The financial statements comprise the consolidated balance sheet, income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

### Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of the financial statements and the report of the Board of Directors and for the fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the fair presentation of the financial statements and the report of the Board of Directors in accordance with laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

### Auditor's Responsibility

Our responsibility is to perform an audit in accordance with good auditing practice in Finland, and to express an opinion on the parent company's financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. Good auditing practice requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements and the report of the Board of Directors are free from material misstatement and whether the members of the Board of Directors of the parent company and the Managing Director have complied with the Limited Liability Companies Act.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements and of the report of the Board of Directors, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements and the report of the Board of Directors in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

The audit was performed in accordance with good auditing practice in Finland. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Opinion on the Consolidated Financial Statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

### Opinion on the Company's Financial Statements and the Report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki, March 9, 2010

PricewaterhouseCoopers Oy  
Authorised Public Accountants

Jan Holmberg  
Authorised Public Accountant

(Translation from the Finnish original.)

# Information for Investors

## Basic Share Information

- Listed on: NASDAQ OMX 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 Wednesday, April 7, 2010 at 2:00 p.m.

The record date of the Annual Shareholders' Meeting is March 24, 2010. Shareholders should register for the meeting no later than on March 31, 2010 by 4 p.m. by telephone on +358 9 521 41 00, by fax on +358 9 521 49 99, by e-mail to ilmoittautuminen@aspo.fi or by letter to Aspo Plc, P.O. Box 70, FI-00501 Helsinki.

In connection with the registration, shareholders are requested to notify the company of any proxies 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 at least 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 2009 on shares outstanding and that no dividend be paid for treasury shares.

- Ex-dividend date April 8, 2010
- Dividend record date April 12, 2010
- Dividend payment date April 19, 2010

## Financial Reporting in 2010

- Financial Statements Bulletin February 15, 2010
- Annual Report for 2009 Week 13
- Interim Report January–March April 28, 2010
- Interim Report January–June August 24, 2010
- Interim Report January–September October 26, 2010

Aspo's financial information is published on company's website at [www.aspo.com](http://www.aspo.com), including annual reports, interim reports and stock exchange releases in Finnish and in English. Aspo's printed annual report will be published in Finnish, Swedish and English. Reports can also be ordered by phone +358 9 521 40 50, by fax +358 9 521 49 99 or by e-mail from [jamima.lofstrom@aspo.com](mailto:jamima.lofstrom@aspo.com).

## Further Investor Information

Aspo's website at [www.aspo.com](http://www.aspo.com) offers also versatile further investor information, such as the latest share information and consensus estimates based on expectations and predictions by the analysts following Aspo.

At the web address [www.aspo.com](http://www.aspo.com) > news > news service it is possible to order all stock exchange releases and press releases to your e-mail.

## Address Changes

Material will be sent to shareholders to the address shown in the shareholder register maintained by Euroclear Finland Ltd. Address changes should be notified to the manager of the shareholders' own book-entry account.

## Aspo Plc's Investor Relations

Aspo organizes frequent investor meetings with various stakeholder groups. The target is to provide for versatile information about Aspo and its operations to institutional and private investors, analysts and media representatives.

Aspo observes a three-week silent period preceding the publication of its results. During this time the company's representatives will not comment on the company's financial position.

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

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