

ASPO INTERIM REPORT JANUARY 1 - JUNE 30, 2000

The net sales of the Aspo Group rose by 31 % to EUR 50.3 million. The operating profit for the period totaled EUR 2.8 million (MEUR 0.4) and the profit before extraordinary items and taxes was EUR 2.1 million (MEUR 0.4). Earnings per share were EUR 0.19 (EUR 0.03). Net sales are expected to continue rising steadily and earnings are expected to remain on last year's level. The operating profit for the year as a whole is expected to show a sharp improvement over last year.

GROUP NET SALES AND PROFITS

Net sales for the Aspo Group totaled EUR 50.3 million for the period from January 1 to June 30, 2000, compared with the previous year's figure (Pro Forma) of EUR 38.4 million. All divisions increased their net sales. The performance of the Chemicals Division fell short of last year's level while the earnings of the Shipping and Systems Divisions improved. Divisional and company-specific net sales figures and earnings by division are presented in the tables below.

The Group's operating profit was EUR 2.8 million or 5.7 % of net sales (EUR 0.4 million; 1.1 % in 1999). Depreciation decreased by EUR 0.6 million to EUR 3.4 million. Net financial costs totaled EUR 0.5 million (0).

The profit before extraordinary items and taxes totaled EUR 2.4 million (EUR 0.4 million). The Group's pre-tax profit was EUR 2.1 million (EUR 0.4 million). Earnings per share totaled EUR 0.19 (EUR 0.03). Share-specific ratios have been calculated on the basis of the number of shares outstanding after the bonus issue.

Extraordinary items include the final installments of insurance payments related to the transfer of the Aspo Group Pension Fund's assets and liabilities.

FINANCING AND INVESTMENTS

The Group's financial position was satisfactory throughout the period. The Group held liquid assets totaling EUR 10.3 million at the end of the period. Gross investments for the period totaled EUR 0.7 million. The Group's net financial costs as a percentage of net sales totaled 0.9 % (0).

The Group's equity ratio increased to 52.0 % (47.7 %). The year end figure was 53.2 %.

EQUITY

The total share capital of Aspo Plc as of June 30, 2000 was EUR 17,540,832 with 8,770,416 shares outstanding, each of which has a book value of EUR 2. At the Annual General Meeting of Aspo Plc held on April 13, 2000 the shareholders decided that the company's share capital will be raised through a bonus issue from EUR

8,770,416 to EUR 17,540,832 by transferring a sum amounting to EUR 8,770,416 from the unrestricted equity account to the share capital account. The increase in the share capital was registered on April 18, 2000. The new shares issued in connection with the bonus issue were listed on the Helsinki Stock Exchange, from April 19, 2000. The rights and privileges associated with the new shares took effect from the registration date.

During the period extending from January through June 2000 a total of 1,059,128 shares with a value of EUR 10,182,263 changed hands on the Helsinki Stock Exchange. The non-domestic share in the ownership of the stock was 5.3 % as of June 30, 2000. The adjusted share price reached a high of EUR 11.20 and a low of EUR 4.50 during the period under review.

Mr. Otto Henrik Bernhard Nyberg announced on May 5, 2000 that his share of Aspo Plc shares and voting rights had exceeded one-tenth, with a 10.91 % stake. European Strategic Investors Holdings NV announced on May 18, 2000 that its share of Aspo Plc shares had decreased to below 5 %. On August 8, 2000 Mr. Aatos Ensio Vehmas announced that his share of Aspo Plc shares had exceeded 5 %.

The Aspo Plc Board made a decision on May 29, 2000 on the basis of the authorization granted at the shareholders' meeting of April 13, 2000 to repurchase a maximum of 219,260 Aspo Plc shares at the publicly quoted market price in a public trade organized by the Helsinki Stock Exchange. The shares equal 2.5 % of the company's total number of shares outstanding. The shares will be repurchased with a view to using them as consideration when the company is acquiring operationally-related assets, or when it requires such assets in connection with mergers and acquisitions, divestitures or other corporate arrangements, capital restructuring programs or other programs to be determined in type and scope by the Board. The Board may also bring proposals before the shareholders concerning the invalidation of repurchased shares. The authorization will be effective until April 13, 2001.

Between June 7 and June 30, 2000, Aspo Plc acquired a total of 9,350 Aspo Plc shares from the Helsinki Stock Exchange at an average price of EUR 5.20 with a total purchasing cost of EUR 48,653. This sum has been deducted from the unrestricted equity account. Shares in the company's possession as of June 30, 2000 represent 0.1 % of the total shares and votes outstanding. The company has also continued to purchase its stock via the Helsinki Stock Exchange, and as of August 8, 2000, a total of

22,000 shares with a purchasing value of EUR 115,005 were acquired at an average price of EUR 5,23 per share.

At the Annual General Meeting the shareholders also authorized the Board to administer the disposal of the repurchased shares in a manner which differs from the preferred status of shareholders in the acquisition of shares. The shareholders further authorized the Board to make decisions to raise the company's share capital through new share issues and/or convertible bond or stock option issues. In connection with these issues the company's share capital can be increased by a maximum amount of EUR 1,315,562 through a maximum subscription of 657,781 new shares. The authorization entitles the Board to deviate from normal pre-emptive shareholder subscription rights for new shares. The authorizations will expire April 13, 2001.

BUY-OUT OF ESL SHIPPING OY SHARES

The Board of Aspo Plc made a decision to buy out the other shareholders of its subsidiary, ESL Shipping Oy, in accordance with Finnish equity legislation provisions. As a consequence of the buy-out decision Aspo Plc's holding in ESL Shipping has risen to approximately 99.9 %.

LITIGATION IN PROGRESS

The division plan called for taxation-related litigation to be transferred to Aspo Plc. The Helsinki tax auditors have continued pursuing their application for a change in Aspo's 1994 taxation. The Provincial Court gave its verdict on October 15, 1999 and returned the matter to the provincial tax authorities for reconsideration. Aspo Plc has applied an appeal from the Supreme Administrative Court concerning certain of the substantive issues decided upon by the Provincial Court. The case is examined in more detail in the company's Stock Exchange Bulletins published on December 23, 1999 and March 3, 2000.

PERSONNEL

The Group's personnel averaged 373 from January 1 to June 30, 2000 compared with 294 for the same period the previous year. Personnel averaged 300 for 1999.

PROSPECTS FOR 2000

The Group net sales in 2000 are expected to increase significantly over last year. The Group's operating profit is also expected to improve.

This forecast is based upon market conditions prevailing as of this report which appear to be favourable, especially in the

Chemicals and Shipping divisions at this time. The net sales of all divisions are expected to rise, with Systems sales showing the strongest relative growth.

With respect to earnings, Chemicals is expected to generate profits on par with last year's relative level, while Shipping is expected to improve its financial performance. Systems may fall short of last year's performance.

DIVISIONAL PERFORMANCES

CHEMICALS

The Chemicals Division consists of Aspokem Ltd and its subsidiaries. They distribute, store and market chemicals, plastics and solid fuels. Aspokem Ltd is also engaged in East-West trading of chemicals. The company has subsidiaries in Estonia, Latvia and Lithuania and sales offices in Moscow and St. Petersburg.

	1-6/00	1-6/99	1-12/99
Net sales, MEUR	26.2	21.3	45.5
Operating profit, MEUR	1.2	1.3	2.1
Personnel	60	58	58

Net sales rose in particular because of trading activities, but also thanks to rising domestic chemical and plastic raw material sales. On the other hand, automotive chemical net sales showed unsatisfactory development. International subsidiary sales more than doubled compared with the corresponding period last year. The prices of both chemicals and plastics continued to increase during the period under review which also bolstered the division's net sales.

The performance of automotive and industrial chemicals as well as plastics had a negative impact on earnings while trading and subsidiary operations strengthened profitability.

During the remainder of the year the financial performance of the Chemicals Division is expected to reach the same relative level as was generated last year. Net sales for the year as a whole are expected to exceed 1999 sales.

SHIPPING

The Shipping Division consists of ESL Shipping Oy along with its wholly-owned subsidiaries Oy Bomanship Ab and O.Y. Näppärä.

	1-6/00	1-6/99	1-12/99
Net sales, MEUR	15.8	12.6	27.5
Operating profit, MEUR	2.6	0.4	2.4
Personnel	157	159	158

The freight volumes carried by the division's five vessels, which primarily sail in Baltic and North Sea waters, showed healthy growth. Relatively high capacity utilization and the strong dollar had positive effects on the Shipping Division's net sales and earnings.

Most of the cargo shipped by the division was coal and iron ore. Coal consumption in Finland increased compared with last year, but the snowy winter and exceptionally heavy rainfall in Northern Sweden and Finland stimulated hydroelectric competitiveness in the North. It is therefore difficult to accurately forecast the raw material requirements for the power industry for the remainder of the year.

The Shipping Division is expected to significantly increase its net sales and earnings for the year as a whole over last year.

SYSTEMS

The Systems Division comprises Aspo Systems Oy and its subsidiaries, and Navintra Ltd. Aspo Systems Oy is Finland's leading producer of automated fuel payment and dispensing systems. Navintra Ltd focuses on marine navigation systems and equipment.

	1-6/00	1-6/99	1-12/99
Net sales, MEUR	8.2	4.5	10.5
Operating profit, MEUR	0.4	0.2	0.5
Personnel	145	60	67

The net sales of the Systems Division increased primarily on the strength of the acquisition executed last December. Other operating income and earnings for the period under review include approximately EUR 0.7 million in extraordinary gains. Aspo Systems Oy and its subsidiaries were able to raise sales primarily on the strength of rising exports. The first half of the year has been dominated by the consolidation of the company's acquisition. The project has led to a negative earnings performance.

The operations of Navintra Ltd started up on March 1, 2000 and its sales have progressed as expected. No significant changes in the sales performance of Navintra Ltd for the second half of the year are currently expected.

The net sales of Aspo Systems Oy are expected to progress at the current pace throughout the year but earnings may fall short of last year's level.

Systems operations as a whole are expected to generate a significant increase in net sales for 2000 while earnings forecasts call for relatively weaker profits than last year.

ASPO GROUP INCOME STATEMENT

	1-6/00		1-6/99		1-12/99	
	MEUR	%	MEUR	%	MEUR	%
NET SALES	50.3	100.0	38.4	100.0	83.5	100.0
Other operating income	1.3	2.7	0.7	1.7	1.2	1.4
Depreciation and write-downs	3.4	6.9	4.0	10.5	7.6	9.1
OPERATING PROFIT AFTER DEPRECIATION	2.8	5.7	0.4	1.1	1.6	1.9
Financial income and expenses	-0.5	-0.9	-	-	-0.2	-0.2
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXES	2.4	4.8	0.4	1.1	1.4	1.7
Extraordinary income	0.1	-	-	-	7.3	8.8
Extraordinary expenses	-0.4	-	-	-	-1.8	-
PROFIT BEFORE TAXES AND MINORITY INTEREST	2.1	4.1	0.4	1.1	6.9	8.3
PROFIT FOR THE PERIOD	1.4	2.8	0.3	0.7	6.2	7.4
EARNINGS/SHARE, EUR	0.19		0.03		0.13	

Figures are unaudited.

The figures for the comparative period and for 1999 are pro forma.

Share-specific figures and ratios have been calculated on the basis of post-bonus issue share volumes.

Accrued taxes for this interim period have been calculated in accordance with the corporate tax rate in force during the period under review and they include taxes brought forward from earlier periods. The calculation of earnings/share excludes taxes on extraordinary items.

ASPO GROUP BALANCE SHEET

	6/00 MEUR	6/99 MEUR	Change %	12/99 MEUR
Fixed and other long-lived assets	83.0	83.8	-1.0	86.1
Inventories	10.9	8.5	28.1	9.8
Receivables	22.9	39.8	-42.5	31.8
Cash and bank deposits	1.3	2.3	-42.2	1.5
TOTAL ASSETS	118.1	134.3	-12.1	129.2
Shareholders' Equity	61.2	62.4	-1.9	68.5
Minority interest	0.2	1.7	-87.5	0.2
Mandatory reserves	1.0	-		0.7
Long-term liabilities	36.5	42.8	-14.8	39.7
Short-term liabilities	19.2	27.4	-30.0	20.1
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	118.1	134.3	-12.1	129.2
EQUITY / SHARE, EUR	6.97	7.34		7.81
EQUITY RATIO, %	52.0	47.7		53.2

Figures are unaudited.

The figures for the comparative period are pro forma. Share-specific figures and ratios have been calculated on the basis of post-bonus issue share volumes.

Accumulated excess depreciation and voluntary reserves totalling EUR 39.8 million have been divided among shareholders' equity, nominal tax liabilities and as part of minority interest.

CONTINGENT LIABILITIES	6/00 MEUR	12/99 MEUR
Securities on Group liabilities	37.8	37.8

NET SALES BY DIVISION

	1-6/00 MEUR	1-6/99 MEUR	1-12/99 MEUR
CHEMICALS			
Aspokem Ltd	25.0	20.9	44.2
Aspokem Eesti AS	1.6	0.8	2.4
Aspokem Latvia SIA	0.6	0.3	1.1
UAB Aspokemlit	0.3	0.1	0.6
Internal eliminations	-1.5	-0.9	-2.8
TOTAL	26.2	21.3	45.5

SHIPPING			
ESL Shipping Oy	15.8	12.6	27.4
Oy Bomanship Ab	0.1	0.1	0.2
Internal eliminations	-0.1	-0.1	-0.1
TOTAL	15.8	12.6	27.5

SYSTEMS			
Aspo Systems Oy	6.4	4.5	10.5
Aspo Systems Eesti Ou	0.2	-	-
Navintra Ltd	1.7	-	-
Internal eliminations	-0.2	-	-
TOTAL	8.2	4.5	10.5

TOTAL NET SALES	50.3	38.4	83.5
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OPERATING PROFIT BY DIVISION

	1-6/00	1-6/99	1-12/99
	MEUR	MEUR	MEUR
Chemicals	1.2	1.3	2.1
Shipping	2.6	0.4	2.4
Systems	0.4	0.2	0.5
Corporate Administration	-1.3	-1.4	-3.4
TOTAL	2.8	0.4	1.6

INVESTMENTS BY DIVISION

	1-6/00	1-6/99	1-12/99
	MEUR	MEUR	MEUR
Chemicals	0.4	0.4	0.5
Shipping	0.05	-	4.6
Systems	0.2	0.27	2.9
Corporate Administration	0.1	0.03	1.4
TOTAL	0.7	0.7	9.4

AVERAGE PERSONNEL BY DIVISION

	1-6/00	1-6/99	1-12/99
Chemicals	60	58	58
Shipping	157	159	158
Systems	145	60	67
Corporate Administration	11	17	17
TOTAL	373	294	300

Helsinki, August 9, 2000

ASPO Plc

Board of Directors

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