



Aspo

Full-year 2013 and Q4

February 13, 2014

CEO Aki Ojanen

CFO Arto Meitsalo

Group Treasurer Harri Seppälä



Aspo's strategy

- Aspo is a conglomerate that owns and continually develops its business operations and structure without predefined schedules.
- Business operations focusing on B-to-B customers.
- Business operations in northern Europe and growth markets.
- Company brands: ESL Shipping, Leipurin, Telko and Kaukomarkkinat.
- Focus on trade and logistics.
- The structure generates Aspo's goodwill.



Initial public offering on Leipurin

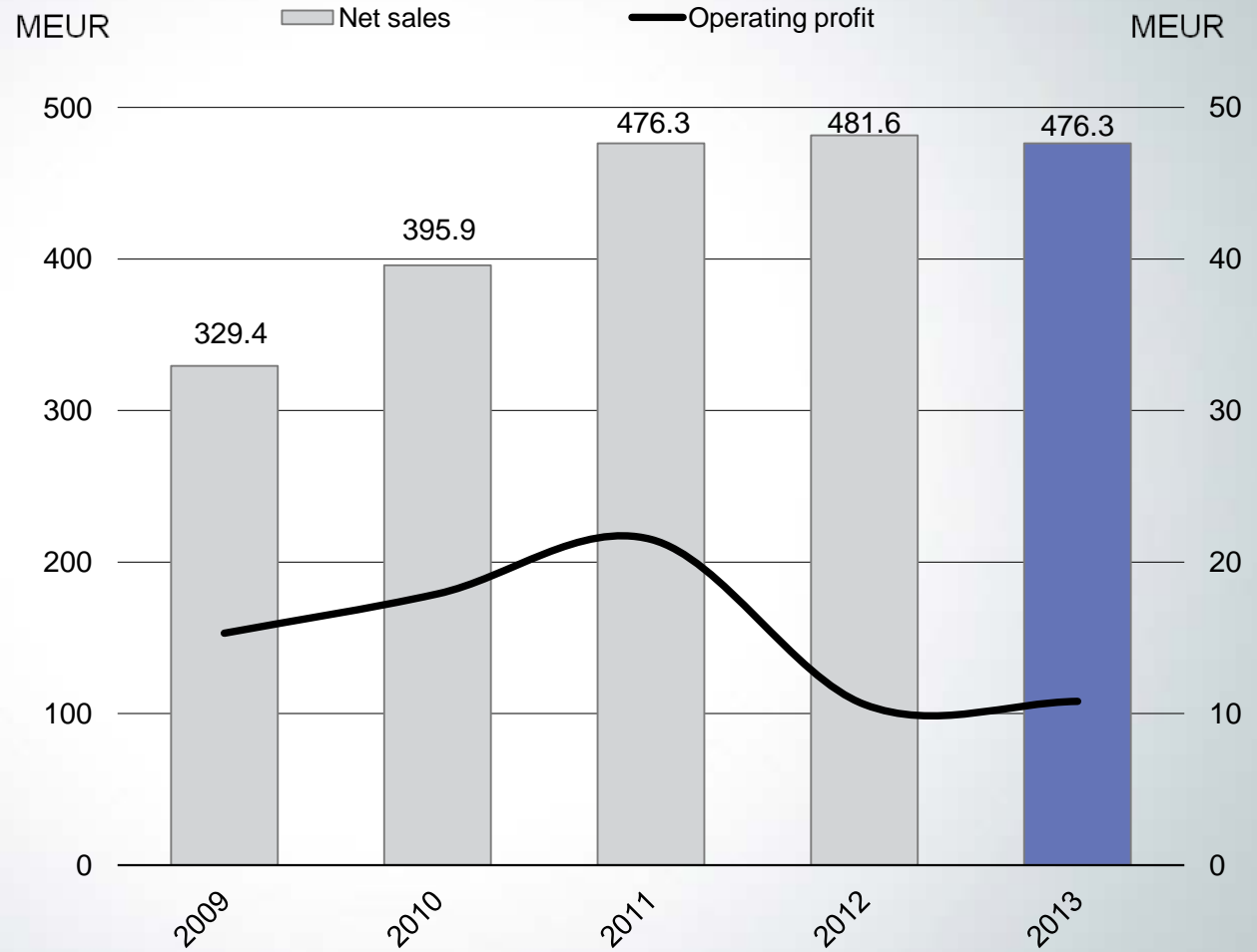
- Aspo has announced that it is reviewing the preconditions for initial public offering of Leipurin Ltd as a separate company on the Helsinki Stock Exchange's main list.
- Aspo would remain as minority owner of the company.
- The preliminary IPO readiness assessment is completed.
- Aspo's aim is the listing of Leipurin Ltd during 2014.

Main events and operating result in 2013



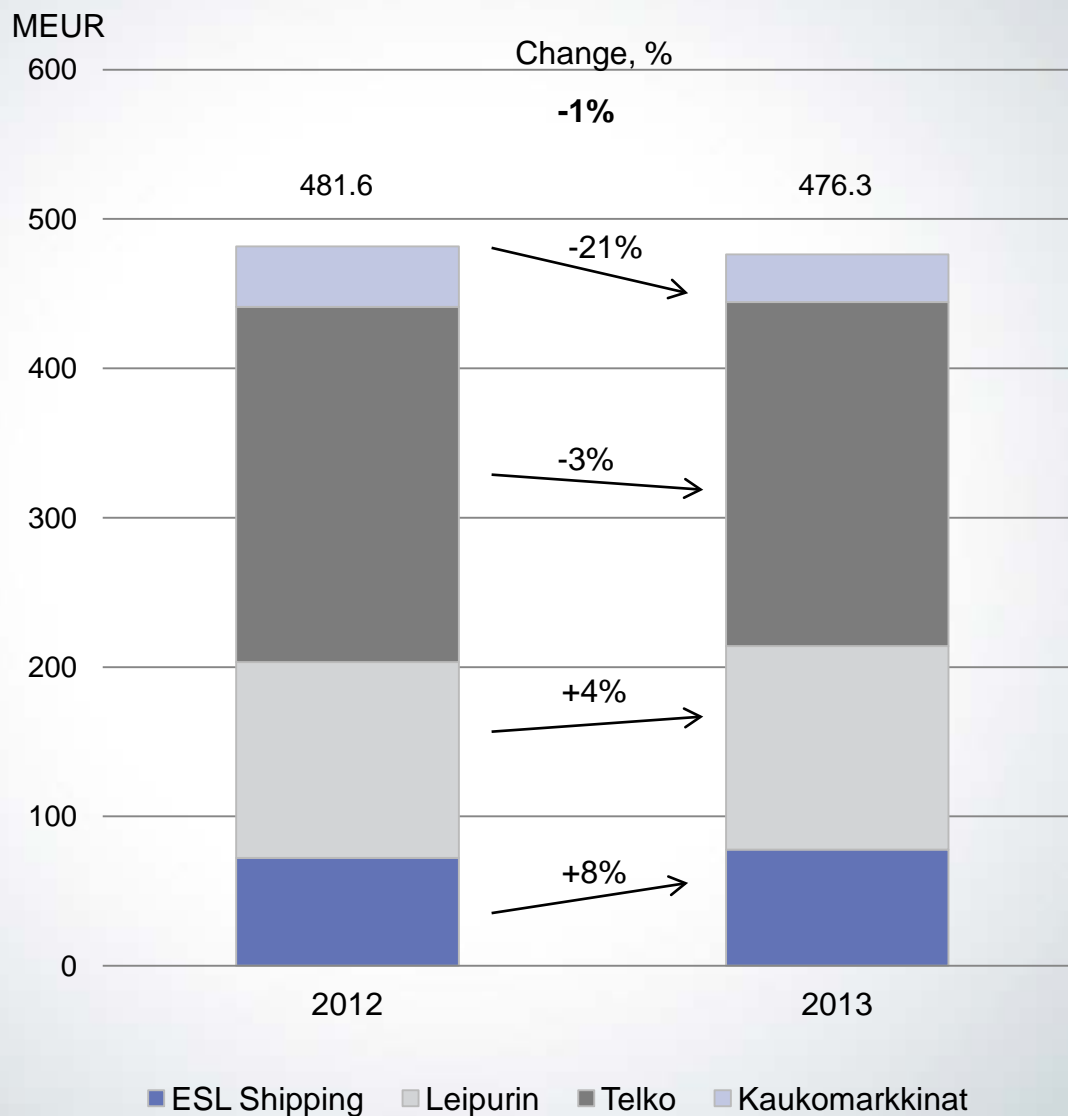
- The general economic situation was challenging throughout the year on the western markets and deteriorated over the second half on the eastern markets.
- Comparable operating profit increased by 35% to EUR 10.8 million (EUR 8.0 million and EUR 2.6 million sales gains from vessels).
- Net sales remained at the previous year's level, being EUR 476.3 million (481.6).
- Unusually, euro-denominated net sales did not increase in Russia, Ukraine and other CIS countries.
- Cash flow from operations increased to EUR 16 million.
- Profit for the year was EUR 8.6 million and earnings per share EUR 0.28.

Net sales and operating profit 2009–2013





Net sales / segment 2012–2013





Operating profit / segment

MEUR	2013	2012	Change, %
ESL Shipping	7.6	3.7	105
Leipurin	5.2	4.0	30
Telko	5.8	8.4	-31
Kaukomarkkinat	-3.6	-0.6	-500
Other operations	-4.2	-4.9	14
Total	10.8	10.6	2



Net sales / market area

MEUR	2013	2012	Change, %
Finland	156.7	158.9	-1
Scandinavia	43.4	42.6	2
Baltic countries	49.8	49.4	1
Russia, Ukraine + other CIS	153.0	157.8	-3
Other countries	73.4	72.9	1
Total	476.3	481.6	-1

Aspo's countries of operation

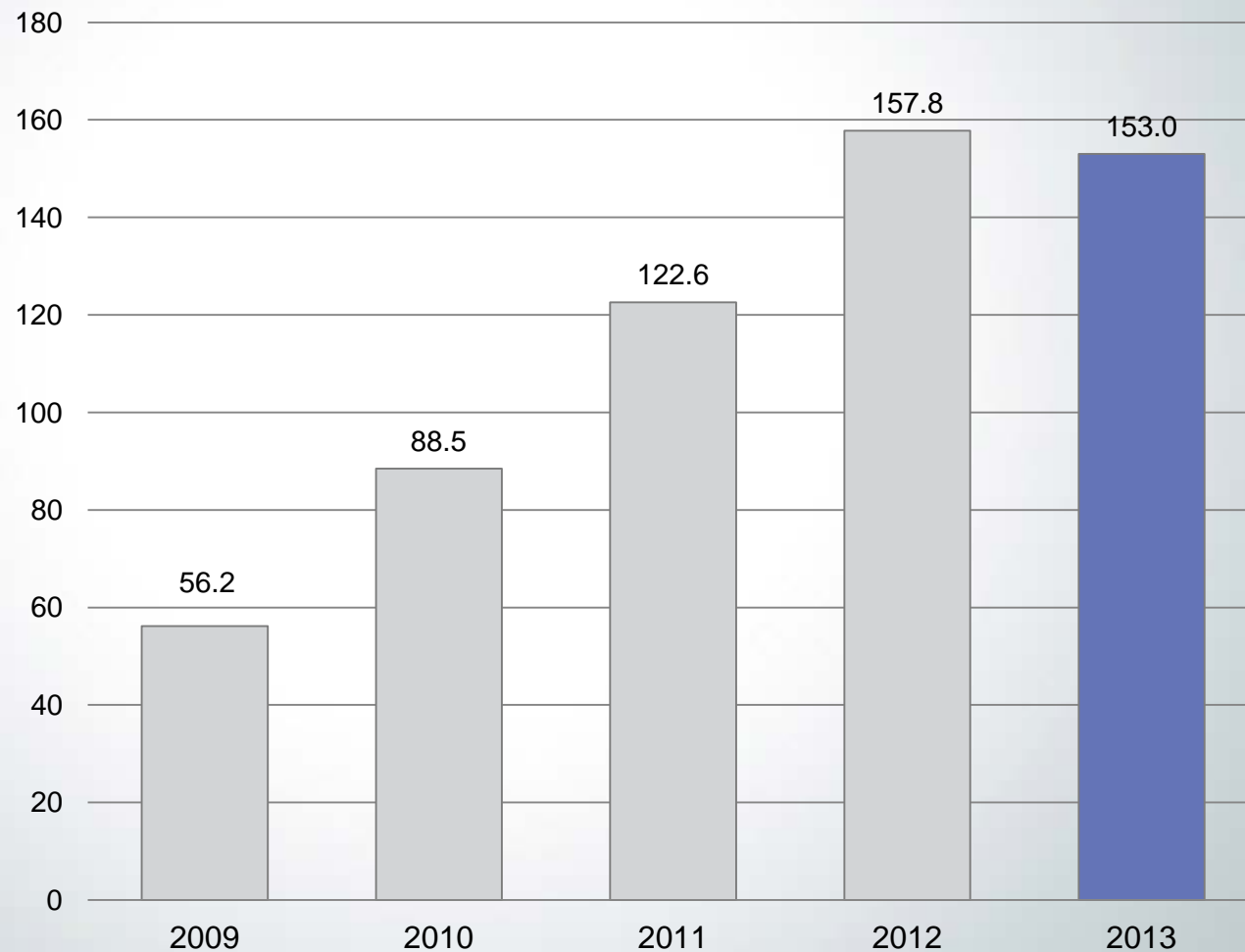




Net sales 2009–2013

Russia, Ukraine + other CIS countries

MEUR

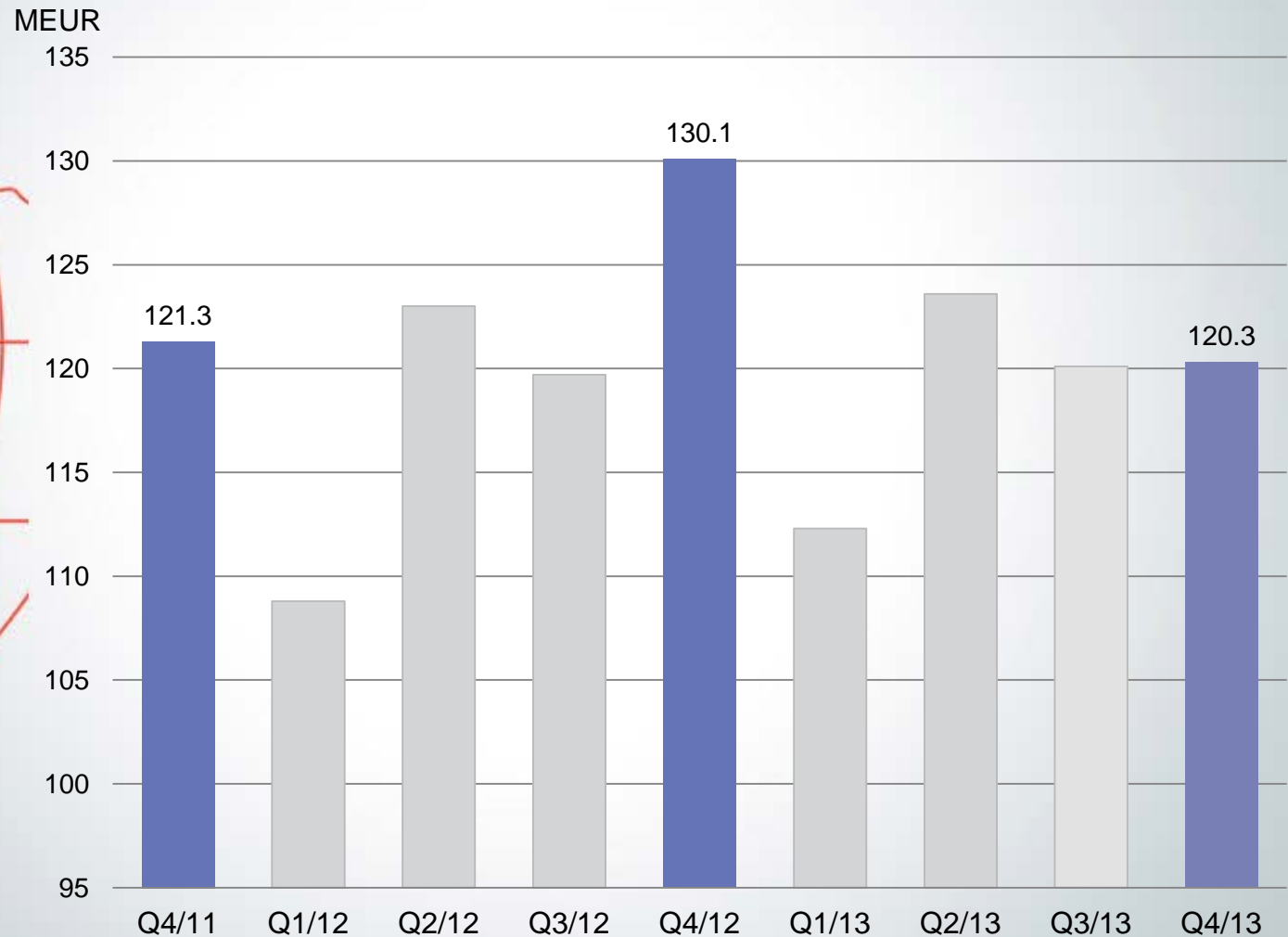




Main events in Q4

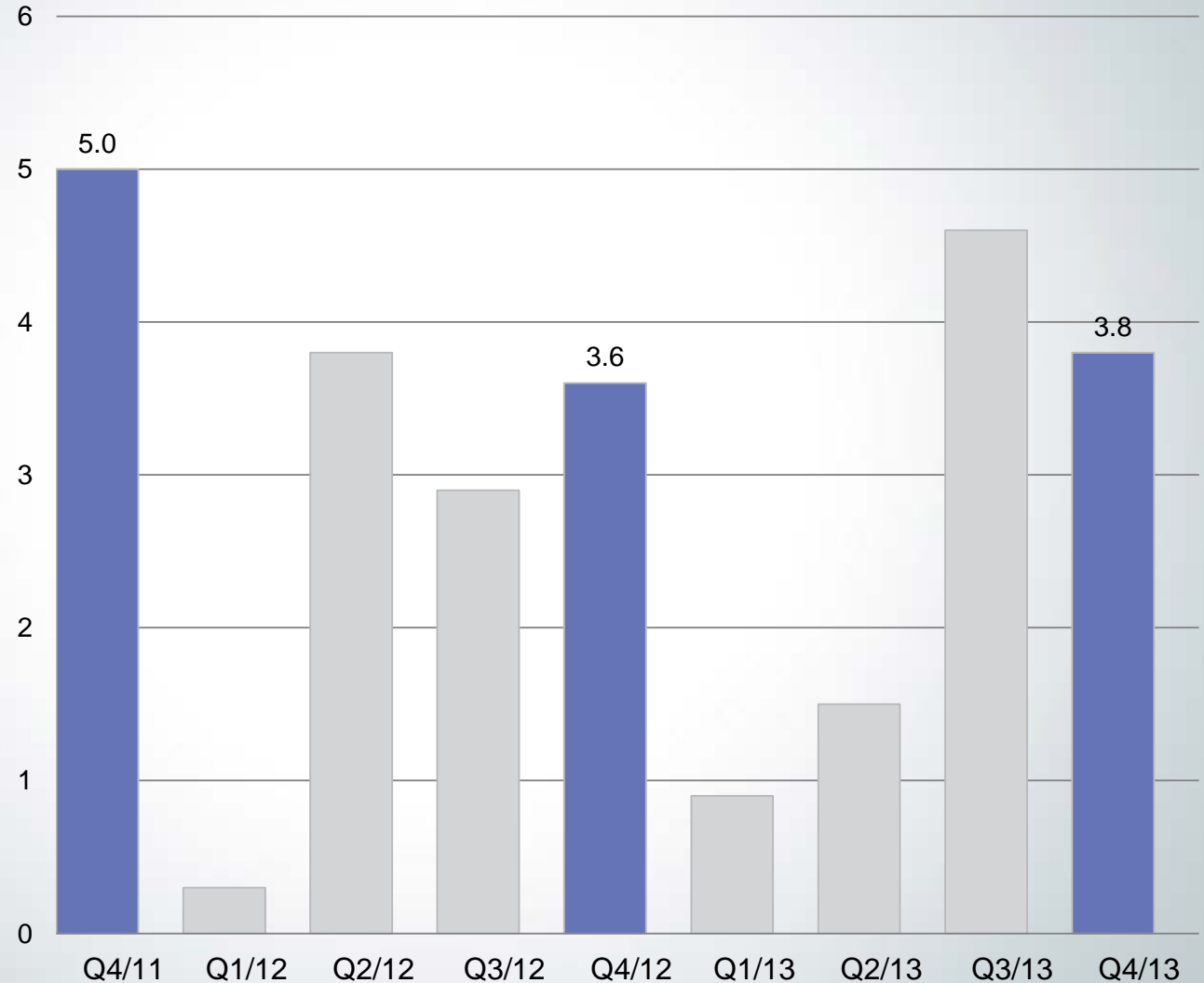
- Net sales decreased to EUR 120.3 million (130.1). Operating profit increased to EUR 3.8 million (EUR 3.4 million and the EUR 0.2 million sales gains from a vessel).
- ESL Shipping's operating profit grew strongly.
- Leipurin posted good earnings.
- Telko's earnings fell due to a decrease in prices and deteriorated eastern markets. Ukraine showed a loss.
- Kaukomarkkinat produced losses. Cost-savings in Finland will have their full effect starting from Q1/2014.
- Cash flow was strong during the fourth quarter.
- Gearing fell below the new target level of 100%.

Group net sales quarterly 2011–2013



Group operating profit quarterly 2011–2013

MEUR



Net sales and operating profit Q4

2012/2013	Q1	Q2	Q3	Q4	Cum.
Net sales	112.3	123.6	120.1	120.3	476.3
MEUR	108.8	123.0	119.7	130.1	481.6
Operating profit	0.9	1.5	4.6	3.8	10.8
MEUR	0.3	3.8	2.9	3.6	10.6





Aspo business operations



ESL Shipping

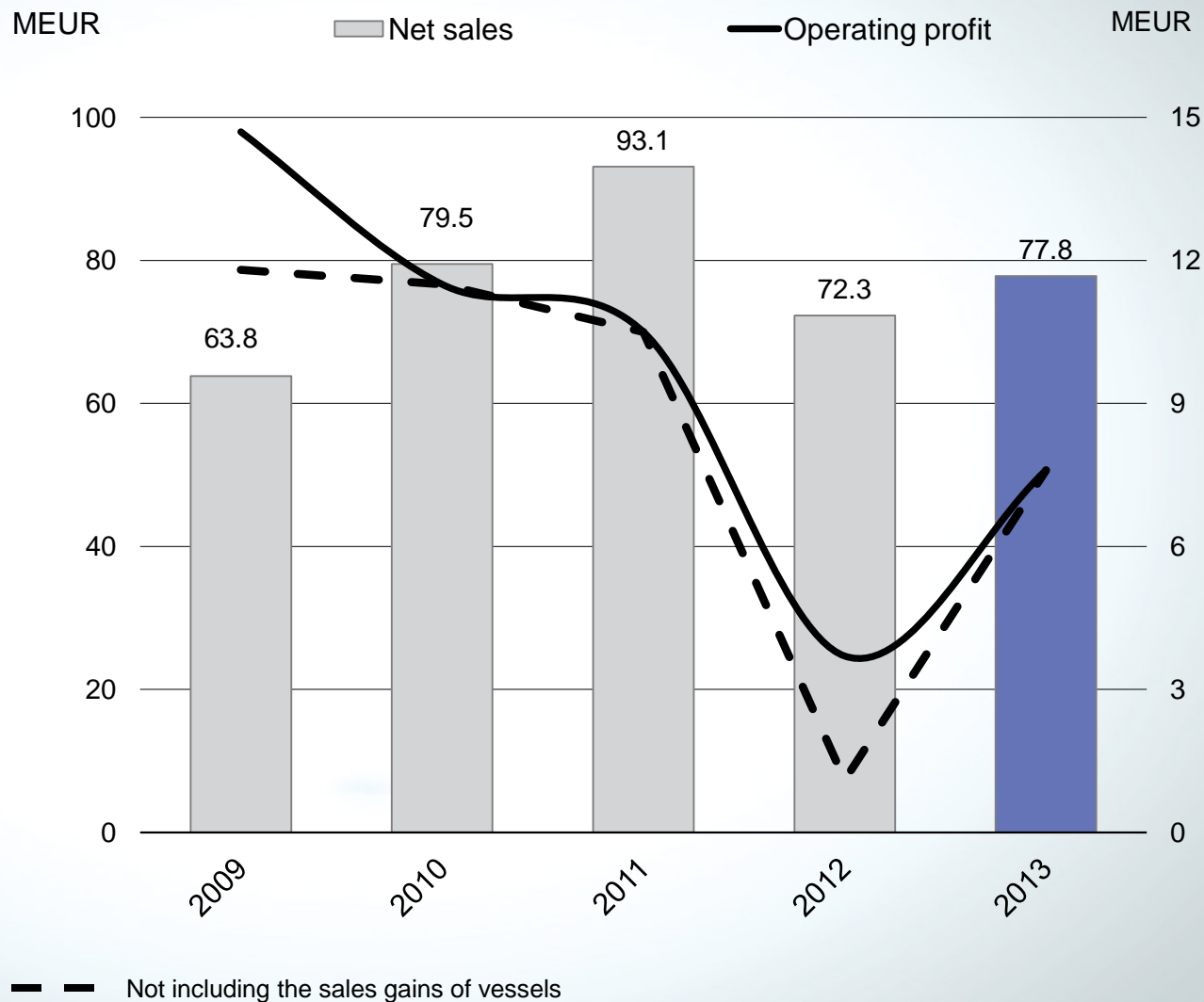
**Integral part of
Finnish security
of supply**

ESL Shipping Q4/2013

- International dry bulk freight rates increased in the fall.
- ESL Shipping's cargo volumes in the Baltic Sea were at a satisfactory level.
- Steel industry continues to run a reduced production capacity. Coal transport volumes increased from the previous year thanks to low water stocks after the summer. Cargoes for other customer groups increased, already comprising a nearly 30% share of net sales.
- The fleet was in full use.
- The lack of ice made operations easier, whereas the storms in December caused delays and additional costs.
- After the period under review, the shipping company purchased m/s Kallio, a dry bulk cargo vessel of 20,000 dwt, at EUR 13 million. The investment will increase operating profit by approx. EUR 1.5 million annually.



ESL Shipping net sales and operating profit 2009–2013



ESL Shipping key figures Q4

	Q4/13	Q4/12	Change, %
Net sales, MEUR	22.1	18.4	20
Operating profit, MEUR	4.1	2.0	105
Personnel	210	219	-4



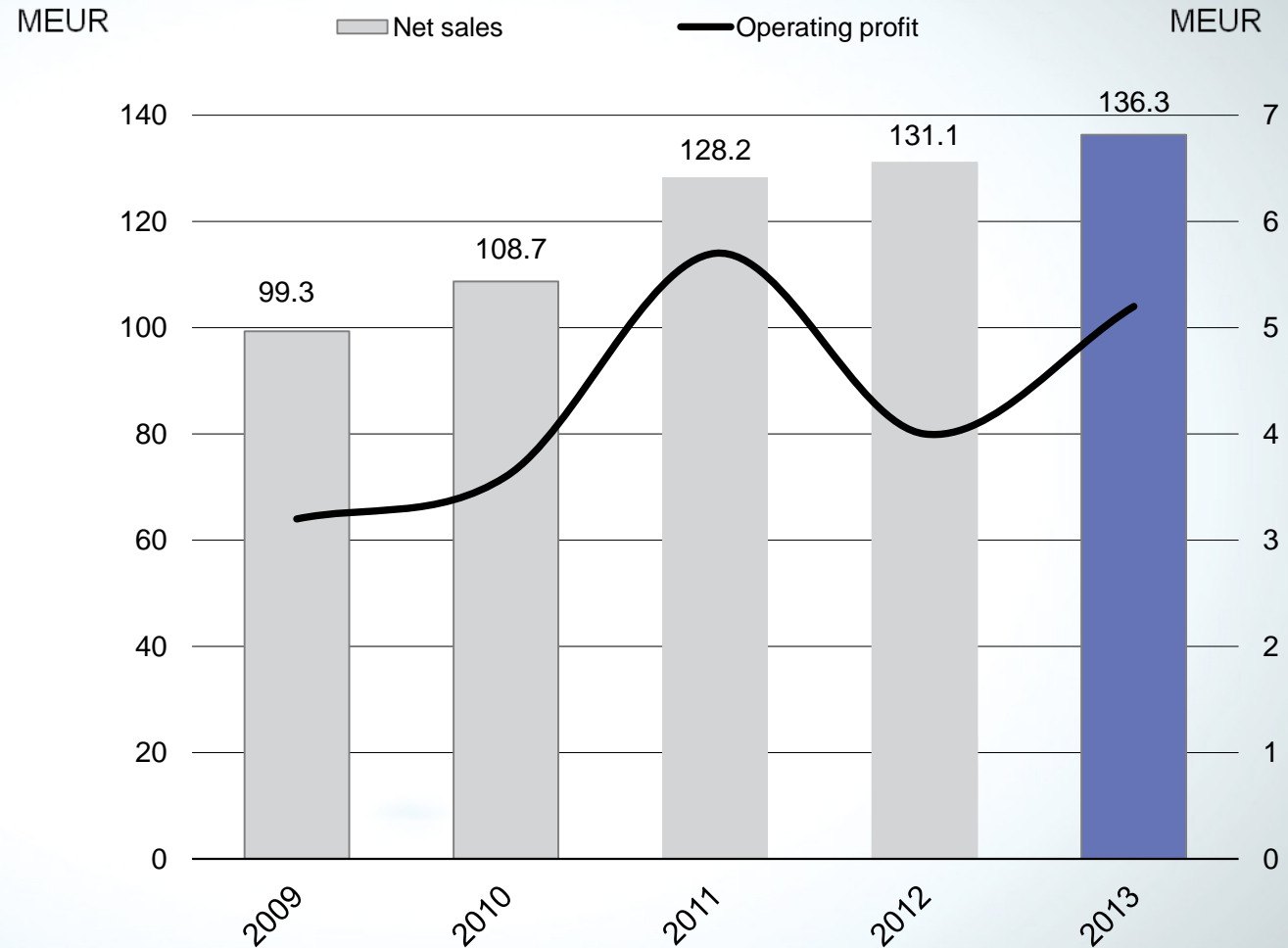
The bakery specialist

Leipurin Q4/2013

- The prices of basic food raw materials remained unchanged or fell in 2013. In particular, the price of Russian grain decreased after the harvest season.
- The 2013 net sales of Leipurin increased by 4% and operating profit by 30% to EUR 5.2 million (4.0).
- Euro-denominated net sales in Russia, Ukraine and other CIS countries remained unchanged. The net sales of bakery raw materials denominated in euros increased in this market area by 10% to EUR 30.4 million (27.5).
- The net sales of own machine manufacturing increased and profitability was better than that of the machinery trading, the net sales of which fell.
- In Q4, net sales were at the previous year's level. Operating profit was EUR 1.3 million (1.7). The decrease was caused by the recognition of income on machine deliveries over different quarters. Operating profit of bakery raw materials grew by 8%.
- The order book of own machine manufacturing is at a good level.



Leipurin net sales and operating profit 2009–2013

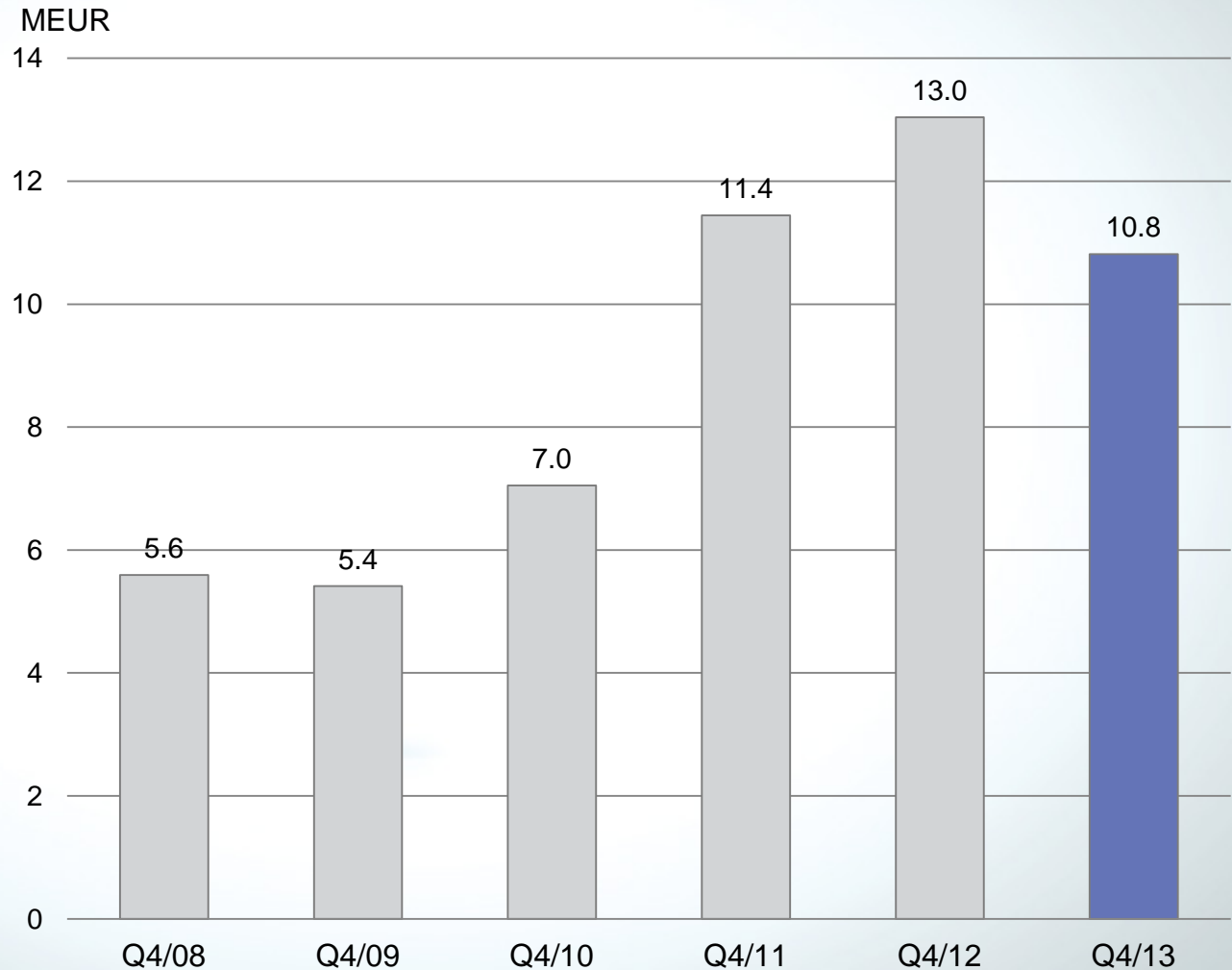


Leipurin key figures Q4

	Q4/13	Q4/12	Change, %
Net sales, MEUR	36.5	36.8	-1
Operating profit, MEUR	1.3	1.7	-24
Personnel	300	281	7



Net sales in Russia, Ukraine + other CIS countries Q4/2008–2013





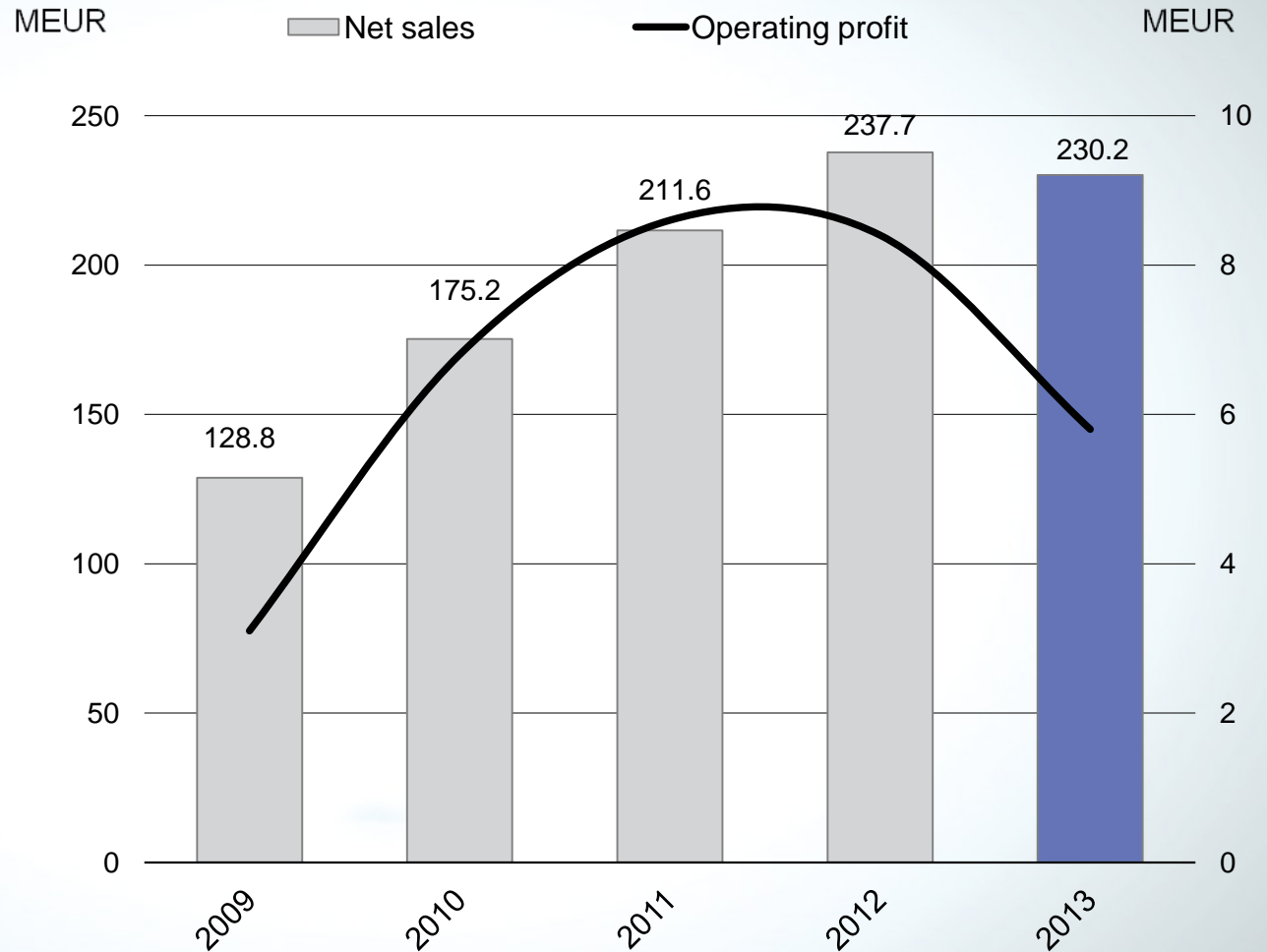
**Leading expert
in plastic raw materials
and chemicals**

Telko Q4/2013

- The prices of raw materials sold were volatile throughout 2013.
- The poor development of industrial production on the western markets in 2013 reduced all volumes in the west. On eastern markets, a decline in local currencies weakened the result.
- The full-year net sales stood at EUR 230.2 million (237.7), being at the previous year's level, while operating profit fell to EUR 5.8 million (8.4).
- Net sales and operating profit fell during the final quarter. The prices of raw materials sold fell and the weakening in eastern currencies decreased the result. The risk associated with Ukraine was reduced by selling out stocks and the result was negative.
- The euro-denominated net sales of eastern markets decreased by 13% over the fourth quarter. In local currencies, the decrease was 5%.



Telko net sales and operating profit 2009–2013



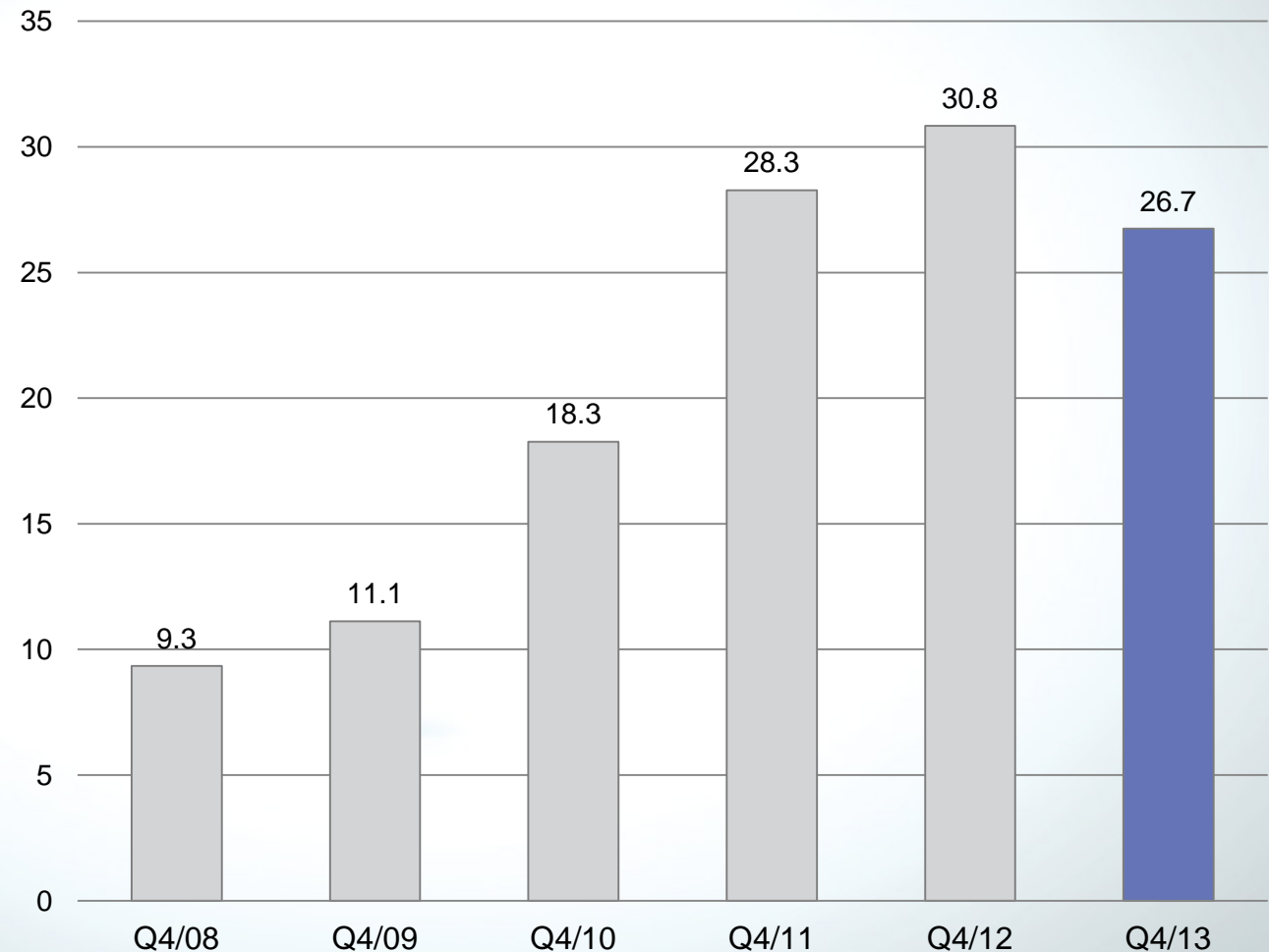
Telko key figures Q4

	Q4/13	Q4/12	Change, %
Net sales, MEUR	53.5	59.4	-10
Operating profit, MEUR	0.5	1.4	-64
Personnel	249	265	-6



Net sales in Russia, Ukraine + other CIS countries Q4/2008–2013

MEUR



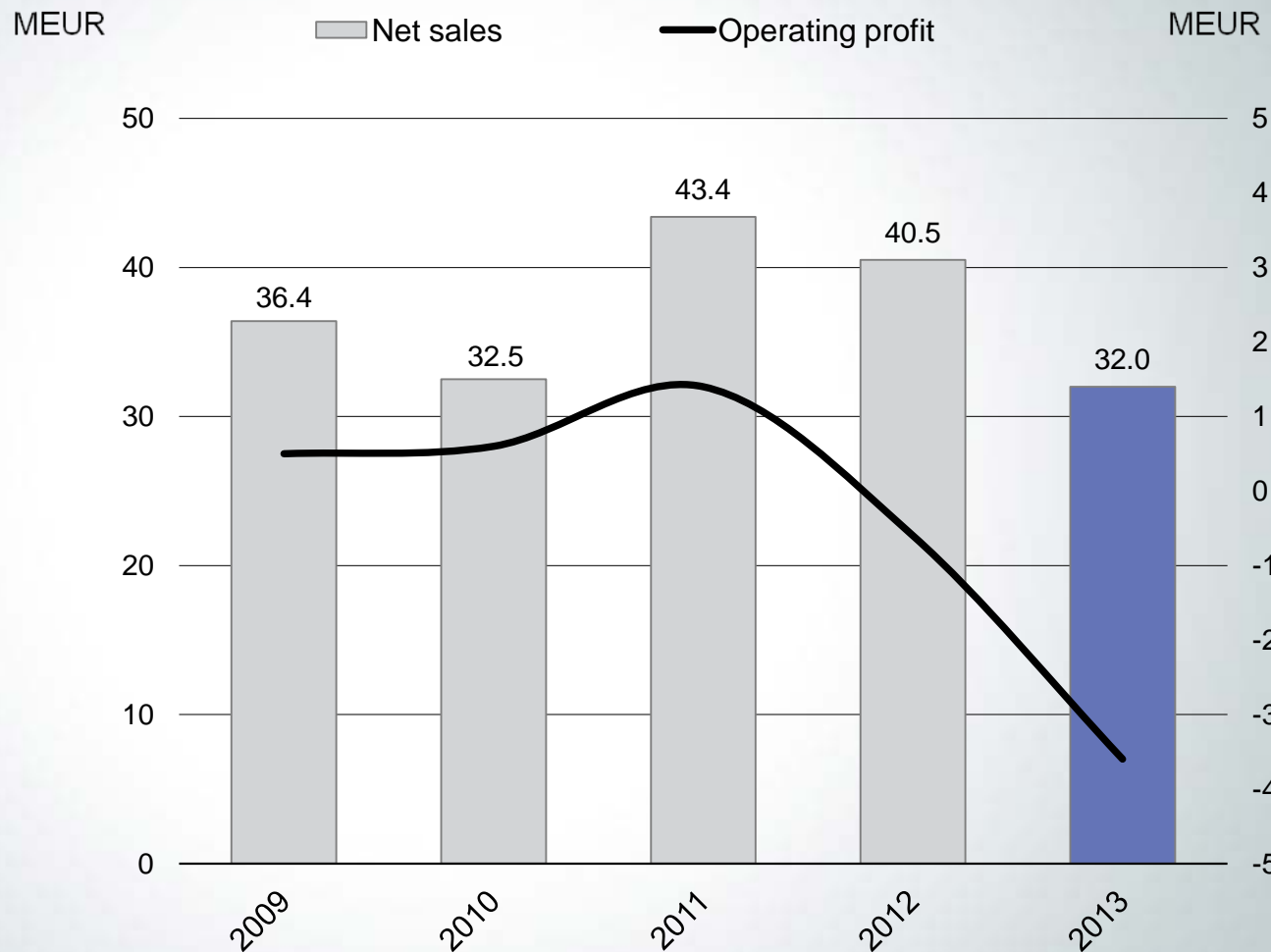


**Expert in energy
efficiency**

Kaukomarkkinat Q4/2013

- Net sales and operating profit fell in 2013. Net sales stood at EUR 32.0 million (40.5) and operating loss at EUR -3.6 million (-0.6).
- The reorganization carried out in the summer will reduce costs by approximately EUR 1 million at an annual level. The company closed down some of its non-strategic loss-making functions.
- Even though the net sales of energy-efficiency products increased in Finland in 2013, operations were unprofitable.
- The net sales of Chinese project operations fell in 2013, with operations producing losses.
- Net sales over the fourth quarter stood at EUR 8.2 million (15.5) and operating loss at EUR -1.2 million (-0.3).
- No project income was entered but the order stock improved from the comparison period.

Kaukomarkkinat net sales and operating profit 2009–2013



Kaukomarkkinat key figures Q4

	Q4/13	Q4/12	Change, %
Net sales, MEUR	8.2	15.5	-47
Operating profit, MEUR	-1.2	-0.3	-300
Personnel	80	94	-15

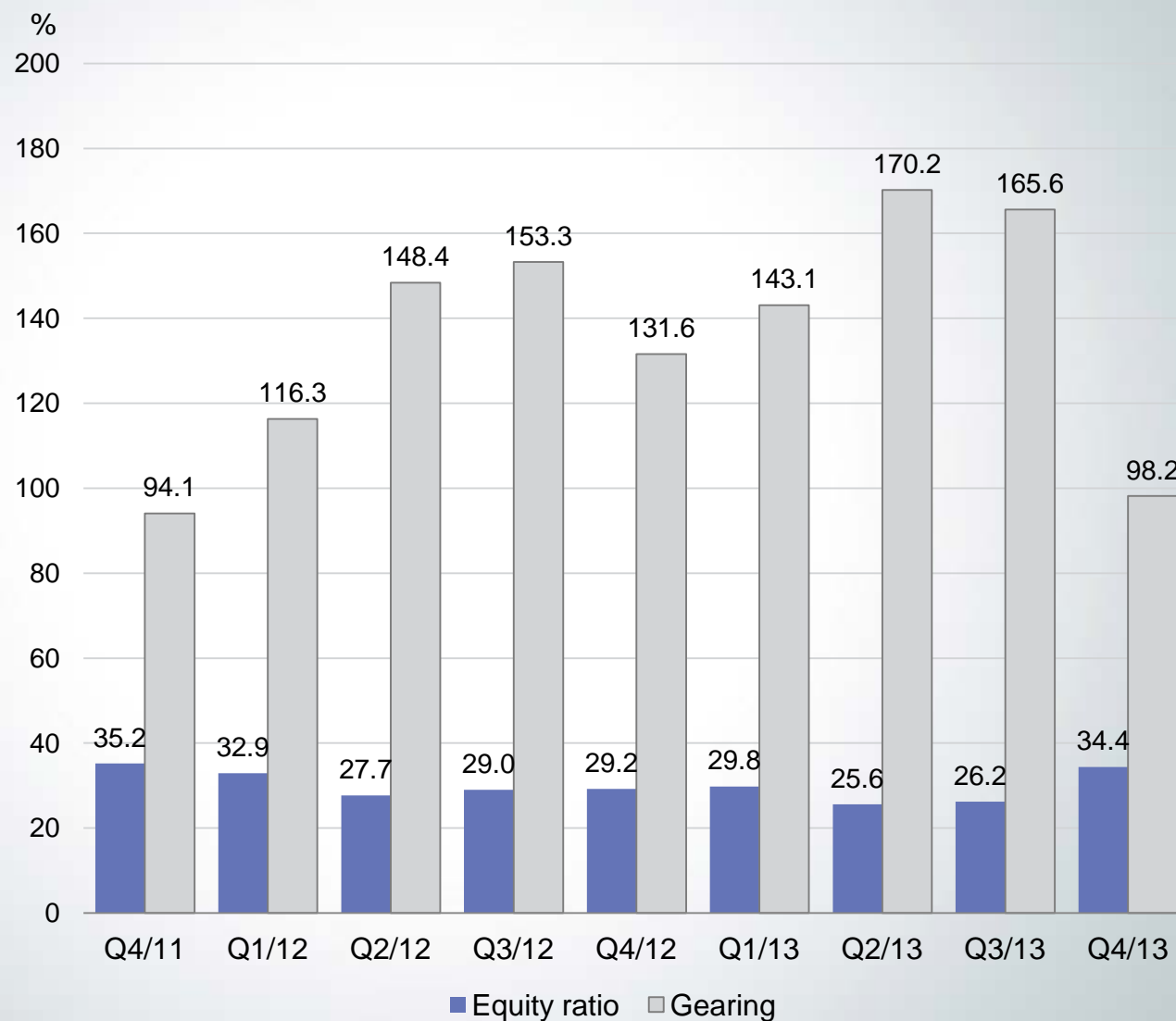


Financing

Harri Seppälä

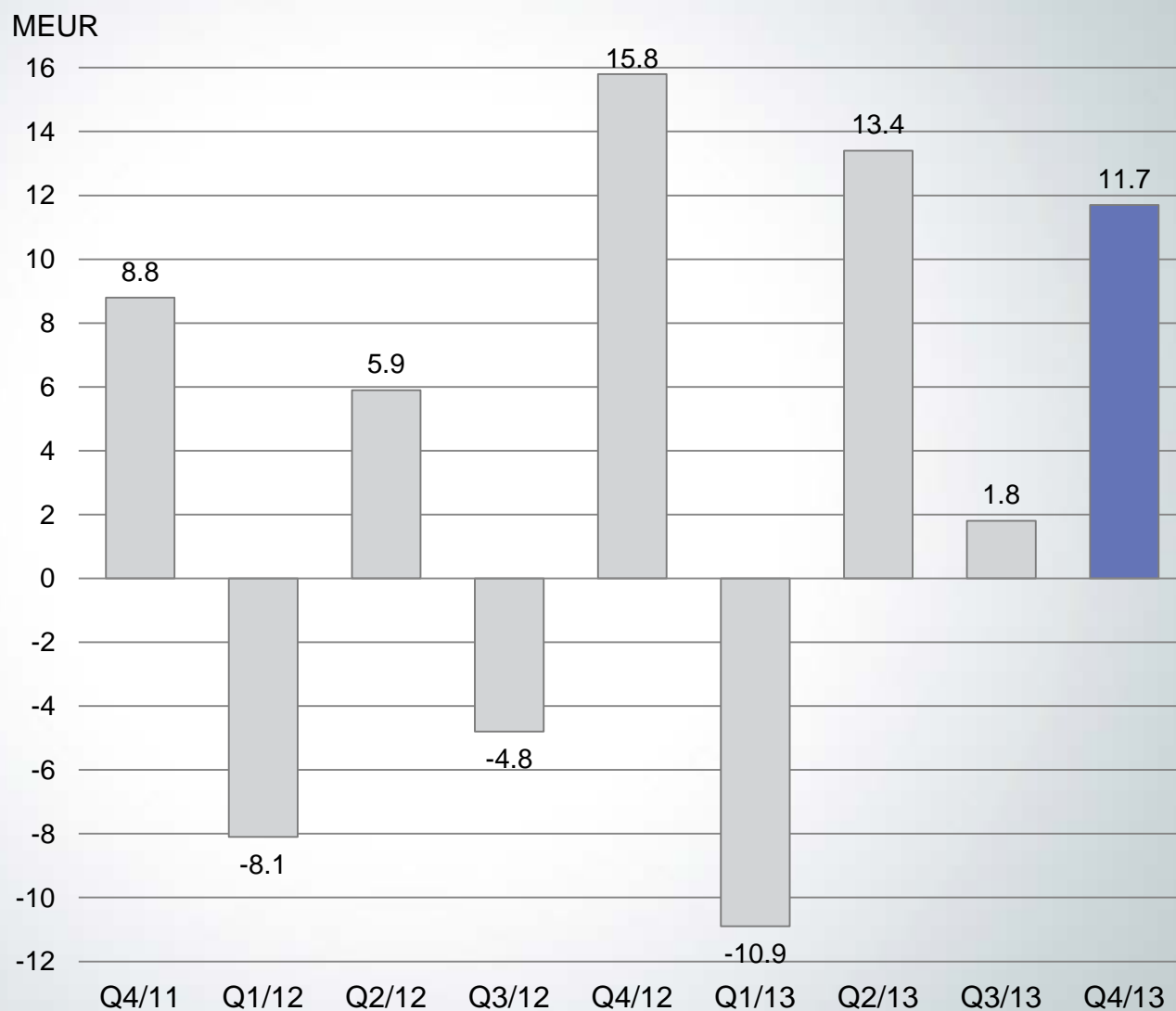


Equity ratio and gearing



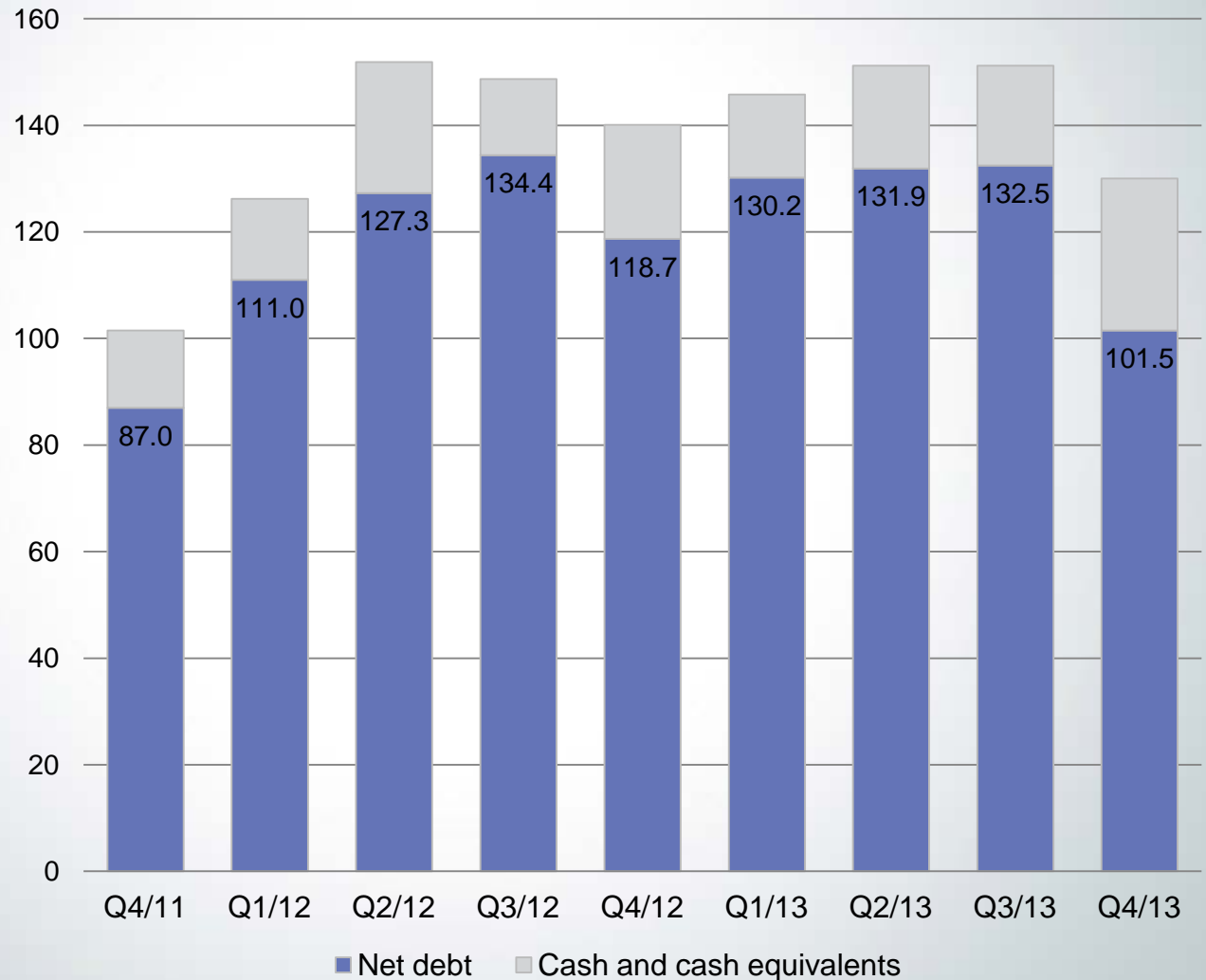


Operational cash flow

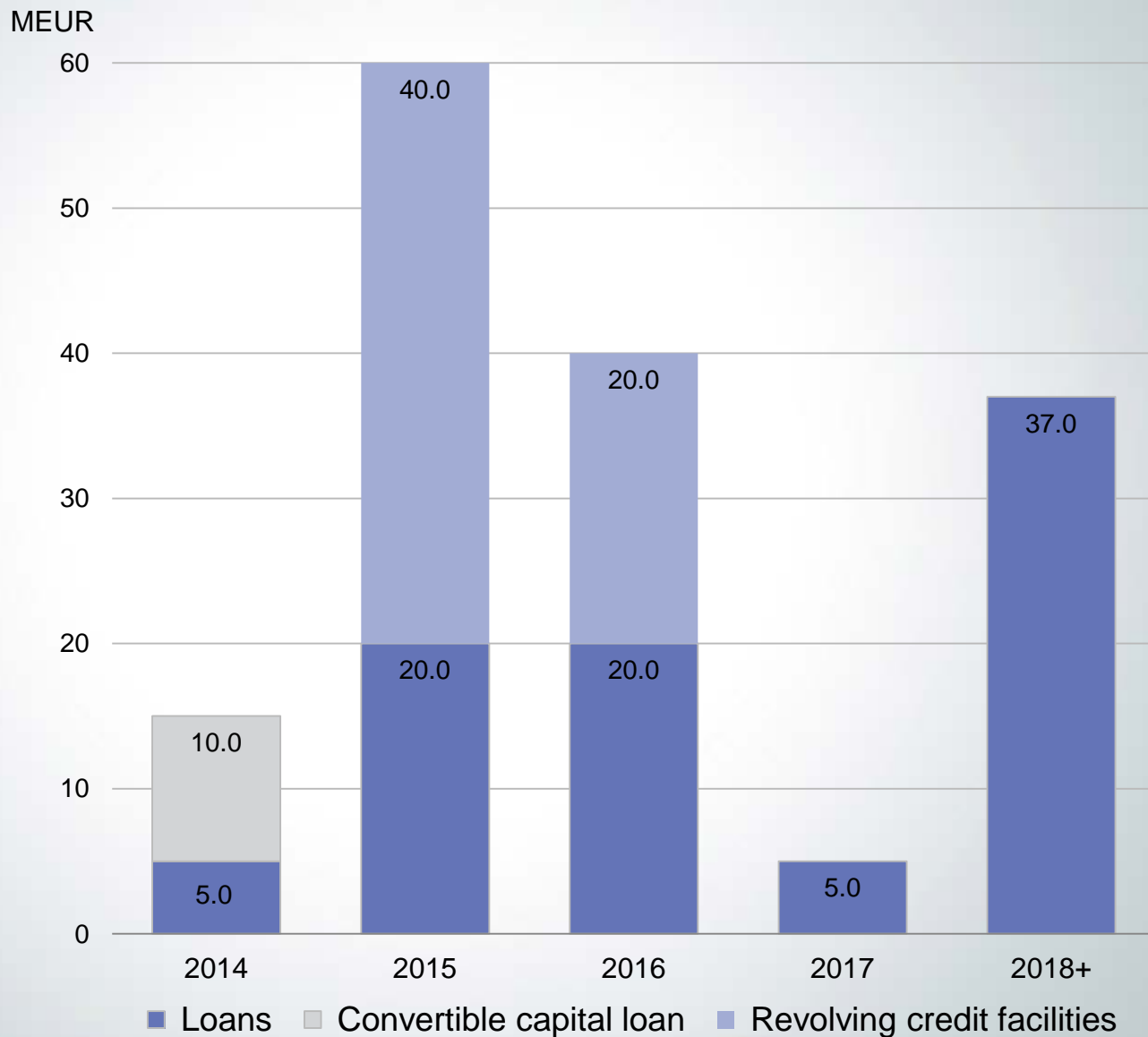


Interest bearing liabilities and net debt

MEUR



Maturity of significant loan agreements



Commercial papers, overdraft facilities, and financial leasing agreements not included.



Liquidity Q4/2013

MEUR	Total	In use
Revolving credit facilities	60.0	10.0
Commercial paper program	80.0	17.0
Cash and cash equivalents	28.5	

- Interest-bearing liabilities which will mature within one (1) year total EUR 44.9 million.
- Cash + binding unutilized revolving credit facilities total EUR 78.5 million.
- The EUR 10.3 million convertible capital loan will mature within one (1) year.



Financials

Arto Meitsalo

Income statement and key figures



MEUR	2013	2012
Net sales	476.3	481.6
Depreciations	-10.8	-10.8
Operating profit	10.8	10.6
Net financial expenses	-4.1	-3.2
Profit before taxes	6.6	7.4
Profit for the period	8.6	10.8 [*]
	2013	2012
Earnings/share, EUR	0.28	0.36 [*]
Equity ratio, %	34.4	29.2
Equity/share, EUR	3.39	2.95

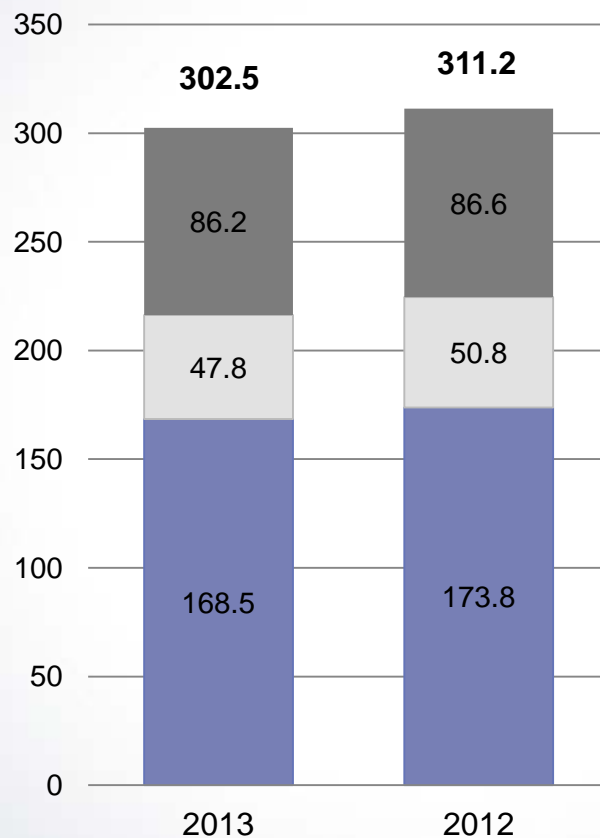
^{*} The profit for 2012 included EUR 3.4 million, and the earnings per share approx. EUR 0.10, as a retroactive additional portion for the financial year 2011, related to tonnage taxation.



Balance sheet

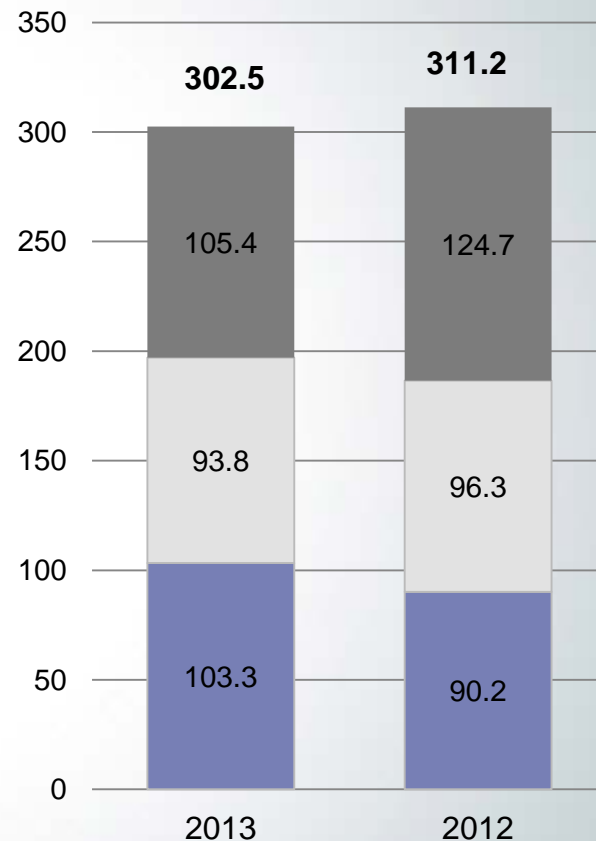
MEUR

Assets



- Non-current assets
- Inventories
- Cash and receivables

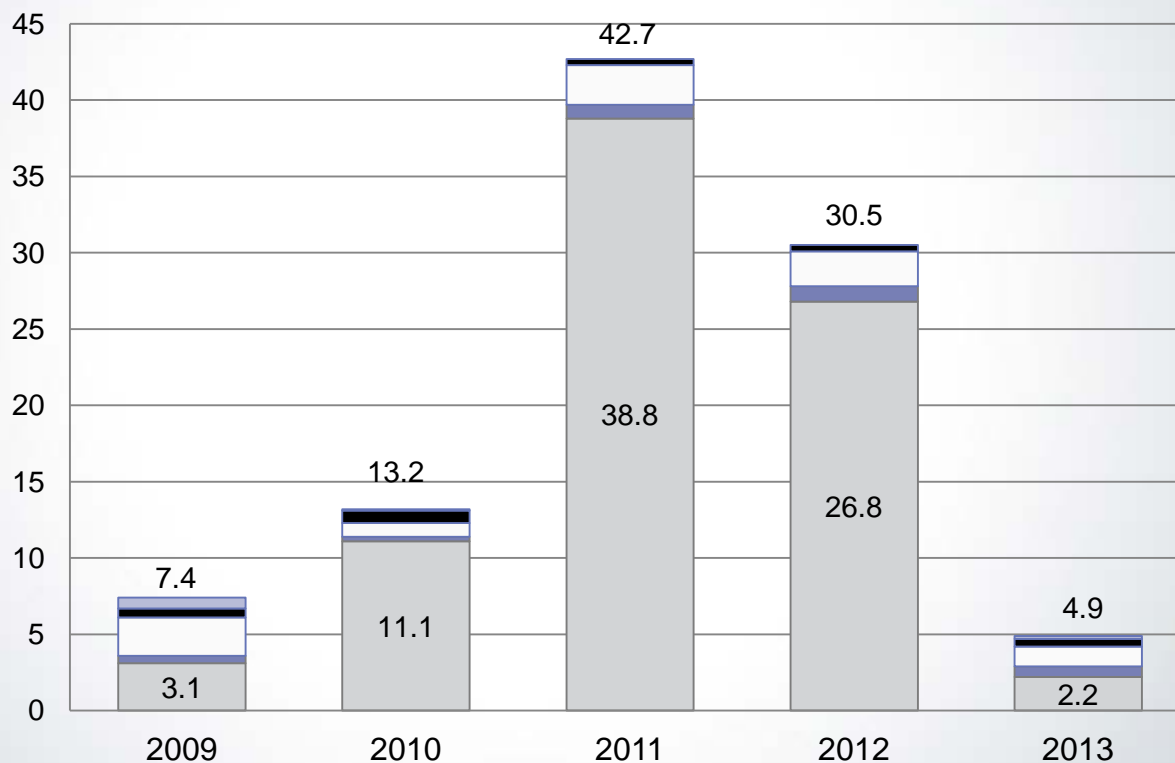
Shareholders' equity and liabilities



- Shareholders' equity
- Long-term liabilities
- Short-term liabilities

Investments excl. acquisitions

MEUR



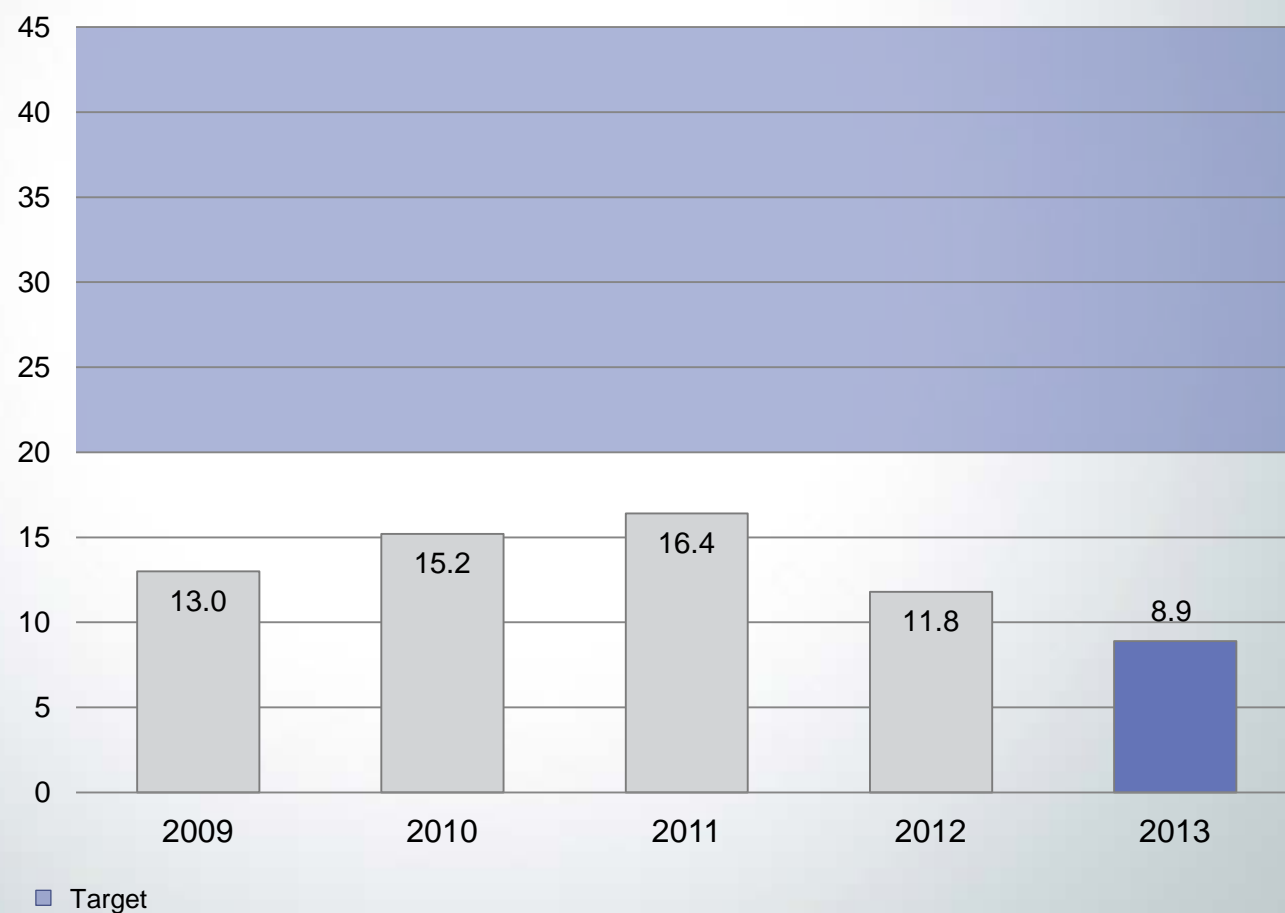
ESL Shipping Leipurin Telko Kaukomarkkinat Other operations



Financial target

Return on equity

ROE, %





Financial target

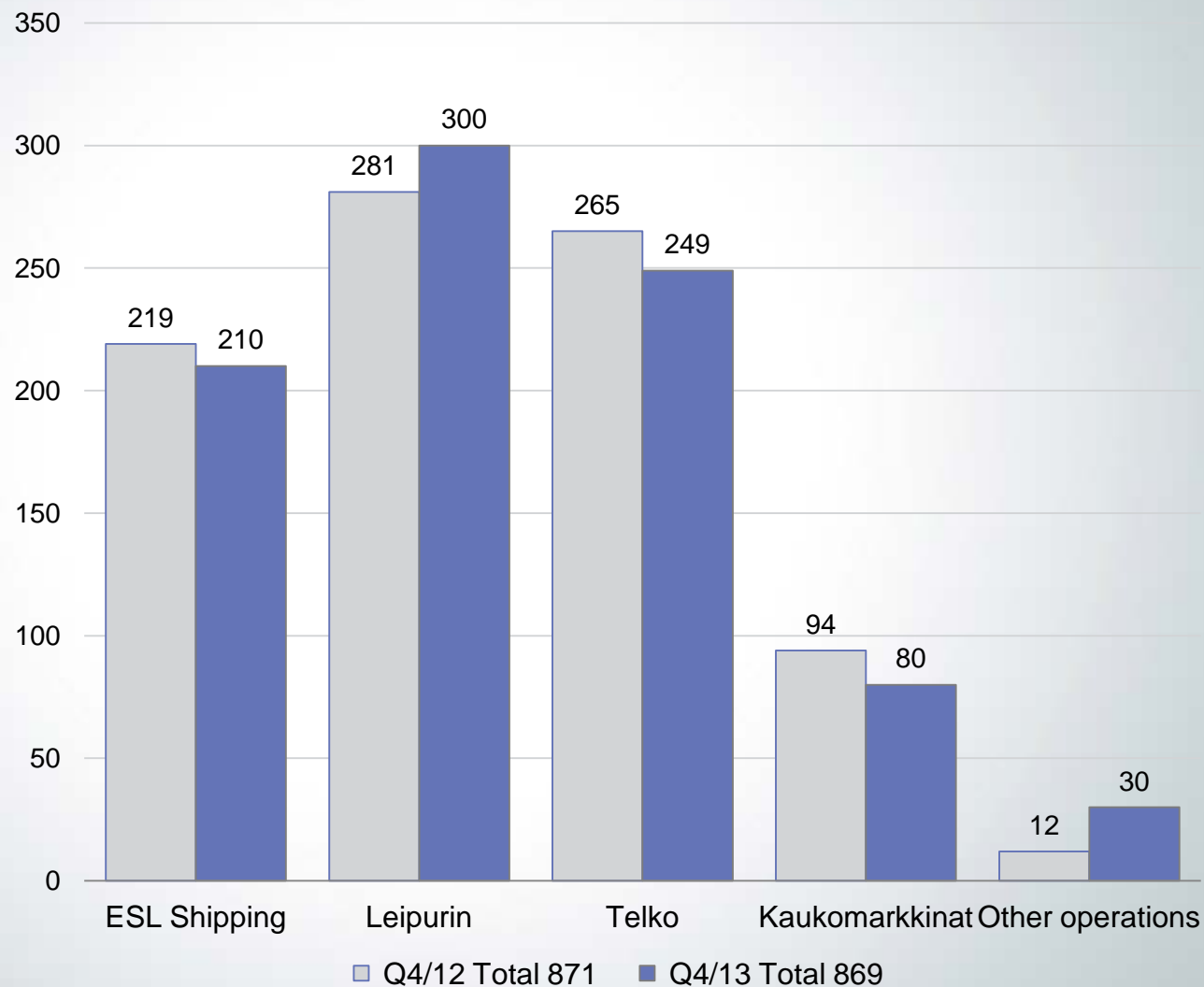
Operating profit, %



□ Excluding non-recurring sales gains and losses ■ Non-recurring sales gains and losses
■ Target

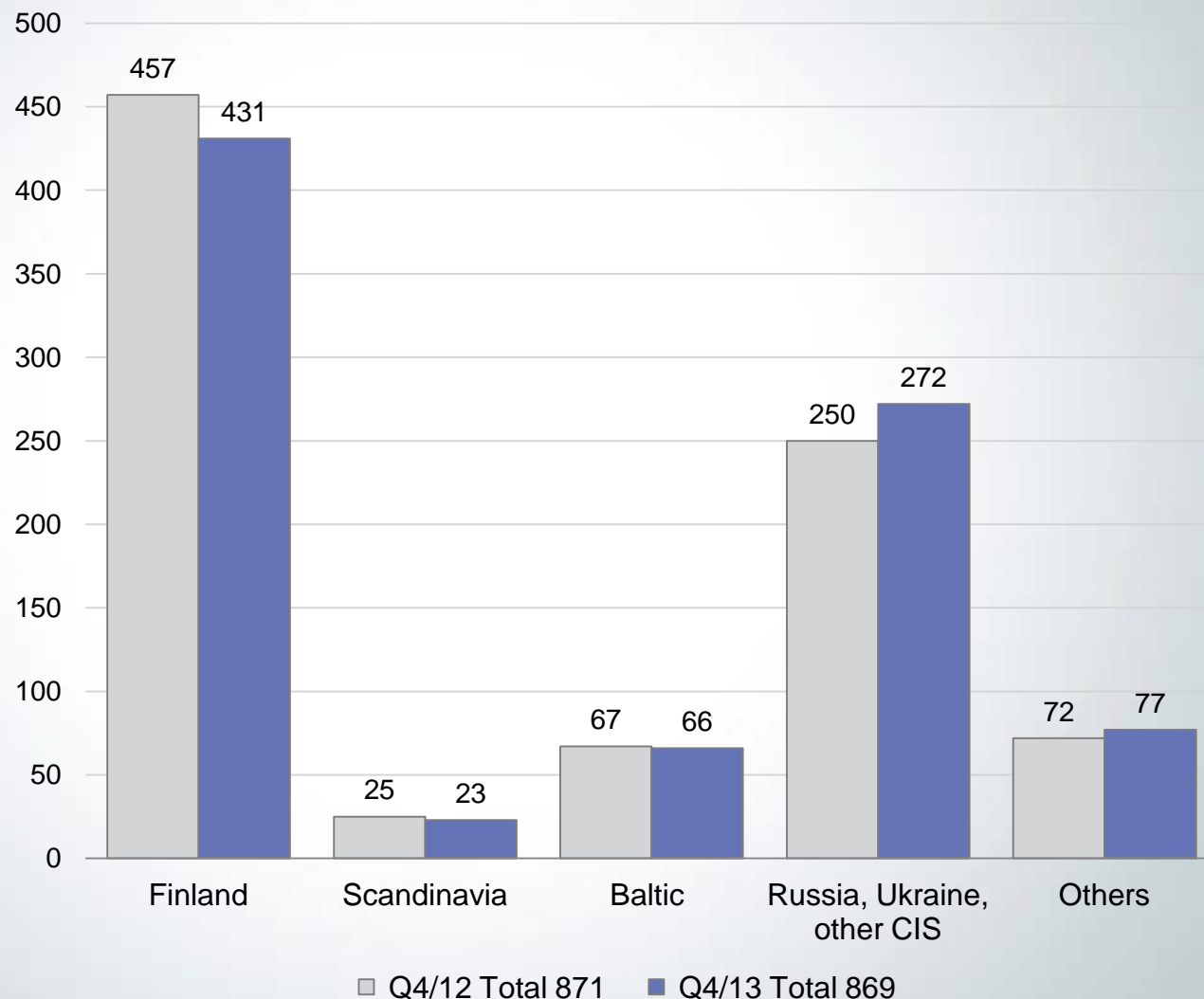


Personnel / segment Q4



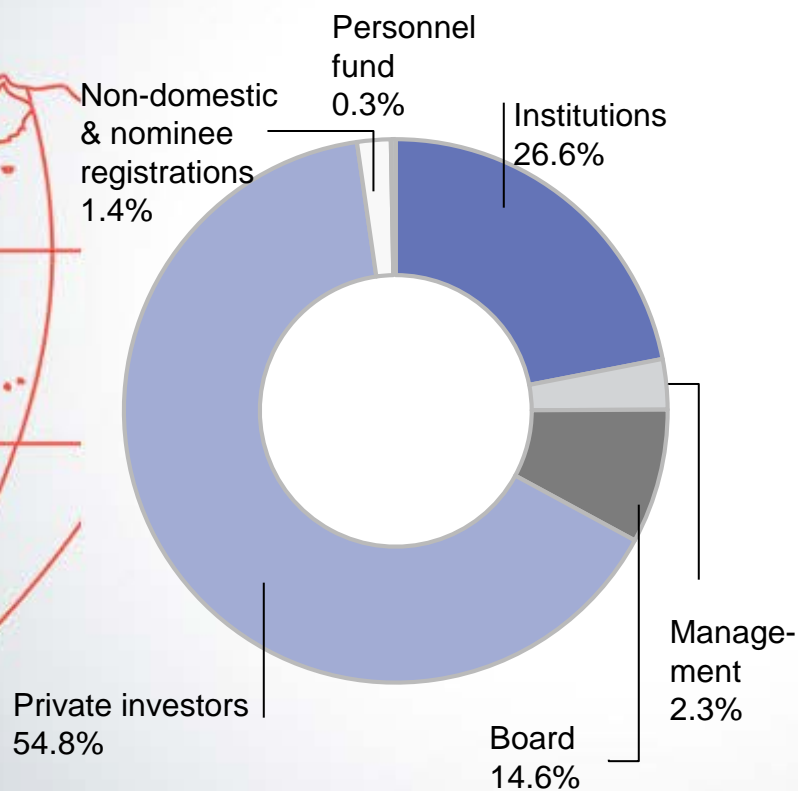


Personnel / market area Q4

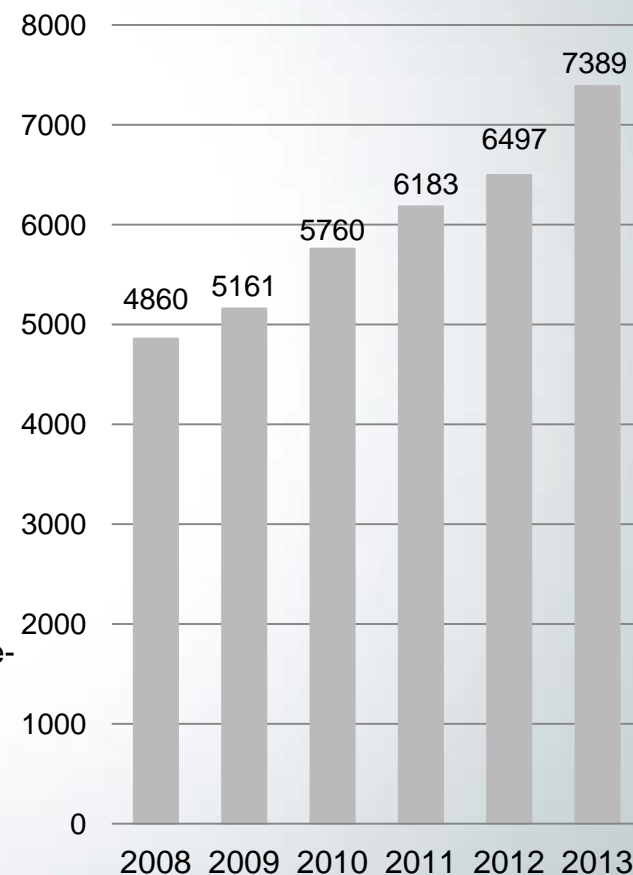


Shareholders / allocation

Share Q4/2013



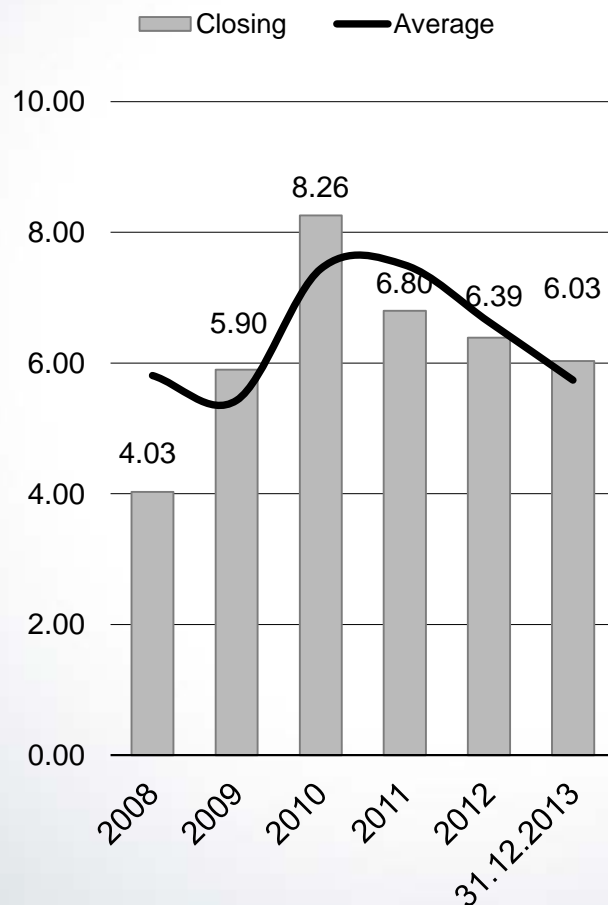
Number of shareholders



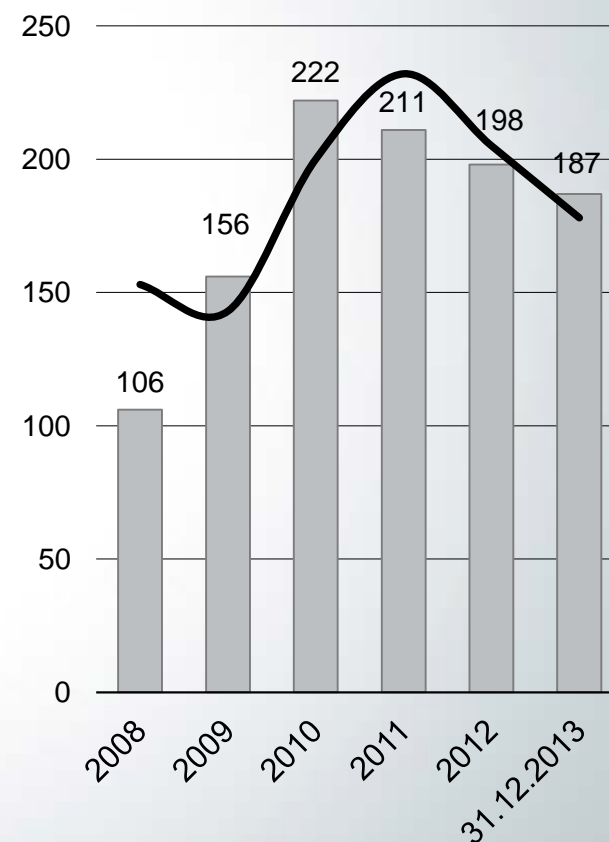


Market value

Share price, EUR



Market value, MEUR
(incl. own shares)



Aspo started its rights issue on April 6, 2011. Share prices before this date are historical prices (not adjusted).

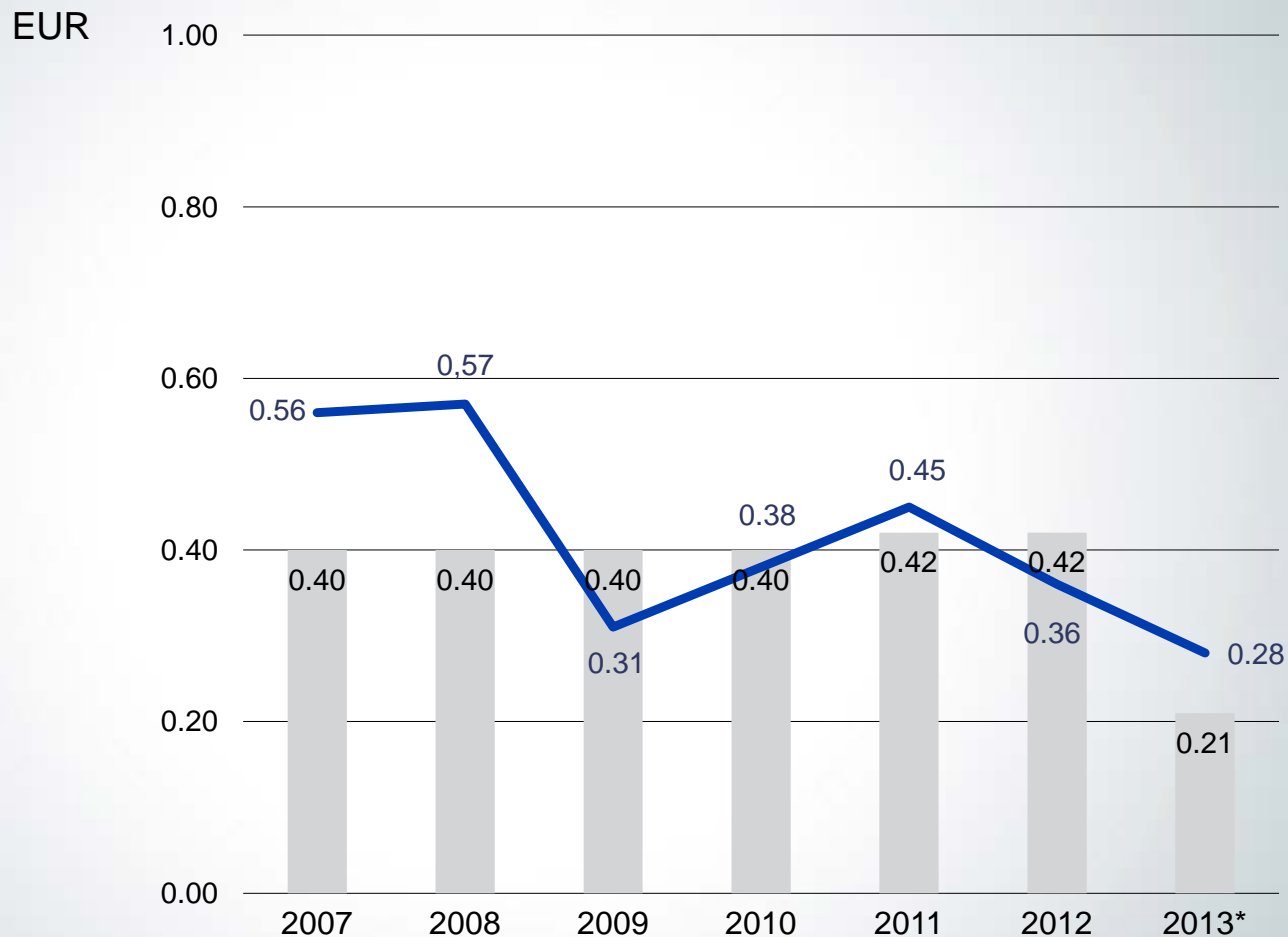


Dividend proposal 2013

- “On average, Aspo will pay approximately at least half of its earnings as dividends.”
- “The aim is to increase shareholder value.”
- The Board of Directors proposes a dividend of EUR 0.21 per share to the Annual Shareholders’ Meeting held in spring.

Dividend / earnings

Adjusted for rights issue



Effective dividend yield 6.5 % 10.4 % 7.1 % 5.1 % 6.2 % 6.6 % 3.5 %

■ Dividend (2011 repayment of capital) — Earnings per share

* Board proposal



Outlook for 2014



Expectations for Aspo Group in 2014

- Aspo has good capabilities to increase its organic growth and profitability.
- The share of growth markets (i.e., Russia, Ukraine, other CIS countries, China, the Baltic countries, and Poland) from the Group's net sales will continue to increase. Any changes in exchange rates may decelerate euro-denominated growth.
- Environmental investments in ESL Shipping's vessels will cause additional service stoppages. A significant share of the company's transport capacity has been secured through long-term agreements.
- The net sales of Leipurin's bakery raw materials will increase and profitability will improve. Machine sales will increase, particularly on the Russian markets.
- Telko will improve its cost-efficiency.
- Kaukomarkkinat will focus on strategic operations and improving its profitability.

Guidance for 2014

- Aspo will improve its operating profit.





**Next interim report
Q1 on May 5, 2014**