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ASPO GROUP INTERIM REPORT JANUARY 1 TO MARCH 31, 2015

Aspo: A strong start for 2015
(Figures from the corresponding period in 2014 are presented in brackets.)

January–March 2015
- Aspo's comparable operating profit increased to EUR 4.3 (3.8) million. The operating profit was EUR 3.0 million, including a EUR -1.3 million impairment of Kaukomarkkinat's goodwill.
- Of Aspo's business operations, Telko improved its operating profit the most, with its operating profit being EUR 3.0 (1.8) million. Operating profit of ESL Shipping was at a good level, being EUR 3.3 (3.3) million. Furthermore, ESL Shipping sold its shares in Alandia Insurance, recording a sales gain of EUR 4.9 million in financial items. Leipurin was able to improve its operating profit to EUR 0.5 (0.3) million. The operating profit of Kaukomarkkinat was reduced by the sale of the international loss-making Industrial business, as a result of which Aspo reduced the goodwill of the Kaukomarkkinat segment. The negative impact of the sale on Aspo Group's result was EUR 1.3 million.
- Profit for the period stood at EUR 7.0 (2.4) million.
- Earnings per share increased significantly to EUR 0.22 (0.07).

General outlook for 2015
Despite the uncertainties in markets, the operating environments of Aspo's businesses are expected to remain stable. Aspo's euro-denominated net sales in EU markets will increase but decrease in eastern markets. Reduced costs and increased market shares will improve profitability, in eastern markets in particular. It is challenging to estimate the shipping company's future transportation volumes in the Baltic Sea.

Guidance for 2015
The guidance will remain unchanged. Aspo expects to reach a good result.

KEY FIGURES

	1-3/2015	1-3/2014	Change, %	1-12/2014
Net sales, MEUR	102.0	108.0	-5.6	482.9
Operating profit, MEUR *)	3.0	3.8	-21.1	23.4
Operating profit, %	2.9	3.5		4.8
Profit before taxes, MEUR **)	7.5	2.6	188.5	19.0
Profit for the period, MEUR **)	7.0	2.4	191.7	18.4
Earnings per share, EUR	0.22	0.07	214.3	0.57
Operational cash flow, MEUR	-7.4	0.5	-1580.0	22.0
Equity per share, EUR	3.57	3.33	7.2	3.42
Return on equity (ROE), %	26.2	9.5		17.8
Gearing, %	99.9	112.0		101.0
ESL Shipping, operating profit, MEUR	3.3	3.3	0.0	16.0
Leipurin, operating profit, MEUR	0.5	0.3	66.7	4.4
Telko, operating profit, MEUR	3.0	1.8	66.7	9.9
Kaukomarkkinat, operating profit, MEUR *)	-2.0	-0.2	-900.0	0.1

*) The operating profit in 2015 includes a MEUR -1.3 impairment of goodwill.
**) The profit in 2015 includes a MEUR -1.3 impairment of goodwill and a MEUR 4.9 sales gain.

Other significant events during the review period

The state was obligated to pay about EUR 3.0 million in compensation, as well as legal expenses and interest, to ESL Shipping over 2001–2004 as a result of legal proceedings regarding fairway dues. Since the district court judgement is not yet final, no receivables were recognized in the review period's result.

AKI OJANEN, CEO OF ASPO GROUP:

“Aspo's comparable operating profit grew positively regardless of the challenging economic situation.

I am especially satisfied with the ability of Telko and Leipurin, the two business operations focusing on Russia, to further improve their profitability. After the collapse in the value of the Russian ruble at the end of 2014, we can safely say that our business operations are fully capable to react to economic changes, while maintaining their profitability. The market position of our businesses in Russia has strengthened significantly.

Within the EU, our euro-denominated net sales continued to improve in Scandinavia and Poland.

Telko, our largest business, has a good resistance against decreases in oil prices and changes in exchange rates. Telko has managed to strengthen its position as the leading western operator in eastern markets. Telko's operating profit of EUR 3.0 million and operating profit rate of 6% are good achievements.

Leipurin proved that a strong market position and extensive experience are rewarded as high profitability in eastern markets.

ESL Shipping succeeded well in winter operations, producing a good operating profit of EUR 3.3 million. The international price level of dry bulk cargo rates has sunk to a historical low. The upcoming summer will show whether or not the Sulphur Directive has reduced the number of ships operating in the area. The economic trend will determine how transportation volumes in the Baltic Sea develop.

Of the businesses owned by Aspo, Telko, Leipurin and ESL Shipping improve well according to their strategies. Aspo Group's financial position reached the targets set for it, forming a solid base for considered investments and structural changes. Kaukomarkkinat, our smallest business, has mainly abandoned its international loss-making operations, and will focus on the Finnish market.

We are in a good position to move forward and develop Aspo's businesses further.”

ASPO GROUP

NET SALES

Aspo Group's net sales decreased by EUR 6.0 million, i.e. 5.6%, to EUR 102.0 (108.0) million.

Net sales by segment

	1-3/2015 MEUR	1-3/2014 MEUR	Change %	1-12/2014 MEUR
ESL Shipping	18.2	21.2	-14.2	85.2
Leipurin	28.3	30.1	-6.0	134.9
Telko	50.0	49.6	0.8	226.8
Kaukomarkkinat	5.5	7.1	-22.5	36.0
Other operations	0.0	0.0	0.0	0.0
Total	102.0	108.0	-5.6	482.9

There is no considerable inter-segment net sales.

Net sales by market area

	1-3/2015 MEUR	1-3/2014 MEUR	Change %	1-12/2014 MEUR
Finland	35.4	38.9	-9.0	162.0
Scandinavia	11.7	11.1	5.4	47.9
Baltic countries	11.7	12.0	-2.5	55.7
Russia, Ukraine + other CIS-countries	26.4	31.1	-15.1	153.0
Other countries	16.8	14.9	12.8	64.3
Total	102.0	108.0	-5.6	482.9

Net sales decreased in Finland, particularly regarding ESL Shipping. The decrease in net sales in Russia, Ukraine, and other CIS countries was mainly affected by the strong decline in local currencies compared with the reference period. Scandinavia, the Baltic countries, and other countries either maintained their previous level or increased their net sales.

EARNINGS

Aspo Group's operating profit in January–March amounted to EUR 3.0 (3.8) million. The comparable operating profit was EUR 4.3 million. ESL Shipping’s operating profit remained at the reference period’s level of EUR 3.3 (3.3) million. Leipurin's operating profit increased to EUR 0.5 (0.3) million. Telko's operating profit increased to EUR 3.0 (1.8) million and that of Kaukomarkkinat fell by EUR 1.8 million to EUR -2.0 (-0.2) million. In connection with the divestment of the Industrial business of Kaukomarkkinat, Aspo estimated the goodwill of the Kaukomarkkinat segment, and recorded an impairment of EUR 1.3 million. The operating profit of other operations weakened and was negative at EUR -1.8 (-1.4) million.

Operating profit by segment

	1-3/2015 MEUR	1-3/2014 MEUR	Change %	1-12/2014 MEUR
ESL Shipping	3.3	3.3	0.0	16.0
Leipurin	0.5	0.3	66.7	4.4
Telko	3.0	1.8	66.7	9.9
Kaukomarkkinat	-2.0	-0.2	-900.0	0.1
Other operations	-1.8	-1.4	-28.6	-7.0
Total	3.0	3.8	-21.1	23.4

Earnings per share

Earnings per share were EUR 0.22 (0.07) and diluted earnings per share were EUR 0.22 (0.08). Equity per share was EUR 3.57 (3.33). The result was significantly improved by the sales gain of EUR 4.9 million recognized in financial items through the sale of shares in Alandia Insurance.

Financial targets

Aspo is aiming at an operating profit level which is closer to 10% than 5%, an average return on equity of over 20%, and gearing of up to 100%.

During the first quarter of 2015, the operating profit rate was 2.9% (3.5), return on equity was 26.2% (9.5), and gearing was 99.9% (112.0).

OUTLOOK FOR 2015

The slow growth in global economy and industry within the EU will continue. Uncertainty will continue in eastern growth markets that are important areas for Aspo, and any future development and resulting financial impacts are difficult to evaluate. Currencies are expected to remain volatile, and inflation is estimated to remain high in Russia, while GDP is expected to decrease significantly. Oil prices will remain low, even if the price moved slightly higher. In general, the prices of raw materials are expected to remain at a low level. The Group will continue to increase its market shares in the strategically important eastern growth markets after some of its competitors have withdrawn from the markets. International dry bulk cargo rates are expected to remain low.

Aspo's 2015 estimate is based on industrial production in Finland and the EU continuing to show a downward trend, and the continuation of the crisis between Russia and Ukraine. Our experience and expertise in financial crises have usually strengthened our market position in the east.

Despite the uncertainties in markets, the operating environments of Aspo's businesses are expected to remain stable. Aspo's euro-denominated net sales in EU markets will increase but decrease in eastern markets. Reduced costs and increased market shares will improve profitability, in eastern markets in particular. It is challenging to estimate the shipping company's future transportation volumes in the Baltic Sea.

General uncertainties in international economies have continued. Uncertainty in Europe has increased by the political conflict between Russia and Ukraine, which has significantly increased the regional risk in Russia, Ukraine, and other CIS countries. If extended, the uncertainty and political conflict may cause new financial sanctions to be imposed on Russia, the value of local currencies to change heavily, or the economic growth in the region to decelerate even further. Industrial production in the EU is expected to turn to an increase, while interest rates will remain low.

Aspo's euro-denominated costs are expected to decrease significantly due to the tight cost control in Russia, Ukraine, and other CIS countries, as well as due to the devaluation of the local currencies.

Guidance: Aspo expects to reach a good result.

BUSINESS OPERATIONS

ESL SHIPPING

ESL Shipping is the leading dry bulk cargo company in the Baltic Sea region. At the end of the period, the company's fleet consisted of 14 vessels, of which the company owned 13 in full and one was leased.

	1-3/2015	1-3/2014	Change, %	1-12/2014
Net sales, MEUR	18.2	21.2	-14.2	85.2
Operating profit, MEUR	3.3	3.3	0.0	16.0
Operating profit, %	18.1	15.6		18.8

International rates of dry bulk cargo continued to decrease from the fourth quarter to a historically low level. In the review period, all vessels of ESL Shipping mainly operated in the Baltic Sea and the North Sea, and in international traffic from North Europe to the Mediterranean. Transportation operations are mainly based on long-term contracts and established customer relationships. During the review period, a number of volume contracts that supplement contractual traffic were signed.

ESL Shipping’s net sales in January–March stood at EUR 18.2 (21.2) million. The decrease in net sales was affected by capacity which decreased by one time-chartered vessel compared to the previous year, and the steep decline in oil prices. The lower cost of fuel reduces the shipping company's net sales through fuel clauses in long-term contracts.

However, profitability remained good, with operating profit being EUR 3.3 (3.3) million. The good level of profitability was affected by the continuous investments of the entire shipping company's staff in efficiency and energy savings. The review period's light ice conditions helped reduce costs. Despite the reduced capacity, ESL Shipping transported nearly as much cargo in January–March as in the previous year, i.e. 2.6 (2.7) million tons.

The cargo price level of Supramax vessels was satisfactory over the review period considering the poor market situation. The low freight rates for large vessels has increased customer demand for loading and unloading at sea.

In the steel industry, both transportation volumes and open-sea operations requiring special expertise and equipment increased compared to last year's corresponding period. The transportation volume within the energy industry fell due to last fall's peak levels, the mild winter and the low electricity wholesale price. At the same time, the coal stocks of customers have grown.

The support strike threatening Finnish vessels during the review period had a negative impact on ship cargos and operational control. The impact of the Sulphur Directive has remained marginal due to low oil prices and the availability of new fuels which was better than expected.

Outlook for ESL Shipping in 2015

International dry bulk cargo rates are expected to remain low in 2015. In particular, the market freight prices of large vessels are at a historical low, and the market situation remains a challenging one. However, a significant part of the company's transportation capacity has been secured through long-term contracts.

Transportation volumes in the steel industry are expected to be higher during the remainder of the year than last year. If required, the capacity will be adjusted according to seasonal variation in demand, by keeping the pusher fleet at port and by chartering vessels.

Demand for loading and unloading large vessels at sea will remain high. The shipping company is negotiating over possibilities to discover new optional market areas for its pusher fleet outside the Baltic Sea, or for example, from the transportation of biofuels in the Baltic Sea.

The shipping company will continue to expand its customer base outside the energy and steel sectors, particularly towards the transportation of mining, agricultural and bioenergy products where the independent load handling capacity and ice-strengthening of the vessels can be utilized. The company will also expand its operating area and reduce the impact of seasonal and industrial cycles. Operations in the Russian arctic will be continued during the summer and fall periods.

Transportation needs of the energy industry during the latter part of 2015 are expected to be close to the previous year's level in combined heat and power production but the situation depends on the competitiveness of coal prices, the market price of electricity, and the volumes of Nordic water reserves in the possibly decreasing production of condensing power.

In 2015, three ship units will be docked as planned.

LEIPURIN

Leipurin serves the bakery industry and other food industry by providing product development services, raw materials needed for baking, and equipment from individual machines to full-scale baking lines. Leipurin operates in Finland, Russia, the Baltic countries, Poland, Ukraine, Belarus, and Kazakhstan. In Russia, its operations cover all geographic areas. In its procurement operations, Leipurin operates both internationally and by developing local procurement.

	1-3/2015	1-3/2014	Change, %	1-12/2014
Net sales, MEUR	28.3	30.1	-6.0	134.9
Operating profit, MEUR	0.5	0.3	66.7	4.4
Operating profit, %	1.8	1.0		3.3

The prices of sold raw materials remained at the low levels of the reference period. In Finnish retail of bread, frozen imported bread has increased its market share, which has reduced the total volume of bread baked in Finland. In Russia, the volumes of raw material trade decreased from the reference period due to the high level of inflation and elevated food prices.

The net sales of Leipurin fell slightly in the first quarter from the reference period and stood at EUR 28.3 (30.1) million. Its operating profit grew and amounted to EUR 0.5 (0.3) million. The profitability of bakery raw materials improved but that of bakery machinery fell significantly from the reference period, with operating profit being negative. The net sales and profitability of bakery machinery were decreased by the Russian ruble which fell heavily in 2014, as a result of which Russian bakery customers both postponed and canceled their machine orders. At the Nastola production facility, an amount of employees were laid off during the review period.

In Russia, the purchasing power of consumers has decreased, while demand shifted towards more inexpensive local products during the review period. Net sales in Russia, Ukraine, and other CIS countries stood at EUR 6.3 (8.9) million. The euro-denominated net sales of bakery raw materials fell in Russia by 26%, whereas the ruble-denominated net sales increased by 9%. In Ukraine and other CIS countries, the euro-denominated net sales grew. Despite the economic uncertainty in the region and the temporarily low volumes in Russia, Leipurin was able to maintain its operating profit level in raw material trade above the target level of 5% in eastern markets.

Leipurin develops its overall product range according to its strategy. Customers' business operations are developed on the basis of product development and training services, new raw materials, an even more developed baking equipment offering, and investment-related planning. Leipurin will continue its investments to increase the share of raw materials sold under the Leipurin brand, and increase the share of raw materials produced locally in Russia, Ukraine, and other CIS countries from sales. Currently, local raw materials account for about 40% of the total volume. The margin level of locally acquired products is better than on average.

Outlook for Leipurin in 2015

The prices of bakery and other food raw materials are expected to remain at their current level until the 2015 harvest season, when a new price level will be formed. In Finland, the Baltic region and Poland, demand will continue at the current level, and growth will be sought from the out-of-home market and after-sales services in machine trade. In Finland, the efficiency measures carried out are expected to produce annual cost savings of about EUR 1 million starting from summer 2015.

Evaluating the Russian business environment remains a challenge. Uncertainty over the Russian economic situation and the strong fluctuation in the value of the ruble at the end of 2014 and at the beginning of 2015 make it more difficult to predict future volumes and margin levels. Leipurin will continue to develop its local procurement, and its aim is to increase the share of local procurement to about 50% by the summer of 2015.

The order book of bakery machinery is smaller than in the reference period due to slow demand in Russia. The collapse in the Russian ruble in 2014 and the resulting discontinuation in production orders will have the highest impact during the second quarter when employees are being laid off at the Nastola production facility. The company strives to relieve sales and ordering decisions by identifying and developing customer-specific financing solutions. In the long term, the structural change within the Russian bakery industry and trade offers good opportunities to increase machine sales. Demand for high-quality healthy bread is expected to grow in Russia in the long run. The long-term outlook on bakery raw materials and machine sales has remained unchanged.

TELKO

Telko is the leading expert and supplier of plastic raw materials and industrial chemicals in the Baltic Sea region. The company operates in Finland, the Baltic countries, Scandinavia, Poland, the Czech Republic, Slovakia, 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.

	1-3/2015	1-3/2014	Change, %	1-12/2014
Net sales, MEUR	50.0	49.6	0.8	226.8
Operating profit, MEUR	3.0	1.8	66.7	9.9
Operating profit, %	6.0	3.6		4.4

During the review period, the general economic situation in Telko's operating area remained weak. Indicators representing the economic situation in Russia and Ukraine continued their downward trend. Telko's western market showed signs of recovery in industrial production, apart from Finland. The prices of raw materials sold by Telko turned to an increase at the end of the review period, while the price level was significantly lower than during last year's corresponding period.

Despite the low prices and the rate of Russian ruble, which was lower than in the reference period, Telko's euro-denominated net sales remained at the previous year's level at EUR 50.0 (49.6) million.

Operating profit improved significantly, being EUR 3.0 (1.8) million, i.e. 6% of net sales. Telko's plastics businesses improved the most in terms of profitability. In addition, industrial chemicals and lubricants improved their result. Operating profit improved particularly in Russia, Ukraine, and other CIS countries because of increased volumes, lower costs due to the decline in local currencies, and improved margins. Operating profit margin in this market area was approximately 10%. In

Scandinavia and Poland, net sales increased and profitability improved.

Net sales in Russia, Ukraine, and other CIS countries fell slightly to EUR 19.4 (20.7) million. Denominated in local currencies, Telko's net sales increased in Russia, Ukraine, and other CIS countries. The extended political situation between Russia and Ukraine, and unstable oil price levels maintain uncertainties over future economic development, possibly causing fluctuations in exchange rates. The Russian ruble, important to Telko, strengthened during the review period. However, the exchange rates of the Russian and Ukrainian currencies compared to EUR and USD were significantly weaker than in the reference period. Currency risks associated with Russia and Ukraine have been reduced by lowering the foreign currency position.

Outlook for Telko in 2015

The prices of plastic raw materials have strengthened from the beginning of the year, and raw material prices are expected to increase moderately at least during the first half of the year. In the markets of Russia, Ukraine, and other CIS countries that are important to Telko, the economy is expected to remain low in 2015. Demand in western markets is expected to remain unchanged or improve slightly towards the end of the year. Regardless of the crisis between Russia and Ukraine, Telko will continue to operate in Russia according to its strategy, and expand to new metropolises. In order to further develop sales of industrial chemicals, the investigation of the construction of a logistics terminal in St. Petersburg has advanced, and the decision on the investment may be reached this year.

KAUKOMARKKINAT

Kaukomarkkinat supplies products and systems that improve efficiency for the real estate and industrial sectors, as well as tools for professionals. The goal is to increase the energy efficiency, process efficiency and safety of our customers, as well as the profitability of their operations. The business is based on an in-depth understanding of customer needs, an extensive network of principals, and the ability to combine products and systems into functional entities. Kaukomarkkinat operated in Finland, Poland, Latvia, Russia, China, and Vietnam.

	1-3/2015	1-3/2014	Change, %	1-12/2014
Net sales, MEUR	5.5	7.1	-22.5	36.0
Operating profit, MEUR	-2.0	-0.2	-900.0	0.1
Operating profit, %	-36.4	-2.8		0.3

The comparable operating profit of Kaukomarkkinat fell from the reference period. The first quarter is traditionally the weakest. The net sales of Kaukomarkkinat stood at EUR 5.5 (7.1) million. Operating profit decreased, being comparably negative at EUR -0.7 (-0.2) million. Kaukomarkkinat has investigated the suitability of its international operations considering its current strategy. During the review period, Kaukomarkkinat sold its loss-making Industrial business which was engaged in the sale of industrial machinery and equipment in Poland, Russia, China, and Vietnam. In addition, the net sales of other international operations continued to decrease, producing a negative result. In connection with the divestment of the Industrial business, Aspo evaluated the goodwill of the Kaukomarkkinat segment and recorded a non-recurring impairment of EUR 1.3 million. Operating profit for the review period, taking non-recurring items into account, stood at EUR -2.0 (-0.2) million.

In Finland, demand for energy efficiency products remained at a satisfactory level, while there was a clear increase in solar power system deliveries. The sale of special IT equipment for the healthcare sector continued to developed positively. Demand for tablets and laptops for special conditions remained high, while the review period's result was decreased by the timing of customer project deliveries in the forthcoming quarters.

After the review period, Sami Koskela (M.Sc. Eng.) started as the new managing director of Kaukomarkkinat on April 17, 2015.

Outlook for Kaukomarkkinat in 2015

IT solutions based on special expertise in demanding working environments connected to wireless communications will grow. Kaukomarkkinat is looking for profitable growth in rugged computers, special IT equipment within the healthcare sector, and demanding AV solutions. Kaukomarkkinat will operate in Finland with a more efficient organization. Lower costs and productive sales will allow profitability to improve significantly.

The objective of Kaukomarkkinat is to further develop its product range in the area of energy-efficient building systems technology, even though the economic situation within construction has remained weak. Kaukomarkkinat offers heating solutions through a diverse range of heat pumps and solar power, and systems for the recovery, distribution and control of heat. Demand for cooling solutions will grow, even though general construction volumes have decreased. The demand for energy-efficiency equipment will increase in the near future through new energy regulations and an increase in the taxable energy price paid by consumers. IT control solutions and wireless communications will play a significant part in the development of building systems technology within Kaukomarkkinat.

The divestment of the Industrial business, which specialized in industrial machinery and equipment trade, will improve the profitability of Kaukomarkkinat, and its possibilities to focus on the further development of its profitable operations in Finland.

OTHER OPERATIONS

Other operations include Aspo Group's administration, the financial and ICT service center, and a small number of other functions not covered by business units.

	1-3/2015	1-3/2014	Change, %	1-12/2014
Net sales, MEUR	0.0	0.0	0.0	0.0
Operating profit, MEUR	-1.8	-1.4	-28.6	-7.0

The operating profit of other operations was negative and amounted to EUR -1.8 (-1.4) million. The decrease resulted from expenses related to profit- and share-based rewards.

FINANCING

The Group’s financing position improved compared to the reference period. The Group's cash and cash equivalents amounted to EUR 14.9 (19.8) million. The consolidated balance sheet included a total of EUR 123.8 (133.5) million in interest-bearing liabilities. The average rate of interest-bearing liabilities was 1.5% at the end of the review period. Non-interest-bearing liabilities totaled EUR 62.3 (68.4) million.

Aspo Group's gearing was 99.9% (112.0) and equity ratio was 37.2% (33.9).

The Group's operational cash flow fell to EUR -7.4 (0.5) million. The change in working capital was negative at the end of the review period, being EUR -13.3 (-5.3) million. Cash flow from investments during the review period was EUR 3.6 million (-11.9), i.e., the Group's free cash flow amounted to EUR -3.8 million (-11.4).

The amount of committed revolving credit facilities signed between Aspo and its main financing banks stood at EUR 60 million at the end of the review period. At period-end, EUR 3 million of the revolving credit facilities and EUR 21 million of the commercial paper program of EUR 80 million were in use. In 2015, a term loan of EUR 15 million will fall due. No other significant loan agreements will expire in 2015.

On November 18, 2013, Aspo issued an EUR 20 million hybrid bond. The coupon rate of the bond is 7% per annum. The bond has no maturity but the company may exercise an early redemption option after three years from the issuing date.

Aspo has hedged its interest rate risk by means of an interest rate swap subject to hedge accounting. Its fair value on March 31, 2015 was EUR -0.7 million. Changes in fair value have been recognized in other comprehensive income, and the financial instrument is at level 2 of the fair value hierarchy.

INVESTMENTS

The Group's investments totaled EUR 1.2 (14.0) million, consisting of maintenance investments. The largest investment during the reference period was the purchase of m/s Kallio.

Investments by segment, acquisitions excluded

	1-3/2015	1-3/2014	Change	1-12/2014
	MEUR	MEUR	%	MEUR
ESL Shipping	0.7	13.6	-94.9	16.0
Leipurin	0.1	0.1	0.0	0.7
Telko	0.4	0.2	100.0	1.8
Kaukomarkkinat	0.0	0.1	-100.0	0.2
Other operations	0.0	0.0	0.0	0.0
Total	1.2	14.0	-91.4	18.7

PERSONNEL

Personnel by segment, period-end

	3/2015	3/2014	Change, %	12/2014
ESL Shipping	218	213	2.3	226
Leipurin	290	301	-3.7	297
Telko	259	247	4.9	258
Kaukomarkkinat	45	76	-40.8	69
Other operations	27	30	-10.0	29
Total	839	867	-3.2	879

At the end of the period, Aspo Group had 839 employees (867). The number of personnel has decreased mainly as a result of the sale of the Industrial business of Kaukomarkkinat. Leipurin has reduced the number of employees in all of its Finnish operations. The number of Telko's employees has increased in Russia. The number of personnel in other operations decreased as a result of the outsourcing plan for ledger operations made in 2014.

Rewarding

In 2012, Aspo’s Board of Directors decided on a share-based incentive plan for about 30 persons. The plan included three earnings periods, the calendar years 2012, 2013 and 2014. The reward was based on Aspo Group's earnings per share (EPS) indicator for each earnings period of the plan. No reward was paid for the 2012 earnings period. Aspo has transferred 19,492 treasury shares to employees included in the share-based incentive plan for the 2013 earnings period and 94,786 shares for the 2014 earnings period.

In February 2015, the Board of Directors of Aspo Plc approved a new share-based incentive plan for about 30 persons. The plan includes three earnings periods, the calendar years 2015, 2016 and 2017. The Board of Directors will decide on the plan's performance criteria and required performance levels for each criterion at the beginning of each earnings period. The reward from the earnings period 2015 will be based on the Group's Earnings per share (EPS). The potential reward from the earnings period 2015 will be paid partly in the company's shares and partly in cash in 2016.

RISKS AND RISK MANAGEMENT

No rapid changes took place in Aspo's business environment as did last year, and the environment remains fairly expectant. Economic development in western countries has been cautiously positive, even though the European economy continues to suffer from the consequences of the financial crisis in Greece and the modest level of industrial production. In Finland, industrial production has contracted further from the year before. The economic uncertainty increases risks in all of Aspo's business fields.

Despite the good results of businesses operating in Russia and Ukraine, the instability of the region and western sanctions, together with their counter-sanctions, have increased both market uncertainty and any fluctuations in currencies, having an impact on demand for products and competitiveness.

Strategic risks

It is difficult to estimate the impact of sanctions on customers of Aspo's businesses in Russia and the product range of principals, but some optional raw materials and products manufactured inside Russia have been entered into production, regardless of a decrease in quality. For example, Leipurin has increased its business in locally acquired raw materials.

As a result of an increase in the prices of imported products, consumer demand has slowed down and the economy has contracted in Russia and Ukraine. Even though the weakening currencies decelerate euro-denominated growth in net sales, euro-denominated costs will also decrease in Russia and Ukraine. The deteriorating economic situation is reflected, not only in trade, but also in the financing markets and payments in Russia and Ukraine. Aspo has reacted to the weakened situation in Ukraine starting from the fall of 2013 when stocks were decreased and the turnover time of trade receivables was reduced. Aspo has taken similar actions in Russia. Items denominated in foreign currencies have been converted into euros, and any changes in exchange rates have rapidly been transferred to prices. The situation is being monitored continuously.

A key element in Aspo's strategy is the implementation of various structural changes. If the current situation in Russia extends or escalates, structural changes within Aspo may become more difficult as investors and industrial operators are wary of the political and operational environment in Russia.

Financial sanctions or any other obstacles caused by the current situation in Russia may, in part, reduce coal transportation volumes, and decrease unloading services for large ocean liners at sea. The social objective to reduce the consumption of coal in energy production has increased in significance, which may reduce the need to transport coal. As a result, it is more difficult to estimate future transportation volumes. A decrease in international freight indices and an increase in international vessels in specific size categories have increased uncertainty over the profitability of shipping companies.

In addition to the political atmosphere, strategic risks are caused by the outlook and production solutions of industrial customers. The current decisions on energy production structures affected by the environmental policy and other political choices may cause changes in industry and energy production, which may decrease the use of fossil fuels and increase alternative forms of energy. The flow of goods in the Baltic Sea may change as a result of the cost structures, changes in the customer structure, such as centralization, or other reasons. These changes may have negative consequences on operations as the need for transportation decreases, but they may also be seen as significant opportunities. Despite changes in the freight rates of global maritime transport, competition for cargo may become more intense in the Baltic Sea area, as well.

Strategic risks are affected by changes in cargo prices, investment trends, and changes in retail structures, especially in western markets. In eastern markets, risks are increased by such factors as political instability, social structures or their lack of reaction to the difficulties encountered by business operations. Rapid changes in economic structures may cause risks due to changes in the customer or principal structure or technologies, and due to unutilized opportunities that require a quick response. Despite the aggravation of the political situation and the alarming direction of economic development, Aspo's strategic risks are evened out by the distribution of business operations over four segments, its engagement in business operations in a broad geographical area, and its ability to react quickly to changing situations.

Operational risks

Even though economic uncertainty in the operating environment has not increased from the year before, operational risks have remained unchanged. These include risks related to supply chains and persons. The focus of Aspo’s growth is on emerging market areas, where growth risks are affected by factors, such as the level of and changes in the global market prices for raw materials, exchange rates, interest rate levels, industrial and commercial investments, customer liquidity, changes in legislation and import regulations, and inactivity by the authorities. Economic growth and any deceleration or decrease in production may have an impact on demand for raw materials in the eastern markets. Currently, the political instability in Ukraine is disturbing commercial activities and, if the situation continues, the growth of Aspo's business operations in Ukraine will slow down. There may be a similar trend in Russia if purchasing power decreases. Furthermore, consumer behavior is reflected in the risks generated through B-to-B customers and their risk levels. The growth opportunities presented by emerging markets boost interest among competitors in launching or expanding business in these areas. The challenging emerging markets and the escalated situation in Ukraine have also caused competitors to withdraw from the area, which has created new potential for Aspo's businesses, increased their market shares and, in some areas, even improved profitability.

Hedging against exchange rate changes, particularly in emerging markets, is not possible in all situations, and especially without interruptions. Changes in exchange rates may also reduce equity on the balance sheet as a result of translation differences. As changes in credit loss risks are divided between businesses and customers, Aspo’s businesses have not been subjected to any significant credit losses. However, limits of credit insurers have become tighter and, in general credit loss risks have increased and been realized to some extent.

The quantity and probability of loss risks are assessed regularly. The amounts insured are sufficient in view of the scope of Aspo's operations, but insurance companies may restrict the validity of insurance policies in areas with military operations.

Internal control and risk management

One of the responsibilities of Aspo's Audit Committee 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 carries out necessary measures 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.

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.

A more detailed account of the risk management policy and the most significant risks has been published in the 2014 Annual Report and on the company's website. Financing risks are described in more detail in notes to the financial statements.

SHARE CAPITAL AND SHARES

Aspo Plc’s share capital on March 31, 2015 was EUR 17,691,729.57 and the total number of shares was 30,975,524 of which the company directly or indirectly held 478,599 shares; that is, 1.5% of the share capital. Of these company-held shares a total of 477,612 were held by the subsidiary Aspo Management Oy. 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 Oy’s Mid Cap segment under industrial products and services.

During January-March 2015, a total of 1,696,035 Aspo Plc shares with a market value of EUR 12.2 million were traded on Nasdaq Helsinki, in other words, 5.5% of the stock changed hands. During the review period, the stock reached a high of EUR 8.08 and a low of EUR 5.92. The average price was EUR 7.17 and the closing price at period-end was EUR 7.96. At the end of the period, the market value excluding treasury shares was EUR 242.8 million.

The number of Aspo Plc shareholders was 8,358 at period-end. A total of 690,543 shares, or 2.2% of the share capital, were nominee registered or held by non-domestic shareholders.

EVENTS AFTER THE PERIOD UNDER REVIEW

Sami Koskela (M.Sc. Eng.) has been appointed the new Managing Director of Kaukomarkkinat Ltd and a member of Aspo’s Group Executive Committee starting from April 17, 2015. Acting Managing Director Kimmo Liukkonen will continue as a member of the Kaukomarkkinat Board of Directors.

DECISIONS AT THE SHAREHOLDERS' MEETING

Dividend

The Annual Shareholders' Meeting of Aspo Plc held on April 9, 2015 decided, according to the Board of Directors' proposal, to pay a dividend of EUR 0.40 per share. The payment date was April 20, 2015.

Board of Directors and Auditor

The Annual Shareholders’ Meeting of Aspo Plc re-elected Matti Arteva, Mammu Kaario, Roberto Lencioni, Gustav Nyberg, Kristina Pentti-von Walzel and Risto Salo to the Board of Directors for a one-year term. At the Board's organizing meeting held after the Annual Shareholders' Meeting, Gustav Nyberg was elected to carry on as Chairman of the Board and Robert Lencioni as Vice-Chairman. At the meeting the Board also decided to appoint Roberto Lencioni Chairman of the Audit Committee and Mammu Kaario and Kristina Pentti-von Walzel as committee members.

The authorized public accounting firm Ernst & Young Oy was elected as company auditor.

Board authorizations

Authorization of the Board of Directors to decide on the acquisition of the company's own shares

The Annual Shareholders' Meeting on April 9, 2015, authorized the Board of Directors to decide on the acquisition of no more than 500,000 of the company's own shares using the unrestricted shareholders' equity of the company. The authorization includes the right to accept company's own shares as a pledge.

The shares shall be acquired through public trading, for which reason the shares are acquired otherwise than in proportion to the share ownership of the shareholders and the consideration paid for the shares shall be the market price of the Aspo's share at the time of repurchase. Shares may also be acquired outside public trading for a price which at most corresponds to the market price in public trading at the time of acquisition. The authorization includes the Board's right to resolve on a directed repurchase or the acceptance of shares as a pledge, if there is a compelling financial reason for the company to do so as provided for in Chapter 15, section 6 of the Finnish Limited Liability Companies Act. The shares shall be acquired to be used for the financing or execution of corporate acquisitions or other transactions, for execution of the company's share-ownership programs or for other purposes determined by the Board.

The decision to acquire or redeem own shares or to accept them as pledge shall not be made so that the shares of the company in the possession of, or held as pledges by the company and its subsidiaries would exceed 10% of all shares. The authorization will remain in force until the Annual Shareholders' Meeting in 2016 but not more than 18 months from the approval at the Shareholders' Meeting. The Board of Directors shall decide on any other matters related to the acquisition of company's own shares and/or accepting them as a pledge.

The authorization will supersede the authorization for the acquisition of company's own shares which was granted to the Board of Directors by the Annual Shareholders' Meeting on April 3, 2014.

Authorization of the Board of Directors to decide on a share issue of the company's own shares

The Annual Shareholders' Meeting on April 9, 2015, authorized the Board of Directors to decide on a share issue, through one or several installments, to be executed by conveying the company's own shares. An aggregate maximum amount of 900,000 shares may be conveyed based on the authorization. The authorization will be used for the financing or execution of corporate acquisitions or other transactions, for execution of the company's share-ownership program or for other purposes determined by the Board.

The authorization includes the right of the Board of Directors to decide on all the terms and conditions of the conveyance and thus also includes the right to convey shares otherwise than in proportion to the share ownership of the shareholders, in deviation from the shareholders' pre-emptive right, if a compelling financial reason exists for the company to do so. The authorization will remain in force until September 30, 2018. The company's own shares may be transferred either against or without payment. The Board of Directors shall decide on any other matters related to the share issue.

The authorization will supersede the authorization concerning a share issue which was granted to the Board of Directors by the Annual Shareholders' Meeting on April 3, 2012.

Authorization of the Board of Directors to decide on a rights issue

The Annual Shareholders' Meeting on April 9, 2015, authorized the Board of Directors to decide on a rights issue for consideration. The authorization is proposed to include the right of the Board of Directors to decide on all of the other terms and conditions of the conveyance and thus also includes the right to decide on a directed share issue, in deviation from the shareholders' pre-emptive right, if a compelling financial reason exists for the company to do so. The total number of new shares to be offered for subscription may not exceed 1,500,000. The authorization will remain in force until September 30, 2018.

The authorization will supersede the authorization concerning a share issue which was granted to the Board of Directors by the Annual Shareholders' Meeting on April 3, 2012.

LEGAL PROCEEDINGS

On February 27, 2015, the Helsinki District Court announced its judgement in the case between ESL Shipping and the Finnish State regarding fairway dues levied during the years 2001-2004. According to the judgement, the Finnish State will be required to refund to ESL Shipping approximately EUR 3.0 million in accordance with the company’s claim, as well as legal expenses and interest. If the district court judgement becomes final, it will affect Aspo Group’s result positively with a corresponding amount.

The shipping company and ABG Shipyard in India have been involved in negotiations concerning the compensation payable for repairs made to m/s Alppila during the warranty period. The vessel was delivered to ESL Shipping in 2011. The negotiations have not proceeded in the way the shipping company had hoped and, therefore, the shipping company has currently legal proceedings underway against ABG Shipyard.

Helsinki May 6, 2015

ASPO Plc

Board of Directors

ASPO GROUP CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	1-3/2015		1-3/2014		1-12/2014	
	MEUR	%	MEUR	%	MEUR	%
Net sales	102.0	100.0	108.0	100.0	482.9	100.0
Other operating income	0.5	0.5	0.0	0.0	0.8	0.2
Materials and services	-71.1	-69.7	-76.4	-70.7	-345.3	-71.5
Employee benefit expenses	-11.3	-11.1	-10.9	-10.1	-43.5	-9.0
Depreciation, amortiziation and impairment	-4.1	-4.0	-2.7	-2.5	-11.2	-2.3
Other operating expenses	-13.0	-12.7	-14.2	-13.1	-60.3	-12.5
Operating profit	3.0	2.9	3.8	3.5	23.4	4.8
Financial income and expenses	4.5	4.4	-1.2	-1.1	-4.4	-0.9
Profit before taxes	7.5	7.4	2.6	2.4	19.0	3.9
Income taxes	-0.5	-0.5	-0.2	-0.2	-0.6	-0.1
Profit for the period	7.0	6.9	2.4	2.2	18.4	3.8
Other comprehensive income						
Items that may be reclassified to profit or loss in subsequent periods:						
Translation differences	0.3		-4.3		-12.7	
Cash flow hedges	0.0		0.0		0.0	
Available-for-sale financial assets	1.8				3.1	
Reclassification	-4.9					
Income tax on other comprehensive income	0.6		0.0		-0.6	
Other comprehensive income for the period, net of taxes	-2.2		-4.3		-10.2	
Total comprehensive income	4.8		-1.9		8.2	
Profit attributable to shareholders	7.0		2.4		18.4	
Non-controlling interest	0.0		0.0		0.0	
Total comprehensive income attributable to shareholders	4.8		-1.9		8.2	
Non-controlling interest	0.0		0.0		0.0	
Earnings per share, EUR	0.22		0.07		0.57	
EPS adjusted for dilution, EUR	0.22		0.08		0.57	

ASPO GROUP BALANCE SHEET

	3/2015 MEUR	3/2014 MEUR	Change %	12/2014 MEUR
Assets				
Intangible assets	12.0	12.8	-6.3	12.3
Goodwill	42.7	45.3	-5.7	44.4
Tangible assets	110.2	114.8	-4.0	111.4
Available-for-sale assets	0.2	0.2	0.0	3.2
Long-term receivables	3.8	4.4	-13.6	4.0
Total non-current assets	168.9	177.5	-4.8	175.3
Inventories	48.3	45.9	5.2	47.3
Sales and other receivables	63.0	60.3	4.5	56.4
Cash and cash equivalents	14.9	19.8	-24.7	19.3
Total current assets	126.2	126.0	0.2	123.0
Total assets	295.1	303.5	-2.8	298.3
Shareholders' equity and liabilities				
Share capital	17.7	17.7	0.0	17.7
Other shareholders' equity	91.3	83.2	9.7	86.4
Shareholders' equity attributable to equity holders of the parent	109.0	100.9	8.0	104.1
Non-controlling interest	0.0	0.7	-100.0	0.0
Non-current liabilities	67.7	93.7	-27.7	83.3
Current liabilities	118.4	108.2	9.4	110.9
Total shareholders' equity and liabilities	295.1	303.5	-2.8	298.3

ASSETS AND LIABILITIES BY SEGMENT

Segments' assets, MEUR

	3/2015	3/2014	12/2014
ESL Shipping	119.9	123.6	119.4
Leipurin	62.6	63.3	63.7
Telko	74.0	68.4	68.3
Kaukomarkkinat	18.4	23.1	19.4
Unallocated items	20.2	25.1	27.5
Total	295.1	303.5	298.3

Segments' liabilities, MEUR

	3/2015	3/2014	12/2014
ESL Shipping	9.7	9.6	12.2
Leipurin	13.3	17.0	17.7
Telko	27.1	25.6	25.3
Kaukomarkkinat	3.5	5.8	4.9
Unallocated items	132.5	143.9	134.1
Total	186.1	201.9	194.2

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

A = Share capital
B = Premium fund
C = Fair value fund
D = Other funds
E = Treasury shares
F = Translation differences
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 Dec. 31, 2014	17.7	4.3	1.9	32.0	-3.4	-16.0	67.6	104.1	0.0	104.1
Comprehensive income:										
Profit for the period							7.0	7.0		
Translation differences						0.3		0.3		
Cash flow hedges*			0.0					0.0		
Available-for-sale financial assets*			-2.5					-2.5		
Total comprehensive income			-2.5			0.3	7.0	4.8		
Transactions with owners:										
Interest on hybrid instrument							-0.3	-0.3		
Share-based incentive plan					0.7		-0.3	0.4		
Total transactions with owners					0.7		-0.6	0.1		
Balance at March 31, 2015	17.7	4.3	-0.6	32.0	-2.7	-15.7	74.0	109.0	0.0	109.0
Balance at Dec. 31, 2013	17.7	4.3	-0.6	33.7	-4.3	-3.3	55.1	102.6	0.7	103.3
Comprehensive income:										
Profit for the period							2.4	2.4		
Translation differences						-4.3		-4.3		
Cash flow hedges*			0.0					0.0		
Total comprehensive income			0.0			-4.3	2.4	-1.9		
Transactions with owners:										
Share-based incentive plan					0.2		0.0	0.2		
Total transactions with owners					0.2		0.0	0.2		
Balance at March 31, 2014	17.7	4.3	-0.6	33.7	-4.1	-7.6	57.5	100.9	0.7	101.6

* net of taxes

ASPO GROUP CASH FLOW STATEMENT

	1-3/2015 MEUR	1-3/2014 MEUR	1-12/2014 MEUR
OPERATIONAL CASH FLOW			
Operating profit	3.0	3.8	23.4
Adjustments to operating profit	4.2	3.0	12.7
Change in working capital	-13.3	-5.3	-8.1
Interest paid	-0.8	-1.0	-4.0
Interest received	0.1	0.3	0.3
Income taxes paid	-0.6	-0.3	-2.3
Total operational cash flow	-7.4	0.5	22.0
INVESTMENTS			
Investments in tangible and intagible assets	-1.0	-13.8	-17.5
Proceeds from sale of tangible and intagible assets			0.2
Proceeds from available-for sale intangible assets	4.9		
Subsidiaries acquired, contigent consideration		-0.3	-0.3
Business operations and subsidiaries sold	-0.3		0.9
Associated companies sold		2.2	2.2
Total cash flow from investments	3.6	-11.9	-14.5
FINANCING			
Change in short-term borrowings	-0.9	3.4	-12.3
Change in long-term borrowings	0.1	-0.1	5.3
Hybrid instrument			-1.4
Dividends paid			-6.4
Total financing	-0.8	3.3	-14.8
Increase/decrease in liquid funds	-4.6	-8.1	-7.3
Liquid funds in beginning of year	19.3	28.5	28.5
Translation differences	0.2	-0.6	-1.9
Liquid funds at period end	14.9	19.8	19.3

ACCOUNTING PRINCIPLES

Aspo Plc's interim report has been prepared in accordance with the principles of IAS 34 Interim Financial Reporting. As of January 1, 2015, Aspo applies certain new or amended IFRS standards and IFRIC interpretations as described in the 2014 financial statements. The adoption of these new or amended standards has not had any substantial impact on the reported figures. In other respects, the same accounting principles have been adopted in the interim report as in the Financial Statements on December 31, 2014. The calculation principles of key figures are explained on page 94 of the 2014 Annual Report. The information in this report is unaudited.

SEGMENT REPORTING

Aspo Group's operational segments are ESL Shipping, Leipurin, Telko and Kaukomarkkinat. Other operations consists of Aspo Group's administration, the financial and ICT service center, and a small number of other functions not covered by business units.

The Group reports its net sales on the basis of the following geographical division: Finland; Scandinavia; the Baltic countries; Russia, Ukraine and other CIS countries; and other countries.

PRESS AND ANALYST CONFERENCE

A press and analyst conference will be arranged today, Wednesday May 6, 2015 at 10.00 at the Paavo Nurmi cabinet at Hotel Kämp, Pohjoisesplanadi 29, 00100 Helsinki.

FINANCIAL INFORMATION IN 2015

Aspo Plc will publish the following Interim Reports in 2015:
for the second quarter on August 13, 2015 and for the third quarter on October 28, 2015.

Helsinki May 6, 2015

ASPO Plc

Aki Ojanen	Arto Meitsalo
CEO	CFO

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Aspo is a conglomerate that owns and develops businesses in Northern Europe and growth markets focusing on demanding B-to-B customers. The aim of our strong corporate brands – ESL Shipping, Leipurin, Telko and Kaukomarkkinat – is 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 developed persistently without any predefined schedules.