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ASPO GROUP INTERIM REPORT JANUARY 1 TO JUNE 30, 2011

Net sales and operating profit up by 27%

(Figures for the comparable period in 2010 are presented in parentheses)

January–June 2011
- Aspo Group’s net sales grew by 27%, totaling EUR 231.3 million (EUR 182.6 million)
- Operating profit increased by 27% to EUR 8.1 million (EUR 6.4 million)
- Profit before taxes amounted to EUR 5.8 (EUR 4.5 million)
- Earnings per share stood at EUR 0.15 (EUR 0.12)

April–June 2011
- Aspo Group’s net sales grew by 26%, totaling EUR 124.6 million (EUR 99.2 million)
- Operating profit increased by 21% to EUR 5.2 million (EUR 4.3 million)
- Earnings per share stood at EUR 0.11 (EUR 0.10)

- Aspo carried out a rights issue, which resulted in proceeds of some EUR 20 million in new equity. The comparable key figures presented in this review have been adjusted for the issue.

Aspo maintains its guidance for 2011 unchanged.
Aspo's net sales will increase by 10–20% and operating profit will improve.

KEY FIGURES	1-6/2011	1-6/2010	1-12/2010
Operating profit, MEUR	8.1	6.4	17.9
Share of net sales, %	3.5	3.5	4.5
Profit before taxes, MEUR	5.8	4.5	14.1
Share of net sales, %	2.5	2.5	3.6
Personnel at the end of period	753	717	712
Earnings per share, EUR	0.15	0.12	0.38
EPS adjusted for dilution, EUR	0.15	0.13	0.39
Equity per share, EUR	2.72	2.30	2.49
Equity ratio, %	33.7	30.2	33.2
Gearing, %	94.4	124.7	101.5

AKI OJANEN, ASPO’S CEO:

“Aspo’s strong growth in net sales and operating profit continued. We have been successful in implementing our strategy. Organic growth remained strong especially in the Eastern growth markets. Aspo has diversified its business geographically, with half of its net sales accumulated in the Western markets and the other half in growing, emerging markets. The operating profit of our conglomerate is the aggregate result of our four businesses. The spread in cash flows, in turn, reduces risks, since operating profit is divided among several businesses, market areas and corporate customers representing different fields of industry. Our companies aim to be leading regional players in their sectors.

I believe Aspo’s result for the first half of this year is excellent, taking into account the impact of winter shipping conditions on ESL Shipping’s result.

Cash flows from operating activities turned positive in the second quarter, even though the increase in net sales ties up considerable amounts of capital.

Aspo carried out a rights issue based on the pre-emptive rights of shareholders in the second quarter. The new capital, nearly EUR 20 million, enables Aspo to continue with its growth strategy and strengthens the company's balance sheet. The Group now has the opportunity to grow organically in addition to carrying out planned changes in the corporate structure.

Aspo Group enjoys a good financing position. The new vessels ordered by us have been financed with long-term financing agreements. The binding revolving credit facilities, which function as a financing reserve, remained wholly unused, and no significant financing agreements are about to expire."

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 market leaders in their sectors. They are responsible for their own operations and 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 schedule.

Aspo's operating segments are ESL Shipping, Leipurin, Telko and Kaukomarkkinat. Other operations consist of Aspo Group's administration and other operations that do not belong 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, Ukraine and other CIS countries; and other countries.

OPERATIONAL PERFORMANCE

General uncertainty about the global economy continues. This has particularly caused currency fluctuations, while the threat of inflation has led to a rise in interest rates, which, however, has leveled off after the reporting period. Energy and raw material prices have risen due to increased international demand. The production volume of basic industry has continued to improve in Aspo's market area, which has increased the demand for petrochemical products, food raw materials and industrial raw material cargos.

ESL Shipping

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

	4-6/2011	4-6/2010	Change	1-6/2011	1-6/2010	1-12/2010
Net sales, MEUR	26.4	21.7	4.7	46.9	39.0	79.5
Operating profit, MEU	3.2	3.4	-0.2	3.6	4.8	11.5
Personnel	186	195	-9	186	195	183

The dry bulk cargo price level decreased worldwide in the spring. The Baltic Sea cargo markets operated normally. ESL Shipping’s long-term cargo contracts account for a considerable share of capacity. The transport demand from the steel and energy industries, both important to the shipping company, remained normal in Scandinavia. The cargo volume carried by ESL Shipping in April–June amounted to 3.7 million tons (3.4). The steel industry accounted for 2.2 million tons (2.4) and the energy industry for 1.2 million tons (0.9) of the volume.

Net sales grew in the second quarter and amounted to EUR 26.4 million (21.7). Operating profit decreased to EUR 3.2 million (3.4), while the operating profit percentage was 12% (16). The prolonged severe ice conditions contributed to the weak result recorded in April. Operating profit was good in May and June. Owing to the good cargo demand, the company also employed third-party vessels to handle voyage charters in the reporting period, which increased net sales but reduced the operating profit percentage.

In the spring, ESL Shipping signed a significant, long-term contract with Rautaruukki Corporation for the marine transport of raw materials in the Baltic Sea. The contract makes it possible for the contracting parties to make long-term operational plans and for ESL Shipping to renovate the pusher-barge fleet used for the steel industry's transport purposes. Overhaul docking started at the end of June, and the work will be concluded in the third quarter. In addition, the shipping company docked three vessels in the second quarter.

M/s Alppila, an 18,800 dwt vessel constructed in India, is in the handover stage, and the vessel will be ready for traffic in the Baltic Sea later this fall. The vessel is in ESL Shipping's Eira class and will be built to the highest ice class, 1A Super. ESL Shipping will lease the vessel with a long-term leasing agreement.

Two ice-strengthened Supramax vessels ordered from the Korean Hyundai Mipo shipyard are under construction in Vietnam. The first of the two may be completed in 2011 and the other one in spring 2012. The vessels, both financed with a loan facility, will be used in the company’s normal charter services.

Leipurin

Leipurin serves the baking and 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, Belarus, and Kazakhstan. In Russia, Leipurin has operations in several large cities in addition to St. Petersburg and Moscow. Procurement operations are international.

	4-6/2011	4-6/2010	Change	1-6/2011	1-6/2010	1-12/2010
Net sales, MEUR	34.0	26.4	7.6	63.9	51.6	108.7
Operating profit, MEUR	1.5	0.6	0.9	3.0	1.3	3.6
Personnel	235	222	13	235	222	226

Raw material prices in the food industry rose in the first half of the year. The price of oil-based raw materials, in particular, increased in the second quarter.

The net sales of Leipurin increased considerably in the second quarter, amounting to EUR 34.0 million (26.4). Net sales grew particularly in the Baltic countries and Russia. Organic growth has been strong in Estonia and Lithuania. The Latvian company acquired at the beginning of 2010 has been successfully integrated into the Leipurin organization. Leipurin continued its inputs into and expansion in Russia, Ukraine and other CIS countries. Leipurin has established itself in new major cities in Russia. In May a test bakery was opened in the University of Kiev’s facilities in Ukraine.

As for market areas, the share of emerging markets increased both in net sales and in profitability. The net sales of Russia, Ukraine and other CIS countries totaled EUR 7.7 million (5.5), or 23% of Leipurin’s overall net sales, in the second quarter.

The operating profit of Leipurin grew considerably in the second quarter and amounted to EUR 1.5 million (0.6), while the operating profit percentage was 4.4% (2.3) of net sales.

The sales and profitability of bakery raw materials, machinery and lines improved year-over-year. The number of employees also increased, totaling 235 (222) at the end of the reporting period. Most of the increase took place in emerging markets.

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, Kazakhstan, and China. Procurement operations are international. Business is based on representation by the best international principals and on the expertise of the personnel. Telko cooperates with its regional customers to develop their production and competitiveness.

	4-6/2011	4-6/2010	Change	1-6/2011	1-6/2010	1-12/2010
Net sales, MEUR	55.5	45.2	10.3	103.6	79.7	175.2
Operating profit, MEUR	2.2	1.7	0.5	3.9	3.3	6.8
Personnel	230	198	32	230	198	199

The prices of raw materials sold remained unchanged and partly decreased in the first half of the year. Basic demand in industries important to Telko improved year-over-year.

Net sales grew by 23% in the second quarter, amounting to EUR 55.5 million (45.2). Operating profit rose to EUR 2.2 million (1.7), while the operating profit percentage was 4.0% (3.8). Operating profit was hit by the strong devaluation of the Belarus currency, which led to exchange losses of EUR 0.5 million.

Emerging markets accounted for an increasing share of net sales. The net sales of Russia, Ukraine and other CIS countries totaled EUR 21.4 million (16.7), or 39% of Telko’s overall net sales, in the second quarter.

Telko has focused on value-added services for its products and on customer service, among other things, by renewing its organization. An investment was launched in the Rauma terminal, which will enable the company to increase the number and added value of products supplied to customers. The number of employees rose to 230 (198). Most of the increase took place in emerging markets.

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 ability of the company's own experts to improve the operations and efficiency of customers. Kaukomarkkinat operates in Finland, Poland, Russia, China, and Vietnam.

	4-6/2011	4-6/2010	Change	1-6/2011	1-6/2010	1-12/2010
Net sales, MEUR	8.7	5.9	2.8	16.9	12.3	32.5
Operating profit, MEUR	-0.1	-0.4	0.3	0.3	-0.8	0.6
Personnel	90	88	2	90	88	91

The net sales of Kaukomarkkinat rose to EUR 8.7 million (5.9) in the second quarter, and operating profit improved year-over-year. However, operating profit remained slightly negative, totaling EUR -0.1 million (-0.4). Net sales and profitability improved, especially thanks to project sales in China. Air-source heat pump sales in Finland improved towards the end of the reporting period. The sales of other energy efficiency products were slow. The Finnish data department posted a weaker result year-over-year.

The cost level of Kaukomarkkinat increased due to the expenses resulting from the development of a new ERP system deployed at the beginning of 2011.

Jukka Nieminen, MSc (Tech), was appointed new CEO of Kaukomarkkinat as of August 8, 2011.

Other operations

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

	4-6/2011	4-6/2010	Change	1-6/2011	1-6/2010	1-12/2010
Net sales, MEUR	0.0	0.0	0.0	0.0	0.0	0.0
Operating profit, MEUR	-1.6	-1.0	-0.6	-2.7	-2.2	-4.6
Personnel	13	14	-1	13	14	13

The expenses of other operations increased, amounting to EUR -1.6 million (-1.0). Operating profit was weakened by expenses from pension index increases, bonuses and the periodization of long-term reward schemes, which increased year-over-year.

NET SALES

January–June

Aspo Group’s net sales in January-June grew by 27% and amounted to EUR 231.3 million (182.6) All operating segments increased their net sales notably: ESL Shipping by more than 20% and Leipurin by nearly a quarter. In terms of euro, Telko’s net sales growth was biggest, totaling EUR 23.9 million, or 23%. The net sales of Kaukomarkkinat, in turn, saw the greatest relative growth, amounting to 37%.

April–June

Aspo Group’s net sales grew by EUR 25.4 million, or 25.6%, to EUR 124.6 million (99.2).

Net sales by segment, MEUR

	4-6/2011	4-6/2010	Change	1-6/2011	1-6/2010	1-12/2010
ESL Shipping	26.4	21.7	4.7	46.9	39.0	79.5
Leipurin	34.0	26.4	7.6	63.9	51.6	108.7
Telko	55.5	45.2	10.3	103.6	79.7	175.2
Kaukomarkkinat	8.7	5.9	2.8	16.9	12.3	32.5
Other operations	0.0	0.0	0.0	0.0	0.0	0.0
Total	124.6	99.2	25.4	231.3	182.6	395.9

There is no considerable inter-segment net sales.

Net sales by market area, MEUR

	4-6/2011	4-6/2010	Change	1-6/2011	1-6/2010	1-12/2010
Finland	47.7	40.3	7.4	92.9	76.1	167.1
Nordic countries	15.3	14.7	0.6	26.2	25.9	51.9
Baltic countries	16.0	10.5	5.5	27.2	19.5	43.8
Russia, Ukraine + other CIS countries	29.0	22.3	6.7	53.0	39.3	88.5
Other countries	16.6	11.4	5.2	32.0	21.8	44.6
Total	124.6	99.2	25.4	231.3	182.6	395.9

The Baltic market area reported the biggest net sales growth in the second quarter, totaling 52% year-over-year. Growth in Russia, Ukraine and other CIS countries was 30%, while overall net sales growth was 26%.

The importance of the market area consisting of Russia, Ukraine and other CIS countries to the Group is emphasized when ESL Shipping’s raw material transports from Russia are included in the figures. Calculated this way, the region’s second-quarter net sales accounted for 31% of the Group’s overall net sales.

MEUR	4-6/2011	4-6/2010	Change	1-6/2011	1-6/2010	1-12/2010
Russia, Ukraine + other CIS countries	38.1	28.7	9.4	69.7	50.7	112.0

EARNINGS

January–June

Aspo Group’s operating profit in January–June amounted to EUR 8.1 million (6.4). ESL Shipping’s operating profit was EUR 3.6 million (4.8), Leipurin’s EUR 3.0 million (1.3), Telko’s EUR 3.9 million (3.3), and Kaukomarkkinat's EUR 0.3 million (-0.8).

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 negative, amounting to EUR -2.7 million (-2.2).

April–June

Aspo Group's operating profit in April–June amounted to EUR 5.2 million (4.3). ESL Shipping's operating profit was EUR 3.2 million (3.4). Leipurin's operating profit increased substantially, amounting to EUR 1.5 million (0.6). Telko's operating profit, EUR 2.2 million (1.7), improved notably despite the exchange losses weighing on it. The operating profit of Kaukomarkkinat rose by EUR 0.3 million, but was negative, totaling EUR -0.1 million (-0.4).

The operating profit of other operations was negative, EUR -1.6 million (-1.0). The period included, among other things, expenses from pension index increases, bonuses and the periodization of long-term reward schemes.

Operating profit by segment, MEUR

	4-6/2011	4-6/2010	Change	1-6/2011	1-6/2010	1-12/2010
ESL Shipping	3.2	3.4	-0.2	3.6	4.8	11.5
Leipurin	1.5	0.6	0.9	3.0	1.3	3.6
Telko	2.2	1.7	0.5	3.9	3.3	6.8
Kaukomarkkinat	-0.1	-0.4	0.3	0.3	-0.8	0.6
Other operations	-1.6	-1.0	-0.6	-2.7	-2.2	-4.6
Total	5.2	4.3	0.9	8.1	6.4	17.9

Earnings per share January–June

EPS were EUR 0.15 (0.12) and diluted EPS amounted to EUR 0.15 (0.13). Equity per share was EUR 2.72 (2.30).

INVESTMENTS

The Group's investments in January–June totaled EUR 20.0 million (11.2). Most of the investments consisted of advance payments for ESL Shipping's Supramax vessel orders.

Investments by segment, acquisitions excluded, MEUR

	4-6/2011	4-6/2010	Change	1-6/2011	1-6/2010	1-12/2010
ESL Shipping	9.5	10.3	-0.8	19.1	10.4	11.1
Leipurin	0.2	0.0	0.2	0.3	0.1	0.3
Telko	0.2	0.2	0.0	0.4	0.3	0.9
Kaukomarkkinat	0.2	0.3	-0.1	0.2	0.3	0.8
Other operations	0.0	0.0	0.0	0.0	0.1	0.1
Total	10.1	10.8	-0.7	20.0	11.2	13.2

FINANCING

The Group’s financing position improved over the comparable period. Cash and cash equivalents amounted to EUR 13.5 million (10.7) at period-end. The consolidated balance sheet had a total of EUR 91.6 million (89.1) in interest-bearing liabilities. Non-interest-bearing liabilities totaled EUR 77.2 million (57.0).

Aspo Group’s gearing was 94.4% (124.7), and equity ratio was 33.7% (30.2). The Group’s financing position was positively affected by the rights issue, which brought in approximately EUR 20 million. In January–June, the Group distributed around EUR 11 million in dividends and made advance payments of some EUR 16 million related to vessel order.

The Group’s cash flow from operating activities amounted to EUR 2.1 million (2.0) in January–June. At the end of the period the change in working capital stood at EUR -7.9 million (-5.2). In the second quarter, cash flow from operating activities was positive and improved from the first quarter.

Cash flow from investments totaled EUR -19.0 million (-10.4). The growth was affected by advance payments for vessels under construction. The Group’s free cash flow amounted to EUR -16.9 million (-8.4) in January–June.

The amount of binding revolving credit facilities signed between Aspo and its main financing banks stood at EUR 40 million at the end of the period. The binding revolving credit facilities remained fully unused at period-end. EUR 3 million of Aspo’s EUR 50 million commercial paper program had been used at the end of the period.

Aspo Plc signed a EUR 15 million loan agreement. With a maturity of four years, the loan was used to cover a corresponding amount of credit withdrawn from insurance companies in spring 2009.

Convertible capital loan

On June 30, 2011, Aspo Plc had EUR 10,350,000 in a convertible capital loan issued in 2009. The loan period is from June 30, 2009 to June 30, 2014. The loan will be repaid in one installment on June 30, 2014, assuming that the repayment conditions outlined in Chapter 12 of the Finnish Companies Act and the loan terms are met. The loan has a fixed interest rate of 7%.

The loan units can be converted into Aspo shares. To ensure uniform treatment of Aspo's shareholders and convertible capital loan holders, and pursuant to convertible capital loan terms and conditions, Aspo's Board decided on April 5, 2011 to amend the terms and conditions of the convertible capital loan, with regard to the number of shares obtained in the conversion, so that each EUR 50,000 loan unit entitles the unit holder to convert the loan unit into 8,074 new shares in Aspo. The conversion rate changed from EUR 6.50 to EUR 6.19. As a result of the rights issue, the maximum of new Aspo shares into which the whole capital loan is convertible increased by 79,488 shares from the previously notified number. Amendments made to the convertible capital loan terms and conditions came into effect on May 6, 2011. The conversion period ends on June 15, 2014.

A total of 284,530 new shares were subscribed to with 37 units in January–June 2011.

Related party loans

Aspo Plc has granted a EUR 3.1 million loan to Aspo Management Oy, one of the company's related parties and controlled by the company, as part of a new shareholding plan for the Group. The interest of the loan receivable is 3%. The loan receivable falls due on March 31, 2014. It can be extended to March 31, 2016 at the latest. Aspo Management Oy may not deposit in pledge or use as security the Aspo Plc shares it holds without Aspo Plc’s written consent. The company has been consolidated in the financial statements. The loan is market-based.

RISKS AND RISK MANAGEMENT

Economic growth has continued in 2011, lowering risk levels in the main market areas of all of Aspo’s segments. The improved economic environment has led to expectations of higher inflation, as well as to a rise in interest rates, which, however, has leveled off after the end of the reporting period. Nevertheless, the gradually improving market situation does not rule out a new rise in risk levels, especially due to the rising uncertainty surrounding the global economy.

Strategic risks are reduced by the Group’s business being divided over four segments and business being conducted over a wide geographic area, with customers from corporations representing many different fields of industry. The consolidation of major clients and either increased or decreased interest in different market areas raise strategic risks but also create opportunities for Aspo’s companies.

Aspo is growing in emerging market areas where growth risks are also affected by industrial and commercial investments, interest rate levels, exchange rates, and customers' liquidity, as well as by changes in legislation and import regulations. The growth opportunities presented by emerging markets boost interest among competitors to launch or expand business in these areas. Consumer behavior is also reflected in the risks generated through B-to-B customers and the risk levels.

The industrial demand in Western countries has improved as the economy has recovered and risk levels have generally decreased. The changes in demand in emerging markets show a similar trend, but these changes are more difficult to predict. The changes that have taken place in the global economy after the end of the reporting period may affect the demand for Aspo’s products and services and again push risk levels higher. The uncertainty about the general economy may lead to rapid changes in raw material prices and demand. Aspo has prepared for this by diversifying its segments and ensuring the organization can react rapidly.

Operational risks have decreased and the likelihood of materialization is lower, but the company constantly monitors changes taking place in the market as an aftermath to the recession and due to the uncertain economic outlook. Increased prices may result in a change in the value of inventories and cause moderate price risks. Quick positive changes in financial structures may also cause risks due to changes in the customer or principal structure or technologies, and due to the fact that possibilities that require fast reaction remain unutilized.

With the exception of the losses caused by the devaluation of the Belarus ruble, Aspo has avoided major exchange losses thanks to active hedging of currency positions and currency flows. Credit loss risks have stabilized, but in the aftermath of the recession, we are still keeping a close eye on our customers.

Aspo’s risk management is based on a well-functioning organization and the staff’s expertise, which ensure the operation of the risk management functions included in business processes. Risk analyses of the Group’s segments have been prepared under the guidance of an external assessor, and a continuity plan will be drawn up for each segment. The company reviews insurance coverage, complete with its risk levels, on a continuous basis in order to minimize loss risks.

One of the tasks of the audit committee established by Aspo's Board of Directors is to monitor the efficiency of the Group's internal supervision, internal audits, and risk management systems. The audit committee monitors the risk management process and charges management with measures needed to prevent strategic risks in particular. In accordance with the internal supervision principles approved by the Board of Directors, 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 specifying sufficient measures and their 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.

Goodwill reflects the performance ability of each sector with capital employed, and the related risks are monitored with sector-specific impairment testing at least annually.

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

PERSONNEL

Personnel by segment, end of period

	1-6/2011	1-6/2010	Change	1-12/2010
ESL Shipping	186	195	-9	183
Leipurin	235	222	13	226
Telko	230	198	32	199
Kaukomarkkinat	90	88	2	91
Other operations	13	14	-1	13
Total	754	717	37	712

At the end of the period, Aspo Group employed 754 employees (717).

Changes in the total number of employees result from the increase caused by organic growth and seasonal fluctuation in the number of ship personnel employed. The increase in the number of employees was highest in Russia, Ukraine and other CIS countries, as well as in China.

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 personnel fund aims to use most of the profit bonuses for the purchase of shares in Aspo Plc. The long-term goal is that the personnel will become a significant 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 approved by business area.

In 2009, Aspo's Board of Directors decided on a shareholding program for the Group's key personnel. The potential gain is based on Aspo Group's cumulative Earnings Per Share indicator (EPS) over the period of 2009–2011. The potential gain will be paid partly in Aspo shares and partly in cash between January and March 2012. The shareholding program encompasses about 30 persons in Aspo's management and key personnel.

On October 26, 2010, Aspo's Board decided on a new shareholding plan for Aspo Group's management. The purpose of the plan is to enable considerable long-term ownership in Aspo for those involved in the plan. For shareholding purposes, the participants acquired a company called Aspo Management Oy, whose entire stock they own. Aspo Management Oy acquired 114,523 Aspo shares from the participants at market price. In addition, Aspo assigned 322,637 shares at EUR 7.93 per share to the company in a directed share issue. As part of the arrangement, the Board decided to grant Aspo Management Oy a EUR 2,800,000 interest-bearing loan to finance the share purchase. Aspo Management Oy subscribed to 62,452 shares in Aspo’s rights issue and raised an additional loan of EUR 324,750.40 from Aspo to finance the purchases. The plan is valid until spring 2014, after which it will be dissolved in a manner to be decided upon later. The plan will be extended for one year at a time if Aspo's share price at the beginning of 2014, 2015, or 2016 is below the average price at which Aspo Management Oy acquired the Aspo shares it owns. There are restrictions on the right of disposal of the shares for the duration of the plan. As a rule, the participants' holding in Aspo Management Oy remains valid until the system is dissolved.

SHARE CAPITAL AND SHARES

Aspo Plc’s share capital on June 30, 2011 was EUR 17,691,729.57 and the total number of shares was 30,959,376 of which the company held 266,419 shares; that is, 0.86% of the share capital. Aspo Plc has one share series. Each share entitles the shareholder to one vote at the shareholders’ meeting. Aspo’s share is quoted on NASDAQ OMX Helsinki Ltd’s Mid Cap segment under industrial products and services.

From January to June 2011 a total of 2,280,634 Aspo Plc shares with a market value of EUR 17.6 million were traded on NASDAQ OMX Helsinki, in other words, 7.6% of the stock changed hands. During the period, the stock reached a high of EUR 9.30 (EUR 8.82 when adjusted for rights issue) and a low of EUR 6.95. The average price was EUR 7.95 and the closing price at the end of the period was EUR 7.25. At the end of the period, the market value excluding treasury shares was EUR 222.5 million.

The number of Aspo Plc shareholders was 6,193 at period-end. A total of 747,786 shares, or 2.4% of the share capital, were nominee registered or held by non-domestic shareholders.

DECISIONS OF THE ANNUAL SHAREHOLDERS’ MEETING

Dividend

In accordance with the decision made by Aspo Plc’s Annual Shareholders’ Meeting on April 5, 2011, a dividend of EUR 0.42 per share was paid to shareholders. The dividend totaled EUR 11,284,140.00. The dividend was paid on April 15, 2011.

Board of Directors and auditors

Aspo Plc’s Annual Shareholder’s Meeting re-elected Matti Arteva, Esa Karppinen, Roberto Lencioni, Gustav Nyberg, Kristina Pentti-von Walzel, and Risto Salo to the Board of Directors for a one-year term.

In the meeting arranged after the Shareholders' meeting, the Board elected Gustav Nyberg as its Chairman and Matti Arteva as its Vice-Chairman. At the meeting, the Board also decided to re-appoint Roberto Lencioni as Chairman of the Audit Committee and Kristina Pentti-von Walzel and Risto Salo as Committee members.

The authorized public accounting firm PricewaterhouseCoopers Oy will continue as the company auditor. Jan Holmberg, APA, will act as the auditor in charge.

Board authorizations

Authorization of the Board to decide on the acquisition of company-held shares

The Annual Shareholders' Meeting authorized the Board of Directors to decide on the acquisition of a maximum of 500,000 company-held shares using non-restricted shareholders' equity. The shares will be purchased through public trading, which means that the purchase will be made irrespective of the shareholders' holdings, and the price paid for the shares will be the market price of Aspo's shares at the time of acquisition. The authorization does not exclude the Board's right to decide on a directed issue. The shares will be used to finance and complete any acquisitions or other transactions, to carry out the company's incentive programs, or for other purposes to be decided on by the Board of Directors. The Board may not exercise the authorization to acquire company-held shares if, after the acquisition, the company or its subsidiary would possess or have as a pledge more than 10% of the company's stock. The authorization is valid until the Annual Shareholders' Meeting of 2012, but no more than 18 months from the approval at the Shareholders' Meeting.

Based on the authorization given by the Shareholders' Meeting, Aspo Plc initiated a repurchase program and had acquired a total of 12,186 company-held shares through public trading on NASDAQ OMX Helsinki by the end of the reporting period.

Authorization of the Board to decide on a share issue involving the transfer of treasury shares

The shareholders authorized the Board of Directors to decide on a share issue involving one or more installments, carried out through the transfer of treasury shares. A maximum of 754,233 shares may be transferred on the basis of the authorization. The authorization will be used to finance or execute any acquisitions or other transactions, to carry out the company's shareholding program, or for other purposes determined by the Board of Directors. The authorization gives the Board the right to decide on the terms and conditions applicable to the rights issue, and thus also the right to decide on a directed share issue deviating from the shareholders' pre-emptive right, as provided by law. The authorization is valid until the Annual Shareholders' Meeting of 2012, but no more than 18 months from the approval at the Shareholders' Meeting.

Authorization of the Board to decide on a rights issue

The shareholders authorized the Board to decide on a rights issue, whereby shareholders have the right to subscribe to new Aspo shares in proportion to their previous shareholdings. The total number of new shares to be offered for subscription may not exceed 5,500,000. The Board was authorized to decide on other terms and conditions governing the rights issue. The authorization is valid until the Annual Shareholders' Meeting of 2012, but no more than 18 months from the approval at the Shareholders' Meeting. The authorization does not invalidate the authorization given to the Board to decide on a share issue involving the transfer of company-held shares.

RIGHTS ISSUE

Aspo's Board of Directors decided to use the authorization given to it by the Shareholders' Meeting, and the terms and conditions of the rights issue were published on April 5, 2011. The prospect approved by the Financial Supervisory Authority on the issue of 3,838,143 new shares was published on April 8, 2011. The final outcome of the rights issue showed that 3,785,900 shares, representing 98.6% of the total number of shares offered, were subscribed to with subscription rights. The remaining 52,243 shares, corresponding to 1.4% of the shares offered, were subscribed to without subscription rights, and were distributed to investors according to the terms and conditions published on April 5, 2011. The share subscription percentage was 120.8%. Trading in the new shares alongside the old shares commenced on May 9, 2011.

On March 14, 2011, Aspo's Board of Directors decided to grant Aspo Management Oy a maximum loan of EUR 400,000 for share subscriptions related to the rights issue. Since the preconditions for the decision were fulfilled, Aspo Management Oy withdrew a total of EUR 324,750.40 of the loan on April 14, 2011 and used all of its subscription rights for the subscription of Aspo shares. The loan is treated as a related party transaction in Aspo Plc.

OUTLOOK FOR 2011

The rapid decline in the global economy, which has taken place after the reporting period, will increase uncertainty in the market and make it more difficult to forecast future development. Aspo Group's current structure creates a good basis for business growth. Aspo's net sales will increase by 10–20% and operating profit will improve.

ESL Shipping

International cargo prices are expected to remain low. Activities in the Baltic sea transport market are estimated to remain satisfactory, and the prices of ESL Shipping's multi-year agreements will stay at the current level.

The shipping company's vessel capacity has declined in recent years, but will grow considerably in the next three quarters. M/s Alppila, constructed in India, will begin to operate in the Baltic Sea this fall. To secure the increasing transport volumes in the Baltic Sea and the capacity of multi-year contracts, the time charters of M/s Beatrix and M/s Nassauborg have been further extended, this time until summer 2012. A considerable share of the capacity for 2011 has been handled through long-term price and transport agreements. The steel industry transport volumes are estimated to remain at the 2010 level, while the energy sector cargo volumes are expected to increase from the previous year. A Finnish steel mill announced a blast furnace renovation, which will be carried out in the third quarter. The barge units used to transport steel industry raw materials will be overhauled at the Arctech Helsinki shipyard during the shutdown. The extensive renovation will extend their operating time by an estimated 10 years.

Construction of the two vessels that ESL Shipping ordered from the Korean company Hyundai Mipo's Vietnamese shipyard Vinash is on schedule. The first vessel is expected to be handed over in November 2011 and the second one in spring 2012. Both vessels are financed with a bank loan.

The amendment to the tonnage tax legislation prepared by the Finnish government and awaiting for approval from the EU commission would have a considerable positive effect on ESL Shipping’s post-tax result if applied.

Leipurin

Organic growth is expected to continue. Industrial demand is expected to remain at its current good level. The international financial crisis may affect the price levels of raw materials sold.

The new offices that were established create a good foundation for several years of growth in bakery raw material sales. Bakery machinery sales are predicted to grow from 2010. Leipurin continues to look into opportunities to further expand its product range of bakery machinery, especially to meet the needs of Eastern growth markets. The establishment of other food industry operations in Russia, Kazakhstan and the Baltic countries is not expected to notably affect the profitability of Leipurin in 2011.

Telko

Organic growth is expected to continue. Industrial demand is estimated to remain at the current good level. The international financial crisis may affect the price levels of raw materials sold.

Telko continues to expand in line with its strategy in Russia, Ukraine, other CIS countries, and China. The company will open new offices in major Russian cities. Telko is looking into a potential investment in a chemicals handling terminal in St Petersburg. The terminal would ensure the logistical resources needed for multi-year growth in the chemicals business, as well as customer-specific upgrading of products in Russia. Owing to the financial crisis in Belarus, the country’s currency is not used for product sales in the region.

The Chinese subsidiary has set up sales units in the Guangzhou region in southern China and in the Beijing region in the north. Operations are mainly based on the raw material service for the Chinese operations of northern European industrial plastic pressing enterprises.

Kaukomarkkinat

Kaukomarkkinat aims to increase the product range of its local energy solutions, especially in Finland. Demand is expected to grow due to increased energy prices and the new EU directives aimed at generating energy savings.

The sales of solar energy systems, pellet boilers and power plants, and air-source heat pump solutions are expected to remain at least at the present level. The number of industrial turbine and heat exchanger projects is expected to increase from 2010.

The order book for Far Eastern project deliveries has improved significantly from 2010 and now covers all of 2011.

Helsinki, August 18, 2011

ASPO Plc

Board of Directors

ASPO GROUP INCOME STATEMENT

	4-6/2011 MEUR	%	4-6/2010 MEUR	%
Net sales	124.6	100.0	99.2	100.0
Other operating income	0.1	0.1	0.1	0.1
Depreciation and write-downs	-2.0	-1.6	-2.0	-2.0
Operating profit	5.2	4.2	4.3	4.3
Financial income and expenses	-1.0	-0.8	-0.7	-0.7
Profit before taxes	4.3	3.5	3.5	3.5
Profit for the period	3.2	2.6	2.9	2.9
Other comprehensive income				
Translation differences	0.3		0.3	
Cash flow hedges	-0.5		1.9	
Income tax on other comprehensive income	0.1		-0.5	
Other comprehensive income for the year, net of taxes	-0.1		1.7	
Total comprehensive income	3.1		4.6	
Profit attributable to shareholders	3.2		2.9	
Non-controlling interest	0.0		0.0	
Total comprehensive income attributable to shareholders	3.1		4.6	
Non-controlling interest	0.0		0.0	

	1-6/2011 MEUR	%	1-6/2010 MEUR	%	1-12/2010 MEUR	%
Net sales	231.3	100.0	182.6	100.0	395.9	100.0
Other operating income	0.2	0.1	0.7	0.4	1.5	0.4
Depreciation and write-downs	-4.0	-1.7	-4.1	-2.2	-8.1	-2.0
Operating profit	8.1	3.5	6.4	3.5	17.9	4.5
Financial income and expenses	-2.3	-1.0	-1.8	-1.0	-3.8	-1.0
Profit before taxes	5.8	2.5	4.5	2.5	14.1	3.6
Profit for the period	4.3	1.9	3.4	1.9	10.4	2.6
Other comprehensive income						
Translation differences	0.4		1.2		1.2	
Cash flow hedges	-1.3		1.9		-0.9	
Income tax on other comprehensive income	0.3		-0.5		0.2	
Other comprehensive income for the year, net of taxes	-0.6		2.6		0.5	
Total comprehensive income	3.7		6.0		10.9	
Profit attributable to shareholders	4.3		3.4		10.3	
Non-controlling interest	0.0		0.0		0.1	
Total comprehensive income attributable to shareholders	3.7		6.0		10.8	
Non-controlling interest	0.0		0.0		0.1	

ASPO GROUP BALANCE SHEET

	6/2011 MEUR	6/2010 MEUR	Change %	12/2010 MEUR
Assets				
Non-current assets				
Intangible assets	15.7	16.1	-2.5	15.9
Goodwill	40.6	40.3	0.7	40.6
Tangible assets	70.4	57.5	22.4	54.4
Available-for-sale assets	0.2	0.2	0.0	0.2
Long-term receivables	1.6	2.5	-36.0	1.3
Shares in associated companies	1.7	1.3	30.8	1.7
Total non-current assets	130.2	117.9	10.4	114.1
Current assets				
Inventories	46.4	33.9	36.9	44.9
Sales and other receivables	61.5	46.4	32.5	46.7
Cash and bank deposits	13.5	10.7	26.2	7.1
Total current assets	121.4	91.0	33.4	98.7
Total assets	251.6	208.9	20.4	212.8
Shareholders' equity and liabilities				
Shareholders’ equity				
Share capital	17.7	17.7	0.0	17.7
Other shareholders’ equity	64.4	45.1	42.8	51.1
Shareholders’ equity attributable to equity holders of the parent	82.1	62.8	30.7	68.8
Non-controlling interest	0.7	0.0	0.0	0.7
Long-term liabilities	96.5	56.6	70.5	78.5
Short-term liabilities	72.3	89.5	-19.2	64.8
Total shareholders' equity and liabilities	251.6	208.9	20.4	212.8

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 31.12.2010	17.7	4.3	-0.7	5.4	-4.5	-0.4	46.9	68.7	0.8	69.5
Comprehensive income:										
Profit for the period							4.3		0.0	
Translation difference						0.4				
Cash flow hedge, net of taxes			-1.0							
Total comprehensive income			-1.0			0.4	4.3	3.7	0.0	
Transactions with owners:										
Dividend payment							-11.1			
Share repurchase					-0.1					
Share-based payment							0.2			
Conversion of convertible bond				1.5						
Rights issue				19.2						
Total transactions with owners				20.7	-0.1		-10.9	9.7		
Balance at 30.6.2011	17.7	4.3	-1.7	26.1	-4.6	0.0	40.3	82.1	0.7	82.8
Balance at 31.12.2009	17.7	4.3	0.0	2.8	-3.7	-1.6	47.4	66.9	0.1	67.0
Comprehensive income:										
Profit for the period							3.4		0.0	
Translation difference						1.2				
Cash flow hedge, net of taxes			1.4							
Total comprehensive income			1.4			1.2	3.4	6.0		
Transactions with owners:										
Dividend payment							-10.8			
Share-based payment				0.2	0.1		0.0			
Conversion of convertible bond				0.3						
Total transactions with owners				0.5	0.1		-10.8	-10.2		
Balance at 30.6.2010	17.7	4.3	1.4	3.3	-3.6	-0.4	40.1	62.8	0.0	62.8

ASPO GROUP CASH FLOW STATEMENT

	1-6/2011 MEUR	1-6/2010 MEUR	1-12/2010 MEUR
OPERATIONAL CASH FLOW			
Operating profit	8.1	6.4	17.9
Adjustments to operating profit	4.5	4.2	8.3
Change in working capital	-7.9	-5.2	-8.5
Interest paid	-2.3	-3.1	-4.8
Interest received	0.3	0.9	1.2
Taxes paid	-0.6	-1.2	-4.5
Total operational cash flow	2.1	2.0	9.6
INVESTMENTS			
Investments in tangible and intangible assets	-19.0	-10.9	-11.9
Gains on the sale of tangible and intangible assets		0.2	0.6
Purchases of business operations			-0.3
Associated companies acquired		0.3	0.2
Total cash flow from investments	-19.0	-10.4	-11.4
FINANCING			
Rights issue	19.2		
Change in short-term borrowings	-4.2	19.6	-14.9
Change in long-term borrowings	19.5	-1.2	24.0
Share repurchase	-0.1		-0.9
Dividends paid	-11.1	-10.8	-10.8
Total financing	23.3	7.6	-2.6
Increase / Decrease in liquid funds	6.4	-0.8	-4.4
Liquid funds in beginning of year	7.1	11.5	11.5
Liquid funds at period end	13.5	10.7	7.1

KEY FIGURES AND RATIOS

	1-6/2011	1-6/2010	1-12/2010
Earnings per share, EUR	0.15	0.12	0.38
EPS adjusted for dilution, EUR	0.15	0.13	0.39
Equity per share, EUR	2.72	2.30	2.49
Equity ratio, %	33.7	30.2	33.2
Gearing, %	94.4	124.7	101.5

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, 2010. The calculation formulas for key indicators are explained on page 82 of the 2010 financial statements. The information in this report is unaudited.

Helsinki August 18, 2011

ASPO Plc

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PRESS AND ANALYST CONFERENCE

The press and analyst conference will be arranged today, Thursday August 18, 2011, at 13.30, at the Gallen-Kallela cabinet at Hotel Kämp, Pohjoisesplanadi 28, 00100 Helsinki.

FINANCIAL INFORMATION IN 2011

Aspo Plc will publish the following Interim Report in 2011:
for the third quarter on October 26, 2011

DISTRIBUTION:
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