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ASPO GROUP INTERIM REPORT JANUARY 1 TO SEPTEMBER 30, 2010

ASPO: Strong growth in net sales and operating profit

January–September
- Aspo Group's net sales in January-September grew by 20% and amounted to EUR 286.8 million (EUR 239.3 million)
- Comparable operating profit grew by 65% to EUR 12.4 million (comparable operating profit EUR 7.5 million plus EUR 3.8 million in non-recurring items)
- Profit before tax amounted to EUR 9.4 million (EUR 7.7 million)
- Earnings per share stood at EUR 0.27 (EUR 0.23)

July–September
- Aspo Group's net sales grew by 30% and amounted to EUR 104.2 million (EUR 80.0 million)
- Comparable operating profit grew by 150% to EUR 6.0 million (comparable operating profit EUR 2.4 million plus a non-recurring item of EUR 3.2 million)
- Earnings per share stood at EUR 0.14 (EUR 0.13)

Aspo improved its full-year outlook for 2010 on September 13, 2010, because of the favorable profit development.

Aspo maintains its guidance unchanged. Aspo will increase its net sales significantly and improve its earnings per share.

KEY FIGURES

	1-9/2010	1-9/2009	1-12/2009
Net sales, MEUR	286.8	239.3	329.4
Operating profit, MEUR	12.4	11.3	15.3
Share of net sales, %	4.3	4.7	4.6
Profit before tax, MEUR	9.4	7.7	11.7
Share of net sales, %	3.3	3.2	3.6
Personnel at the end of period	720	707	717
Earnings per share, EUR	0.27	0.23	0.33
EPS adjusted for dilution, EUR,	0.28	0.22	0.33
Comparable earnings per share, EUR		0.06	0.16
Equity per share, EUR	2.45	2.45	2.59
Equity ratio, %	30.0	32.4	34.6
Gearing, %	123.7	113.2	87.9

AKI OJANEN, ASPO'S CEO:

"Aspo's favorable profit development continued in the third quarter. After reviewing the profit figures for August, we improved our outlook for 2010. Uncertainty has decreased in the industrial sectors we represent, and the Group's investments in the growth markets have improved Aspo's profit development. The uncertainty of the financial market was particularly visible during the review period as changes in the external value of currencies.

It is important to Aspo that all of the businesses develop according to their confirmed strategies and achieve the set profit targets. After the second quarter we predicted that the second half of the year would be stronger than the first. During the review period, all business segments developed in line with the targets and we achieved a good operating profit. I am particularly pleased that by carrying out our day-to-day business we have already exceeded the earnings per share for the corresponding period in 2009, although last year’s operating profit included a total of EUR 5.5 million in non-recurring sales gains and losses. The operating margin for the third quarter, 5.8%, exceeded the Group’s minimum target of 5.0%.

The change to the tonnage tax legislation confirmed in Finland is still being considered by the European Commission. Experts have estimated that a decision could be expected by the end of 2010. Aspo will monitor the situation. The possible change to the tonnage tax legislation has not been taken into account in our guidance. If the change to the tonnage lax legislation enters into force it will have a positive effect on Aspo’s profit after tax and earnings per share.”

ASPO AS A COMPANY

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

Aspo’s operating segments are ESL Shipping, Leipurin, Telko and Kaukomarkkinat. Other operations include Aspo Group’s administration and other operations not belonging to the business units.

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.

OPERATIONAL PERFORMANCE

General uncertainty in the markets has decreased. The prices of sold raw materials have stabilized and the transport volumes of industrial raw materials important for Aspo have grown.

The national economies in Aspo’s market areas are expected to have made an upturn. General uncertainty in the financial markets has continued and it is still difficult to estimate future developments. There have been changes in the value of currencies during the review period.

ESL Shipping

ESL Shipping is the leading dry bulk shipping company operating in the Baltic Sea area. At the end of the review period, the fleet consisted of 15 vessels, of which the shipping company owns 12 in full. Two are rented and one is partially owned.

	7-9/2010	7-9/2009	Change	1-9/2010	1-9/2009	1-12/2009
Net sales, MEUR	20,6	13,8	6,8	59,6	46,2	63,8
Operating profit, MEUR	3,7	1,8	1,9	8,5	11,1	14,7
Personnel	197	201	-4	197	201	194

The international dry bulk cargo market saw an upturn during the review period. ESL Shipping's operations are largely based on long-term agreements, and thus the cargo income of the vessels remained on a good level throughout the review period. The capacity was in full and efficient use. Concerning important industrial sectors, the growth in the production of the Scandinavian steel industry increased the volume of transports; at the same time, however, coal transports in the energy industry declined from the previous year.

ESL Shipping's operating profit for the review period improved to EUR 3.7 million (1.8). The cargo market was normal for ESL Shipping and operations were conducted as planned in good weather conditions. During the review period, the pusher Alfa and the barge Para-Uno were removed from traffic for scrapping. The write-down had a negative impact of EUR 0.2 million on the profit.

The cargo volume carried by ESL Shipping in July–September amounted to 3.4 million tons (2.5). The share of the steel industry was 2.3 million tons (1.4), and the energy industry represented 0.9 million tons (1.0).

The 18,800 dwt ice-strengthened 1A Super class vessel ordered from India was christened m/s Alppila at the shipyard. The vessel is being equipped for test runs and deliver, and it is expected to be in use in the spring of 2011. In May, two 56,150 dwt ice-strengthened Supramax class vessels were ordered from the Korean company Hyundai Mipo. The project proceeds according to plan and, inter alia, ice testing has been completed for the model vessel. The schedule for the first vessel is being specified and the vessel is likely to be delivered already in 2011. A financing agreement was signed for the vessel during the review period. The second vessel will be completed in the spring of 2012. An option for two more vessels has also been agreed on. The option remains valid until the end of 2010.

Leipurin

Leipurin serves the baking and other sectors of food industry by supplying ingredients, production machinery, and production lines, as well as related expertise. Leipurin operates in Finland, Russia, Poland, the Baltic countries, Ukraine, and Kazakhstan. In Russia, Leipurin has operations in several large cities in addition to St. Petersburg and Moscow. Procurement operations are international.

	7-9/2010	7-9/2009	Change	1-9/2010	1-9/2009	1-12/2009
Net sales, MEUR	26.5	23.4	3.1	78.1	71.8	99.3
Operating profit, MEUR	0.9	0.6	0.3	2.2	2.1	3.2
Personnel	217	191	26	217	191	218

Raw material prices and demand in the food industry remained stable. The bakery lines project deliveries agreed in the summer have started, and they will be recognized as income in the fourth quarter and in early 2011.

The operating profit of the Leipurin business for the review period was EUR 0.9 million (0.6). Profit development in Russia continued to be good. During the review period, a company was established in Kazakhstan and preparations were started to launch business operations in Belarus. The sales and profitability of bakery raw materials developed well, while no major project deliveries were recognized in machinery sales.

Telko

Telko is the leading expert and supplier of industrial chemicals and plastic raw materials in the Baltic Sea region. It operates in Finland, the Baltic countries, Scandinavia, Poland, Ukraine, Russia, Belarus, and China. Procurement operations are international. Business is based on representation by the best international principals and on the expertise of the personnel. Telko develops the production and competitiveness of its customers' products in cooperation with them.

	7-9/2010	7-9/2009	Change	1-9/2010	1-9/2009	1-12/2009
Net sales, MEUR	47.6	35.3	12.3	127.3	95.1	128.8
Operating profit, MEUR	1.8	4.9	-3.1	5.1	3.2	3.1
Personnel	202	202	0	202	202	193

The increase in sold raw material prices, which started in the fall of 2009, leveled off, and prices partially declined in the third quarter. Demand continued to be good in all market areas. The strengthening of the euro and the 10% decrease in the value of the ruble and the Ukrainian hryvnia weakened the profit for the review period. Net sales growth continued to be strong in the third quarter at the rate of 35%. Of the growth, 47% was attributable to volume growth and 53% to higher prices.

Telko's operating profit for the review period was EUR 1.8 million (comparable operating profit EUR 1.7 million plus a non-recurring sales gain of EUR 3.2 million on the divestment of the terminal services in Hamina). Demand increased and operating profit improved both in industrial chemicals and plastic raw materials. The demand for lubricants increased slightly.

The launch of operations in China has gone well. In the first phase, Telko will focus on offering services to European customers operating in China who use plastic raw materials, as well as serving as Telko's regional procurement office. The most important industrial segments in China are telecommunications, machine and equipment manufacturers, and subcontractors. In line with its strategy, Telko has continued its growth in Russia and established offices in the metropolitan areas of Yaroslavl and Samara.

Kaukomarkkinat

Kaukomarkkinat specializes in energy efficiency technology, solutions to improve efficiency in the process industry, and security and digital products. Operations are based on the products of the best companies in the industry and the willingness of the company's own experts to improve the operations and efficiency of its customers. Kaukomarkkinat operates in Finland, Poland, Russia, China, and Vietnam.

	7-9/2010	7-9/2009	Change	1-9/2010	1-9/2009	1-12/2009
Net sales, MEUR	9.5	7.4	2.1	21.8	25.1	36.4
Operating profit, MEUR	0.6	-0.1	0.7	-0.2	0.0	0.5
Personnel	90	88	2	90	88	90

The order book for industrial project deliveries and the sales of energy efficiency products improved during the review period. The sales and profitability of energy efficiency products developed well as the hot summer boosted the demand for air-conditioning equipment. The Panasonic brand represented by Kaukomarkkinat was ranked high in heating and energy efficiency tests, which increased sales and advance orders for the rest of the year. No Far East project deliveries were recognized as income in the review period. In Finland, the sales of security and digital products remained on a normal level.

Kaukomarkkinat’s operating profit for the review period was EUR 0.6 million (-0.1).

Other operations

Other operations include Aspo Group’s administration and other operations not belonging to the business units.

	7-9/2010	7-9/2009	Change	1-9/2010	1-9/2009	1-12/2009
Net sales, MEUR	0.0	0.1	-0.1	0.0	1.1	1.1
Operating profit, MEUR	-1.0	-1.6	0.6	-3.2	-5.1	-6.2
Personnel	14	25	-11	14	25	22

The Group’s administrative costs have decreased as planned since the acquisitions in the spring of 2008.

NET SALES

January–September

Aspo Group’s net sales in January–September 2010 amounted to EUR 286.8 million (239.3). ESL Shipping’s net sales grew in spring, particularly after a harsh icy winter, and have remained on a good level. Leipurin’s net sales grew as the volume of bakery raw material sales increased. No bakery lines were delivered during the review period, which slowed down net sales growth. Telko’s net sales grew heavily as a result of volume growth and price strengthening. Kaukomarkkinat’s net sales, which declined in the first half of the year, saw an upswing as demand recovered in the latter half of the review period.

July–September

Aspo Group’s net sales in July–September amounted to EUR 104.2 million compared with EUR 80.0 million in the corresponding period last year.

Net sales by segment, MEUR

	7-9/2010	7-9/2009	Change	1-9/2010	1-9/2009	1-12/2009
ESL Shipping	20.6	13.8	6.8	59.6	46.2	63.8
Leipurin	26.5	23.4	3.1	78.1	71.8	99.3
Telko	47.6	35.3	12.3	127.3	95.1	128.8
Kaukomarkkinat	9.5	7.4	2.1	21.8	25.1	36.4
Other operations	0.0	0.1	-0.1	0.0	1.1	1.1
Total	104.2	80.0	24.2	286.8	239.3	329.4

There is no considerable inter-segment net sales.

Net sales by market area, MEUR

	7-9/2010	7-9/2009	Change	1-9/2010	1-9/2009	1-12/2009
Finland	44.6	37.7	6.9	120.7	113.0	151.8
Nordic countries	13.6	7.0	6.6	39.5	20.4	30.0
Baltic countries	11.7	9.8	1.9	31.2	27.8	37.0
Russia + other CIS countries	24.0	14.0	10.0	63.3	38.2	56.2
Other countries	10.3	11.5	-1.2	32.1	39.9	54.4
Total	104.2	80.0	24.2	286.8	239.3	329.4

The strong growth of Russia, CIS countries, and Ukraine continued, and this market area reached record net sales. In the Nordic region, net sales almost doubled from the corresponding period last year. The recession continued in the Baltic market area, which meant net sales growth was moderate.

If ESL Shipping's raw material exports from Russia are included in the Russian net sales, the sales for Russia increased to EUR 30.0 million (20.4) during the review period. The transport volume for Russia-based coal was below the 2009 level.

MEUR	7-9/2010	7-9/2009	Change	1-9/2010	1-9/2009	1-12/2009
Russia + other CIS countries	30.0	20.4	9.6	80.7	64.0	87.9

EARNINGS

January–September

Aspo Group's operating profit in January-September was EUR 12.4 million (11.3), i.e. 4.3% of net sales. Planned depreciation totaled EUR 6.1 million (6.8). The Group's net financial costs totaled EUR 3.0 million (3.6). January-September profit before tax was EUR 9.4 million (7.7), and profit for the period amounted to EUR 7.0 million (6.1). Return on equity was 14.3% (12.5).

July–September

Aspo Group's operating profit in July–September was EUR 6.0 million (EUR 2.4 million plus EUR 3.2 million of non-recurring sales gains), i.e. 5.8% of net sales. ESL Shipping's operating profit was EUR 3.7 million (1.8). Leipurin's operating profit was EUR 0.9 million (0.6). Telko's operating profit was EUR 1.8 million (comparable operating profit EUR 1.7 million plus a non-recurring sales gain of EUR 3.2 million). Kaukomarkkinat's operating profit was EUR 0.6 million (-0.1). The operating profit of other operations was EUR -1.0 million (-1.6).

Operating profit by segment, MEUR

	7-9/2010	7-9/2009	Change	1-9/2010	1-9/2009	1-12/2009
ESL Shipping	3.7	1.8	1.9	8.5	11.1	14.7
Leipurin	0.9	0.6	0.3	2.2	2.1	3.2
Telko	1.8	4.9	-3.1	5.1	3.2	3.1
Kaukomarkkinat	0.6	-0.1	0.7	-0.2	0.0	0.5
Other operations	-1.0	-1.6	0.6	-3.2	-5.1	-6.2
Total	6.0	5.6	0.4	12.4	11.3	15.3

Earnings per share January–September

Earnings per share was EUR 0.27 (0.23) and diluted earnings per share was EUR 0.28 (0.22). Equity per share was EUR 2.45 (2.45).

INVESTMENTS

Group investments in January–September amounted to EUR 11.9 million (5.2), of which a majority was prepayments for ESL Shipping’s vessel orders. Other investments include dockings of ESL Shipping's vessels and ICT investments of other business operations as well as smaller investments required for operational expansion.

Investments by segment, acquisitions excluded, MEUR

	7-9/2010	7-9/2009	Change	1-9/2010	1-9/2009	1-12/2009
ESL Shipping	0.1	0.6	-0.5	10.5	2.9	3.1
Leipurin	0.1	0.1	0.0	0.2	0.4	0.5
Telko	0.4	0.3	0.1	0.7	0.9	2.5
Kaukomarkkinat	0.1	0.1	0.0	0.4	0.4	0.6
Other operations	0.0	0.2	-0.2	0.1	0.6	0.7
Total	0.7	1.3	-0.6	11.9	5.2	7.4

FINANCING

The Group’s financing position weakened slightly from the comparison period. Compared with the second quarter, the financing position remained unchanged. The Group’s cash and cash equivalents amounted to EUR 10.7 million (7.2). There was a total of EUR 89.2 million (78,9) in interest-bearing liabilities on the consolidated balance sheet. The increase in interest-bearing liabilities was due to prepayments for ESL Shipping’s vessel orders which were financed with a bank loan. Interest-free liabilities totaled EUR 61.6 million (55.3).

Aspo Group's gearing was 123.7% (113.2) and the equity ratio was 30.0% (32.4). The main factors affecting equity in the review period were the Group’s good result and exchange rate losses on derivatives which fall under hedge accounting. The balance sheet total grew from the comparison period as a result of the prepayments for vessel investments.

The Group’s cash flow from operations amounted to EUR 2,2 million (8.6) in January–September. The cash flow was weakened from the comparison period due to the commitment of working capital as a result of strong business growth. At the end of the period the change in working capital stood at EUR -10.4 million (6.3).

Cash flow from investments was EUR -10.7 million so the Group’s free cash flow in January–September was EUR -8.5 million. The cash flow from investments was affected by the approximately EUR 10 million prepayments related to the vessel investment made during the second quarter.

The dollar denominated cash flow of the approximately EUR 60 million vessel order signed by ESL Shipping during the second quarter is largely hedged with financial instruments. Because the currency derivatives used in the hedging fall under hedge accounting the exchange losses or gains caused by exchange rate fluctuations are mainly recognized as changes in equity.

The amount of binding revolving credit facilities signed between Aspo and its main financing banks stood at EUR 50 million at the end of the period. At the end of the period the binding revolving credit facilities remained fully unused. The commercial papers issued totaled EUR 15 million. A loan agreement for vessel financing was signed with Pohjola Bank in August. The value of the agreement is EUR 25 million, and the loan period is 12 years.

Convertible capital loan

Aspo Plc has EUR 14,400,000 in a convertible capital loan issued in 2009. The original principal of the loan was EUR 15,000,000. The loan period is June 30, 2009–June 30, 2014.

The loan units can be converted into Aspo shares. Each EUR 50,000 subscription of the loan entitles the loan unit holder to convert the loan unit to 7,690 Aspo Plc shares. The conversion rate is EUR 6.50. The loan can be converted annually between January 2 and November 30. The conversion period ends on June 15, 2014. As of September 30, 2010, a total of 92,280 new Aspo Plc shares corresponding with 12 loan units have been subscribed from the convertible capital loan.

RISKS AND RISK MANAGEMENT

The economic upturn has further reduced the Group's risks in its main business areas. Among Aspo's market areas, market uncertainty still affects industrial demand in Western countries. The Group is growing, in particular, in developing market areas where growth risks are also affected by investments, interest rate levels, exchange rates, and customers' liquidity, as well as rapid changes in legislation and import regulations.

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, as well as the application of internal guidelines. Risks connected to goodwill are monitored with segment specific impairment tests that are carried out at least once a year.

The Group has avoided considerable exchange rate losses due to active hedging of currency positions and currency flow. The general credit loss risk is still high but is normalizing as the economic situation among customers improves. The currency risks related to vessel investments have largely been hedged and brought within the scope of the Group's hedge accounting, and prepayments are secured with guarantees.

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 is responsible for risk management. The management is responsible for defining sufficient measures, implementation, and for monitoring and ensuring 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.

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.

PERSONNEL

Aspo Group's number of personnel stood at 720 (707) at the end of September. The biggest change in the total number of personnel compared to the comparison period was caused by the increase in personnel in the Leipurin segment in Latvia due to a business acquisition, and the personnel for new units in Russia and Ukraine.

Personnel by segment

	7-9/2010	7-9/2009	Change	1-9/2010	1-9/2009	1-12/2009
ESL Shipping	197	201	-4	197	201	194
Leipurin	217	191	26	217	191	218
Telko	202	202	0	202	202	193
Kaukomarkkinat	90	88	2	90	88	90
Other operations	14	25	-11	14	25	22
Total	720	707	13	720	707	717

Rewarding

Aspo Group has a profit bonus system. Part of the Group’s profit is paid as a profit bonus to the personnel fund. The aim is that the personnel fund uses the majority of the profit bonuses to purchase Aspo Plc shares. The long-term goal is that the personnel will become a considerable shareholder group in the company. All persons working at Aspo Group’s Finnish subsidiaries are members of the personnel fund. 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 2009, Aspo decided on a new management shareholding program where the potential gain is based on the earnings per share during 2009–2011. The management shareholding program encompasses about 40 people in Aspo’s management and key personnel.

SHARE CAPITAL AND SHARES

Aspo Plc’s registered share capital on September 30, 2010, was EUR 17,691,729.57, and the total number of shares was 26,498,343, of which the company held 576,870 shares, i.e. 2.18% of the share capital. Aspo Plc has one share series. Each share entitles the shareholder to one vote at the shareholder’s meeting. Aspo’s share is quoted on NASDAQ OMX Helsinki Ltd’s medium-sized companies group under industrial products and services.

From the convertible capital loan issued by Aspo Plc in 2009, 30,760 new shares corresponding with four loan units have been subscribed in July-September. The new shares were entered into the trade register on September 3, 2010, and were traded from September 6, 2010.

From January to September 2010 a total of 3,632,822 Aspo Plc shares with a market value of EUR 26.5 million were traded on NASDAQ OMX Helsinki, in other words, 13.7% of the stock changed hands. In January–September, the stock reached a high of EUR 8.06 and a low of EUR 5.91. The average price was EUR 7.23 and the closing price at the end of the period was EUR 8.00. At the end of the period, the market capitalization excluding treasury shares was EUR 207.4 million.

At the end of the period, the number of Aspo Plc shareholders was 5,513. A total of 725,536 shares, or 2.7 % of the total share capital, were nominee registered or held by non-domestic shareholders.

DECISIONS AT THE ANNUAL SHAREHOLDERS´ MEETING

Board authorizations

The Annual Shareholders’ Meeting 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 500,000 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 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 were to possess or have as a pledge more than 10% of the company’s stock.

The Annual Shareholders’ Meeting also authorized the Board of Directors 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 1,120,000 shares may be conveyed based on the authorization. The authorization will be used to finance and complete any acquisitions or other transactions, to carry out the company’s share-ownership programme or for other purposes to be determined by the Board.

The authorization includes the right for the Board to decide on all the terms and conditions of the conveyance, and thus also includes the right to decide on a directed share issue deviating from the shareholders’ pre-emptive right on the conditions provided by law.

The authorizations are valid until the Annual Shareholders’ Meeting in 2011, but no more than 18 months from the approval at the Shareholders’ Meeting. The Board of Directors has not utilized the authorizations granted in 2010 before October 26, 2010.

OUTLOOK ON FUTURE DEVELOPMENT

Market outlook

Aspo estimates that the general economic situation is improving. The national economies in northern Europe and in the growth markets, which are strategically important for the Group, are recovering. Estimates are still made difficult by the uncertainty that prevails on the financial markets.

Aspo’s 2010 outlook

Aspo Group’s current structure creates a good basis for growth in net sales and profitability. The Group’s costs are estimated to be considerably lower than in 2009. A possible change to the tonnage tax legislation would considerably improve the Group’s profit after tax and earnings per share. Changes in the value of currencies outside the euro area may affect the company’s net sales.

Aspo maintains its guidance unchanged. Aspo will increase its net sales significantly and improve its earnings per share.

ESL Shipping

The aim of the shipping company is to maintain its position as the leading dry cargo shipping company and transporter on the Baltic Sea by renewing its fleet. M/s Alppila, the 18,800 dwt Eira class vessel being built in India, is late. The vessel is being equipped for test runs and delivery, and it is expected to be in use in the spring of 2011. Two 56,150 dwt Supramax class vessels are to be built at the Hyundai-Vinashin shipyard. The project proceeds according to plan and, inter alia, ice testing has been completed for the model vessel. The completion schedule for the first vessel is being specified and the vessel is likely to be completed in 2011. The second vessel will be completed in the spring of 2012. The first vessel has binding financing. When these vessels are completed, the shipping company’s capacity will grow by over 50%.

The cargo markets are expected to remain at the current level on the Baltic Sea during the late fall. A considerable share of the transportation capacity of 2010 has been covered with long-term agreements. The cargo volumes of the steel industry are estimated to exceed 2009 levels and coal transports in the energy sector are expected to decline from the previous year.

The amendment to the tonnage tax legislation that is awaiting approval from the EU commission would have a considerable positive effect on ESL Shipping’s profit after tax if applied. Experts estimate that the new tonnage tax legislation will become retroactively valid from January 1, 2010.

Leipurin

Organic growth in Leipurin’s bakery raw material business is expected to continue. The prices of cereal-based products are expected to rise by some 5–15% by the end of 2010 and at the beginning of 2011. Leipurin will continue to establish itself in Russia’s growing metropolitan areas and in Belarus. A new customs union between Russia, Kazakhstan, and Belarus entered into force on July 1, 2010. The new offices create a good foundation for several years of growth. Raw material sales to other food industry actors aim to expand to the Baltic, Russian, and Kazakhstan markets. The positive financial effects of the expansion will become visible in 2011.

The machine unit agreed on three significant project deliveries during the review period, which will be recognized as income in the fourth quarter and partially in 2011.

Telko

Telko will continue its profitable growth, with the focus continuing to rest on Russia, Ukraine, and the CIS area. The Chinese unit established in the spring is looking to achieve a profitable operational level in the fourth quarter. The cost savings effect from the reorganization completed in 2009 is estimated to be approximately EUR 2 million in 2010 fixed costs.

A new customs union between Russia, Belarus, and Kazakhstan entered into force on July 1, 2010. Telko has established a subsidiary in Belarus and is preparing to start operating in Kazakhstan during 2010. The company also aims to expand by means of carefully targeted acquisitions.

Kaukomarkkinat

A stronger order book and completed project deliveries in China are expected to improve Kaukomarkkinat’s operating profit in the fourth quarter.

The company has also launched new strategic work with the aim of ensuring that the company’s operational profitability improves. Of the current operations, Kaukomarkkinat will invest particular resources in energy efficiency products, and expansion into new equipment solution and service packages is being investigated. The aim is to expand the product and service portfolio to new local energy solutions even before the year-end.

The need for energy efficiency products and services will increase heavily as new Finnish- and EU-wide energy efficiency regulations for greenfield construction and a new national energy policy are adopted, and as energy prices increase.

Other operations

Other operations include Aspo Group’s administration and other operations not belonging to the business units. The related costs are expected to decrease significantly from last year.

Operational risks

The general economic situation is affecting industrial demand in northern Europe and the growth markets. It is difficult to foresee whether the growth in demand in Aspo’s market areas will continue, or whether there will be any other sudden changes in business preconditions. Changes in the financial markets and in the value of currencies may have an effect on the Group's future profit development.

A more detailed account of the risk management policy and the main risks have been published in the 2009 annual report and on the company's website. A more detailed account of the financial risks can be found in the notes to the 2009 annual report.

Helsinki, October 26, 2010

ASPO Plc

Board of Directors

ASPO GROUP INCOME STATEMENT

	7-9/2010 MEUR	%	7-9/2009 MEUR	%
Net sales	104.2	100	80.0	100
Other operating income	0.3	0.3	3.4	4.3
Depreciation and write-downs	-2.0	-1.9	-2.3	-2.9
Operating profit	6.0	5.8	5.6	7.0
Financial income and expenses	-1.2	-1.2	-1.3	-1.6
Profit before taxes	4.9	4.7	4.3	5.4
Profit for the period	3.6	3.5	3.5	4.4
Other comprehensive income				
Translation differences	-0.6		0.1	
Cash flow hedges	-3.4		-0.5	
Income tax on other comprehensive income	0.9		0.2	
Other comprehensive income for the year, net of taxes	-3.1		-0.2	
Total comprehensive income	0.5		3.3	
Profit attributable to shareholders	3.5		3.4	
Non-controlling interest	0.1		0.1	
Total comprehensive income attributable to shareholders	0.4		3.2	
Non-controlling interest	0.1		0.1	

	1-9/10 MEUR	%	1-9/09 MEUR	%	1-12/09 MEUR	%
Net sales	286.8	100.0	239.3	100.0	329.4	100.0
Other operating income	1.0	0.3	7.3	3.1	10.5	3.2
Depreciation and write-downs	-6.1	-2.1	-6.8	-2.8	-8.9	-2.7
Operating profit	12.4	4.3	11.3	4.7	15.3	4.6
Financial income and expenses	-3.0	-1.0	-3.6	-1.5	-3.6	-1.1
Profit before taxes	9.4	3.3	7.7	3.2	11.7	3.6
Profit for the period	7.0		6.1		8.6	
Other comprehensive income						
Translation differences	0.6		-0.5		-0.1	
Cash flow hedges	-1.5		-0.5		0.4	
Net result recoqnized directly to equity					0.2	
Income tax on other comprehensive income	0.4		0.2		-0.1	
Other comprehensive income for the year, net of taxes	-0.5		-0.8		0.4	
Total comprehensive income	6.5		5.3		9.0	
Profit attributable to shareholders	6.9		6.0		8.5	
Non-controlling interest	0.1		0.1		0.1	
Total comprehensive income attributable to shareholders	6.4		5.2		8.9	
Non-controlling interest	0.1		0.1		0.1	

ASPO GROUP BALANCE SHEET

	09/10 MEUR	09/09 MEUR	Change %	12/09 MEUR
Assets				
Non-current assets				
Intangible assets	15.8	15.9	-0.6	16.6
Goodwill	40.4	39.9	1.3	40.2
Tangible assets	55.4	61.2	-9.5	50.1
Available-for-sale assets	0.2	0.2	0.0	0.2
Long-term receivables	1.5	1.4	7.1	0.6
Shares in associated companies	1.3	0.9	44.4	1.6
Total non-current assets	114.6	119.5	-4.1	109.3
Current assets				
Inventories	40.1	27.1	48.0	29.3
Sales and other receivables	49.0	43.7	12.1	44.7
Cash and bank deposits	10.7	7.2	48.6	11.5
Total current assets	99.8	78.0	27.9	85.5
Total assets	214.4	197.5	8.5	194.8
Shareholders’ equity and liabilities				
Shareholders’ equity				
Share capital	17.7	17.7	0.0	17.7
Other shareholders’ equity	45.8	45.5	0.7	49.2
Shareholders’ equity attributable to equity holders of the parent	63.5	63.2	0.5	66.9
Non-controlling interest	0.1	0.1	0.0	0.0
Long-term liabilities	59.8	80.2	-25.4	57.1
Short-term liabilities	91.0	54.0	68.5	70.8
Total shareholders’ equity and liabilities	214.4	197.5	8.6	194.8

STATEMENT OF CHANGES IN SHAREHOLDERS’ EQUITY

A = Share capital
B = Premium fund
C = Fair value fund
D = Other funds
E = Repurchased shares
F = Translation difference
G = Retained earnings
H = Total
I = Non-controlling interest
J = Total shareholders’ equity

MEUR	A	B	C	D	E	F	G	H	I	J
Balance at 31.12.2009	17.7	4.3	0.0	2.8	-3.7	-1.6	47.5	67.0	-0.1	66.9
Comprehensive income:										
Profit for the period							6.9		0.1	
Translation difference						0.6				
Cash flow hedge, net of taxes			-1.1							
Total comprehensive income			-1.1			0.6	6.9	6.4	0.1	
Transactions with owners:										
Dividend payment							-10.8			
Share based payment				0.2	0.1		0.1			
Conversion of convertible bond				0.5						
Total transactions with owners				0.7	0.1		-10.7	-9.9		
Balance at 30.9.2010	17.7	4.3	-1.1	3.5	-3.6	-1.0	43.7	63.5	0.1	63.6
Balance at 31.12.2008	17.7	4.3	-0.3	0.5	-3.7	-1.5	49.0	66.0	0.0	66.0
Comprehensive income:										
Profit for the period							6.0		0.1	
Translation difference						-0.5				
Cash flow hedge, net of taxes			-0.3							
Total comprehensive income			-0.3			-0.5	6.0	5.2	0.1	
Transactions with owners:										
Dividend payment							-10.8			
Share based payment							0.4			
Equity share of convertible bond, net of taxes				2.4						
Total transactions with owners				2.4			-10.4	-8.0		
Balance at 30.9.2009	17.7	4.3	-0.6	2.9	-3.7	-2.0	44.6	63.2	0.1	63.3

ASPO GROUP CASH FLOW STATEMENT

	1-9/10 MEUR	1-9/09 MEUR	1-12/09 MEUR
OPERATIONAL CASH FLOW			
Operating profit	12.5	11.3	15.3
Adjustments to operating profit	6.3	0.6	1.7
Change in working capital	-10.4	6.3	6.8
Interest paid	-4.6	-4.5	-5.5
Interest received	1.2	0.4	0.2
Taxes paid	-2.8	-5.5	-5.5
Total operational cash flow	2.2	8.6	13.0
INVESTMENTS			
Investments in tangible and intangible assets	-11.2	-5.3	-3.8
Gains on the sale of tangible and intangible assets	0.3	3.0	13.8
Gains on the sale of business operations		11.1	11.1
Purchases of subsidiary shares			-1.2
Sale of the subsidiary shares		1.0	1.0
Associated companies acquired	0.2		
Total cash flow from investments	-10.7	9.8	20.9
FINANCING			
Change in short-term borrowings	17.1	-46.5	-32.7
Change in long-term borrowings	1.4	33.5	8.5
Dividends paid	-10.8	-10.8	-10.8
Total financing	7.7	-23.8	-35.0
Increase / Decrease in liquid funds	-0.8	-5.4	-1.1
Liquid funds in beginning of year	11.5	12.6	12.6
Liquid funds at period end	10.7	7.2	11.5

KEY FIGURES AND RATIOS

	1-9/2010	1-9/2009	1-12/2009
Earnings per share, EUR	0.27	0.23	0.33
EPS adjusted for dilution, EUR	0.28	0.22	0.33
Comparable earnings per share, EUR		0.06	0.16
Equity per share, EUR	2.45	2.45	2.59
Equity ratio, %	30.0	32.4	34.6
Gearing, %	123.7	113.2	87.9

ACCOUNTING PRINCIPLES AND FINANCIAL REPORTING

Aspo Plc’s interim report has been compiled in accordance with the principles of IAS 34 Interim Financial Reporting. The same accounting principles have been adopted in the interim report as in the Financial Statements on December 31, 2009. The calculation formulas for key indicators are explained on page 82 of the 2009 financial statements. The information in this report is unaudited.

PRESS AND ANALYST CONFERENCE

A press and analyst conference will be arranged today, Tuesday October 26, 2010 at 14.30 at the Paavo Nurmi cabinet at Hotel Kämp, Pohjoisesplanadi 29, 00100 Helsinki.

ASPO Plc

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