ASPO INTERIM REPORT JANUARY 1 – JUNE 30, 2004

The net sales of the Aspo Group totaled EUR 88.2 million (MEUR 67.5). The operating profit for the period was EUR 8.7 million (EUR 2.7 million) and the profit before taxes was EUR 8.1 million (EUR -5.6 million). Earnings per share were EUR 0.83 (EUR 0.19). The Group’s net sales for the year are expected to increase by about 20% and the operating profit should exceed last year’s earnings significantly.

KEY FIGURES

	1-6/04	1-6/03	1-12/03
Net Sales, MEUR	88.2	67.5	145.2
Operating Profit, MEUR	8.7	2.7	13.6
Share of Net Sales, %	9.9	4.0	9.3
Profit before Extraordinary Items and Taxes, MEUR	8.1	2.1	12.5
Share of Net Sales, %	9.2	3.1	8.6
Earning/Share, EUR	0.83	0.19	1.01
Equity/Share, EUR	5.91	5.74	6.55
Equity Ratio, %	41.6	47.6	44.8
Personnel at period end	595	564	536

OPERATIONAL PERFORMANCE

The strong growth of the Aspo Group's net sales continued during the second quarter. January-June net sales rose over 30% over last year and earnings improved markedly. Market conditions for the Group’s divisions remained unchanged or improved during the first half of the year.

In relative terms market conditions were best for the Shipping Division, as shipment demand remained strong in the largest segments. Net sales continued to grow steadily and thanks to high volumes profits remained healthy.

For the Chemicals Division conditions remained unchanged from the first quarter. Net sales increased to some extent and earnings held at last year's level. Competition remained tough in all segments, which reduced margins and operating profits.

Market conditions for the Systems Division showed signs of picking up and the number of new orders increased from last year. Net sales increased markedly and the second quarter results were positive.

Aspo Chemicals

The Chemicals Division consists of Aspokem Ltd and its subsidiaries. They distribute, store and market chemicals and plastics in Finland, Estonia, Latvia, Lithuania, Russia and Ukraine. The division engages in processing activities in Finland and Estonia. Aspokem is also engaged in East-West chemical trading.

	1-6/04	1-6/03	1-12/03
Net sales, MEUR	30.3	29.0	57.9
Operating profit, MEUR	1.4	1.5	2.6
Personnel	86	81	82

During the second quarter demand was moderate and competition was stiff. The incorporation of new states into the EU took place smoothly and changes in tariffs and charges were not accompanied by the speculation that some feared. However, the free movement of goods did not materialize as planned.

The Division’s net sales grew a moderate 4.5% in January-June. Pressure on margins reduced profitability somewhat and earnings fell a little short of last year. The situation varied significantly between different product groups and markets. Plastic raw materials outperformed industrial chemicals. Prices for plastics were rising while they were stagnant for chemicals. Neighboring markets grew faster than domestic markets. Our new Ukrainian subsidiary has started operations smoothly.

Aspo Shipping

The Shipping Division consists of ESL Shipping Ltd and its subsidiaries and affiliate. ESL Shipping is the leading dry bulk sea transport company operating in the Baltic Sea area. As of the end of the period the fleet operated by the company comprised 16 vessels.

	1-6/04	1-6/03	1-12/03
Net sales, MEUR	39.5	23.2	51.5
Operating profit, MEUR	9.6	2.7	10.1
Personnel	264	213	215

Demand from the steel industry has remained stable, while the energy sector produced brisk demand during the second quarter. Increased transport capacity enabled shipping volumes for January-June to grow 68% over last year to 7.8 million tons. During the period ships were docked as planned.

High ocean freight rates boosted the demand for energy coal in the Baltic Sea region. However, energy coal's share of the company's transports remained under 40%. About one third of the total invoicing for the period was dollar-based. Euro-denominated bunker prices continued rising during the period.

The January-June net sales for the Division rose by about 70% over last year. Profitability remained healthy and the operating profit improved significantly.

Aspo Systems

The Systems Division comprises Autotank Ltd and its subsidiaries. Autotank is the leading supplier of service station equipment and systems and related services in the Baltic region. Autotank has subsidiaries in Sweden, Norway, Estonia, Latvia, Lithuania and Poland.

	1-6/04	1-6/03	1-12/03
Net sales, MEUR	18.4	15.3	35.8
Operating profit, MEUR	0	-1.6	-1.4
Personnel	217	227	233

Market conditions continued to improve in the second quarter and the Division’s order stock increased over last year. Net sales increased over 20% in January-June, exceeding forecasts. The growth came mainly from equipment sales. In maintenance services the competition was tough and growth was slower. We reached the targeted improvement in profitability of one million euros for the year in June and the operating profit reached the break-even point.

In the service station sector the second semester is generally better than the first. However, the third quarter tends to be weaker than the second.

GROUP SALES AND EARNINGS

Aspo Group net sales totaled EUR 88.2 million for the January to June period, compared with the previous year’s figure of EUR 67.5 million. All Divisions increased their net sales. The Chemicals Division generated earnings on par with last year while the Shipping and Systems Divisions improved their financial performance significantly.

Net Sales by Division

	1-6/04 MEUR	1-6/03 MEUR	Change MEUR	1-12/03 MEUR
CHEMICALS				
Aspokem Ltd	24.1	23.7	0.4	46.2
Aspokem Eesti AS	2.9	2.2	0.7	4.7
Aspokem Latvia SIA	2.6	2.3	0.3	4.8
UAB Aspokemlit	1.0	1.8	-0.8	3.3
OOO Aspokem	2.8	1.9	0.9	4.5
Internal eliminations	-3.1	-2.9	-0.2	-5.6
TOTAL	30.3	29.0	1.3	57.9
SHIPPING				
ESL Shipping Oy	39.5	23.2	16.3	51.5
SYSTEMS				
Autotank Ltd	6.6	5.7	0.9	14.9
Autotank AB	7.7	4.9	2.8	11.7
Autotank Service AB	2.7	3.2	-0.5	6.9
Autotank As	2.1	2.1		4.7
Autotank Oü	0.3	0.3		0.7
SIA Autotank	0.2	0.1	0.1	0.3
UAB Autotank		0.02		0.1
Autotank Sp.zo.o	0.1		0.1	0.3
Internal eliminations	-1.3	-1.0	-0.3	-3.8
TOTAL	18.4	15.3	3.1	35.8
TOTAL NET SALES	88.2	67.5	20.7	145.2

EARNINGS

The Group’s operating profit was EUR 8.7 million or 9.9% of net sales (EUR 2.7 million; 4.0% in 2003). Depreciation totaled EUR 4.5 million (EUR 3.9 million). Net financial costs totaled EUR 0.6 million (EUR 0.6 million).

The profit before extraordinary items and taxes was EUR 8.1 million (EUR 2.1 million). The Group’s pre-tax profit was EUR 8.1 million (EUR −5.6 million).

Operating Profit by Division

	1-6/04 MEUR	1-6/03 MEUR	Change MEUR	1-12/03 MEUR
Chemicals	1.4	1.5	-0.1	2.6
Shipping	9.6	2.7	6.9	10.1
Systems	0	-1.6	1.6	-1.4
Other operations	-2.3	0.1	-2.4	2.3
TOTAL	8.7	2.7	6.0	13.6

Stock Performance
The Group generated earnings per share of EUR 0.83 (EUR 0.19). Equity per share was EUR 5.91 (EUR 5.74).

A decline in nominal tax liabilities boosted earnings for the period by approximately EUR 1 million, owing to a reduction in the tax rate from 29% to 26%.

INVESTMENTS AND FINANCE

Most of the Group's EUR 0.2 million in total investments (EUR 0.5 million) were directed at essential asset replacement.

The Group's liquidity has remained satisfactory. Liquid assets totaled EUR 14.7 million (EUR 7.2 million) at the end of the period.

Aspo has used the funds from the EUR 20 million convertible bond issued last spring primarily to repay some of its long-term liabilities.

The Group's equity ratio adjusted for nominal tax liabilities was 41.6% (47.6%).

Investments by Division

	1-6/04 MEUR	1-6/03 MEUR	1-12/03 MEUR
Chemicals	0.1	0.2	0.5
Shipping			23.8
Systems	0.1	0.2	0.2
Group Administration		0.1	0.1
TOTAL	0.2	0.5	24.6

PERSONNEL

The Group's personnel averaged 575 from January 1 to June 30, 2004 compared with 529 for the same period the previous year. Personnel averaged 538 for 2003.

Average Personnel by Division

	1-6/04	1-6/03	1-12/03
Chemicals	86	81	82
Shipping	264	213	215
Systems	217	227	233
Corporate Administration	8	8	8
TOTAL	575	529	538

MANAGEMENT

Board of Directors

The Board members are Messrs. Kari Stadigh, Chairman, Matti Arteva, Vice-Chairman, Kari Haavisto and Roberto Lencioni.

Auditors

The current auditor of Aspo Plc is the authorized public accounting firm PricewaterhouseCoopers Oy.

Corporate Governance

Aspo Plc is managed in accordance with the regulations of the Finnish Companies Act, Securities Market Regulations and other governmental regulations on the management of public limited companies. Aspo Plc has followed the insider trading guidelines established by the Helsinki Stock Exchange, the Central Chamber of Commerce of Finland and the Confederation of Finnish Industry and Employers. Aspo will comply with the Corporate Governance Recommendation for listed companies that took effect on July 1, 2004.

BOARD AUTHORIZATIONS

The Annual Shareholders' meeting on April 1, 2004, authorized the Board to execute the purchase or disposal of shares held by the company itself. The shares will be acquired through public trading on the Helsinki Stock Exchange at the market price prevailing at the time of the purchase. The maximum number of shares to be repurchased is 427,536. The authorization of disposals concerns the same amount of shares. The authorizations are valid for one year from the date of approval at the Annual Shareholders' Meeting.

In accordance with the authorization the Board decided on May 11, 2004, to acquire the company's own shares worth about one million euros. The company has acquired a total of 79,000 shares at an average price of EUR 12.70 with a total purchasing cost of EUR 1,003,033. This sum has been deducted from the unrestricted equity account. The 79,000 company-held shares correspond to approximately 0.9% of the company's total number of shares and votes outstanding.

CONVERTIBLE BOND

Aspo's shareholders approved a decision to float a convertible bond of 20 million euros (nominal value). The bond was offered for public subscription, in a deviation from the shareholders' pre-emptive subscription rights.

The convertible bond was over-subscribed and subscriptions were reduced in accordance with its terms. A total of 60.5% of the approved subscriptions went to Aspo Plc shareholders. Public subscriptions were reduced by 50% with the provision that all subscribers were allowed minimum subscription rights of 10,000 euros.

A 5% fixed interest p.a. will be paid on the principle. The bond has a 5-year maturity. It was listed on the Helsinki Stock Exchange on June 16, 2004.

SHARES AND SHARE CAPITAL

During the period extending from January through June 2004 a total of 1,172,747 shares with a value of EUR 16.4 million were traded on the Helsinki Stock Exchange, or 13.7% of the total number of shares outstanding.

The share price reached a high of EUR 15.40 and a low of EUR 10.71 during the period under review. The average share price was EUR 14.00 and the closing price on June 30, 2004 EUR 12.82. The market value of the share capital without company held shares was EUR 108.6 million as of the end of the period under review.

The total share capital of Aspo Plc is EUR 17,101,442 on 8,550,721 shares outstanding. The non-domestic share in equity ownership was 0.5% and 45,570 shares as of June 30, 2004. The total number of Aspo Plc shareholders was 2,609 at the end of the period under review.

TAXATION

Contrary our expectations and the expert opinions provided to the company, the Supreme Administrative Court did not grant Aspo Plc the right to appeal the Helsinki Administrative Court's decision of April 9, 2003 concerning Aspo's 1994 taxation. The back taxes were already charged to the 2003 income statement, so they will not have any impact on 2004 earnings.

The controversy involves taxation related asset valuation and merger compensation pertaining to the restructuring of the Group. Aspo has published releases covering this issue in its stock exchange bulletins of August 30, 1996, June 27, 1997, August 25, 1997, December 23, 1999, April 25, 2001, July 9, 2001, June 13, 2002, July 29, 2002, April 9, 2003 and June 3, 2004.

IFRS

Aspo will change over to IAS/IFRS standards in its consolidated financial statements. The changeover date is January 1, 2004 for benchmarking comparative data. As for accounting practices, Finnish procedures will remain in use through year 2004, but as of January 1, 2004 the balance sheets and income statements, as well as the interim reports for 2004 will be prepared using IFRS standards for comparison.

The first interim report using IFRS standards will be published for the period January 1 - March 31, 2005.

The prevailing opinion among our experts is that the adoption of IFRS standards will have no relevant impact on the company’s shareholder equity.

POST-FISCAL EVENTS

Aspo Plc and Kaupthing Bank Sverige AB have concluded a market making agreement, which fulfils the requirements of Helsinki Exchange’s Liquidity Providing (LP) operation.

According to the agreement, Kaupthing Bank Sverige AB will execute buy and sell bids on Aspo Plc shares so that the maximum spread is three percent of the buy bid. Bids will be made for a minimum batch of 200 shares, which is equivalent to 4 round lots.

The market making operation has commenced on July 20, 2004. After a 6-month term, the agreement will be open-ended, with a month’s termination notice.

PROSPECTS FOR 2004

The market conditions for Aspo's divisions appear to be improving with respect to the rest of the year as well. The demand for Shipping Division services, which has the heaviest influence on earnings, is expected to remain stable. Business risks derive mainly from dollar–euro fluctuations. We have tried to hedge these risks by switching over to the euro as an invoicing currency

wherever possible, and by including a provision on the effect of changes in bunker oil prices in transport contracts.

Market conditions for the Chemicals and Systems Divisions could either improve or deteriorate during the rest of the year. Our current estimate is that the profitability of both will remain close to the January-June level for the rest of the year as well.

The Group's net sales for the year are expected to increase by about 20% and the operating profit should exceed last year's earnings significantly.

Aspo Chemicals

For the Chemicals Division the direction of market conditions will probably become clear during the fall. Chemical producers are waiting for markets to pick up, which would clear the way for price hikes. The growth of volumes appears to be signaling a gradual improvement in market conditions. Stronger demand may create opportunities for a considerable price increase. Plastic raw material markets are expected to remain stronger and price increases should continue. Demand in the Baltic countries, Russia and Ukraine is expected to remain clearly stronger than in the domestic market.

We expect the net sales of the division to continue rising, possibly at a faster rate, and the earnings should meet last year's level.

Aspo Shipping

Demand has remained strong in the Baltic Sea area and the present order stock will cover most of our capacity for the rest of the year. Industrial raw material shipments remain stable and coal shipments from Russia and Poland have continued at a higher than average pace. However, the growth rate of net sales is expected to slow towards the end of the year.

The dry-docking of the pusher barges we acquired last year will probably be complete during the third quarter. Despite above average docking costs we expect earnings to remain at their current level.

Increased transport capacity and buoyant demand will stimulate significantly rising net sales for the year as a whole. If our profitability holds at its current level, operating earnings for the year will improve considerably over last year.

Aspo Systems

The first half of the year revealed the first signs of service station investments picking up, which contributed favorably to the growth of our orders and sales. Our rising second quarter operating profit enabled us to reach the whole year's earnings targets already during the first half of the year. However, the timetables for new investment programs remain uncertain, which makes evaluating the rest of the year difficult. On the other hand, our cost-cutting program, which has for the most part been implemented, has improved our ability to generate earnings even in difficult market conditions.

Rising sales volumes and improving earnings could put the division in the black for the year as a whole. The final results generally take shape in the last quarter, so it is still premature to draw conclusions.

Helsinki, August 19, 2004

ASPO Plc

Board of Directors

ASPO GROUP INCOME STATEMENT

	1-6/04		1-6/03		1-12/03	
	MEUR	%	MEUR	%	MEUR	%
NET SALES	88.2	100.0	67.5	100.0	145.2	100.0
Other operating income	1.8	2.0	2.3	3.4	6.7	4.6
Depreciation and write-downs	4.5	5.1	3.9	5.8	7.7	5.3
OPERATING PROFIT AFTER DEPRECIATION	8.7	9.9	2.7	4.0	13.6	9.3
Financial income and expenses	-0.6	-0.7	-0.6	-0.9	-1.1	-0.7
PROFIT BEFORE EXTRAORDINARY ITEMS AND TAXES	8.1	9.2	2.1	3.1	12.5	8.6
Extraordinary expenses			7.7		7.7	
PROFIT BEFORE TAXES AND MINORITY INTEREST	8.1	9.2	-5.6	-8.3	4.8	3.3
PROFIT FOR THE PERIOD	7.0	7.9	-5.9	-8.7	1.1	0.8
EARNIGS/SHARE, EUR	0.83		0.19		1.01	

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

	6/04	6/03	Change	12/03
	MEUR	MEUR	%	MEUR
Non-Current Assets				
Intangible assets	0.4	0.7	-42.9	0.4
Goodwill	2.9	3.4	-14.7	3.3
Tangible assets	63.3	60.2	5.1	71.8
Long-term Investments	1.2	0.5	140.0	1.2
Current Assets				
Inventories	12.2	10.5	16.2	12.0
Long-term receivables	0.9	0.2	350.0	0.3
Short-term receivables	25.3	21.4	18.3	19.5
Short-term investments	8.3	4.3	93.0	13.5
Cash and bank deposits	6.4	2.9	120.7	4.1
TOTAL ASSETS	120.9	104.1	16.1	126.1

Shareholders’ Equity

Share capital	17.1	17.1		17.1
Other shareholders’ equity	32.9	32.0	2.8	38.9
Convertible bond	19.2		100.0	
Minority interest	0.1	0.2	-54.3	0.2
Mandatory reserves	0.6	0.3	50.0	0.4
Long-term liabilities	16.9	22.4	-24.6	35.0
Short-term liabilities	34.1	32.1	6.2	34.5
TOTAL LIABILITIES AND SHAREHOLDERS’ EQUITY	120.9	104.1	16.1	126.1
EQUITY / SHARE, EUR	5.91	5.74		6.55
EQUITY RATIO, %	41.6	47.6		44.8

Accumulated excess depreciation and voluntary reserves totaling EUR 35.6 million have been divided among shareholders’ equity, nominal tax liabilities and as part of minority interest.

CASH FLOW STATEMENT

	1-6/04 MEUR	1-6/03 MEUR	1-12/03 MEUR
OPERATIONS			
Operating profit	8.7	2.7	13.6
Adjustments to operating profit	4.6	3.9	2.9
Net changes in working capital	-1.7	-3.1	-1.8
Interest paid	-0.6	-0.8	-1.5
Interest received	0.5	0.2	0.4
Taxes paid	-1.4	-2.2	-3.7
Net Operational Cash Flow	10.1	0.7	9.9
INVESTMENTS			
Investments in tangible and intangible assets	-0.2	-0.5	-23.9
Gains on the sale of tangible and intangible assets	4.3		11.4
Gains on the sale of shares	0.7	0.6	1.2
Sale of subsidiary shares	0.4	3.9	3.9
Purchases of subsidiary shares			-0.7
Total Cash Flow From Investments	5.2	4.0	-8.1
FINANCING			
Repurchase of shares	-1.0		
Increase/Decrease in long-term receivables	0.1		
Repayments of short-term debt	-3.3	-0.8	-1.8
New long-term loans	19.2		19.0
Repayments of long-term debt	-21.2	-2.9	-7.6
Dividends paid	-12.0	-8.4	-8.4
Total Financing	-18.2	-12.1	1.2
Increase/Decrease in Liquid Funds	-2.9	-7.4	3.0
Liquid funds in beginning of year	17.6	14.6	14.6
Liquid funds at period end	14.7	7.2	17.6

CONTINGENT LIABILITIES

	6/04 MEUR	12/03 MEUR
Securities on Group liabilities	17.6	13.6
Leasing liabilities	18.4	19.2
Derivative contracts	1.6	3.3

All figures are unaudited.

Aspo will release Interim Report for the third quarter on 27 October 2004.

Helsinki, 19 August 2004

ASPO Plc

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ASPO´S FINANCIAL INFORMATION

We have arranged a press conference for the media and analysts to be held today, Thursday August 19, 2004, starting at 14.00 at the following address: Hotel Palace, Eteläranta 10.

Distribution:
Helsinki Stock Exchange
The media
www.aspo.fi

Aspo Group focuses on logistical services for industry. Aspo serves businesses in the energy and industrial process sectors requiring strong specialist and logistical know-how. Aspo’s net sales in 2003 totaled EUR 145.2 million. About 40% of this came from Aspo Chemicals, 35% from Aspo Shipping and 25% from Aspo Systems.