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# ASPO GROUP INTERIM REPORT, JANUARY 1 TO MARCH 31, 2016

**Aspo: Satisfactory operating profit in a difficult market situation**
(Figures from the corresponding period in 2015 are presented in brackets.)

**January-March 2016**

- Aspo's operating profit stood at EUR 3.3 (3.0) million.
- Comparable operating profit was EUR 3.3 (4.3) million. During the comparative period, the operating profit of EUR 3.0 million included an impairment loss of EUR -1.3 million related to Kaukomarkkinat goodwill.
- The operating profit of Kaukomarkkinat improved to EUR -0.3 (-2.0) million. The operating profit of ESL Shipping decreased but remained at a good level, considering the market situation, at EUR 2.2 (3.3) million. The operating profit of Leipurin stood at EUR 0.5 (0.5) million. The operating profit of Telko decreased to EUR 2.3 (3.0) million. The operating profit of other operations improved to EUR -1.4 (-1.8) million.
- Profit for the period stood at EUR 2.3 (7.0) million. During the comparative period, financial income included a gain of EUR 4.9 million from the sale of shares.
- Earnings per share were EUR 0.07 (0.22). The impact of the gain from the sale of shares on earnings per share during the comparative period was approximately EUR 0.16.

**Outlook for 2016**

The general market development will continue to be poor, and the operating environment remains exceptionally challenging. Dry bulk freight rates remain at a very low level, which also reduces the profitability of ESL Shipping's Supramax vessels. A slight recovery can be seen in the industrial production of Aspo's customer companies operating in the EU area. The steep decline in the economies of Russia, Ukraine and other CIS countries has decelerated and, because of a slight increase in oil prices and the strengthening of the Russian ruble, the decrease in the Russian GDP is expected to have slowed down. Interest rates are expected to remain at an unusually low level resulting in moderate financial expenses.

**Guidance for 2016**

The guidance will remain unchanged. Aspo's operating profit will be EUR 17–24 (20.6) million in 2016.

## KEY FIGURES

| | **1-3/2016** | 1-3/2015 | Change,% | 1-12/2015 |
|---|---|---|---|---|
| Net sales, MEUR | **98.5** | 102.0 | -3.4 | 445.8 |
| Operating profit, MEUR *) | **3.3** | 3.0 | 10.0 | 20.6 |
| Operating profit, % | **3.4** | 2.9 | | 4.6 |
| Profit before taxes, MEUR **) | **2.6** | 7.5 | -65.3 | 21.3 |
| Profit for the period, MEUR **) | **2.3** | 7.0 | -67.1 | 19.8 |
| | | | | |
| Earnings per share, EUR | **0.07** | 0.22 | -68.2 | 0.61 |
| Net cash from operating activities, MEUR | **-7.0** | -7.4 | 5.4 | 25.0 |
| | | | | |
| Equity per share, EUR | **3.36** | 3.57 | | 3.36 |
| Return on equity (ROE), % | **8.9** | 26.2 | | 19.1 |
| Equity ratio, % | **34.9** | 37.2 | | 33.8 |
| Gearing, % | **108.7** | 99.9 | | 101.4 |
| | | | | |
| ESL Shipping, operating profit, MEUR | **2.2** | 3.3 | -33.3 | 14.7 |
| Leipurin, operating profit, MEUR | **0.5** | 0.5 | 0.0 | 2.4 |
| Telko, operating profit, MEUR *) | **2.3** | 3.0 | -23.3 | 10.4 |
| Kaukomarkkinat, operating profit, MEUR *) | **-0.3** | -2.0 | 85.0 | -1.2 |

**Items affecting comparability 1–3/2015**
*) The operating profit includes an impairment loss of EUR -1.3 million related to Kaukomarkkinat goodwill.
**) The profit includes an impairment loss of EUR -1.3 million related to Kaukomarkkinat goodwill  and a sales gain of EUR 4.9 recognized in financial items.
**Items affecting comparability 1–12/2015**
*) The operating profit includes an impairment loss of EUR -1.3 million related to Kaukomarkkinat goodwill, and EUR 0.6 million in charges imposed on Telko by Finnish Customs and related advisor fees.
**) The profit includes an impairment loss of EUR -1.3 million related to Kaukomarkkinat goodwill, a sales gain of EUR 4.9 recognized in financial items, and EUR 2.0 million in charges imposed by Finnish Customs and related advisor fees.

### Other significant events during the review period

Mikko Laavainen (M.Sc. Marketing) started as the Managing Director of Leipurin on March 1, 2016.

## AKI OJANEN, CEO OF ASPO GROUP:

“Aspo's operating profit can be regarded as satisfactory, and we had several successes in different business areas and exceeded the operating profit from the comparative period.

The euro-denominated decrease in net sales stopped in the eastern markets, which is a possible sign of stabilization in the market area. Net sales increased in the EU area. Main factors for the decrease in the shipping company's net sales included the lower fuel price, which is a reinvoicing item, and the historically poor market situation of Supramax vessels. Net sales of Telko remained nearly unchanged, even though the prices of raw materials sold by Telko have decreased and the values of eastern currencies were lower than during the comparative period. Net sales of Leipurin bakery machines decreased. Kaukomarkkinat was able to increase its net sales by more than 20%.

The profitability of ESL Shipping remained as normal at a good level in contract traffic in the Baltic Sea. During the review period, both large Supramax vessels were exceptionally forced to international spot traffic, causing the vessels to produce negative results. As the first trip of the season of one of ESL Shipping's vessels from Europe to the Russian arctic in Siberia started at the end of the review period, the shipping company has fewer vessels in spot traffic.

Telko, our largest business, has developed well, even though the environment is a challenging one. Its operating profit rate of 5% during the first quarter and its operating profit rate of approximately 6% in the eastern markets are good results. The net sales of Leipurin decreased in the eastern markets, but its profitability remained good and its operating profit rate was approximately 6%. Mikko Laavainen was appointed new Managing Director of the Leipurin business. The objective of Leipurin is to achieve growth and profitability in accordance with its new strategy. We expect that operational changes can be seen to a significant extent starting from 2017. Kaukomarkkinat continued to invest in its new strategy.

The Group's general administrative costs have decreased. We expect the operating result of other operations improves annually by approximately EUR 1.5 million, mainly as a result of leasing the office premises not needed by Aspo's businesses to third parties starting from April 1, 2016. Cost savings also arise from the lower use of external services and lower personnel expenses.”

## ASPO GROUP

## NET SALES

Aspo Group's net sales decreased by EUR 3.5 million, or 3.4%, to EUR 98.5 (102.0) million.

Net sales by segment

| | **1-3/2016 MEUR** | 1-3/2015 MEUR | Change % | 1-12/2015 MEUR |
|---|---|---|---|---|
| ESL Shipping | **16.2** | 18.2 | -11.0 | 76.2 |
| Leipurin | **26.2** | 28.3 | -7.4 | 117.8 |
| Telko | **49.4** | 50.0 | -1.2 | 215.3 |
| Kaukomarkkinat | **6.7** | 5.5 | 21.8 | 36.5 |
| Other operations | **0.0** | 0.0 | 0.0 | 0.0 |
| Total | **98.5** | 102.0 | -3.4 | 445.8 |

There is no considerable inter-segment net sales.

Net sales by market area

| | **1-3/2016 MEUR** | 1-3/2015 MEUR | Change % | 1-12/2015 MEUR |
|---|---|---|---|---|
| Finland | **34.1** | 35.4 | -3.7 | 147.7 |
| Scandinavia | **10.8** | 11.7 | -7.7 | 51.8 |
| Baltic countries | **12.0** | 11.7 | 2.6 | 50.4 |
| Russia, Ukraine + other CIS-countries | **26.6** | 26.4 | 0.8 | 128.3 |
| Other countries | **15.0** | 16.8 | -10.7 | 67.6 |
| Total | **98.5** | 102.0 | -3.4 | 445.8 |

Net sales in Finland and Scandinavia fell due to the decrease in the market prices of Telko's plastics and chemicals, and the decrease in ESL Shipping’s fuel reinvoicing resulting from lower fuel prices. The decrease in the net sales in Russia, Ukraine and other CIS countries stopped despite the devaluation of eastern currencies. The net sales increased in Baltic countries and fell in Other countries.

## EARNINGS

Aspo Group's operating profit in January–March stood at EUR 3.3 (3.0) million. During the comparative period, Kaukomarkkinat divested its Industrial business, in conjunction with which Aspo assessed the goodwill of the Kaukomarkkinat segment and recognized an impairment loss of EUR 1.3 million. As a result, the comparable operating profit in January-March 2015 stood at EUR 4.3 million. ESL Shipping's operating profit decreased to EUR 2.2 (3.3) million. The operating profit of Leipurin remained at EUR 0.5 (0.5) million. Telko's operating profit decreased to EUR 2.3 (3.0) million, and that of Kaukomarkkinat rose by EUR 1.7 million to EUR -0.3 (-2.0) million. The operating profit of other operations improved but was negative at EUR -1.4 (-1.8) million

Operating profit by segment

| | **1-3/2016 MEUR** | 1-3/2015 MEUR | Change % | 1-12/2015 MEUR |
|---|---|---|---|---|
| ESL Shipping | **2.2** | 3.3 | -33.3 | 14.7 |
| Leipurin | **0.5** | 0.5 | 0.0 | 2.4 |
| Telko | **2.3** | 3.0 | -23.3 | 10.4 |
| Kaukomarkkinat | **-0.3** | -2.0 | 85.0 | -1.2 |
| Other operations | **-1.4** | -1.8 | 22.2 | -5.7 |
| Total | **3.3** | 3.0 | 10.0 | 20.6 |

### Earnings per share

Earnings per share were EUR 0.07 (0.22). Equity per share was EUR 3.36 (3.57). The result for the comparative period was significantly improved by the gain of EUR 4.9 million recognized in financial items from the sale of shares in Alandia Insurance owned by ESL Shipping. Its effect on earnings per share during the comparative period was approximately EUR 0.16.

### Financial targets

Aspo's objective is to reach an average return on equity of over 20%, gearing of up to 100% and an operating profit of 7% with the current structure.

The operating profit rate for the first quarter 2016 was 3.4% (2.9), return on equity was 8.9% (26.2), and gearing was 108.7% (99.9).

## OUTLOOK FOR 2016

International economic uncertainty has continued. The decreasing economic situation in China has reflected particularly strongly in demand for basic raw materials, which has reduced the prices of raw materials and weakened the international dry bulk freight rates. The economic cycle is expected to remain weak.

General uncertainty and a poor economic situation will continue in eastern growth markets that are important areas for Aspo, even though the general expectation is that the decrease in, for example, the Russian national economy has decelerated. It is still difficult to estimate the future development of Russia, Ukraine and other CIS countries and the financial impact of general uncertainty. Exchange rates are expected to continue to fluctuate heavily. Inflation will be lower, but it is expected to remain at a higher than usual level in Russia.

The price of oil is expected to remain at a low level, despite the slight increase during the first part of the year. In general, prices of production raw materials are expected to remain low. The Group will continue to increase its market shares profitably in the strategically important eastern growth markets as some of its western competitors have withdrawn from the market. While international dry bulk freight rates are expected to remain low, the shipping company has secured the use of its capacity mainly through long-term agreements. The operational profitability of Supramax vessels is expected to improve during the second quarter and further during the second half of the year.

The guidance for 2016 will remain unchanged. Aspo's operating profit will be EUR 17–24 (20.6) million in 2016.

## ASPO’S BUSINESS OPERATIONS

### ESL SHIPPING

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

| | **1-3/2016** | 1-3/2015 | Change, % | 1-12/2015 |
|---|---|---|---|---|
| Net sales, MEUR | **16.2** | 18.2 | -11.0 | 76.2 |
| Operating profit, MEUR | **2.2** | 3.3 | -33.3 | 14.7 |
| Operating profit, % | **13.6** | 18.1 | | 19.3 |

International dry bulk freight rates continued to decrease to a historically low level. General market prices for dry bulk cargo of large vessels continue to be very low and, due to the mild winter, cargo rates did not increase to a satisfactory level in the Baltic Sea, even during ice restrictions.

ESL Shipping's vessels have mainly operated in the Baltic Sea and in Europe according to long-term customer agreements and performed loading and unloading operations at sea. The shipping company's Supramax vessels have operated in international spot traffic. ESL Shipping's operations in the Baltic Sea and the North Sea are mainly based on long-term agreements and established customer relationships. At the end of the review period, ESL Shipping expanded its customer base to the demanding transportation of project cargo using its 13,000-ton vessel in the Russian arctic where the independent load handling capacity and exceptionally good ice strengthening of the vessels can be utilized.

ESL Shipping’s net sales in January–March stood at EUR 16.2 (18.2) million. The decrease in net sales was affected by the historically poor market situation of Supramax vessels during the first part of the year and the decrease in oil prices. The lower cost of fuel reduces the shipping company's net sales through fuel clauses in long-term contracts.

The operating profit in January–March stood at EUR 2.2 (3.3) million, representing 14% (18) of net sales. The difference from the year before can be explained by the lower profitability of Supramax vessels and their negative result at the beginning of the year. However, the vessels’ cargo price level was more than double to the general spot market cargo price level during the review period. The profitability of other vessels remained at the previous year's good level, and there was high demand for loading and unloading operations at sea.

ESL Shipping transported nearly as much cargo in January–March as in the previous year, i.e. 2.4 (2.6) million tons. Transportation volumes in the steel industry fell slightly compared with the corresponding period in the previous year, whereas those in the energy industry increased from the comparative period. The shipping company has started to transport biofuels in the Baltic Sea, and its pusher-barge fleet is highly adapted to the transportation of the product which takes up a lot of space in relation to its weight.

The shipping company's newbuilding project for the world's first large LNG-fueled dry bulk cargo vessels has proceeded according to plans.

**Outlook for ESL Shipping for 2016**

International dry cargo prices are expected to remain very low. The international freight rate level of large dry bulk cargo vessels remain at a historically low level, regardless of the recent price increase. The same situation will also be reflected in the market of large ice-strengthened vessels, making it more challenging than in the previous year.

Most of the shipping company's transportation capacity has been secured in the Baltic Sea and Northern Europe through long-term agreements. The international price competitiveness of raw materials transported from Russia is good, and ESL Shipping's transportation volumes from Russia are expected to increase further or remain at the same level. The shipping company aims to continue operations in the Russian arctic during the summer and fall periods as in previous years.

Total transportation volumes in the energy industry are expected to be higher than in the previous year, largely because of the transportation of biofuels. Transportation volumes in the steel industry are expected to be slightly below the previous year's level, still remaining at a satisfactory level. The seasonal variation in demand may require that the capacity of the pusher system be adapted in late spring, similarly to previous years. If required, the capacity will be adapted according to seasonal variation by chartering the additional capacity required.

Demand for loading and unloading services for large ocean liners at sea will continue to be high. The shipping company will continue efforts to expand its customer base, in particular, to customer transportation where the company's operating area can be increased while utilizing the independent load handling capability and the exceptionally high ice strengthening of its vessels. In 2016, six vessel units will be docked as planned during the second and third quarters.

## LEIPURIN

Leipurin serves the bakery and food industry and the out-of-home eating market by offering total solutions. Leipurin provides its customers with the best concepts for bakery and confectionery products. These range from the development of products to recipes, raw materials, training and equipment and all the way to the design of sales units. As part of its total solutions, Leipurin also designs, supplies and maintains bakery manufacturing lines, bake-off units, and other machinery and equipment needed in the food industry. Partners that supply Leipurin raw materials and machines are leading international manufacturers within their field. Leipurin operates in Finland, Russia, the Baltic countries, Poland, Ukraine, Kazakhstan and Belarus.

| | **1-3/2016** | 1-3/2015 | Change, % | 1-12/2015 |
|---|---|---|---|---|
| Net sales, MEUR | **26.2** | 28.3 | -7.4 | 117.8 |
| Operating profit, MEUR | **0.5** | 0.5 | 0.0 | 2.4 |
| Operating profit, % | **1.9** | 1.8 | | 2.0 |

In the western markets, the prices of grain-based and other raw materials have mainly remained at the level of the comparative period. The market of industrial packed bread continues to decrease in the west, whereas the market of in-store bakeries and bake-off units has continued to increase. The growth in imported frozen bakery products to Finland has slowed down.

The Russian economic crisis has reduced the purchasing power of consumers in Russia and accelerated inflation, which was approximately 7% when it comes to food products during the review period. In Russia, demand for bakery products has shifted towards affordable products, and raw materials have been replaced by locally produced low cost materials. The ruble-denominated prices of imported raw materials and partly those of local raw materials increased from the comparative period.

The net sales of Leipurin for the first quarter fell from the comparative period, totaling EUR 26.2 (28.3) million. Operating profit stood at EUR 0.5 (0.5) million. The operating profit rate during the quarter was 1.9% (1.8). The devalued ruble and the high price of financing had a significant impact on investments made by customer companies in Russia, which kept the delivery volumes of Leipurin machine sales at a low level during the first quarter. Because of the challenging market situation, the euro-denominated sale of bakery raw materials fell in Russia, while the operating profit rate level remained good at 10%. Operations in the Baltic region fell from the comparative period as a result of a decrease in raw material volumes. Operations continued to grow in Ukraine and other CIS countries. Successful product launches and the growing number of customers increased net sales in Finland compared with the corresponding period in the previous year.

Machinery and equipment investments remained at a low level in all operating countries of Leipurin during the first quarter. Machinery operations showed a loss during the first quarter due to the unfavorable development of the Russian market. Adaptation measures regarding Leipurin’s own production in machine operations were launched during the first quarter. Intense sales activities continued in different market areas, including Western Europe and Middle East, two areas outside the key markets.

Euro-denominated net sales in Russia, Ukraine and other CIS countries decreased during the first quarter by approximately 4% from the comparative period, being EUR 6.1 (6.3) million. In Russia, Leipurin has replaced imported raw materials with locally procured raw materials, which has reduced net sales. However, the profitability of bakery raw materials in Russia has remained good and their market position has strengthened. The relative profitability of the eastern markets fell to approximately 6%.

**Outlook for Leipurin for 2016**

The market situation is expected to remain challenging in key markets of Leipurin. The economic situation in Russia is estimated to remain poor and inflation to remain high, due to which willingness to make investments in Russia will be at a low level. The purchasing power of consumers is expected to decrease further. Leipurin will maintain its good profitability and strengthen its market position in the area. In Russia, Leipurin has developed the range and distribution of its frozen bread products, and its intention is to start the outsourced manufacturing of frozen bread products during 2016. The product range will be built together with European and local frozen bread producers. The local procurement of bakery raw materials has been increased to replace imported raw materials, and the objective is to increase the share of local raw materials to more than 50%. Local procurement has been decentralized and, currently, there are already dozens of significant partners.

Leipurin develops more full-range solutions for its customers. The out-of-home eating market is a significant new operating area for Leipurin. The market position is expected to remain strong in the industrial baking sector in Finland and the Baltic region. Operational re-evaluations will be continued in machine operations, and measures will be taken to improve profitability.

## TELKO

Telko is the leading expert and supplier of plastic raw materials and industrial chemicals in the Baltic Sea region. Telko operates in Finland, the Baltic countries, Scandinavia, Poland, the Czech Republic, Slovakia, Ukraine, Russia, Belarus, Kazakhstan, Azerbaijan, Georgia and China. Procurement operations are international. Business is based on the representation of the best international principals and on the expertise of the personnel. Telko cooperates with its regional customers to develop their production and competitiveness.

| | **1-3/2016** | 1-3/2015 | Change, % | 1-12/2015 |
|---|---|---|---|---|
| Net sales, MEUR | **49.4** | 50.0 | -1.2 | 215.3 |
| Operating profit, MEUR *) | **2.3** | 3.0 | -23.3 | 10.4 |
| Operating profit, % | **4.7** | 6.0 | | 4.8 |

*) The operating profit 1-12/2015 includes EUR 0.6 million in charges imposed by Finnish Customs and related advisor fees.

The outlook of customer companies continued to be poor in markets significant to Telko. The prices of both plastics and chemicals were low. The prices of chemicals were significantly lower than in the comparative period, whereas the prices of plastics were slightly higher than in the comparative period. Denominated in the local currency, net sales were approximately 40% higher than in the comparative period in Ukraine and at the level of the comparative period in Russia. Despite the lower prices and the rate of the Russian ruble, which was lower than in the comparative period, Telko's euro-denominated net sales remained nearly at the previous year's level at EUR 49.4 (50.0) million.

Operating profit fell to EUR 2.3 (3.0) million, representing 5% (6) of net sales. Operating profit decreased substantially in the Ukrainian market area.

Net sales in Russia, Ukraine, and other CIS countries stood at EUR 19.3 (19.4) million. In Russia, euro-denominated net sales decreased. The operating profit rate in the eastern markets was approximately 6%. The operating profit increased in the western markets.

The transfer of the Castrol motor oils business to Telko in Finland started at the beginning of the quarter, generating costs. The transfer of the business is planned to be completed before summer, and it is expected to have a positive impact on net sales and profitability during the second half of the year.

The terminal investment in St. Petersburg advanced to the main design phase. The design project is making good progress, even though the plot purchase has delayed from the original estimate due to the permit process of the business park.

### Outlook for Telko for 2016

Oil prices are expected to remain low. The prices of plastic raw materials have increased after the first quarter, but the prices of chemicals are expected to remain at a notably low level. Industrial outlook in Telko's main market areas will continue to be uncertain. The geographic coverage of Telko in 16 countries, together with several customer industries, reduces Telko's operational risks.

The new Castrol motor oils business in Finland is expected to have a positive impact on net sales and operating profit during the second half of the year. Due to delays in the plot purchase process in St. Petersburg, the construction of the terminal is expected to begin in 2017.

## KAUKOMARKKINAT

Kaukomarkkinat is the expert in demanding mobile working environments. It provides the best tools and solutions improving productivity as well as services ensuring efficiency of healthcare, logistics, industry and authorities. It also operates in energy sector. Kaukomarkkinat operates in Finland and China.

| | **1-3/2016** | 1-3/2015 | Change, % | 1-12/2015 |
|---|---|---|---|---|
| Net sales, MEUR | **6.7** | 5.5 | 21.8 | 36.5 |
| Operating profit, MEUR *) | **-0.3** | -2.0 | 85.0 | -1.2 |
| Operating profit, % | **-4.5** | -36.4 | | -3.3 |

*) In 2015 the operating profit included a EUR 1.3 million goodwill impairment loss.

The operating profit of Kaukomarkkinat improved significantly from the comparative period. The first quarter is traditionally the weakest of all quarters. Net sales of Kaukomarkkinat grew by 22% to EUR 6.7 (5.5) million. Operating profit improved to EUR -0.3 (-2.0) million. The comparable operating profit was EUR -0.3 (-0.7) million. In connection with the divestment of the Industrial business of Kaukomarkkinat during the comparative period, Aspo assessed the goodwill of the Kaukomarkkinat segment, and recognized an impairment loss of EUR 1.3 million.

Orders for mobile knowledge work increased from the comparative period and, during the review period, the first maintenance service agreement on a customer system was signed. Orders amounting to approximately EUR 1 million were transferred to be delivered in the next quarter, consisting of demanding IT for hospitals and other IT deliveries. Key professionals were recruited in order to further develop mobile knowledge work. Sales and profitability of energy-efficiency equipment developed positively compared to the corresponding period in the previous year. Solar power and heat systems have showed the fastest growth, in addition to which the delivery volumes of air source heat pumps increased from the comparative period.

### Outlook for Kaukomarkkinat for 2016

According to its new strategy, Kaukomarkkinat will renew its service range, business image and customer communications during the spring. From now on, Kaukomarkkinat will invest in the development and sale of solutions for mobile knowledge work. This requires further recruitment of additional technical and commercial professionals and development of internal operating models.

Total solutions for mobile knowledge work and maintenance agreements in accordance with the new strategy are expected to make up larger shares of net sales. Kaukomarkkinat will invest in total solutions that combine customized applications, devices and services. The authorities and the fields of logistics, industry and healthcare, in particular, are expected to show high demand for the mobile knowledge work solutions offered by Kaukomarkkinat, at first in Finland followed by other European markets. In April, Kaukomarkkinat established a subsidiary in Germany in order to identify the opportunities of mobile knowledge work in the German healthcare sector.

The volume and profitability of energy products are expected to grow through a more focused product range resulting from the new sales strategy and organization. In particular, the sale of solar power solutions is expected to grow steeply.

## 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.

| | **1-3/2016** | 1-3/2015 | Change, % | 1-12/2015 |
|---|---|---|---|---|
| Net sales, MEUR | **0.0** | 0.0 | 0.0 | 0.0 |
| Operating profit, MEUR | **-1.4** | -1.8 | 22.2 | -5.7 |

The operating profit of other operations was negative and amounted to EUR -1.4 (-1.8) million. The decrease in the operating profit of the comparative period resulted from expenses related to bonus- and share-based payments.

## FINANCING

The Group’s cash and cash equivalents amounted to EUR 12.4 million (12/2015: EUR 23.9 million). The consolidated balance sheet included a total of EUR 124.1 million in interest-bearing liabilities (12/2015: EUR 127.9 million). The average rate of interest-bearing liabilities was 1.8% at the end of the review period (12/2015: 1.7%). Non-interest-bearing liabilities totaled EUR 69.5 million (12/2015 EUR 74.3 million).

Aspo Group's gearing was 108.7% (12/2015: 101.4%) and its equity ratio was 34.9% (12/2015: 33.8%). At the end of the first quarter of 2015, gearing was 99.9% and the equity ratio was 37.2%.

The Group’s operational cash flow during the review period totaled EUR -7.0 million (EUR -7.4 million). Change in working capital during the review period was EUR -12.1 million (EUR -13.3 million).

Cash flow from investments during the review period was negative at EUR -0.6 million (EUR 3.6 million), i.e. the Group’s free cash flow was EUR -7.6 million (EUR -3.8 million).

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. The revolving credit facilities and the commercial paper program of EUR 80 million remained fully unused at the end of the review period. In 2016, a financial agreement of EUR 20 million will fall due. No other significant loan agreements will expire in 2016.

On November 18, 2013, Aspo issued a hybrid bond of EUR 20 million. 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 of its issuance.

Aspo has hedged its interest rate risk by means of an interest rate swap. Its fair value on March 31, 2016 was EUR -0.8 million. The financial instrument is on level 2 of the fair value hierarchy.

Aspo Group has hedged its currency-denominated cash flows associated with the acquisition of new vessels using currency forward agreements, to which hedge accounting is applied. The nominal value of these currency forward agreements is EUR 38.5 million, and their fair value was EUR -1.4 million at the end of the review period. The financial instrument is on level 2 of the fair value hierarchy.

## INVESTMENTS

The Group's investments stood at EUR 0.6 (1.2) million, consisting of maintenance investments.

Investments by segment, acquisitions excluded

| | **1-3/2016 MEUR** | 1-3/2015 MEUR | Change % | 1-12/2015 MEUR |
|---|---|---|---|---|
| ESL Shipping | **0.4** | 0.7 | -42.9 | 13.2 |
| Leipurin | **0.0** | 0.1 | -100.0 | 0.5 |
| Telko | **0.2** | 0.4 | -50.0 | 1.0 |
| Kaukomarkkinat | **0.0** | 0.0 | - | 0.1 |
| Other operations | **0.0** | 0.0 | - | 0.3 |
| Total | **0.6** | 1.2 | -50.0 | 15.1 |

## PERSONNEL

Personnel by segment, period-end

| | **3/2016** | 3/2015 | Change, % | 12/2015 |
|---|---|---|---|---|
| ESL Shipping | **221** | 218 | 1.4 | 223 |
| Leipurin | **310** | 290 | 6.9 | 299 |
| Telko | **271** | 259 | 4.6 | 265 |
| Kaukomarkkinat | **45** | 45 | 0.0 | 46 |
| Other operations | **22** | 27 | -18.5 | 24 |
| Total | **869** | 839 | 3.6 | 857 |

At the end of the review period, Aspo Group had 869 (839) employees. The number of personnel has increased, in particular, in Russian companies of Leipurin and Telko. Personnel in other operations have decreased through the implementation of the 2014 outsourcing plan and the reorganization of the parent company.

### Rewarding

In 2015, the Board of Directors of Aspo Plc approved a 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 was based on the Group's earnings per share (EPS). On the basis of the 2015 earnings period, employees included in the plan received 88,970 treasury shares as a share-based reward, as well as cash equaling the value of the shares at most in order to pay taxes.

The reward from the 2016 earnings period will be based on the Group's earnings per share (EPS). The possible reward from the 2016 earnings period will be paid in 2017, partly in treasury shares and partly in cash to cover any taxes and tax-related costs arising from the reward. At most 112,250 treasury shares will be granted, and the amount paid in cash will correspond at most to the value of the shares on the payment date.

## RISKS AND RISK MANAGEMENT

Aspo's operating environment remains to be unusually challenging, and economic conditions in Aspo's operating countries continue to be poor. The GDP is growing slowly in western countries and falling even further in the east. Inflation has turned into deflation in Western Europe and remains high in the eastern markets. Cargo prices are low, even though they have turned to a slight increase. The economic uncertainty maintains risks in all of Aspo's businesses.

A good business result in Russia and Ukraine may suffer as a result of the uncertainty prevailing in the region, and the market uncertainty and any changes in the values of local currencies may have an impact on product demand and the competitiveness of prices. Growth in eastern and western markets is limited by the weak investment demand.

### Strategic risks

In addition to the western markets, Aspo is operating in areas where the economy may increase or decrease and, as a result of this development, business preconditions may either improve or weaken significantly.

As a result of an increase in the prices of imported products in Russia and Ukraine, consumer demand has slowed down and the economy has contracted and is expected to continue to contract. Even though any weakening currencies decelerate euro-denominated growth in net sales, euro-denominated costs will also decrease in Russia and Ukraine. In addition to trade, the poor economic situation is reflected in financial markets and payments in Russia and Ukraine.

In Russia, the increase in the prices of imported goods and any impact of financial sanctions are reduced through local procurement operations, with raw materials and products made in Russia having been entered into production to some extent despite the decrease in quality. For example, Leipurin has expanded locally procured raw materials to nearly half of its purchases.

A key element in Aspo’s strategy is the implementation of various structural changes. If the current economic situation continues or even weakens, structural changes within Aspo may become more difficult.

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 has become more difficult to estimate future transportation volumes. The low level of international freight indices and the increases in international vessels in some size categories have increased uncertainty over the long-term profitability of shipping companies.

In addition to the internationally poor economic situation and the political atmosphere, strategic risks are caused by the outlook and production solutions of industrial customers. Current decisions on energy production structures affected by the environmental policy and other political choices may cause changes in industry and energy production that may decrease the use of fossil fuels and increase the use of 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 for other reasons. These changes may have negative consequences on operations as the need for transportation decreases, but they can also be seen as significant opportunities. As a result of low cargo prices in 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 trading structures, especially in western markets. In the eastern markets, risks are increased by such factors as political instability, social structures or the lack of any reaction to the difficulties encountered by business operations. Rapid changes in economic structures may cause risks due to changes in the customer or client 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, for example, risks related to supply chains and persons.

The focus of Aspo’s growth has for long been 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, alternatively, any 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 are encouraging interest among competitors in starting or expanding business operations 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 business 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 diversified across businesses and customers, Aspo’s businesses have not been subjected to any significant credit losses. However, the 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 the Group's 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 as a result of risks increasing for various reasons.

**Internal control and risk management**

One of the responsibilities of Aspo's Audit Committee is to monitor the efficiency of the Group's internal control, 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 control principles approved by the Board of Directors, risk management is part of Aspo’s internal control, 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 management of operations. 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 treasury 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 Year 2015 report and on the company's website. More detailed information on financial risks can be found in the notes to the financial statements.

## SHARE CAPITAL AND SHARES

Aspo Plc’s share capital on March 31, 2016 was EUR 17,691,729.57 and the total number of shares was 30,975,524 of which the company held 390,951 shares; that is, 1.3% 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 Helsinki Oy’s Mid Cap segment under industrial products and services.

During January-March 2016, a total of 640,256 Aspo Plc shares with a market value of EUR 4.5 million were traded on Nasdaq Helsinki, in other words, 2.1% of the stock changed hands. During the review period, the share price reached a high of EUR 7.43 and a low of EUR 6.70. The average price was EUR 7.01 and the closing price at period-end was EUR 7.43. At the end of the review period, the market value excluding treasury shares was EUR 227.2 million.

The number of Aspo Plc shareholders was 9,078 at period-end. A total of 777,137 shares, or 2.5% of the share capital, were nominee registered or held by non-domestic shareholders.

## DECISIONS AT THE SHAREHOLDERS' MEETING

### Dividend

The Annual Shareholders' Meeting of Aspo Plc on April 7, 2016, approved the payment of a dividend totalling EUR 0.41 per share according to the Board’s proposal. The dividend’s payment date was April 18, 2016.

### Board of Directors and Auditor

The Annual Shareholders’ Meeting  re-elected to the Board of Directors LL.M, MBA Mammu Kaario, LL.M. Roberto Lencioni, B.Sc. (Econ.), eMBA Gustav Nyberg and M.Sc. (Tech.) Risto Salo and M.Sc. (Econ.) Mikael Laine and D.Sc. (Econ.) Salla Pöyry were elected as new members of the Board of Directors. At the Board's organizing meeting held after the Annual Shareholders' Meeting, Gustav Nyberg was elected as Chairman of the Board and Roberto Lencioni as Vice-Chairman. At the meeting the Board also decided to appoint Roberto Lencioni Chairman of the Audit Committee and Mammu Kaario, Mikael Laine and Salla Pöyry as committee members.

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

### Shareholders’ Nomination Board

The Annual Shareholders’ Meeting decided to establish a permanent Shareholders’ Nomination Board to prepare proposals to the Annual Shareholders’ Meeting for the election and remuneration of the members of the Board of Directors and the remuneration of the Board committees. In addition, the Meeting adopted the Charter of the Shareholders’ Nomination Board.

The Nomination Board comprises representatives of the four largest shareholders of the company and, in addition, the Chairman of the company’s Board as an expert member. The right to nominate the shareholder representatives lies with those four shareholders whose share of all the voting rights in the company is the largest on August 31 of the calendar year preceding the Annual Shareholders’ Meeting. However, holdings by a shareholder who, under the Finnish Securities Market Act, has the obligation to disclose its shareholdings (flagging obligation) that are divided into several funds or registers, will be summed up when calculating the share of all the voting rights, provided that such shareholder presents a written request to that effect to the Chairman of the company’s Board of Directors no later than on August 30 of the calendar year preceding the Annual Shareholders’ Meeting. Should a shareholder not wish to use its nomination right the right transfers to the next largest shareholder.

The Chairman of the Board of Directors convenes the first meeting of the Nomination Board and the Nomination Board elects a Chairman from among its members. The Nomination Board shall submit its proposals to the Board of Directors annually, latest on January 1 preceding the next Annual Shareholders’ Meeting.

**Board authorizations**

**Authorization of the Board of Directors to decide on the acquisition of treasury shares**

The Annual Shareholders' Meeting on April 7, 2016 authorized the Board of Directors to decide on the acquisition of no more than 500,000 of the treasury shares using the unrestricted equity of the company. The authorization includes the right to accept treasury 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-based incentive plans or for other purposes determined by the Board.

The decision to acquire or redeem treasury 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 2017 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 treasury shares and/or accepting them as a pledge.

The authorization will supersede the authorization for the acquisition of treasury shares which was granted to the Board of Directors by the Annual Shareholders' Meeting on April 9, 2015.

**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-based incentive plans 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.

**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.

## ASPO BOARD OF DIRECTOR’S DECISION CONCERNING THE DIVIDENDS STARTING FROM 2017

Following the global trend, the Board of Directors of Aspo Plc has decided to propose to the Annual Shareholders’ Meeting that a twice-a-year distribution policy be adopted starting from 2017.

Aspo Board of Directors has also confirmed that Aspo will maintain its current dividend policy, whereby the company distributes in dividends at least half of the annual profit on average.

## 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. The State has appealed against the judgement. If the district court judgement becomes final, it will affect Aspo Group’s result positively with an amount corresponding to these items.

The shipping company won legal proceedings against Indian ABG Shipyard concerning the compensation payable for repairs made to m/s Alppila during the warranty period. The vessel was delivered to ESL Shipping in 2011. According to the ruling of the arbitration court, ABG Shipyard was required to refund the repair expenses and interest to ESL Shipping according to the company's claims. The impact of ruling will be recognized during the period over which the imposed payment is received.

Helsinki April 28, 2016

ASPO Plc
Board of Directors

**ASPO GROUP CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

| | 1-3/2016 | | 1-3/2015 | | 1-12/2015 | |
|---|---|---|---|---|---|---|
| | MEUR | % | MEUR | % | MEUR | % |
| Net sales | 98.5 | 100.0 | 102.0 | 100.0 | 445.8 | 100.0 |
| Other operating income | 0.1 | 0.1 | 0.5 | 0.5 | 1.2 | 0.3 |
| Materials and services | -70.3 | -71.4 | -71.1 | -69.7 | -318.2 | -71.4 |
| Employee benefit expenses | -10.1 | -10.3 | -11.3 | -11.1 | -41.0 | -9.2 |
| Depreciation, amortiziation and impairment losses | -2.8 | -2.8 | -4.1 | -4.0 | -12.5 | -2.8 |
| Other operating expenses | -12.1 | -12.3 | -13.0 | -12.7 | -54.7 | -12.3 |
| Operating profit | 3.3 | 3.4 | 3.0 | 2.9 | 20.6 | 4.6 |
| Financial income and expenses | -0.7 | -0.7 | 4.5 | 4.4 | 0.7 | 0.2 |
| Profit before taxes | 2.6 | 2.6 | 7.5 | 7.4 | 21.3 | 4.8 |
| Income taxes | -0.3 | -0.3 | -0.5 | -0.5 | -1.5 | -0.3 |
| Profit for the period | 2.3 | 2.3 | 7.0 | 6.9 | 19.8 | 4.4 |
| Other comprehensive income | | | | | | |
| Items that may be reclassified to profit or loss in subsequent periods: | | | | | | |
| Translation differences | -0.3 | | 0.3 | | -5.8 | |
| Cash flow hedges | -1.7 | | 0.0 | | 0.3 | |
| Available-for-sale financial assets | | | 1.8 | | 1.8 | |
| Reclassification | | | -4.9 | | -4.9 | |
| Income tax on other comprehensive income | 0.1 | | 0.6 | | 0.6 | |
| Other comprehensive income for the period, net of taxes | -1.9 | | -2.2 | | -8.0 | |
| Total comprehensive income | 0.4 | | 4.8 | | 11.8 | |
| Profit attributable to shareholders | 2.3 | | 7.0 | | 19.8 | |
| Total comprehensive income attributable to shareholders | 0.4 | | 4.8 | | 11.8 | |
| Earnings per share, EUR | 0.07 | | 0.22 | | 0.61 | |
| Diluted earnings per share, EUR | 0.07 | | 0.22 | | 0.61 | |

**ASPO GROUP CONSOLIDATED BALANCE SHEET**

| | 3/2016 MEUR | 3/2015 MEUR | Change % | 12/2015 MEUR |
|---|---|---|---|---|
| Assets | | | | |
| Intangible assets | 10.5 | 12.0 | -12.5 | 11.1 |
| Goodwill | 42.7 | 42.7 | 0.0 | 42.7 |
| Tangible assets | 114.7 | 110.2 | 4.1 | 116.4 |
| Available-for-sale financial assets | 0.2 | 0.2 | 0.0 | 0.2 |
| Receivables | 3.6 | 3.8 | -5.3 | 3.8 |
| Total non-current assets | 171.7 | 168.9 | 1.7 | 174.2 |
| Inventories | 53.7 | 48.3 | 11.2 | 48.4 |
| Accounts receivable and other receivables | 58.5 | 63.0 | -7.1 | 58.3 |
| Cash and cash equivalents | 12.4 | 14.9 | -16.8 | 23.9 |
| Total current assets | 124.6 | 126.2 | -1.3 | 130.6 |
| Total assets | 296.3 | 295.1 | 0.4 | 304.8 |
| Equity and liabilities | | | | |
| Share capital | 17.7 | 17.7 | 0.0 | 17.7 |
| Other equity | 85.0 | 91.3 | -6.9 | 84.9 |
| Total equity | 102.7 | 109.0 | -5.8 | 102.6 |
| Non-current liabilities | 121.1 | 67.7 | 78.9 | 121.1 |
| Current liabilities | 72.5 | 118.4 | -38.8 | 81.1 |
| Total equity and liabilities | 296.3 | 295.1 | 0.4 | 304.8 |

## ASPO GROUP CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

A = Share capital
B = Share premium
C = Fair value reserve
D = Other reserves
E = Treasury shares
F = Translation differences
G = Retained earnings
H = Total

| MEUR | A | B | C | D | E | F | G | H |
|---|---|---|---|---|---|---|---|---|
| Equity Jan. 1, 2016 | 17.7 | 4.3 | -0.3 | 31.9 | -2.7 | -21.8 | 73.5 | 102.6 |
| Comprehensive income: | | | | | | | | |
| Profit for the period | | | | | | | 2.3 | 2.3 |
| Translation differences | | | | | | -0.3 | | -0.3 |
| Cash flow hedges* | | | -1.6 | | | | | -1.6 |
| Total comprehensive income | | | -1.6 | | | -0.3 | 2.3 | 0.4 |
| Transactions with owners: | | | | | | | | |
| Interest on hybrid instrument | | | | | | | -0.4 | -0.4 |
| Share-based incentive plan | | | | | 0.4 | | -0.3 | 0.1 |
| Transfer of reserves | | | | 0.1 | | | -0.1 | 0.0 |
| Total transactions with owners | | | | 0.1 | 0.4 | | -0.8 | -0.3 |
| Equity March 31, 2016 | 17.7 | 4.3 | -1.9 | 32.0 | -2.3 | -22.1 | 75.0 | 102.7 |
| | | | | | | | | |
| Equity Jan. 1, 2015 | 17.7 | 4.3 | 1.9 | 32.0 | -3.4 | -16.0 | 67.6 | 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 |
| Equity March 31, 2015 | 17.7 | 4.3 | -0.6 | 32.0 | -2.7 | -15.7 | 74.0 | 109.0 |

* net of taxes

**ASPO GROUP CONSOLIDATED CASH FLOW STATEMENT**

| | 1-3/2016 MEUR | 1-3/2015 MEUR | 1-12/2015 MEUR |
|---|---|---|---|
| CASH FLOW FROM OPERATING ACTIVITIES | | | |
| Operating profit | 3.3 | 3.0 | 20.6 |
| Adjustments to operating profit | 2.9 | 4.2 | 13.4 |
| Change in working capital | -12.1 | -13.3 | -4.2 |
| Interest paid | -0.9 | -0.8 | -3.1 |
| Interest received | 0.1 | 0.1 | 0.6 |
| Income taxes paid | -0.3 | -0.6 | -2.3 |
| Net cash from operating activities | -7.0 | -7.4 | 25.0 |
| | | | |
| CASH FLOW FROM INVESTING ACTIVITIES | | | |
| Investments in tangible and intagible assets | -0.6 | -1.0 | -5.5 |
| Advance payments for vessels | | | -9.2 |
| Proceeds from sale of tangible assets | | | 0.1 |
| Proceeds from available-for sale financial assets | | 4.9 | 4.9 |
| Subsidiaries acquired, contigent consideration | | -0.3 | -0.3 |
| Business operations and subsidiaries sold | | | 0.1 |
| Net cash from investing activities | -0.6 | 3.6 | -9.9 |
| | | | |
| CASH FLOW FROM FINANCING ACTIVITIES | | | |
| Change in current loans | -2.8 | -0.9 | -21.9 |
| Change in non-current loans | -1.0 | 0.1 | 25.6 |
| Hybrid instrument | | | -1.4 |
| Dividends distributed | | | -12.2 |
| Net cash from financing activities | -3.8 | -0.8 | -9.9 |
| | | | |
| Change in cash and cash equivalents | -11.4 | -4.6 | 5.2 |
| Cash and cash equivalents Jan. 1 | 23.9 | 19.3 | 19.3 |
| Translation differences | -0.1 | 0.2 | -0.6 |
| Cash and cash equivalents at period-end | 12.4 | 14.9 | 23.9 |

## ASPO GROUP ASSETS AND LIABILITIES BY SEGMENT

Segments’ assets, MEUR

| | 3/2016 | 3/2015 | 12/2015 |
|---|---|---|---|
| ESL Shipping | 123.2 | 119.9 | 123.8 |
| Leipurin | 61.2 | 62.6 | 61.8 |
| Telko | 74.5 | 74.0 | 65.7 |
| Kaukomarkkinat | 23.7 | 18.4 | 26.8 |
| Unallocated items | 13.7 | 20.2 | 26.7 |
| Total | 296.3 | 295.1 | 304.8 |

Segments’ liabilities, MEUR

| | 3/2016 | 3/2015 | 12/2015 |
|---|---|---|---|
| ESL Shipping | 10.4 | 9.7 | 11.0 |
| Leipurin | 12.1 | 13.3 | 14.9 |
| Telko | 27.2 | 27.1 | 27.1 |
| Kaukomarkkinat | 10.0 | 3.5 | 12.6 |
| Unallocated items | 133.9 | 132.5 | 136.6 |
| Total | 193.6 | 186.1 | 202.2 |

## 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, 2016, Aspo applies certain new or amended IFRS standards and IFRIC interpretations as described in the 2015 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, 2015. The calculation principles of key figures are explained on page 70 of the Year 2015 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, Thursday April 28, 2016 at 14.00 at the Paavo Nurmi cabinet at Hotel Kämp, Pohjoisesplanadi 29, 00100 Helsinki.

## FINANCIAL INFORMATION IN 2016

Aspo Plc's Interim Report for the second quarter will be published on August 17, 2016, and for the third quarter on October 27, 2016.

Helsinki, April 28, 2016

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.