

Financial Report H1 2004

2004-08-19

Gustav Nyberg CEO

Dick Blomqvist CFO

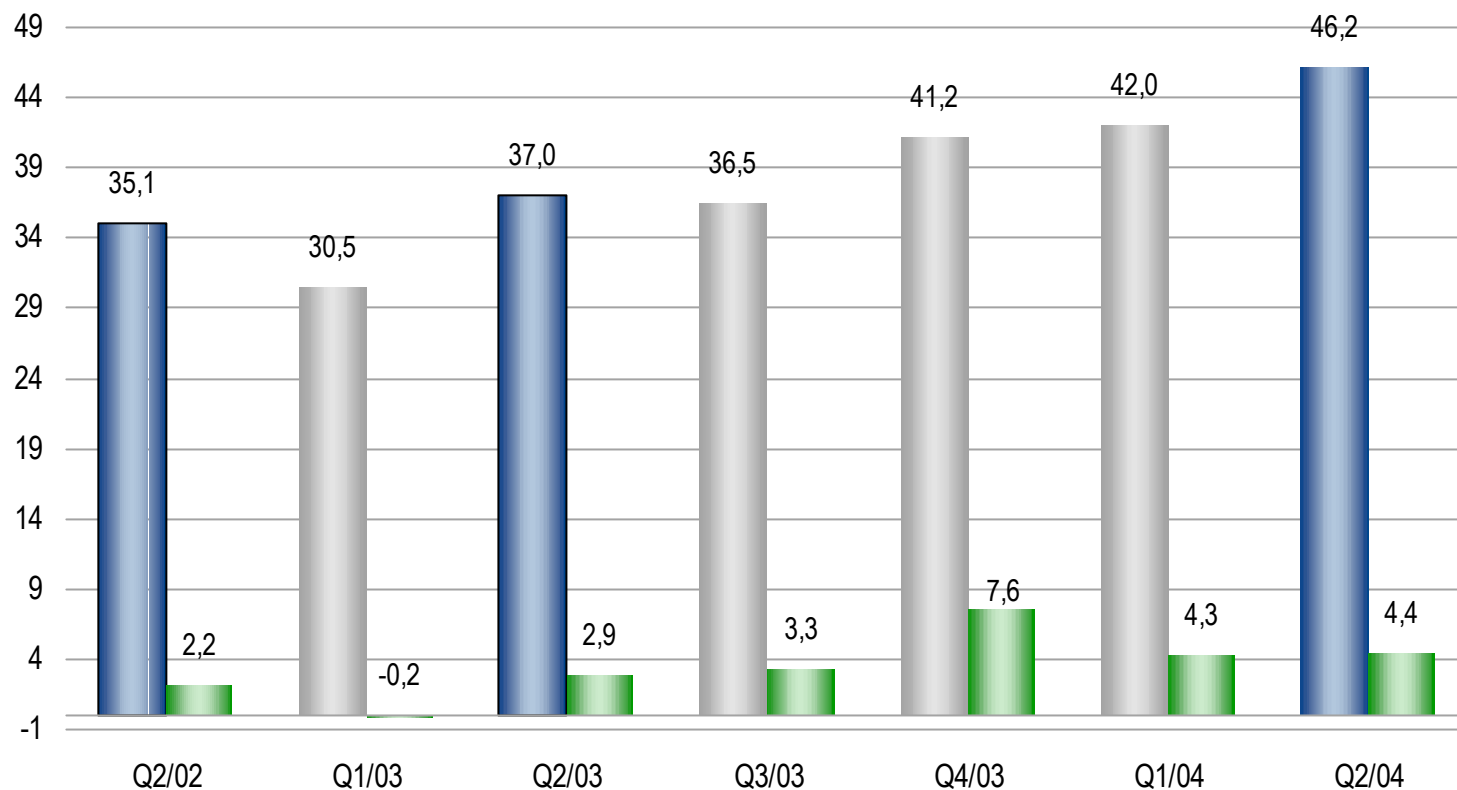


Aspo's H1 2004

- Operations started the year off well, sales rose 31% H1/H1 (25% Q2/Q2) & earnings rose exponentially
- EPS H1/H1 more than tripled 0.19 € → 0.83 €
- All divisions improved performances
- Signs of market recovery
- Sales and earnings forecast for the year adjusted upwards

- 20 million euro convertible capital loan issue executed successfully
- Supreme court refuses Aspo's appeal on 1994 tax dispute
- LP market guarantee improves liquidity of Aspo shares

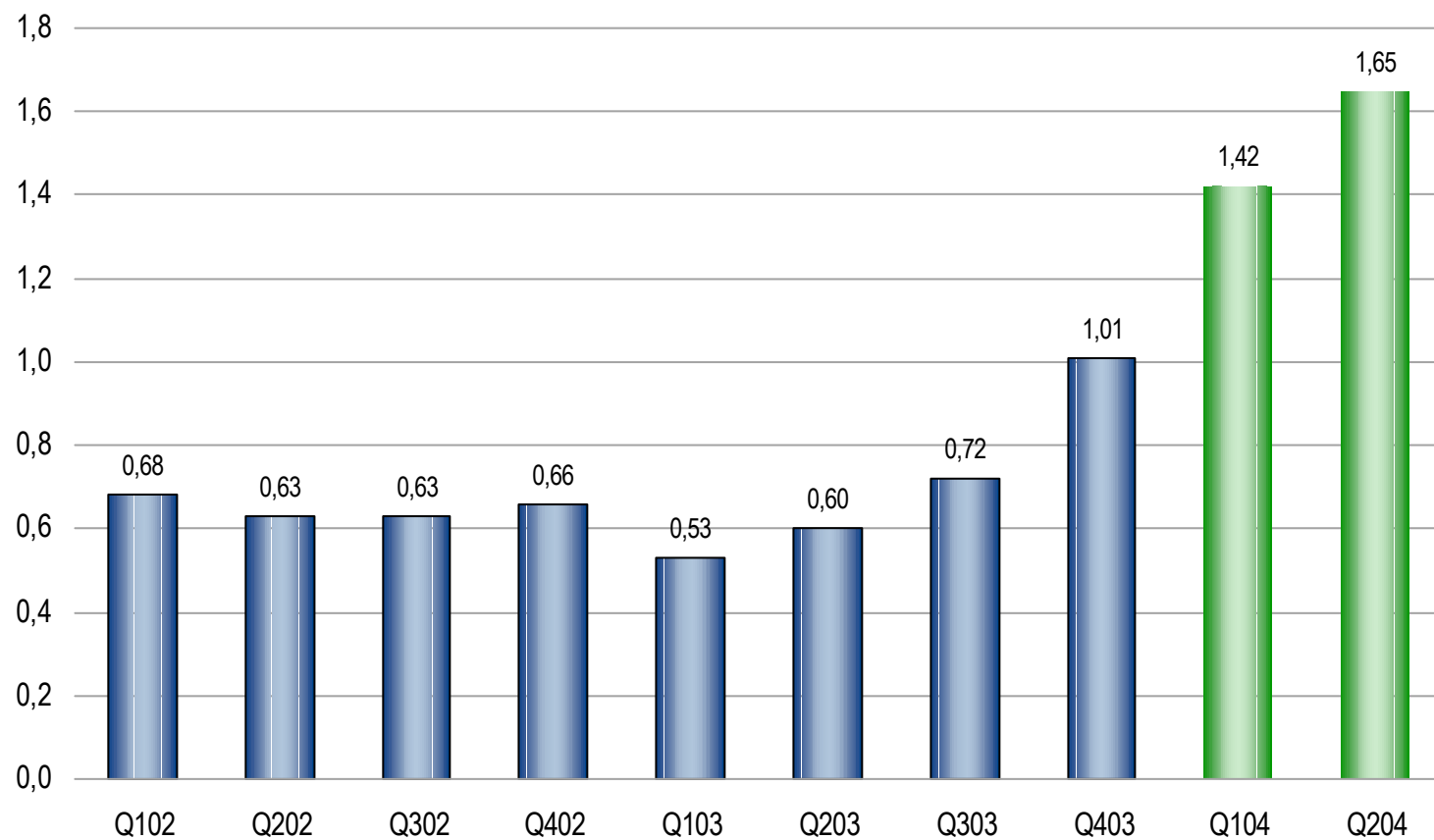
Net Sales & Operating Profit /Q 2002-2004



Net Sales & Operating Profit /Q 2003-2004

2003/2004	Q1	Q2	Q3	Q4	2004
Net sales	42.0	46.2			88.2
M€	30.5	37.0	36.5	41.2	145.2
Operating profit	4.3	4.4			8.7
M€	- 0.2	2.9	3.3	7.6	13.6

EPS / Q (12 month rolling)



Net Sales / Division Q2/Q2

	4-6/04	4-6/03	Change
Chemicals	14.4	13.8	4%
Shipping	20.6	13.6	51%
Systems	11.2	9.6	17%
Total	46.2	37.0	25%

Net Sales / Division H1/H1

	1- 6/04	1- 6/03	Change
Chemicals	30.3	29.0	5%
Shipping	39.5	23.2	70%
Systems	18.4	15.3	20%
Total	88.2	67.5	31%

Net Sales / Market

M€	H1/04	H1/03	Change
Finland	66.4	49.1	35%
Nordic	11.4	9.2	24%
Baltic	6.6	6.5	2%
Russia etc	3.8	2.7	41%

Operating Profit / Division Q2/Q2

M€	4- 6/04	4- 6/03	Change
Chemicals	0.5	0.6	-0.1
Shipping	4.6	3.2	1.4
Systems	0.5	-0.1	0.6
Aspo Plc	-1.2	-0.8	-0.4
Total	4.4	2.9	1.5

Operating Profit / Division H1/H1

M€	1- 6/04	1- 6/03	Change
Chemicals	1.4	1.5	-0.1
Shipping	9.6	2.7	6.9
Systems	0.0	-1.6	1.6
Aspo Plc	-2.3	0.1	-2.4
Total	8.7	2.7	6.0

Income Statement

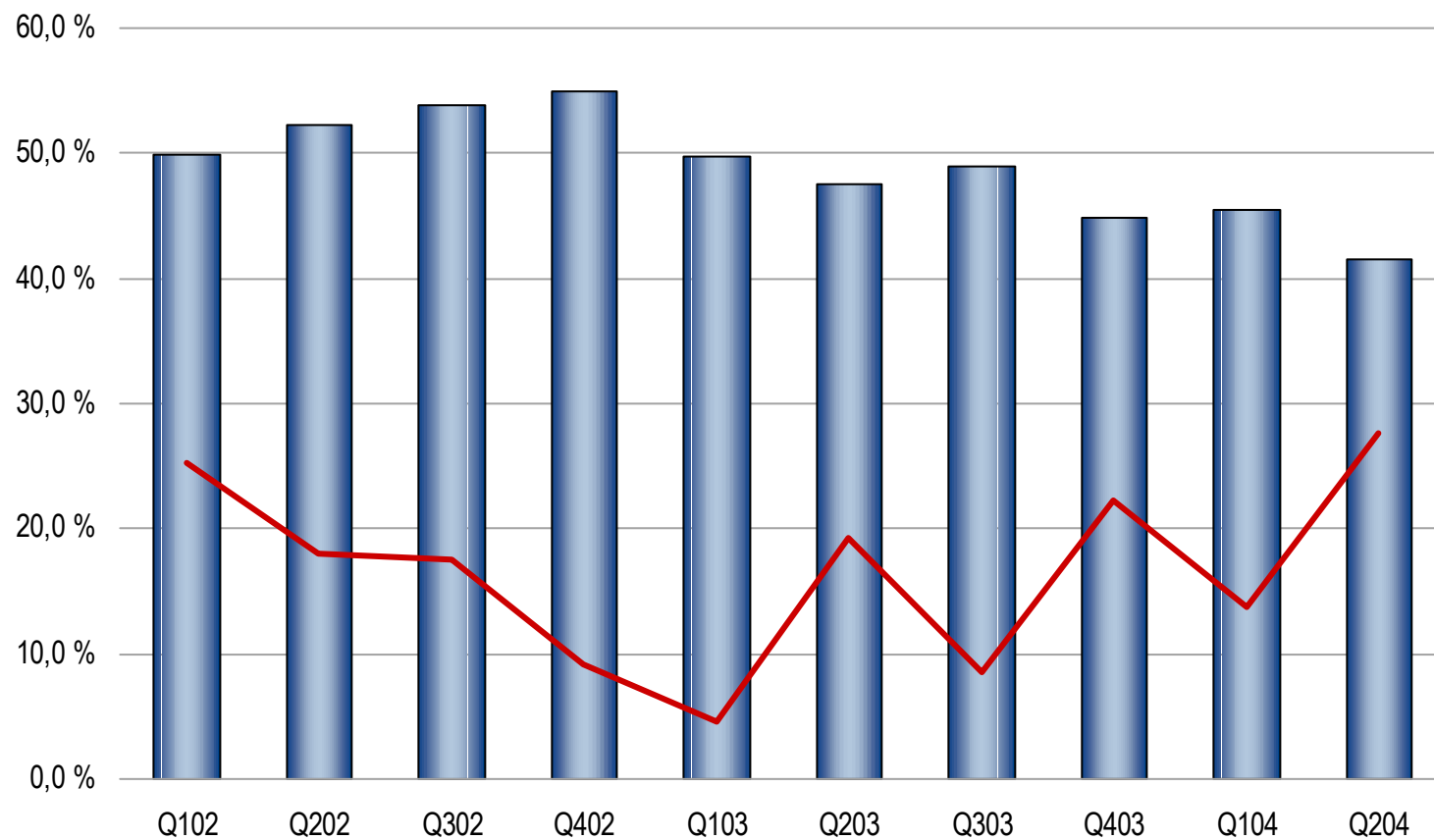
M€	1-6/04	1-6/03
Net sales	88.2	67.5
Depreciation	4.5	3.9
Operating profit	8.7	2.7
Net financial expenses	- 0.6	-0.6
Extraordinary items		-7.7
Pre-tax profit	8.1	-5.6
Earnings/share, €	0.83	0.19

Balance Sheet

M€	1-6/04	1-6/03
Fixed assets	67.8	64.8
Inventories	12.2	10.5
Cash & receivables	40.9	28.8
Total	120.9	104.1
Equity	50.0	59.1
Capital loan	19.2	
Minority interests	0.1	0.2
Liabilities	51.6	54.8
Total	120.9	104.1
Equity ratio	41.6%	47.6%
Equity/share, €	5.91	5.74

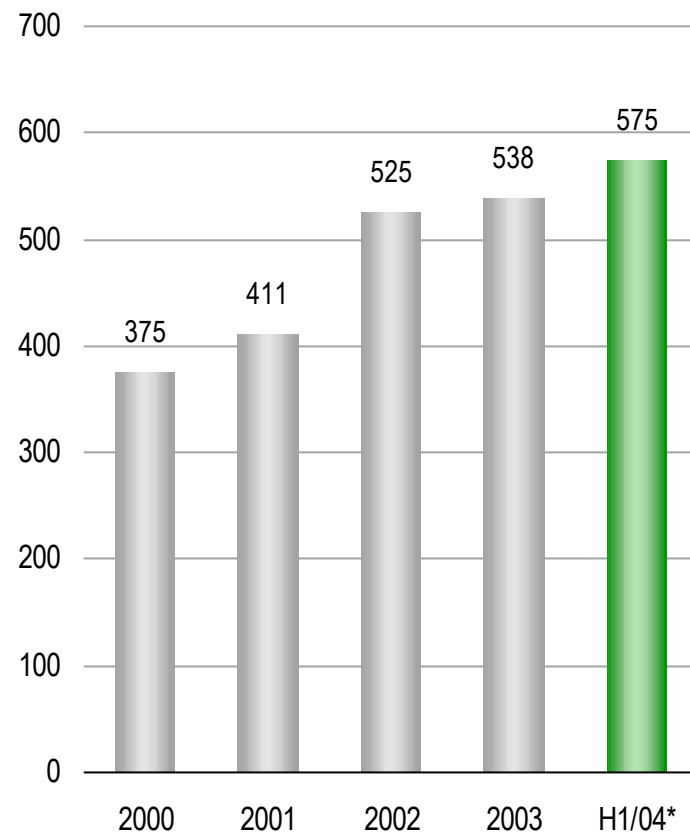
Key Figures

Equity Ratio & Gearing /Q

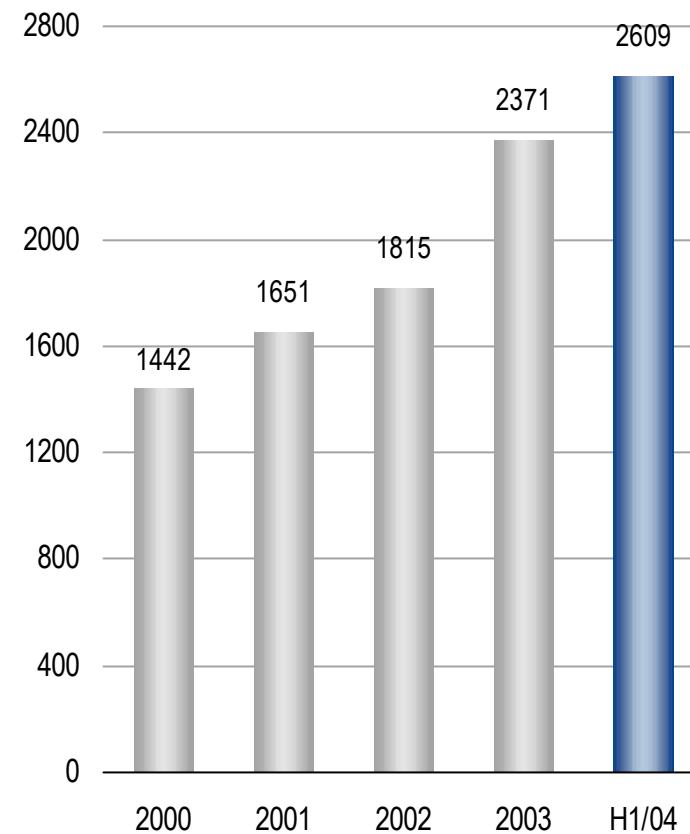


Key Figures

Personnel, average



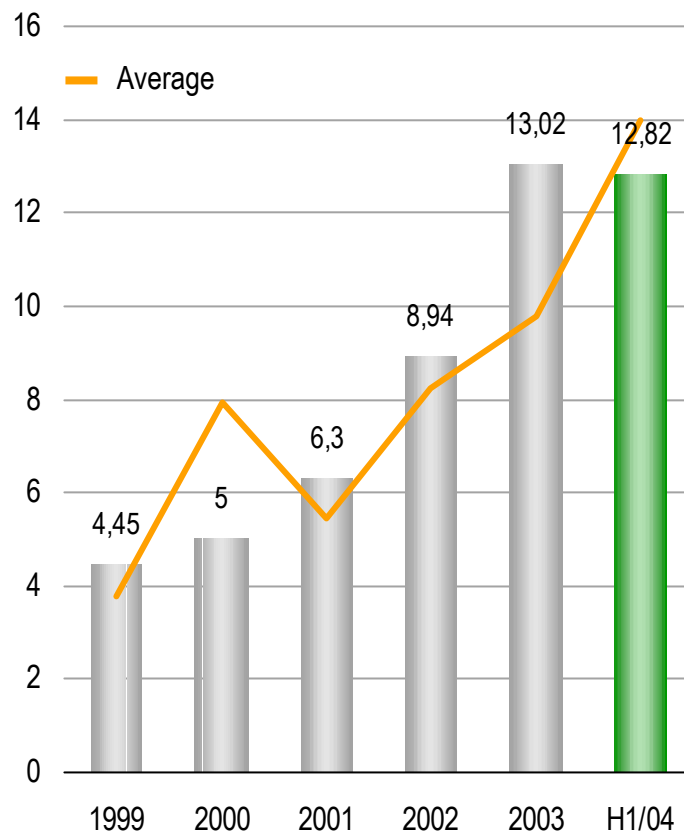
Stockholders, period end



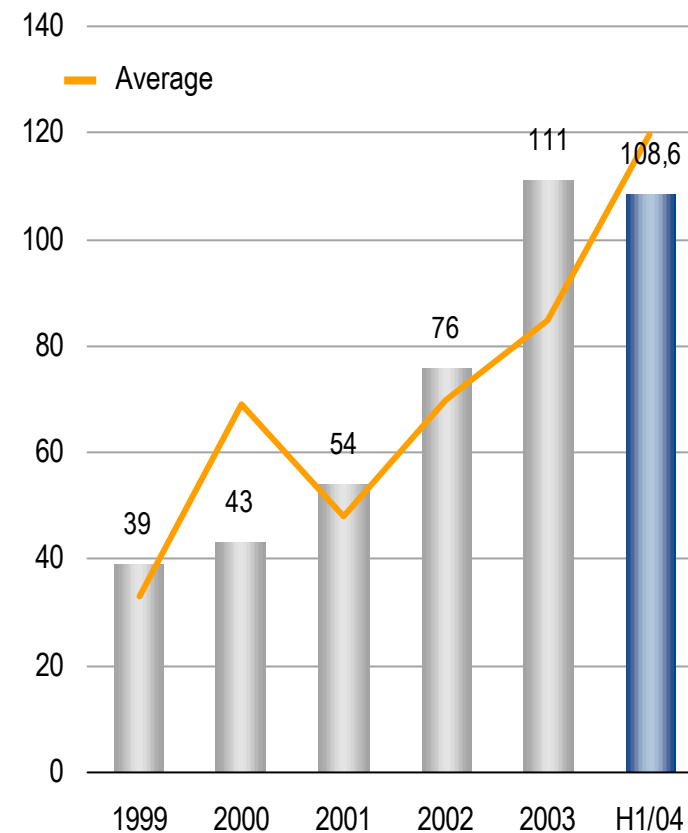
*) At period end
2004-08-19

Key Figures

Share Price Performance, EUR



Market Cap, MEUR



Market Conditions /Division Q2 2004

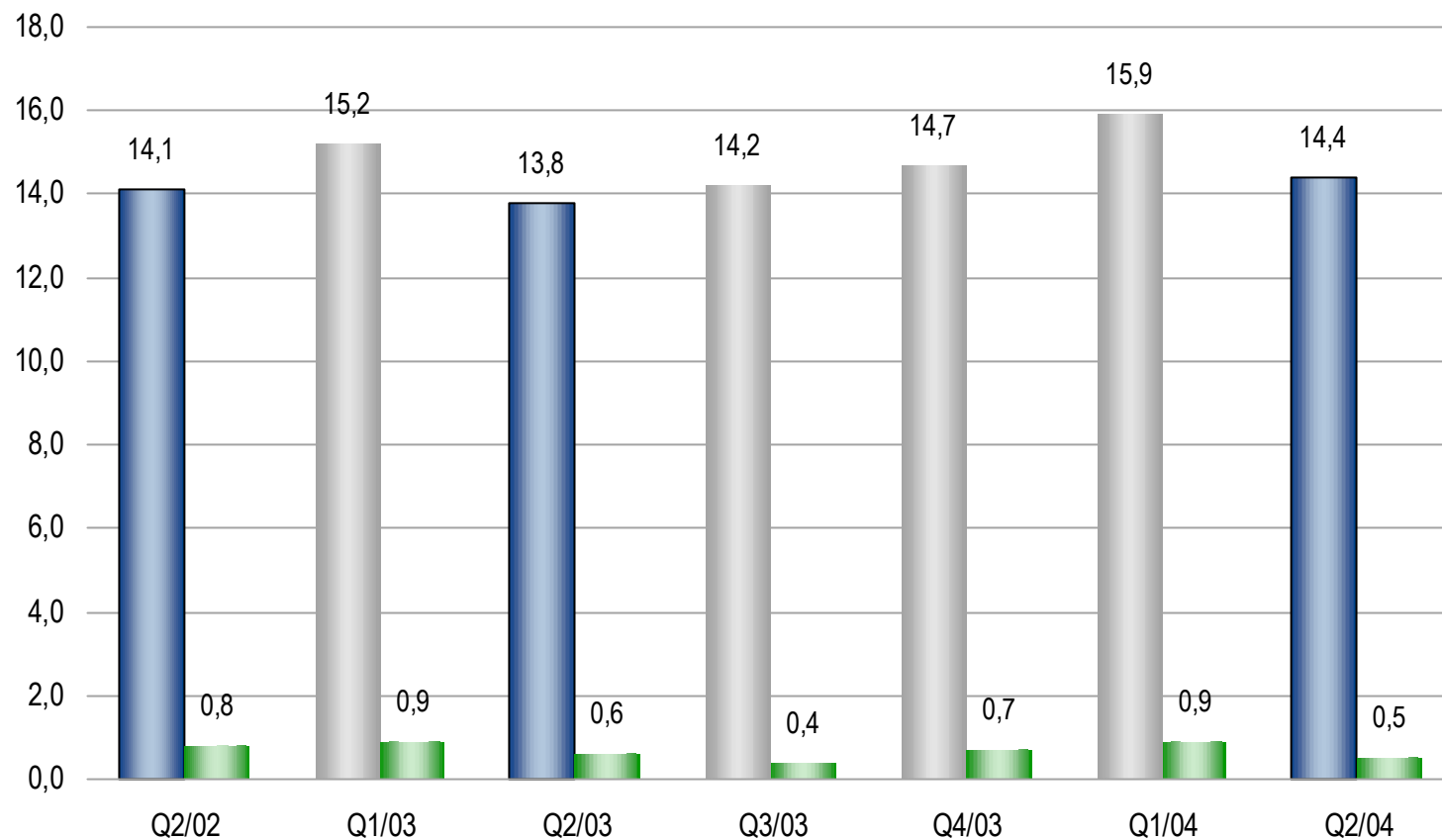


Market Conditions - Chemicals

- Q2 net sales 14.4 M€ (13.8 M€)
- Q2 operating profit 0.5 M€ (0.6 M€)

- Market conditions unchanged – heavy competition
- Intensified competition from new EU countries
- Border crossing problems (initial ?) for products
- Rising oil prices pushing up plastics prices
- Demand for chemicals not sufficient for price increases
- Volume increases hint at increasing recovery

Chemicals Q2 2004



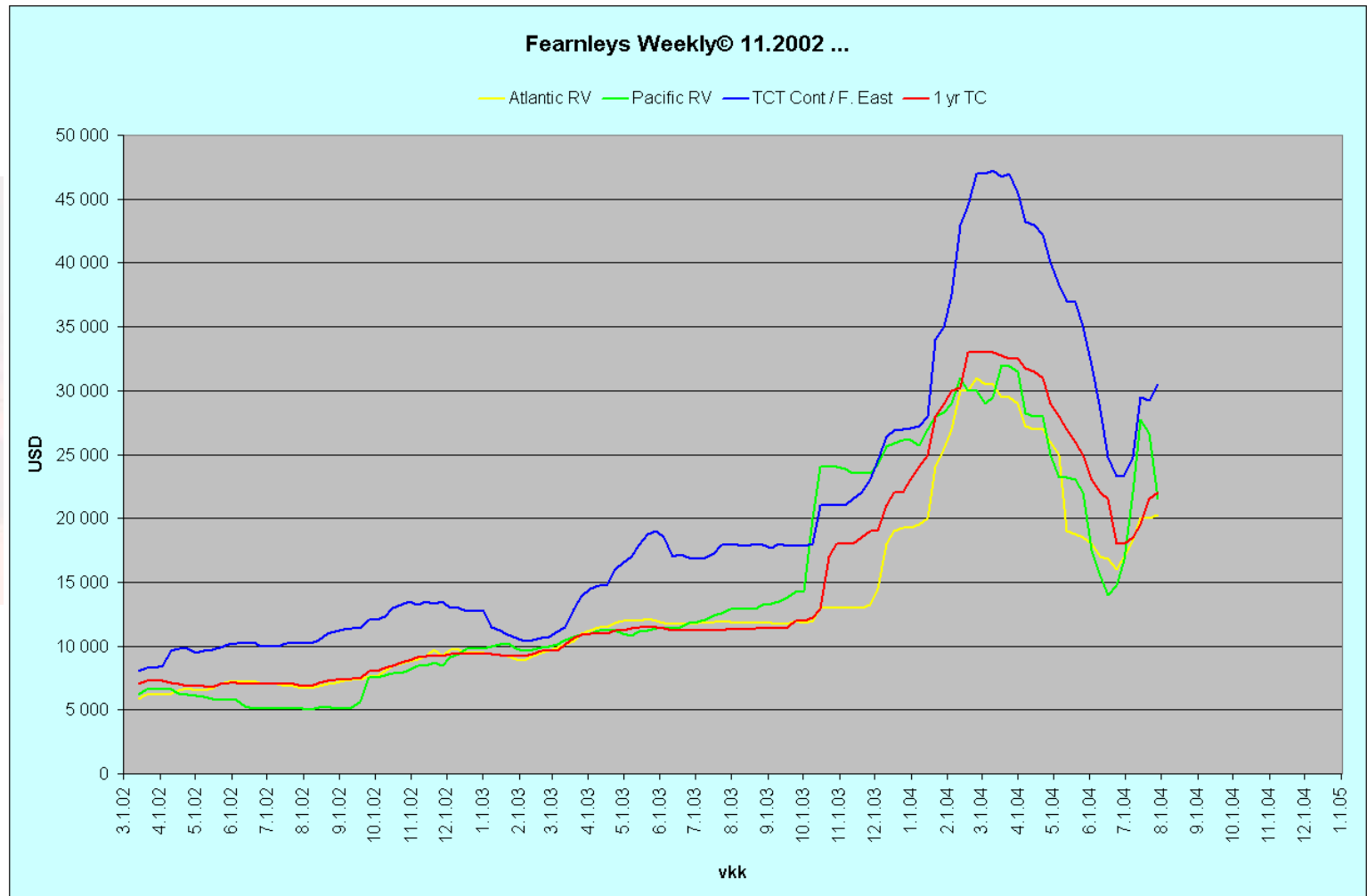
Market Conditions - Shipping

- Q2 operating profit 4.6 M€ (3.2 M€)
- Q2 net sales M€ (13.6 M€)
- Shipping demand strong throughout the first half
- High ocean freight rates have shifted demand to the Baltic
- Expanded fleet allowed for increased sales volumes
- Freight volumes rising on strength of boosted steel industry share
- Increasing bunker oil price had marginal impact on earnings
- Reduced operating risks with respect to both currency and product portfolio



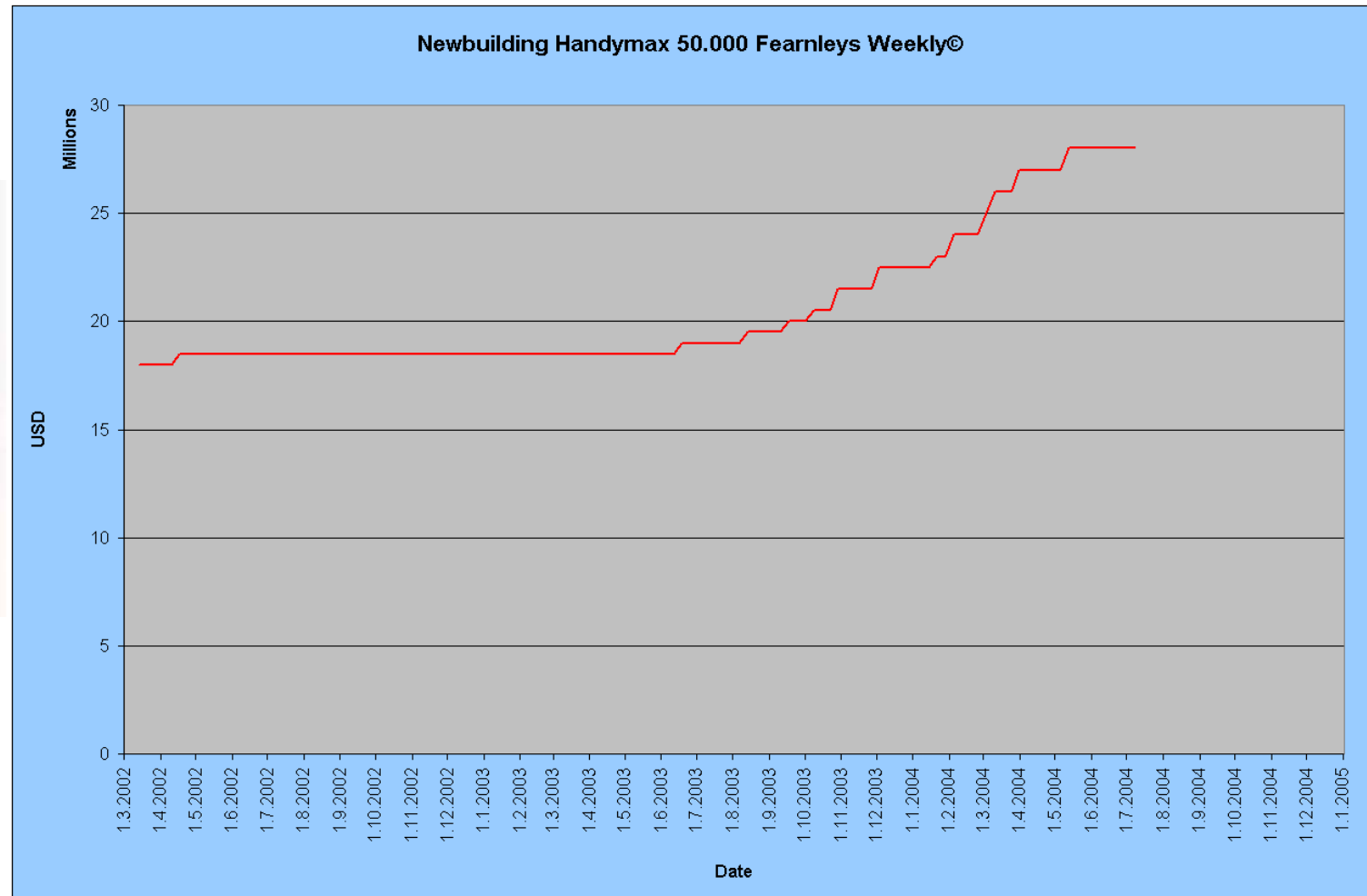
Shipping

Market Conditions - Shipping



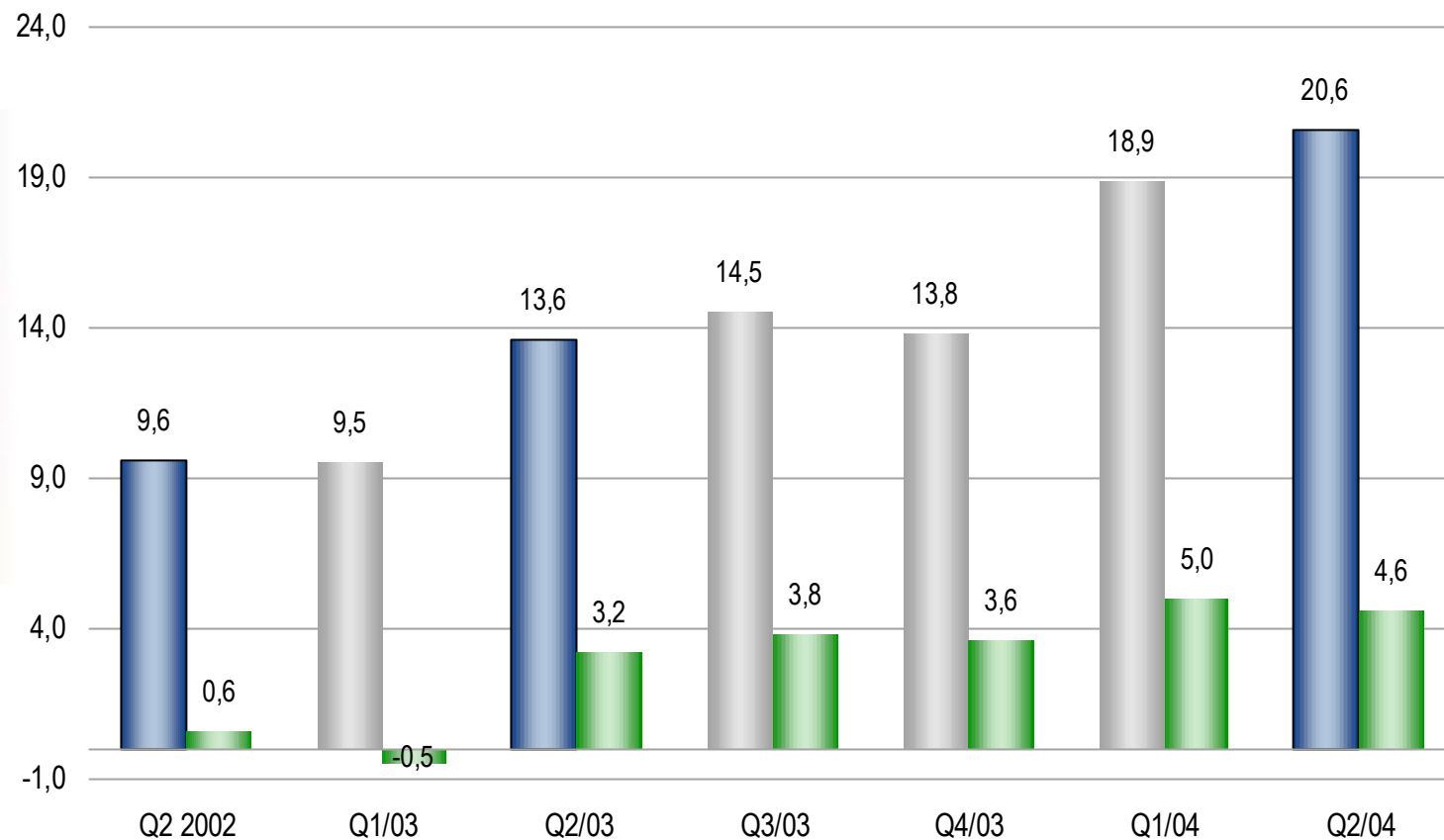
Shipping

Market Conditions - Shipping



Shipping

Shipping Q2 2004



Shipping

Market Conditions - Systems

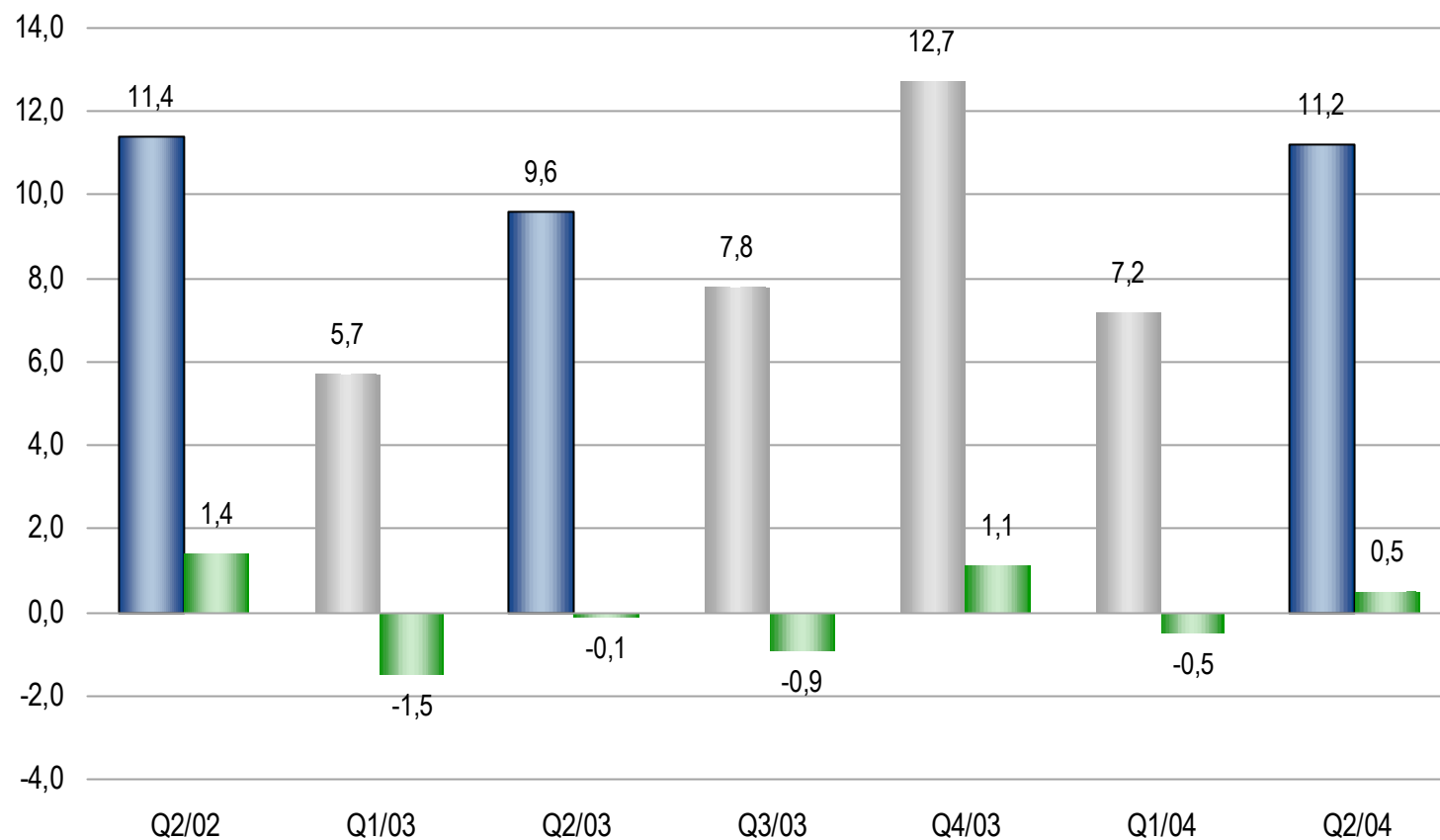
- Q2 net sales 11.2 M€ (9.6 M€)
- Q2 operating profit 0.5 M€ (-0.1 M€)

- Market conditions continued improving, lifting sales
- Cost cuts also having an impact
- 1 million euro earnings improvement target reached in H1
- Rising oil prices stimulating investments in unmanned stations
- Equipment sales outstripped maintenance sales
- Project scheduling changes by customers influence forecasting accuracy



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Systems Q2 2004



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Prospects for 2004



Aspo's Prospects for 2004

- Chemicals:** Market conditions will remain as is. Net sales will grow, while earnings remain on at least current level. Prerequisites for earnings improvements.
- **Shipping:** Market conditions will remain healthy. Sales will continue to show strong growth, slowing toward the year end. Operating profit will improve significantly over last year.
 - **Systems:** Market conditions appear to be improving. Net sales should increase and earnings should improve significantly. Operating performance will not yet break even.

Aspo's Prospects for 2004

- Aspo's net sales should grow approximately 20%.
- Aspo's profitability should remain healthy.
- Aspo's operating profit should reach the 2003 level, which included gains from asset disposals.
- The company is expected to continue generating very positive cash flow.
- The company's financial position is expected to remain highly satisfactory.

Aspo's Longer Term Targets

- Continue growing profitably
- Consolidate our position as a Baltic Sea player
- Improve our ability to forecast divisional operating performance and profitability
- Aspo does not see any changes in dividend policy following tax reform

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Thank You!

