Financial Statements 2012

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Report of the Board of Directors

OPERATIONAL PERFORMANCE

The uncertainty of the European economy and financial market has continued, which has negatively affected overall economic development within the European Economic Area. In Aspo's operating areas, growth in the developing Eastern markets has continued unchanged. Aspo's financing costs have decreased due to lower interest rates.

ESL Shipping

The international dry bulk cargo price levels remained record low throughout 2012. Transport volumes in industries important to the shipping company decreased because of lower production volumes in the steel industry and lower electricity prices in the energy sector, which significantly reduced the quantity of coal imported to Finland. In proportion to the transport demand, the shipping company had vessel overcapacity until the end of July.

The cargo volume carried by ESL Shipping in 2012 amounted to 10.4 million tons (13.3). The steel industry accounted for 5.9 million tons (7.9) and the energy industry for 3.2 million tons (4.3) of the volume.

ESL Shipping's net sales decreased significantly to EUR 72.3 million (93.1). The weak market situation, vessel overcapacity in the first half of the year and an increase in depreciation expenses weakened the operating profit, which decreased to EUR 3.7 million (10.5). The operating profit includes sales gains of EUR 2.6 million associated with vessel sales.

The last vessels of the investment program, two 1A ice-strengthened Supramax vessels ordered from the Korean Hyundai Mipo shipyard, were completed in the first half of the year. The reception and outfitting of the vessels caused significant costs. Because of the weak cargo volume situation in the Baltic Sea, the vessels have been operating in other areas, including the sea ice region in Canada. The shipping company and ABG Shipyard in India are 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.

ESL Shipping's depreciation expenses increased significantly in spring 2012, when the new Supramax vessels were recognized in the company's balance sheet.

ESL Shipping was included in tonnage taxation retroactively from January 1, 2011. In tonnage taxation, shipping operations shifted from taxation of business income to tonnage-based taxation

Leipurin

There were no material changes to the prices of food industry raw materials in 2012.

The net sales increased to EUR 131.1 million (128.2), and operating profit decreased to EUR 4.0 million (5.7). Growth continued in Russia, Ukraine and other CIS countries. Net sales in this area was EUR 40.1 million (31.8), and growth was 26%. Operating profit from bakery machinery and raw materials for other food industries decreased. Net sales from bakery raw materials grew and operating profit improved.

The year 2012 was a time of development and investments. Leipurin implemented a new ERP system, and its Finnish operations moved to new premises. Leipurin also integrated the Hausjärvi engineering shop with the Nastola production facility, and reorganized and improved the efficiency of other food industry sales. In 2012, the result included approximately EUR 0.5 million in expenses for reorganization of operations and renewal of systems.

During the year, Leipurin launched business operations in a number of major cities in Russia and opened test bakeries in Moscow and Yekaterinburg. The share of net sales and operating profit generated in the emerging markets increased. Profitability in Russia is above average. With the exception of the Nastola facility, Leipurin's Finnish operations moved to new premises in December. This resulted in expenses in the fourth quarter.

Telko

The prices of raw materials sold decreased in 2012. Basic demand in industries important to Telko declined in the Western markets and continued to grow in the Eastern markets.

Despite the lower price levels, Telko's net sales grew to EUR 237.7 million (211.6) Operating profit was nearly on par with the previous year's level, amounting to EUR 8.4 million (8.6). Net sales grew strongly in Russia, Ukraine and other CIS countries. Net sales in this area was EUR 117.6 million (90.6), with a growth of 30%. Operating profit was approximately 5%.

Telko's business consists of separate sales activities in plastic raw materials and industrial chemicals. The net sales and profitability of industrial chemicals decreased. Net sales from plastic raw materials increased significantly, and their profitability also improved. The share of net sales generated in the emerging markets continued to grow strongly.

Telko has continued its investments into growing market areas, such as Ukraine and China, as well as into growth in Russian metropolises.

Kaukomarkkinat

In line with its strategy, Kaukomarkkinat has invested in local energy solutions and created an offering which consists of energy generation, distribution, and control solutions for single-family houses as well as industrial and commercial facilities. Kaukomarkkinat integrated all these functions into one single building systems business line in the fall.

Kaukomarkkinat has increased its personnel resources particularly in the building systems unit in Finland and in cleantech export to Russia and Poland. This has resulted in a higher cost structure for Kaukomarkkinat. The company has also continued its campaigns involving the product groups which are of key importance to the strategy, particularly in the second half of the year, which has resulted in increased marketing costs.

Net sales in 2012 only reached EUR 40.5 million (43.4). Operating profit decreased to EUR -0.6 million (1.4). The profitability of Chinese project sales in the previous year was exceptionally good.

Demand for heat pumps returned to the level of the previous year, focusing on increasingly larger real estate properties. The technical building services center Koskelo in Espoo was phased in. The center offers appropriate premises for sales, presentation, training and development activities as well as after-sales functions. Starting the operations resulted in expenses.

Demand for professional electronics continued to be high in Finland. Demand for industrial machinery in Finland was normal, but weakened in Poland. Demand for paper making machinery was satisfactory in Poland and Russia, but weakened in China.

Other operations

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

NET SALES

Aspo Group's net sales increased to EUR 481.6 million (476.3), showing an increase of EUR 5.3 million.

Net sales by segment

	2012 MEUR	2011 MEUR	Change MEUR	Change %
ESL Shipping	72.3	93.1	-20.8	-22.3
Leipurin	131.1	128.2	2.9	2.3
Telko	237.7	211.6	26.1	12.3
Kaukomarkkinat	40.5	43.4	-2.9	-6.7
Other operations	0.0	0.0	0.0	
Total	481.6	476.3	5.3	1.1

Net sales by market area

	2012 MEUR	2011 MEUR	Change MEUR	Change %
Finland	158.9	181.2	-22.3	-12.3
Nordic countries	42.6	48.8	-6.2	-12.7
Baltic countries	49.4	50.6	-1.2	-2.4
Russia, Ukraine + other CIS countries	157.8	122.6	35.2	28.7
Other operations	72.9	73.1	-0.2	-0.3
Total	481.6	476.3	5.3	1.1

EARNINGS

Aspo Group's operating profit for the period was EUR 10.6 million (21.5). The operating profit includes sales gains of EUR 2.6 million from the sale of vessels.

ESL Shipping's operating profit amounted to EUR 3.7 million (10.5). Leasing costs related to vessel overcapacity, the weak market situation, and an increase in depreciation expenses had a negative effect on the operating profit. Leipurin's operating profit was EUR 4.0 million (5.7). Costs associated with reorganization and the integration of production activities in machinery manufacturing weakened the business area's operating profit. Telko's operating profit decreased slightly to EUR 8.4 million (8.6). Kaukomarkkinat's operating profit was negative, EUR -0.6 million (1.4). The reorganization of the business, including recruitments, weakened the operating result. Project sales in China decreased from the previous year, which also had a negative effect on the operating result.

Other operations include Aspo Group's administration and a small share of other items not belonging to the business units. The operating profit of other operations was negative and amounted to EUR -4.9 million (-4.7).

The profit after taxes for 2012 improved due to the new tonnage taxation. In addition to the non-recurring effect recognized in taxes, it has a long-term positive effect on the results of ESL Shipping and the Group.

Earnings per share were EUR 0.36 (0.45) and diluted earnings per share were EUR 0.37 (0.45). Equity per share was EUR 2.95 (3.05).

Aspo´s financial targets are to achieve a return investment and equity of over 20% and an operating profit as percentage of net sales of over 5%. It also aims at distributing at least half of the annual profit in dividends on average. The targets set for return on investment (ROI) and the return on equity (ROE) were not achieved in 2012.

Operating profit by segment

	2012 MEUR	2011 MEUR	Change MEUR	Change %
ESL Shipping	3.7	10.5	-6.8	-64.8
Leipurin	4.0	5.7	-1.7	-29.8
Telko	8.4	8.6	-0.2	-2.3
Kaukomarkkinat	-0.6	1.4	-2.0	-142.9
Other countries	-4.9	-4.7	-0.2	-4.3
Total	10.6	21.5	-10.9	-50.7

Investments by segment*

	2012 MEUR	2011 MEUR	Change MEUR
ESL Shipping	26.8	38.8	-12.0
Leipurin	1.0	0.9	0.1
Telko	2.3	2.6	-0.3
Kaukomarkkinat	0.4	0.4	0.0
Other operations	0.0	0.0	0.0
Total	30.5	42.7	-12.2

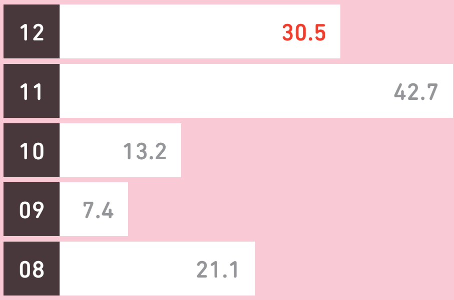
*excluding business acquisitions

In the long term, high goals for return on capital can also be achieved through structural changes in accordance with Aspo's strategy. The return on investment (ROI) was 5.4% (12.5) and the return on equity (ROE) was 11.8% (16.4). The operating profit as percentage of net sales was 2.2% (4.5). The Board´s proposal of the distribution of dividends will meet the objectives. In that case, dividend/earnings would be 117.9% (repayment of capital / earnings 95.2). Effective dividend yield would be 6.6% (effective repayment of capital yield 6.2), using the share closing price valid on the last day of the year.

INVESTMENTS

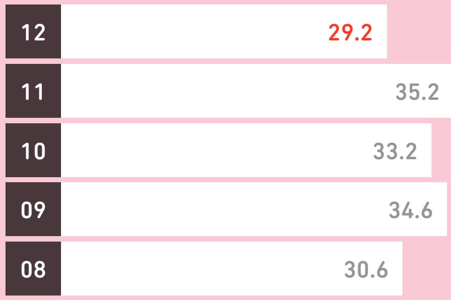
The Group's investments amounted to EUR 30.5 million (42.7). Most of the investments consisted of the final payments for ESL

Investments MEUR



Return on investment %

Equity ratio %



Shipping's Supramax vessel orders. Telko completed the refinery terminal investment in Rauma, Finland.

FINANCING

The Group's financing position weakened in 2012 compared to the previous year. The Group's cash and cash equivalents amounted to EUR 21.4 million (14.5) at the end of the year. The consolidated balance sheet included a total of EUR 140,1 million (101.5) in interest-bearing liabilities. Non-interest-bearing liabilities totaled EUR 80.9 million (74.9).

Aspo Group's net gearing was 131.6% (94.1), and the equity ratio was 29.2% (35.2). Aspo Group's financing position was positively affected by the cash flow from operations in the fourth quarter, as well as the vessel sales carried out in the second quarter, while vessel investments and the repayment of capital in the first half of the year had a negative effect on the cash flow.

The Group's cash flow from operating activities amounted to EUR 8.8 million (20.7). Cash flow from operating activities decreased from the previous year. This was mainly attributable to weaker profitability. At the end of the year, the change in working capital stood at EUR -6.2 million (-3.1).

Cash flow from investments totaled EUR -26.2 million (-44.7). Cash flow from investments was affected by the final installments for the vessels delivered during the year. The shipping company's investment scheme related to new vessels was completed during the year. The Group's free cash flow amounted to EUR -17.4 million (-24.0).

The amount of binding revolving credit facilities signed between Aspo and its core banks stood at EUR 60 million at the end of the financial year. At the end of the year, EUR 20 million of the revolving credit facilities was in use. EUR 28 million of Aspo's EUR 50 million commercial paper program had been used at the end of the year.

Convertible capital loan

Aspo Plc has EUR 10,300,000 in a convertible capital loan issued in 2009. The loan period is from June 30, 2009, to June 30, 2014. The loan will be repaid in one installment on June 30, 2014, assuming that the repayment conditions outlined in Chapter 12 of the Finnish Companies Act and the loan terms are met. The loan has a fixed interest rate of 7%.

The loan units can be converted into Aspo shares. Each EUR 50,000 loan unit entitles its holder to convert the loan unit into 8,074 new shares in Aspo. The conversion rate is EUR 6.19. The loan can be converted annually between January 2 and November 30. The conversion period ends on June 15, 2014.

In 2012, 8,074 new shares were subscribed for with one loan unit.

Related party loans

Aspo Plc has granted a EUR 2.9 million loan to Aspo Management Oy, one of the company's related parties and controlled by the company, as part of a shareholding plan for the Group. The interest on the loan receivable is 3%. The loan receivable falls due on March 31, 2014. It can be extended to March 31, 2016 at the latest. The loan is market-based. Aspo Management Oy may not deposit in pledge or use as security the Aspo Plc shares it holds without Aspo Plc's written consent. The company has been consolidated in the financial statements.

Structural arrangements

Aspo Plc's subsidiary Aspotel Oy has been merged into the parent company. The merger was entered into the Trade Register on December 31, 2012.

RISKS AND RISK MANAGEMENT

Global economic uncertainty increased further in 2012, which made it more difficult to evaluate risks in Aspo's business environment. Aspo estimates that both its strategic and operational risks have increased. Although net sales developed as planned, operating profit remained below the targeted level, which indicates that some operational risks have been realized. However, both operating profit and cash flow began to recover in the fourth quarter.

Strategic risks are reduced at Group level by the business being divided into four segments and business being conducted over a wide geographical area. Strategic risks have increased due to the weaker outlook of metals industry customers, short-term solutions in the energy sector, and the effects of lower marine cargo prices on cargo traffic on the Baltic Sea. Investment trends and changes to retails structures, especially in the western markets, have also increased the strategic risks. 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.

ESL Shipping has had time-chartered vessel capacity, the purpose of which has been to reduce risks associated with the customers' production levels, but its use remained below the expected level. This capacity, which is more expensive for the shipping company, was given up at the end of July. Measures adopted in the other businesses include centralizing stocks and increasing the efficiency of stock monitoring and the monitoring and collection of sales receivables. The order book of Leipurin's machinery business is monitored more closely, and reporting has been increased further.

Operational risks have increased further due to the uncertainty of the business environment. The focus of Aspo's growth is on emerging market areas where growth risks are also affected by factors such as the level of the global market prices of raw materials, exchange rates, interest rate levels, industrial and commercial investments, customers' liquidity, and changes in legislation and import regulations. Consumer behavior is also reflected in the risks generated through B-to-B customers and the risk levels. The growth opportunities presented by emerging markets boost interest among competitors in launching or expanding business in these areas. In addition, the environment in the emerging markets is challenging. This has led to some competitors exiting these markets, which creates further opportunities for others. The demand for Aspo's products and services in Western countries has decreased in proportion to the developing markets, and macroeconomic factors of uncertainty keep the risk levels high. The changes in demand in emerging markets show an opposite trend, but these changes are more difficult to predict.

Aspo has succeeded in keeping its net exchange rate losses small. Active hedging of currency positions and currency flows has also mostly neutralized the effects of changes to exchange rates. While changes in credit loss risk vary between business areas and customers, credit loss risks in general have grown, and to some extent risks have also been realized.

The quantity and probability of loss risks was extensively assessed in the latter half of 2011, and insurance policies to cover the risks were put out to tender at the same time. In order to verify the amounts insured, Aspo reviewed and renewed its insurance policies in 2012. The amounts insured are sufficient, considering the extent of Aspo's operations.

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.

Goodwill reflects the performance ability of each segment, including capital employed, and their related risks are monitored under segment-specific impairment testing at least once a year. Additional impairment tests were not necessary in 2012.

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.

OPERATIONAL RISKS

In operational risks, the main risks in terms of likelihood and effect are connected to the permanence of customer relationships, equipment sufficiency, maintaining the balance level and key personnel. Therefore, risk management in Aspo does not simply mean maintaining sufficient insurance coverage but it is an integral part of continuous operations and is built into all operational processes.

The main emphasis in the operational risks of the near future relate to the effects of the global economic recession, visible also as structural market changes. Particular attention is paid to credit loss risks and stability in working capital across the whole Group.

ESL Shipping

The main business risks for ESL Shipping are unfavorable changes in demand and competitive position, loss of customer confidence, labor conflicts, optimizing capacity and shipments, and an emergency or accident at sea. With long-term customer contracts and the constant monitoring and development of operations, ESL Shipping has been able to manage its risks moderately.

The situation on the dry bulk market is challenging, and the growing tonnage in relation to demand increases competition and holds back cargo price level increases. Market cargo prices are at a very low level. It is likely that the demand for transport needs among energy industry customers will increase slightly in 2013, mainly during the latter half of the year. In addition, it is estimated that the total output in the steel industry will remain at the level of 2012. A slight fall is expected in transport volumes to other industry. It is likely that Supramax class vessels will operate on the spot markets during the open water season in 2013. Contracts matching their ice classifications will be sought for them for other times. The shipping company has a significant number of transport contracts for 2013.

Fuel price fluctuations are taken into consideration in long-term contracts. Where necessary, forwards are used in foreign exchange transactions in order to protect against changes in exchange rates.

Leipurin

In Leipurin's operating area, the biggest risks relate to exchange rate risks and impacts of their materialization on the prices, especially in Russia; exchange rate risks are also recognized in the Baltics and Poland. The company has managed to keep the direct impacts of foreign exchange rate fluctuations under control. No significant losses have so far occurred. Other operational risks include international food crises and import restrictions. Strategic risks relate to barriers that could slow down the growth in the Russian trade, and its operational risks relating to potential changes in the markets and consumers' behavior.

Telko

In line with its strategy, Telko grows in the emerging markets (Russia, Ukraine, Belarus, Kazakhstan, Uzbekistan and China). The economic and industrial growth of these countries has a significant impact on Telko's ability to generate profit. Rapid changes in the emerging markets increase Telko's strategic and operational risks. Risks present in the developing markets may materialize mainly through financing granted to subsidiaries and through capital investments.

Risks are also caused by rapid fluctuations in the world market prices of raw materials. Abruptly decreasing prices may weaken the profitability of stock products and increase the need for write-downs on inventories. Telko monitors the adequacy of its stock products on a regular basis.

The insecure situation in the financing sector may increase both credit loss and exchange rate risks in all of Telko's market areas.

Other potential business-related risks include acquisitions between raw material suppliers, reorganization of distribution channels and changes in the legislation concerning the chemical industry. Their impacts may be either strategic or operational.

Kaukomarkkinat

The business operations of Kaukomarkkinat involve normal commercial risks and risks related to overseas operations. The operation of Kaukomarkkinat consists of several product groups, customer segments and market areas that diversify risks.

Changes in demand are the most significant risk for Kaukomarkkinat. Selling of products based on energy conservation may suffer if energy prices change or due to public sector actions. The main exchange rate risks, in turn, are connected with the strengthening of the Japanese yen and increasing import prices. In China, the economic situation and currency value changes may affect customers' willingness to invest.

FINANCIAL RISKS

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

Refunding risk

Refunding risk is managed by diversifying interest-bearing debt with respect to the counterparty, instrument, and maturity.

Liquidity risk

Liquidity risk is managed by securing the Group's sufficient cash funds together with binding revolving credit facilities and other financing reserves.

Interest rate risk

The company hedges against interest rate changes by binding interest-bearing debt partly to floating rate loans and partly to fixed rate loans. In addition, interest rate derivatives are used for hedging against interest rate risks.

Credit risks

The Group uses terms of payment based on advance payments and bank guarantees to hedge against credit risks.

Currency risk

Aspo Group manages currency risk with currency derivatives.

PERSONNEL

At the end of the year, the number of personnel at Aspo Group was 871 (814) and the average during the year was 858 (797). The average number of officials was 578 (559) and of employees, 281 (238). The number of personnel in the parent company consisting of officials was 12 (12) at the end of the year and 12 (12) on average during the year.

Of Aspo Group's personnel, 52% (55) work in Finland, 3% (2) in other Nordic countries, 8% (9) in Baltic countries, 29% (25) in Russia, Ukraine and other CIS countries, and 8% (9) in other countries. Men make up 62% (62) and women 38% (38) of the workforce. Of Aspo Group's employment contracts, 99% (99) are full time. During the financial year, 155 (151) new employment contracts were signed. The cost of all employment benefits within the Group in 2012 amounted to EUR 39.7 million (37.5).

Changes in the total number of personnel result from the increase caused by organic growth, the effect of new ships, and seasonal fluctuation in the number of ship personnel employed.

Rewarding

Aspo Group has a personnel fund. The long-term goal is that the personnel will become a significant shareholder group in the company. All persons working at Aspo Group's Finnish companies are members of the personnel fund. Aspo's business areas pay part of their earnings as bonuses to the personnel. The calculation principles for the bonuses are approved by business area.

In 2010, Aspo's Board decided on a shareholding plan for Aspo Group's management. The purpose of the plan is to enable considerable long-term ownership in Aspo for those involved in the plan. For shareholding purposes, the participants acquired a company called Aspo Management Oy, whose entire stock they own. Aspo Management Oy acquired 114,523 Aspo shares from the participants at market price. In addition, Aspo assigned 322,637 shares at EUR 7.93 per share to the company in a directed share issue. As part of the arrangement, the Board decided to grant Aspo Management Oy a EUR 2,800,000 interest-bearing loan to finance the share purchase. Aspo Management Oy also subscribed to 62,452 shares in Aspo's rights issue and raised an additional loan of EUR 324,750.40 from Aspo to finance the purchases. At the end of the financial year the loan amounted to EUR 2,934,750.40. The plan is valid until spring 2014, after which it will be dissolved in a manner to be decided upon later. The plan will be extended for one year at a time if Aspo's share price at the beginning of 2014, 2015, or 2016 is below the average price at which Aspo Management Oy acquired the Aspo shares it owns. There are restrictions on the right of disposal of the shares for the duration of the plan. As a rule, the participants' holding in Aspo Management Oy remains valid until the system is dissolved.

In 2009, Aspo's Board of Directors decided on a share price-based incentive plan for about 30 persons where the potential gain was based on Aspo Group's cumulative earnings per share indicator (EPS) over the period of 2009–2011. On the basis of this plan, a total of 150,638 company-held shares was decided to be transferred to employees covered by the shareholding plan in February 2012.

On February 14, 2012, Aspo's Board of Directors decided on a new share-based incentive plan for about 30 persons. The plan will last for three years, but the Board of Directors will decide on the performance criteria and participants each year. The potential reward is based on Aspo Group's earnings per share (EPS) indicator for each performance year of the plan (2012 to 2014). The prerequisite for participation in the plan is that the person acquires Aspo shares, or holds Aspo shares or Aspo Management's shares, up to the number predetermined by the Board of Directors, and undertakes to follow the rules of the plan. No reward will be paid for the 2012 vesting period since Aspo's result remained below the targeted level.

RESEARCH AND DEVELOPMENT

Aspo Group's R&D focuses mainly on developing operations, procedures and production technology without a separate organization, which means that the development investments are included in normal operational costs and are not itemized.

ENVIRONMENT

Aspo Group's regular operations do not have any significant environmental impact. The Group companies follow Aspo's environmental policy with the main principle of continuously improving operations.

Average personnel by segment

ESL Shipping	2012	2011
Office staff	25	29
Crew members	190	161
	215	190
Leipurin		
Office staff	231	214
Non-office workers	58	58
	289	272
Telko		
Office staff	222	222
Non-office workers	26	12
	248	234
Kaukomarkkinat		
Office staff	87	81
Non-office workers	7	7
	94	88
Other operations		
Office staff	12	13
Total	858	797

Throughout its operations, Aspo supports the principles of sustainable development.

Aspo looks after the environment by taking initiatives and continuously monitoring the laws and recommendations connected to its operation and any revisions to these. Aspo wants to be a pioneer in all of its operations and also anticipates future developments in environmental regulations.

ESL Shipping

ESL Shipping's operations and all its vessels are certified in accordance with the International Maritime Organization's International Safety Management Code for the Safe Operation of Ships and for Pollution Prevention (ISM). ESL Shipping also has ISO 14001 environmental certification. Well-equipped ships also enhance safety: all of our ships are ice class. What's more, our experienced personnel are very familiar with the ports, channels, and conditions of the Baltic Sea.

A ballast water cleaning system has been installed in ESL Shipping's newest vessels. The system prevents foreign flora and fauna from moving from one water area to another, and thus protects the ecosystem of the Baltic Sea.

Ships are the most ecological alternative for transporting large cargos. The carbon dioxide emissions of a large cargo ship, in relation to the size of the cargo and the length of the voyage, are 30 percent less than those of heavy articulated vehicles and under three percent of aircraft emissions.

Leipurin

Leipurin pays particular attention to the quality and safety of food ingredients and the environmental impact of its operations. Leipurin's operational manual is ISO 9001 certified. Certification has also committed the company to continually improve its operations. We take environmental issues into account when choosing our suppliers, too.

Telko

Telko has a certified quality system complying with the ISO 9001:2000 standard. In addition, Telko is committed to the chemical industry-oriented Responsible Care Program that complies with the cooperation agreement between The Chemical Industry Federation of Finland and the Chemical Section of the Association of Finnish Technical Traders. The company's situation in health, safety, environmental and quality issues has been verified in SQAS Distributor / ESAD II (European Single Assessment Document) assessments. The SQAS Distributor / ESAD II assessment was developed together by CEFIC and FECC, trade associations for chemical manufacturers and distributors. The assessment is carried out by an outside assessment body with the help of a broad set of questions.

Kaukomarkkinat

Kaukomarkkinat provides equipment and services that improve energy efficiency. Its products can run on renewable energy such as biofuels and inexhaustible energy such as solar energy. Environmental issues play a highly important role for the company's suppliers: their commitment to sustainable development is evident in all their operations, all the way from product design and manufacture to recycling.

MANAGEMENT AND AUDITORS

Aspo Plc's Annual Shareholders' Meeting held on April 3, 2012, re-elected Matti Arteva, Esa Karppinen, Roberto Lencioni, Gustav Nyberg, Kristina Pentti-von Walzel, and Risto Salo to the Board of Directors for a one-year term. Marja-Liisa Kaario was elected as new member to the Board.

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 Matti Arteva as Vice-Chairman. At the meeting the Board also decided to appoint Roberto Lencioni Chairman of the Audit Committee and Marja-Liisa Kaario and Kristina Pentti-von Walzel as committee members.

In 2012, the Board of Directors arranged 15 meetings, of which six were teleconferences. The average participation rate was 100%.

eMBA Aki Ojanen has acted as the CEO of the company.

The authorized public accounting firm PricewaterhouseCoopers Oy has been the company's auditor. Mikko Nieminen, APA, has acted as the auditor in charge.

BOARD AUTHORIZATIONS

Authorization to decide on the acquisition of company-held shares

The Annual Shareholders' Meeting authorized the Board of Directors to decide on the acquisition of no more than 500,000 of the company-held shares using the unrestricted shareholders' equity of the company. The authorization includes the right to accept company-held 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 holdings of the shareholders and the consideration paid for the shares shall be the market price of the Aspo 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 Board may not exercise the authorization to acquire company-held shares or to accept them as a pledge if after the acquisition the company or its subsidiary would possess or have as a pledge in total more than ten (10) percent of the company's stock. The authorization is valid until the Annual Shareholders' Meeting in 2013 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-held shares.

The authorization will supersede the authorization for the acquisition of company-held shares which was granted to the Board of Directors by the Annual Shareholders' Meeting on April 5, 2011.

Authorization to decide on a share issue of the company-held shares

The Annual Shareholders´ Meeting authorized the Board of Directors to decide on a share issue, through one or several installments, to be executed by conveying the company-held shares. An aggregate maximum amount of 834,529 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 holdings 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 remains in force until September 30, 2015.

Company-held shares may be transferred either against or without payment. Under the Finnish Limited Liability Companies Act, a directed share issue may only be carried out without payment, if there is an especially compelling reason for the same, both for the company and in regard to the interests of all shareholders in the company.

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 5, 2011.

Authorization to decide on a rights issue

The Annual Shareholders' Meeting authorized the Board of Directors to decide on a rights issue for consideration. The authorization includes 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 remains in force until September 30, 2015.

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 5, 2011.

The Board of Directors has not used its authorizations given in 2012.

SHARE CAPITAL AND SHARES

Aspo Plc's share capital on December 31, 2012 was EUR 17,691,729.57 and the total number of shares was 30,967,450 of which the company held 183,891 shares; that is, 0.6% of the share capital. Aspo Plc has one share series. Each share entitles the shareholder to one vote at the shareholders' meeting. Aspo's share is quoted on NASDAQ OMX Helsinki Ltd's Mid Cap segment under industrial products and services.

During 2012, a total of 2,704,413 Aspo Plc shares with a market value of EUR 17.6 million were traded on NASDAQ OMX Helsinki, in other words, 8.7% of the stock changed hands. During the year, the stock reached a high of EUR 7.95 and a low of EUR 5.70. The average price was EUR 6.63 and the closing price at year-end was EUR 6.39. At the end of the financial year, the market value excluding treasury shares was EUR 196.7 million.

The number of Aspo Plc shareholders was 6,497 at the end of the year. A total of 613,636 shares, or 2.0% of the share capital, were nominee registered or held by non-domestic shareholders.

In 2012, based on the authorization given by the Shareholders' Meeting in 2011, Aspo Plc transferred a total of 150,638 company-held shares to individuals covered by the performance share plan of 2009.

FLAGGING NOTIFICATIONS

Havsudden Oy Ab announced on June 12, 2012, that its holdings have exceeded 5% of the share capital in Aspo Plc. The transfer did not imply any changes in voting rights.

Henrik Nyberg announced on June 27, 2012, that his holdings have decreased below five per cent (5%) of the share capital and voting rights in Aspo Plc. The amount of shares transferred corresponds to 1.9% of the total number of shares in Aspo Plc.

Havsudden Oy Ab announced on June 27, 2012, that its holdings have exceeded ten per cent (10%) of the share capital and five per cent (5%) of the voting rights in Aspo Plc. Following the transfer Havsudden Oy Ab owns shares that correspond to 10.1% of the share capital and 5.2% of the votes in Aspo Plc. The amount of shares transferred corresponds to 3.3% of the total number of shares in Aspo Plc.

EVENTS AFTER THE FINANCIAL YEAR

On January 8, 2013, Markus Karjalainen, Managing Director of ESL Shipping Ltd, announced that he will resign from his position. Lasse Rikala, M.Sc. (Econ.) was appointed as the acting Managing Director of the company. Matti-Mikael Koskinen, M.Sc. (Econ.) has been appointed the new Managing Director of ESL Shippig Ltd as of May 1, 2013. He will also serve as a member of the Aspo Group Executive Committee. Lasse Rikala will continue as a board member of ESL Shipping Ltd.

OUTLOOK FOR 2013

Aspo's current, both operationally and geographically diversified structure creates a good basis for long-term growth. ESL Shipping's capacity is now better balanced with the demand on the Baltic Sea, which is expected to continue to be satisfactory. Telko and Leipurin have invested in the Eastern growth markets and established new offices. Profitability in this market area is better than in the western markets. Kaukomarkkinat has revised its strategy, focusing primarily on local energy solutions and solutions improving industrial energy efficiency.

The uncertainty of economic development in the European Economic Area is expected to continue in 2013, but growth in the Eastern growth markets is expected to continue in the sectors important to Aspo.

Aspo aims to increase its operating profit and to achieve the previous year's level in net sales.

ESL Shipping

ESL Shipping's activities in the Baltic Sea transport market are estimated to remain at the current satisfactory level. International cargo prices are expected to remain low.

The energy and steel industries, which are important to the company, are expected to increase their raw material transports using the shipping company's vessels in 2013 compared to 2012. Significant customer agreements will continue unchanged in 2013.

One of the new Supramax vessels will continue operating in the Canadian ice traffic until the spring, and the other one will be operating in international spot traffic. The rest of the fleet will operate in contract traffic on the Baltic Sea. A considerable share of the capacity for 2013 has been handled through long-term price and transport agreements.

The amendment to the tonnage tax legislation has improved the operating conditions of shipping companies and encourages them to maintain and add to a merchant fleet in Finland.

ESL Shipping is expected to improve its profitability.

Leipurin

Organic growth is expected to continue in bakery raw materials. The offices that were established in Russia, Ukraine, and Kazakhstan provide a good foundation for several years of growth in bakery raw material sales. Bakery machinery sales are predicted to grow from 2012. In Finland, the restructuring of the bakery industry is expected to continue further in such a way as to increase the outfitting of bakeries in shopping centers and supermarkets as well as the baking activities in them. While raw material sales to other food industry players are expected to decrease, profitability is expected to improve from the previous year. Leipurin will improve its cost efficiency and profitability.

Telko

Organic growth is expected to continue in the Eastern markets. The offices set up in Russia, Kazakhstan, and China provide a good foundation for several years of growth. However, the future trend in industrial demand is difficult to forecast.

Telko continues to expand profitably in line with its strategy in Russia, Ukraine, other CIS countries, and China. New offices will be opened in major Russian cities in 2013. Telko is investigating potential investments in chemical refinery terminals in Western Russia and Ukraine. A refinery terminal would ensure the logistical resources needed for long-term growth in the chemicals business, as well as customer-specific upgrading of products in Russia. The share of plastic raw materials of Telko's overall sales is expected to increase further. In 2013, Telko aims to improve the cost efficiency of its operations by way of improving its supply chain management in particular.

Kaukomarkkinat

The demand for hybrid systems which combine several different heat sources is expected to grow further in Finland. Kaukomarkkinat's offering includes new air-to-water heat pumps and solar thermal collectors, ground source heat pumps, heat storage and heat distribution systems, and building automation systems. Kaukomarkkinat has also further expanded its product range through the introduction of a facility-size heat pump under its own trademark. Kaukomarkkinat expects demand to develop favorably in the future as energy prices rise and the standards for energy efficiency are increased.

The share of professional electronics services and project sales of the overall net sales has increased. As regards industrial machinery sales, solutions utilizing industrial waste heat and energy company investments are areas specially targeted for growth. Kaukomarkkinat and Turku Energia have signed an agreement on the delivery of a second heat pump plant in 2013.

In China, Kaukomarkkinat is seeking growth in the sales of paper making machinery, but also in the delivery of environmental technology solutions primarily to existing process industry customers.

The company has expanded its international office network by way of recruiting specialists in international trade to its sales team. Companies supplying sustainable technology have been acquired as principals. Kaukomarkkinat expects to achieve significant growth and improve its profitability through cleantech export.

Legal proceedings

ESL Shipping is seeking a refund from the State of Finland for fairway dues charged before 2006 in court. According to ESL Shipping, Finland has not complied with the EU's fairway dues legislation.

Operational risks

The overall economic situation may affect industrial demand. It is difficult to foresee whether the growth in demand in Aspo's market areas will continue, or whether there will be any other sudden changes in business preconditions. Changes in the financial markets and in the value of currencies may have an effect on the Group's future profit development.

A more detailed account of the risk management policy and the main risks have been published on the company's website. More detailed information on financing risks can be found in the notes to the financial statements.

Aspo Plc's Corporate Governance Statement 2012 is published on the company's website on www.aspo.com.

Consolidated Income Statement

1 000 EUR	Notes	Jan. 1–Dec. 31, 2012	Jan. 1–Dec. 31, 2011
Net sales	1	**481 592**	476 278
Other operating income	3	**3 798**	1 053
Change in inventory of finished goods and work in progress +/–	6	**1 560**	-3 329
Share of associated companies' and joint ventures' profit or loss	16	**280**	207
Materials and services	6	**-364 775**	-336 409
Personnel costs	4	**-39 675**	-37 506
Depreciation and impairment	5	**-10 758**	-8 223
Other operating expenses	7	**-61 416**	-70 608
Operating profit		**10 606**	21 463
Financial income	8	**1 630**	1 484
Financial expenses	8	**-4 868**	-5 516
Total financial expenses		**-3 238**	-4 032
Profit before taxes		**7 368**	17 431
Income taxes	9	**3 416**	-4 136
Net profit for the period		**10 784**	13 295
Other comprehensive income			
Translation differences		**577**	-635
Cash flow hedges		**-1 520**	1 249
Income tax on other comprehensive income		**372**	-319
Other comprehensive income for the year, net of taxes		**-571**	295
Total comprehensive income		**10 213**	13 590
Profit of the year attributable to			
Parent company shareholders		**10 784**	13 295
Non-controlling interest			
Total comprehensive income attributable to			
Parent company shareholders		**10 213**	13 590
Non-controlling interest			
Earnings per share to parent company shareholders, EUR	10		
Earnings per share		**0,36**	0,45
Diluted earnings per share		**0,37**	0,45

The notes presented on pages 68–98 form an integral part of the consolidated financial statements.

Consolidated Balance Sheet

Assets

1 000 EUR	Notes	Dec. 31, 2012	Dec. 31, 2011
Non-current assets			
Other intangible assets	11	**14 732**	16 132
Goodwill	12	**45 324**	45 039
Tangible assets	13	**108 256**	88 823
Investments held for trading	14	**198**	205
Receivables	15	**213**	206
Shares in associated companies and joint ventures	16	**2 170**	1 922
Deferred tax receivable	17	**2 865**	1 269
Total non-current assets		**173 758**	153 596
Current assets			
Inventories	18	**50 783**	43 129
Accounts receivable and other receivables	19	**64 976**	55 251
Income tax receivables for the period		**308**	2 431
Cash and cash equivalents	20	**21 398**	14 505
Total current assets		**137 465**	115 316
Total assets		**311 223**	268 912

Shareholders’ equity and liabilities

1 000 EUR	Notes	Dec. 31, 2012	Dec. 31, 2011
Shareholders’ equity			
Share capital	21	**17 692**	17 692
Premium fund	21	**4 351**	4 351
Treasury shares	21	**-4 171**	-5 103
Translation differences		**-241**	-514
Revaluation fund	21	**-872**	276
Invested unrestricted equity fund	21	**11 147**	23 654
Equity portion of the convertible capital loan	21	**2 572**	2 572
Retained earnings	21	**48 205**	35 559
Net profit for the period		**10 784**	13 295
Total shareholders' equity belonging to shareholders		**89 467**	91 782
Non-controlling interest		**703**	703
Total shareholders’ equity		**90 170**	92 485
Long-term liabilities			
Deferred tax liability	17	**10 949**	12 937
Loans	22	**84 193**	92 772
Other liabilities	23	**1 232**	2 349
Total long-term liabilities		**96 374**	108 058
Short-term liabilities			
Provisions	25	**284**	201
Loans and overdraft facilities	22	**55 882**	8 724
Accounts payable and other liabilities	23	**68 071**	55 991
Income tax liabilities for the period		**442**	3 453
Total short-term liabilities		**124 679**	68 369
Total liabilities		**221 053**	176 427
Total shareholders' equity and liabilities		**311 223**	268 912

Consolidated Cash Flow Statement

1 000 EUR	Jan. 1–Dec. 31, 2012	Jan. 1–Dec. 31, 2011
Operational cash flow		
Operating profit	**10 606**	21 463
Adjustments to operating profit		
Depreciation and impairment	**10 758**	8 223
Sales gains and losses from fixed assets and investments	**-2 815**	-10
Accrued personnel costs	**248**	909
Share of associated companies' and joint ventures' profit or loss	**-280**	-207
Change in working capital		
Inventories	**-7 681**	3 373
Current receivables	**-10 611**	-7 853
Non-interest bearing current liabilities	**12 143**	1 355
Interest paid	**-4 006**	-4 427
Interest received	**1 061**	868
Dividends received	**2**	3
Taxes paid	**-601**	-2 986
Operational cash flow	**8 824**	20 711
Cash flow from investments		
Investments in tangible and intangible assets	**-29 886**	-12 920
Advance payments for vessels		-28 608
Gains on the sale of tangible and intangible assets	**4 019**	69
Gains on the investments held for trading	**20**	
Subsidiaries acquired less the cash flow at time of acquisition	**-197**	-3 295
Business operations acquired	**-283**	
Associated companies and joint ventures acquired	**86**	
Cash flow from investments	**-26 241**	-44 754
Cash flow from financing		
Rights issue		19 152
Repurchase of shares		-1 995
Disposal of shares		1 498
Repayments of short-term loans		-5 390
New short-term loans	**42 348**	
New long-term loans	**15 792**	45 423
Repayments of long-term loans	**-21 222**	-16 202
Dividends distributed		-11 101
Repayment of capital	**-12 718**	
Cash flow from financing	**24 200**	31 385
Change in liquid funds	**6 783**	7 342
Liquid funds Jan. 1	**14 505**	7 148
Translation differences	**110**	15
Liquid funds at year-end	**21 398**	14 505

The notes presented on pages 68–98 form an integral part of the consolidated financial statements.

Statement of Changes in Shareholders' Equity

1 000 EUR	Notes	Share Capital	Premium fund	Revalua-tion fund	Invested unre-stricted equity fund	Other funds	Treasury shares	Trans-lation differ-ences	Retained earnings	Total	Non-controlling interest	Total share-holders' equity
Shareholders' equity January 1, 2012	21	**17 692**	**4 351**	**276**	**23 654**	**2 572**	**-5 103**	**-514**	**48 854**	**91 782**	**703**	**92 485**
Comprehensive income												
Profit for the period									10 784	10 784		10 784
Other comprehensive income, net of taxes												
Cash flow hedge				-1 148						-1 148		-1 148
Translation difference								273	304	577		577
Total comprehensive income				**-1 148**				**273**	**11 088**	**10 213**		**10 213**
Transactions with owners												
Repayment of capital					-12 718					-12 718		-12 718
Conversion of convertible capital loan					44					44		44
Share-based incentive system					161		932		-958	135		135
Transfer of funds					6				-6			
Shareholding plan for Aspo Management Oy									11	11		11
Total transactions with owners					**-12 507**		**932**		**-953**	**-12 528**		**-12 528**
Shareholders' equity December 31, 2012		**17 692**	**4 351**	**-872**	**11 147**	**2 572**	**-4 171**	**-241**	**58 989**	**89 467**	**703**	**90 170**
Shareholders' equity January 1, 2011	21	**17 692**	**4 351**	**-654**	**2 859**	**2 572**	**-4 532**	**266**	**46 165**	**68 719**	**750**	**69 469**
Comprehensive income												
Profit for the period									13 295	13 295		13 295
Other comprehensive income, net of taxes												
Cash flow hedge				930						930		930
Translation difference					2			-780	143	-635		-635
Total comprehensive income				**930**	**2**			**-780**	**13 438**	**13 590**		**13 590**
Transactions with owners												
Dividend payment									-11 101	-11 101		-11 101
Repurchase of shares							-1 995			-1 995		-1 995
Disposal of shares					74		1 424			1 498		1 498
Conversion of convertible capital loan					1 535					1 535		1 535
Share-based incentive system									373	373		373
Rights issue					19 152					19 152		19 152
Transfer of funds					32				-32			
Shareholding plan for Aspo Management Oy									11	11		11
Change in non-controlling interest											-47	-47
Total transactions with owners					**20 793**		**-571**		**-10 749**	**9 473**	**-47**	**9 426**
Shareholders' equity December 31, 2011		**17 692**	**4 351**	**276**	**23 654**	**2 572**	**-5 103**	**-514**	**48 854**	**91 782**	**703**	**92 485**

Notes to the Consolidated Financial Statements

BASIC INFORMATION

Aspo Plc is a Finnish public corporation domiciled in Helsinki. Aspo Plc's shares are listed on NASDAQ OMX Helsinki Ltd.

Aspo is a conglomerate that focuses on sectors requiring extensive specialist knowledge. The Group's operations are organized into independent segments – ESL Shipping, Leipurin, Telko and Kaukomarkkinat. Other operations include Aspo Group's administration and other functions not belonging to the business units.

The Group's parent company is Aspo Plc. The parent company is domiciled in Helsinki and its registered address is Lintulahdenkuja 10, FI-00500 Helsinki, Finland.

A copy of the consolidated financial statements is available from Aspo Plc's head office at Lintulahdenkuja 10, FI-00500 Helsinki, Finland.

Aspo Plc's Board of Directors has approved the financial statements for issue at its meeting on February 14, 2013. Pursuant to the Finnish Companies Act, shareholders may either adopt or reject the financial statements at the Annual Shareholders' Meeting held after the issue, or may also decide to modify them.

ACCOUNTING PRINCIPLES

Basis of presentation

Aspo Plc's consolidated financial statements have been drawn up in line with International Financial Reporting Standards (IFRS) approved in the EU, applying the standards and interpretations valid on December 31, 2012. The notes to the consolidated financial statements also comply with complementary Finnish Accounting Standards based on Finnish accounting legislation and Community legislation.

All figures in these financial statements are presented in EUR thousands and based on original acquisition costs of transactions, unless otherwise stated in the Accounting Principles.

As of January 1, 2012, the Group has applied the following standards, amendments and interpretations with no significant effect on reported information:

- IFRS 7 (amendment) Financial instruments: Disclosures – On transfer of financial assets
- IAS 12 (amendment) Income taxes – Deferred tax

Principles of consolidation

The consolidated financial statements include the parent company Aspo Plc and all its subsidiaries. The term "subsidiary" refers to a company in which the parent company, directly or indirectly, owns more than 50% of the voting rights, or in which it otherwise exercises control. The Group's associated companies include companies in which the Group owns 20%–50% of voting rights and at least a 20% holding, or in which the Group otherwise holds significant control. Joint ventures are companies where the Group exercises control with other parties on the basis of an agreement. Associated companies and joint ventures have been consolidated using the equity method. If the Group's share of losses in an associated company or a joint venture exceeds the carrying amount, losses in excess of the carrying amount will not be consolidated unless the Group undertakes to fulfill the obligations of the associated company or joint venture. Unrealized profits between the Group and associated companies and joint ventures are eliminated in accordance with the Group's ownership.

Subsidiaries acquired during the financial year have been consolidated from the time Aspo gained control over them. Divested operations are included up to the time Aspo surrendered control. Acquired subsidiaries are consolidated using the acquisition cost method, which involves recognizing the acquired company's assets and liabilities at fair value at the time of acquisition. Acquisition-related costs are entered as expenses. Any contingent consideration is recognized at fair value upon acquisition and is classified either as a liability or equity. The contingent consideration classified as a liability is measured at fair value on the last day of each reporting period, and the resulting profit or loss is entered with an effect on earnings. The contingent consideration classified as equity is not recognized again. The goodwill acquisition cost is the amount by which the subsidiary acquisition cost exceeds the net fair value of the acquired identifiable assets, liabilities and conditional liabilities.

Acquisitions prior to January 1, 2010 have been processed in compliance with the regulations valid at the time.

According to IFRS, goodwill is not amortized; instead, it is tested annually for impairment.

Intra-Group transactions, receivables and liabilities and intra-Group profit distribution have been eliminated when preparing the consolidated financial statements.

The income statement shows the distribution of the financial year's profit between the parent company's shareholders and non-controlling shareholders. The interest that belongs to non-controlling shareholders is presented as a separate item under the Group's shareholders' equity.

A unit established for a special purpose

Aspo Management Oy was established to allow participants to have a major long-term shareholding in Aspo Plc. It is consolidated in the same way as subsidiaries in the consolidated financial statements. Aspo Plc has control over Aspo Management Oy through shareholder and loan contracts. As a result of this, Aspo Management Oy is consolidated in Aspo's consolidated financial statements. The control results from the application of contractual terms and conditions, such as the prohibition of transfer and pledge of Aspo Plc's shares managed by the company, and the voting restriction.

Aspo Management Oy's Articles of Association enable the participants to hold only securities issued by Aspo Plc or obtained on the basis of them. All transactions carried out by the company require a written permit from Aspo Plc. Aspo Plc or the companies under its control do not have a holding in the company. The company's income statement and balance sheet have been consolidated in the consolidated financial statements from the start of the arrangement. The consolidated financial statements deal with the investment made by the management in Aspo Management Oy as a portion of the non-controlling shareholders. Aspo Plc's shares held by Aspo Management Oy have been deducted from the Group's shareholders' equity in the consolidated financial statements.

On the basis of the shareholder contract, Aspo Management Oy is to be merged with Aspo Plc, or alternatively, immediately dissolved after the publication of financial statements for 2013. If the terms and conditions to postpone the dissolution materialize, the merging or dissolution will be implemented no later than after the publication of the financial statements for 2016.

Accounting Principles provide additional information about the treatment of share-based incentive plans in accounting in connection with share-based payments.

Foreign currency items and their measurement

Foreign currency denominated transactions are recorded at the exchange rates valid on the transaction date. Foreign currency denominated receivables and liabilities outstanding at the end of the year will be measured using the rates of the closing date. The losses and gains arisen from foreign currency denominated transactions and the conversion of monetary items have been recorded in the income statement. Foreign exchange gains and losses related to business operations are included in the corresponding items above the operating profit. Foreign exchange gains and losses arisen from foreign currency denominated loans are included in financial income and expenses.

From October 1, 2011, the internal long-term loans belonging to the Telko segment of Telko's Belorussian subsidiary and, from April 1, 2012, long-term loans belonging to Telko's Ukrainian subsidiary have been reclassified as net investments into international operations under IAS 21. Any unrealized foreign exchange gains and losses related to these investments will be recorded directly under shareholders' equity.

Foreign subsidiaries

Figures for the performance and financial position of the Group's units are measured in the main currency of the unit's business environment ("operational currency"). The consolidated financial statements are presented in euro, the parent company's operational and reporting currency. In the consolidated financial statements, the income statements of foreign subsidiaries are translated into euro using the average rate of the financial year. Balance sheet items are translated into euro using the exchange rates valid on the closing date. Translation differences are presented as a separate item under shareholders' equity. When the holding in a subsidiary is divested in its entirety or in part, the accumulated translation differences are recognized in the income statement as part of the sales profit or loss.

Segment reporting

Aspo's operating segments are ESL Shipping, Leipurin, Telko and Kaukomarkkinat. The business segments are reported in a manner that is uniform with internal reporting to the operative decision maker of the company. The highest operative decision maker in the company is the Board of Directors that makes strategic decisions. Inter-segment transactions are carried out at market prices.

Tangible assets

Fixed assets are recognized at original acquisition cost net of cumulative depreciation less impairment. Planned depreciation is calculated on a straight-line basis over the estimated useful economic life as follows:

Buildings and structures	15–40 years
Vessels	17–30 years
Pushers	18 years
Machinery and equipment	3–10 years
Piping	5–20 years
Other tangible assets	3–40 years

Land is not depreciated.

A previously recorded write-down on tangible assets is reversed if the estimates used in the determination of the recoverable amount change. However, the post-reversal value must not exceed the value the asset had before the write-down in previous years. Sales profits and losses arising from the removal from use and disposal of tangible assets are included in other operating income and expenses.

Goodwill and other intangible assets

The acquired subsidiaries are consolidated in the consolidated financial statements using the acquisition cost method. The acquisition cost is matched against assets and liabilities on the basis of their fair value at the time of acquisition. The remaining part of the acquisition cost is goodwill. Goodwill is not amortized; instead, its fair value is tested at least annually using the goodwill impairment test based on the fair market value (see Goodwill Impairment Test on page 81).

No depreciation is recognized for intangible assets with unlimited useful economic lives, but they are tested annually for impairment. The useful lives of the brands that belong to the Leipurin and Telko segments are estimated to be unlimited. The strong image and history of the brands support the management's view that the brands will affect cash flow generation over an indefinable period.

Other intangible assets are measured at original acquisition cost and amortized on a straightline basis during their useful economic life. Other intangible assets include software programs and software licenses.

The Group assesses the balance sheet value of goodwill and other intangible assets annually, or more often if there are any signs of potential impairment. If such signs exist, the recoverable amount of the asset in question is determined. Impairment is assessed at the level of cash-flow generating units.

The recoverable amount is the fair value less costs to sell, or the use value, if higher. The cash flow based use value is determined by calculating the discounted current value of predicted cash flows. The discount rate of the calculations is based on the average cost of capital (WACC), which reflects the market's view of the time value of money and the risks involved in Aspo's business operations.

An impairment loss is recognized in the income statement if the carrying amount of an asset item is higher than its recoverable amount. Where an impairment loss is recognized for an asset item subject to depreciation, the asset item's useful economic life is re-estimated. An impairment recognized for assets other than goodwill is reversed if the estimates used in the determination of the recoverable amount change to a substantial extent. However, the post-reversal value must not exceed the value the asset had before the write-down in previous years. An impairment loss recognized for goodwill is not reversed under any circumstances.

Research and development costs
As a rule, research and development costs are recognized as expenses at the time of their occurrence. However, development costs arising from the design of new products are capitalized in the balance sheet as intangible assets from the date when the product is technically and commercially feasible and expected to generate financial benefits in the future. Capitalized research and development costs will be amortized over their useful economic life.

Inventories
Inventories are measured at acquisition cost or net realizable value, if lower. The acquisition cost is determined using the FIFO (first in first out) method. The acquisition cost of finished goods and work in progress includes raw material purchase costs, direct manufacturing wages, other direct manufacturing costs, and a share of manufacturing overheads (based on regular operating capacity), borrowing costs excluded. Net realizable value is the actual sales price in the ordinary course of business, less costs from the completion of the product, and sales costs.

Leasing agreements – Group as lessee
Fixed asset leasing agreements where the Group assumes an essential part of the risks and benefits inherent in ownership are classified as financial leasing agreements. Assets acquired through financial leasing agreement are recorded in the balance sheet in the amount equaling the fair value of the leased asset at the start of the agreement or a current value of minimum leases, if lower. Leasing payments are divided into financial expenses and loan repayment. Corresponding leasing liabilities, less financial expenses, are included in other long-term interest-bearing liabilities. The interest of finance is recognized in the income statement during the leasing period so that the interest rate for the remaining debt is the same for each financial year. Assets leased under financial leasing agreements will be depreciated either over their useful economic life or over the term of the leasing agreement, if shorter.

Fixed asset leasing agreements in which the material part of risks and benefits inherent in ownership remain with the lessor are classified as other leases (operational leasing), the rents of which are recognized in the income statement as expenses in equal amounts over the leasing period.

Employee benefits
Statutory pension cover is provided for by taking out insurance with pension insurance companies. In foreign units, the pension cover is arranged in accordance with local legislation and social security regulations. Payments towards defined-contribution pension schemes are recognized as expenses in the income statement during the relevant financial year.

Share-based payments
The Group has share-based incentive plans for the management, where part of the reward is paid as shares and the rest in cash. Note 29 shows more information on share-based arrangements. Options rights and assigned shares are valued at fair value at the time of assignment and recognized in the income statement as costs divided into even installments during the validity of the incentive plan. The effects of other than market based terms (e.g. profitability and profit growth target) are not included in the fair value but taken into account in the amount of options or shares to which a right is assumed to be generated, by the end of the period in which the right is generated. A contra entry of the cost is recorded under the shareholders' equity for proportions to be paid in shares, and proportions to be paid in cash are recognized as debts. The fair value for the proportion to be paid in cash is revalued on each reporting day.

Aspo Management Oy was established for the Group's share-ownership arrangements. It has been consolidated in the consolidated financial statements. Black & Scholes' model is used in the calculation of the fair value for ownership arrangements. The proportion of the fair value belonging to the past financial year was recognized in the consolidated financial statements.

Share capital
Ordinary shares are presented as the share capital. Transaction costs directly resulting from the issuance of new shares or options are recorded, after adjusting their potential tax effects, as a reduction of achieved payments under the shareholders' equity.

When the company buys its own shares, the compensation paid for the shares and the procurement related costs are recognized as a reduction in the shareholders' equity. When the shares are sold, the compensation, less direct transaction costs and the possible effect of income taxes, is recognized under the shareholders' equity.

Provisions
A provision is entered into the balance sheet if the Group has, as a result of a past event, a present legal or factual obligation that will probably have to be fulfilled, and the amount of the obligation can be reliably estimated. Warranty provisions include the cost of product repair or replacement if the warranty period is still effective on the closing date. Warranty provisions are determined on the basis of historical experience.

The amount recorded in provisions is the current value of the costs that are expected to occur when fulfilling the obligation.

Income taxes
The Group's taxes include taxes based on the Group companies' profits and losses for the financial year, adjustment of taxes from previous fiscal years and changes in deferred taxes. Income taxes are recorded in accordance with the tax rate valid in each country. Deferred tax liabilities or receivables are calculated from the temporary differences between accounting and taxation in accordance with the tax rate in force on the closing date or on the estimated tax payment date. Elements resulting in temporary differences include provisions, depreciation differences and confirmed losses. Deferred tax receivables are recognized from confirmed losses and other temporary differences to the extent that it is likely that they may be utilized in the future. The share of profits or losses of associated companies or joint ventures presented in the income statement is calculated from net profit or loss, and it includes the impact of taxes.

ESL Shipping was included in tonnage taxation retroactively from January 1, 2011. In tonnage taxation, shipping operations shifted from taxation of business income to tonnage-based taxation.

Income recognition principles

Revenue from the sale of products is recognized when the material risks and benefits associated with the ownership of the goods have transferred to the buyer. Revenue from services is recognized once the services have been rendered. Income and costs from long-term projects are recognized as revenue and expenses on the basis of the percentage of completion when the outcome of the project is reliably assessable. The percentage of completion is determined by applying the proportion of the work-induced cost incurred by the time of review to the total estimated project cost. When it is likely that the project will generate losses, they will be expensed immediately. During the financial year, Aspo had no long-term projects under way. Government subsidies granted to compensate for costs incurred are recognized as income in the income statement, while costs related to the target of subsidy are expensed.

Long-term assets classified as available for sale and discontinued operations

Long-term asset items as well as assets and liabilities related to discontinued operations are classified as available for sale if the amount corresponding to their book value is mainly accumulated from the sale of the asset instead of its continued use. The preconditions for classifying an item as available for sale are met when the sale is very likely and the management is committed to the sale.

Immediately prior to classification as available for sale, the asset items in question or the assets and liabilities of the group to be surrendered are measured in accordance with applicable IFRS standards. From the point of classification onwards, the asset items available for sale are measured at book value or at a fair value, if lower, less the costs accumulated from the sale.

The results of discontinued operations are recorded as their own item in the consolidated income statement. The assets available for sale, groups of items to be surrendered and liabilities included in the groups of items to be surrendered are recorded in the balance sheet as separate items. In 2011 and 2012, the Group had no operations classified as such that will be discontinued.

Accounts receivable

Accounts receivable are recognized at acquisition cost. The Group writes down receivables if there is objective evidence that the receivable cannot be collected in full.

Accounts payable

Accounts payable are recognized at acquisition cost and treated as short-term liabilities if they expire within one year.

Financial assets

Financial assets are classified into loans and other receivables, investments held to maturity, financial assets available for sale, and financial assets recognized at fair value through profit and loss. The classification takes place in connection with the initial acquisition.

Loans and other receivables are recorded on the settlement date, and presented on the balance sheet at amortized cost using the effective interest rate method. Transaction costs are included in the original acquisition cost. Financial assets and liabilities recognized at fair value through profit and loss are recorded on the settlement date and measured at fair value.

Financial assets available for sale and financial assets recognized at fair value through profit and loss are measured at fair value, using quoted market prices and rates, or an imputed current value. Changes in the fair value of financial assets available for sale are recorded in the fair value reserve under shareholders' equity, taking the tax impact into account. When such an asset is sold or has generated an impairment loss, the accumulated changes in fair value are moved from shareholders' equity to profit or loss. Acquisitions or disposals of financial assets available for sale are recorded on the settlement date. If reliable market value is not available, investments held for trading are recognized at acquisition cost.

Investments in shares, fixed-income securities and convertible bonds are classified as financial assets available for sale.

Financial assets are derecognized when the Group has lost the contractual right to cash flows, or materially moved risks and revenue away from the Group.

An impairment is recognized in liabilities and receivables when the balance sheet value is higher than the recoverable amount.

Financial liabilities

Financial liabilities are recorded on the settlement date and recognized in the balance sheet at acquisition cost, less transaction costs. Interests are allocated on the maturity of the debt in the income statement, using the effective interest rate method.

The fair value of the share in debt of a convertible capital loan is determined by using the market interest rate of a corresponding debt on the date of issue. The share in debt is recognized at amortized cost, until it is completely amortized by converting the loan into stock. The remainder of the money received – in other words, the share of equity less the effect of tax – is recorded under shareholders' equity.

Cash and cash equivalents

Cash and cash equivalents include cash funds, bank deposits and other highly liquid short-term (no more than three months) investments. Overdraft facilities are presented under other short-term liabilities.

Derivatives

Derivatives are originally booked at fair value on the day the Group becomes a contracting party, and are subsequently further measured at fair value.

The Group has applied hedge accounting to protect predicted foreign currency denominated cash flows arising from the acquisition of fixed assets. The change in the fair value of the effective share of hedging is recorded in other comprehensive income items and presented in the hedge fund that is included in the fair value reserve under shareholders' equity. Profits and losses recorded under shareholders' equity are transferred to the acquisition cost of the asset in question during the financial period when the hedged item is capitalized. Hedge accounting is also applied to interest rate swaps to hedge the future interest rate cash flow as fixed. The change in the fair value of the effective share of hedging is recorded in other comprehensive income items and presented in the hedge fund that is included in the fair value reserve under shareholders' equity. Interest rates realized during the financial year of the interest rate swap are recorded in the financial items. Hedge accounting is not applied to other derivatives.

The relation between hedging instruments and hedged objects is documented at the start of hedging. Likewise, documents will be prepared for risk management targets and strategies used as guidelines when launching different hedging actions. At the start of hedging and continuously after this action, the Group prepares an estimate whether the derivatives used in hedging effectively abolish the changes in fair values of the hedged objects or in cash flows. The profit or loss relating to an inefficient share is immediately recognized as financial items of the income statement. When the hedging instrument expires or is sold or when hedging does not meet the preconditions set for the application of hedge accounting, retained profits and losses included at that time in the shareholders' equity remain in the shareholders' equity, and are transferred to the income statement only after recording the predicted transaction in the income statement. If the predicted transaction is not anymore expected to realize, the retained profit or loss presented under shareholders' equity is immediately transferred to financial items of the income statement.

Changes in the fair value of derivatives associated with financial items are recorded in financial income and expenses. Changes in the fair value of other derivatives are recorded under other operating income and expenses.

Fair value is determined on the basis of quoted market prices and rates, the discounting of cash flows and options' value measurement models.

The fair value of currency forwards is calculated by discounting the predicted cash flows from the agreements in accordance with interest rates of the currencies sold, converting the discounted cash flows at the exchange rates valid on the closing date, and calculating the difference between the discounted values. Fair values of currency options are determined using commonly adopted option measurement models. The fair value of interest rate swaps is calculated by discounting the predicted cash flows from the agreements by using the market prices valid upon valuation.

Estimates

When preparing financial statements in compliance with the IFRS practices, the Group's management must make assumptions and estimates that affect the assets and liabilities on the balance sheet at the time of preparation, the reporting of conditional assets and liabilities, and the income and expenses during the financial year. Estimates are used, for instance, to determine the amounts of items reported in the financial statements, to determine the goodwill and its expected yields and the useful life of tangible and intangible assets, as well as the validity of inventories and assets and liabilities. The estimates are based on information compiled from the business functions, which concerns the respective markets and development of the businesses, the experience of the management, and other justifiable assumptions that constitute the best current assessments of the management, but due to changes in the factors that form the basis for the markets and estimates, it is possible that the final figures may, sometimes significantly, deviate from the assessments used in the financial statements.

Goodwill impairment test

The Group tests the balance sheet value of goodwill annually or more often if there are any signs of potential impairment. An impairment loss recognized for goodwill is not reversed under any circumstances. Goodwill is allocated to the Group's cash flow generating units in which the management monitors goodwill in their internal reporting. The unit's recoverable amount is calculated on the basis of use value calculations. The cash flow based use value is determined by calculating the discounted current value of predicted cash flows. The discount rate of the calculations is determined through the weighted average cost of capital (WACC) that depicts the overall costs of shareholders' equity and liabilities, taking into account the particular risks related to asset items and location of operations. The weighted average cost of capital reflects the Group's average long-term financial structure. An impairment loss is immediately recognized in the income statement if the asset's carrying value is higher than its recoverable amount.

Accounting principles requiring exercise of judgment and main sources of insecurity related to estimates

The estimates made when preparing the financial statements are based on the management's best assessment on the closing date. The estimates are based on past experience and assumptions regarding the future development of the Group's financial operating environment and its effect on the Group's net sales and cost level. In the Group management's view, the role of assumptions and estimates is the most significant in goodwill impairment testing. Goodwill and its testing are discussed in more detail in Note 12.

Application of new or amended IFRS Standards and IFRIC Applications

As of January 1, 2013, Aspo applies the following amended standards:

- IAS 1 (amendment) Presentation of financial statement – other comprehensive income
- IAS 19 (amendment) Employee benefits
- IFRS 7 (amendment) Financial instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities
- IFRS 13 Fair value measurement

In addition, IASB has published annual improvements to five standards in 2011, which the Group will adopt after EU approval.

In 2014 or later, the Group will adopt – after EU approval – the following standards, interpretations and amendments made to existing standards:

- IFRS 10 Consolidated financial statements
- IFRS 11 Joint arrangements
- IFRS 12 Disclosures of interests in other entities
- IAS 27 (revised 2011) Separate financial statements
- IAS 28 (revised 2011) Associates and joint ventures
- IFRS 9 Financial instruments
- IAS 32 (amendment) Offsetting Financial Assets and Financial Liabilities

1. NET SALES AND SEGMENT INFORMATION

Aspo's operating segments are ESL Shipping, Leipurin, Telko, and Kaukomarkkinat.

ESL Shipping handles sea transportation of energy sector and industrial raw materials, and offers related services.

Leipurin serves the baking and other food industry by supplying ingredients, production machinery, and production lines, as well as bakery industry related expertise.

Telko acquires and supplies plastic raw materials and chemicals to industry. Its extensive customer service also covers technical support and the development of production processes.

Kaukomarkkinat specializes in energy efficiency technology, solutions to improve efficiency in the process industry, and professional electronics.

Other operations include Aspo Group's administration and other functions not belonging to the business units. The segment structure corresponds with the Group's organizational structure and internal reporting, where evaluation principles of assets and liabilities are in accordance with IFRS.

The assessment of each segment's profitability is based on the segment's operating profit. The Board of Directors is responsible for assessing the segments and making resourcing decisions.

The segment's assets and liabilities are items that the segment uses in its business operations or that can be reasonably allocated to the segment. Items that are not allocated to the segments include tax and financing items and joint Group items, which are mainly a result of the Group's centralized financing. Investments consist of increases in tangible assets and intangible assets that will be used in more than one financial year. Pricing between segments is based on fair market prices.

1.1 Business segments

2012

1 000 EUR	ESL Shipping	Leipurin	Telko	Kauko-markkinat	Unallocated items	Group total
Sales from external customers	72 296	131 102	237 719	40 475		481 592
Inter-segment sales		3	10	43		
Net sales	72 296	131 105	237 729	40 518		481 592
Share of associated companies' and joint ventures' profit or loss	280					280
Operating profit	3 684	4 033	8 385	-644	-4 852	10 606
Net financial expenses						-3 238
Profit before taxes						7 368
Income taxes						3 416
Net profit for the period						**10 784**
Depreciation on tangible assets	7 014	351	662	256	106	8 389
Depreciation on intangible assets	52	830	1 013	474		2 369
Segment's assets	114 727	69 425	71 703	28 036	25 162	309 053
Shares in associated companies and joint ventures	2 170					2 170
Total assets	116 897	69 425	71 703	28 036	25 162	**311 223**
Segment's liabilities	9 437	21 963	24 173	12 210	153 270	221 053
Total liabilities	9 437	21 963	24 173	12 210	153 270	**221 053**
Investments	26 843	969	2 349	378		**30 539**

2011

1 000 EUR	ESL Shipping	Leipurin	Telko	Kauko-markkinat	Unallocated items	Group total
Sales from external customers	93 151	128 150	211 574	43 403		476 278
Inter-segment sales		42	7	81		
Net sales	93 151	128 192	211 581	43 484		476 278
Share of associated companies' profit or loss	207					207
Operating profit	10 520	5 683	8 599	1 391	-4 730	21 463
Net financial expenses						-4 032
Profit before taxes						17 431
Income taxes						-4 136
Net profit for the period						**13 295**
Depreciation on tangible assets	4 989	389	507	246	146	6 277
Depreciation on intangible assets	42	531	945	422	6	1 946
Segment's assets	97 832	65 206	61 082	23 808	19 062	266 990
Shares in associated companies	1 922					1 922
Total assets	99 754	65 206	61 082	23 808	19 062	**268 912**
Segment's liabilities	9 242	18 502	20 462	7 883	120 338	176 427
Total liabilities	9 242	18 502	20 462	7 883	120 338	**176 427**
Investments	38 802	882	2 560	429		**42 673**

1.2 Geographic areas

The Group monitors its net sales in accordance with the following geographical division: Finland, the Nordic countries, the Baltics, Russia, Ukraine and other CIS countries, and other countries. Net sales of the geographical regions is presented as per customer location and their assets as per location. Sales from external customers is defined in accordance with IFRS regulations.

	Net sales		Assets*	
1 000 EUR	2012	2011	2012	2011
Finland	**158 964**	181 218	**169 529**	150 412
Nordic countries	**42 561**	48 798	**23**	2
Baltic countries	**49 361**	50 619	**575**	1 229
Russia, Ukraine + other CIS countries	**157 784**	122 590	**618**	619
Other countries	**72 922**	73 053	**148**	65
Total	**481 592**	476 278	**170 893**	152 327

* Long-term assets other than financial assets and assets related to taxes.

2. ACQUIRED OPERATIONS

Businesses acquired in 2012

On July 1, 2012, Kaukomarkkinat Ltd acquired the business operations of Somasyr Oy. Somasyr's operations consist of the import and sales of energy accumulators and floor heating systems. The acquisition did not have any significant impact on the result or the Group's financial position in 2012. The acquisition generated goodwill of EUR 0.3 million.

Businesses acquired in 2011

On December 7, 2011, Leipurin Ltd acquired the entire stock of Vulganus Oy at a price of EUR 4.9 million. The transaction price is increased by contingent consideration in accordance with the sales margin that will accumulate during the next three years. The compensation is estimated to be EUR 1.5 million. Through the acquisition of Vulganus Oy, the Leipurin segment modernizes its bakery machine production, improves design, and increases its sales in the Russian market in particular. Spiral systems manufactured by Vulganus are used for cooling, freezing and leavening processes.

Through the transaction, the Group expects to not only obtain sales growth but also cost savings. The goodwill created by the acquisition is based on modernizing the operating approach, the expanding market area, competent staff, and savings caused by synergy.

The table below provides a summary of the consideration paid for Vulganus Oy, and of the fair values of the acquired assets and received liabilities upon acquisition.

The costs related to the acquisition are included in other operating expenses of the Leipurin segment's income statement in 2011.

According to the contingent consideration arrangement, Leipurin Ltd is obligated to pay the former owners of Vulganus Oy 10.5% of the sales margin that accumulates during 2012, 2013, and 2014. The not-discounted amount of payments, which the Group could be required to make according to this arrangement, was evaluated to be EUR 1.6 million. The fair value of the contingent consideration arrangement has been determined with a 2% discounting interest rate base. According to the terms of the contingent consideration, no minimum or maximum values have been determined for the payable consideration.

The fair value of accounts receivable and other receivables was EUR 1.7 million, which is also the gross value of the receivables. The fair value of immaterial rights that include technology was EUR 0.8 million, that of liquid funds was EUR 1.4 million, and that of inventories was EUR 1.5 million. The fair value of tangible assets was EUR 0.2 million.

The fair value of liabilities was EUR -3.6 million.

As part of the transaction arrangements, the sellers purchased a total of 217,691 company-held shares from Aspo. The share transaction was implemented upon a decision by Aspo Plc's Board of Directors as a directed share issue under the authorization granted by the Annual Shareholders' Meeting on April 5, 2011. The transfer price was EUR 6.8905 per share.

Vulganus Oy's net sales, which were included in the Group's income statement as of December 1, 2011, was EUR 2.2 million in 2011. It resulted in EUR 0.7 million of operating profit for the Group during the period in question.

If Vulganus Oy would have been consolidated as of January 1, 2011, the net sales in the consolidated income statement would have increased by EUR 4.8 million, to EUR 481.1 million, and operating profit by EUR 0.2 million, to EUR 21.7 million.

Acquisition of Vulganus Oy

Consideration 1 000 EUR	2012 Final	2011 Preliminary
Cash	4 908	5 127
Contingent consideration	1 540	1 540
Total consideration	6 448	6 667
Recognized amounts of identifiable assets acquired and liabilities assumed		
Tangible assets	246	246
Technology (included in intangible assets)	809	809
Inventories	1 501	1 676
Accounts receivable and other receivables	1 723	1 723
Cash and cash equivalents	1 419	1 419
Total assets	5 698	5 873
Loans	63	63
Accounts payable and other liabilities	3 323	3 330
Deferred tax liabilities	262	262
Total liabilities	3 648	3 655
Net assets acquired	2 050	2 218
Goodwill	4 398	4 449
Total	6 448	6 667

3. OTHER OPERATING INCOME

1 000 EUR	2012	2011
Total gains from the sale of tangible assets	2 639	17
Insurance compensations	380	573
Total rents and related remunerations	471	254
Other income	308	209
Total	**3 798**	1 053

4. EMPLOYEE BENEFITS AND PERSONNEL INFORMATION

At the end of the year, the number of employees at Aspo Group was 871 (814) and the average during the year was 858 (797). The average number of officials was 578 (559) and that of employees 281 (238).

Personnel costs

1 000 EUR	2012	2011
Wages and salaries	32 729	30 597
Pension costs, contribution plans	4 122	3 644
Share-based payments	333	934
Other indirect personnel costs	2 491	2 331
Total	**39 675**	37 506

Information regarding the employee benefits of senior management is presented in the Related parties section.

Personnel by segment at year-end

	2012	2011
ESL Shipping	219	211
Leipurin	281	275
Telko	265	230
Kaukomarkkinat	94	85
Other operations	12	13
Total	**871**	814

Personnel by geographic area at year-end

	2012	2011
Finland	457	450
Nordic countries	25	19
Baltic countries	67	69
Russia, Ukraine + other CIS countries	250	207
Other countries	72	69
Total	**871**	814

5. DEPRECIATION AND IMPAIRMENT

1 000 EUR	2012	2011
Intangible assets	2 369	1 946
Buildings	228	145
Vessels	6 965	4 920
Machinery and equipment	1 196	1 212
Total	**10 758**	8 223

6. MATERIALS AND SERVICES

1 000 EUR	2012	2011
Purchases during the period		
ESL Shipping	19 825	20 681
Leipurin	100 643	98 325
Telko	202 668	177 645
Kaukomarkkinat	30 060	30 205
Total	353 196	326 856
Change in inventories	-1 560	3 329
Outsourced services		
Leipurin	6 038	5 249
Telko	5 084	3 405
Kaukomarkkinat	457	899
Total	11 579	9 553
Total materials and services	363 215	339 738

7. OTHER OPERATING EXPENSES

1 000 EUR	2012	2011
Rents	8 097	6 899
ESL Shipping	33 641	46 607
Leipurin	6 656	5 337
Telko	6 697	6 322
Kaukomarkkinat	3 694	3 102
Other operations	2 602	2 334
Loss from assignment in tangible assets and investments	29	7
Total	61 416	70 608

Auditors' fees

1 000 EUR	2012	2011
Auditing	229	239
Tax advice	37	45
Other services	33	95
Total	299	379

8. FINANCIAL INCOME AND EXPENSES

The items above operating profit include EUR -0.6 million (-1.0) in exchange rate differences for 2012. Interest expenses include EUR 0.1 million (0.2) in fluctuating rents recognized as costs arisen from finance leasing agreements during the financial year.

1 000 EUR	2012	2011
Dividend income from investments held for trading	2	2
Interest income from loans and other receivables	294	176
Foreign exchange gains	1 334	1 306
Total financial income	1 630	1 484
Interest rate expenses	-4 021	-3 865
Foreign exchange losses	-847	-1 651
Total financial expenses	-4 868	-5 516
Total financial income and expenses	-3 238	-4 032

9. INCOME TAXES

Taxes in the income statement

1 000 EUR	2012	2011
Taxes for the period	-2 611	-5 469
Change in deferred taxes and tax receivables	3 223	1 430
Taxes from previous fiscal periods	2 804	-97
Total	3 416	-4 136

Balancing calculation of the tax expense in the income statement and taxes calculated using the Group's parent company's tax rate 24.5% (26%)

1 000 EUR	2012	2011
Profit before taxes	7 368	17 431
Taxes calculated using the parent company's tax rate	-1 805	-4 532
Impact of foreign subsidiaries' tax rates	797	840
Impact of tonnage taxation	2 129	
Losses for which no deferred income tax asset was recognized	-415	-404
Re-measurement of deferred tax rate*		700
Taxes from previous fiscal periods	2 804	-97
Other items	-94	-643
Taxes in the income statement	3 416	-4 136
Effective tax rate	-46 %	24 %

*The Finnish corporate tax rate decreased to 24.5% on January 1, 2012

Income tax on other comprehensive income

1 000 EUR	2012	2011
Cash flow hedges	372	319

10. EARNINGS PER SHARE

Earnings per share is calculated by dividing the profit or loss belonging to the parent company´s shareholders by the weighted average number of outstanding shares during the financial year. When calculating the diluted earnings per share, the average number of shares was adjusted with the dilutive effect of the equity-based convertible capital loan and the shareholding plan for Aspo Management Oy.

1 000 EUR	2012	2011
Undiluted		
Profit attributable to parent company´s shareholders	**10 784**	13 295
Average number of shares during period (1,000)	**30 255**	29 507
Earnings per share, EUR	**0.36**	0.45
Diluted		
Profit attributable to parent company´s shareholders	**10 784**	13 295
Interest of the convertible capital loan (adjusted by tax effect)	**947**	815
Conversion of convertible capital loan into shares (1,000)	**1 664**	1 672
Shareholding plan for Aspo Management Oy (1,000)	**55**	80
Average number of shares during period adjusted by the dilution effect from the convertible capital loan and the shareholding plan for Aspo Management Oy (1,000)	**31 974**	31 259
Diluted earnings per share, EUR	**0.37**	0.45

11. OTHER INTANGIBLE ASSETS

Intangible rights mainly consist of corporate brands described in Note 12, and also computer software programs and their licenses that are amortized on a straight-line basis over a period of three to five years. Refurbishment costs of premises and supplier relationships as well as new technology acquired in business combinations are included in other intangible assets.

2012

1 000 EUR	Intangible rights	Other intangible assets	Total
Acquisition cost, Jan. 1	10 006	12 693	22 699
Translation difference	9	110	119
Increases	105	72	177
Transfers between items	108		108
Decreases	-209		-209
Acquisition cost, Dec. 31	**10 019**	**12 875**	**22 894**
Accumulated depreciation, Jan. 1	-4 397	-4 600	-8 997
Translation difference	-5	-53	-58
Accumulated depreciation of decreases	209		209
Depreciation during the period	-158	-1 326	-1 484
Accumulated depreciation, Dec. 31	**-4 351**	**-5 979**	**-10 330**
Book value, Dec. 31	**5 668**	**6 896**	**12 564**

2011

1 000 EUR	Intangible rights	Other intangible assets	Total
Acquisition cost, Jan. 1	9 837	12 031	21 868
Translation difference	-12	-123	-135
Increases	145	7	152
Increases, business combination	36	778	814
Acquisition cost, Dec. 31	**10 006**	**12 693**	**22 699**
Accumulated depreciation, Jan. 1	-4 253	-3 414	-7 667
Translation difference	12	50	62
Depreciation during the period	-156	-1 236	-1 392
Accumulated depreciation, Dec. 31	**-4 397**	**-4 600**	**-8 997**
Book value, Dec. 31	**5 609**	**8 093**	**13 702**

12. GOODWILL

Goodwill is allocated to the Group's cash flow generating units by business unit, depending on the level of goodwill monitoring in internal reporting. Every unit represents each of Aspo's operating segments. Goodwill is divided into the segments as follows: ESL Shipping EUR 0.8 million (0.8), Leipurin EUR 27.3 million (27.3), Telko EUR 5.2 million (5.1), and Kaukomarkkinat EUR 12.1 million (11.8).

The useful economic lives of brands included in Leipurin and Telko segments have been estimated to be unlimited. The strong image and history of these brands support the management's view that these brands will affect cash flow generation over an indefinable period. As for impairment, the brands have been tested. According to test results, there are no impairments to be expected.

Impairment testing

Recoverable cash flows in impairment calculations are determined on the basis of the fair market value. Predicted cash flows are based on financial plans approved by the Board of Directors. Estimates regarding cash flows cover three years using conservative growth expectations, and subsequently, the cash flow is estimated cautiously, assuming even growth. The company has used growth assumptions of 1–3% as terminal values. These growth assumptions are based on a growth rate equal to inflation at the minimum. No impairment is recognized for the financial year and no impairment occurred according to impairment tests.

When estimating net sales, the assumption is that current operations can be maintained, and net sales will grow in a controlled manner at the rate estimated in financial plans.

The sales margin is estimated to follow net sales growth.

It is estimated that costs will increase slowly as a result of continuous cost management. Fixed costs are expected to grow as much as the rate of inflation.

The discount rate is determined through the weighted average cost of capital (WACC) that depicts the overall costs of shareholders' equity and liabilities, taking into account the particular risks related to the asset items and location of operations. The discount rate is determined before taxes. The discount rate (WACC) used in calculations was 7.96% (7.56) before taxes.

Factors influencing impairment testing and sensitivity analysis

The slow economic growth makes it more difficult to assess the assumptions used in impairment testing. Assumptions are appropriate and tested operations have a sustainable basis. There are no indications of impairment in the business operations' goodwill but the result of future impairment testing depends on the materialization of estimated future cash flows. A substantial negative change in future cash flows, a substantial increase in interest rates or a high tying-up rate of capital may result in a write-down of goodwill. It is the management's view that the estimates of future cash flows and the tying-up rate of capital used in the testing are likely.

Each segment has undergone a sensitivity analysis in which the values used as basic assumptions in the testing were lowered. As a result of this, the corporate value of the segment has become weaker. The changes and their effects are:

- WACC was raised by 20% at the maximum, effect 18–24% (17–23).
- EBIT was cut down by 10%, effect approximately 7–10% (8–10).
- Sales growth was cut down by 10% annually, effect 13–51% (14–43).

The sensitivity analysis shows that there are no future impairment losses to be expected.

Goodwill

1 000 EUR	2012	2011
Acquisition cost, Jan. 1	45 039	40 587
Acquired operations	284	4 449
Decreases	-51	
Translation difference	52	3
Acquisition cost, Dec. 31	45 324	45 039

Allocation of goodwill

1 000 EUR	2012	2011
ESL Shipping	790	790
Leipurin	27 281	27 332
Telko	5 166	5 114
Kaukomarkkinat	12 051	11 767
Other operations	36	36
Total	45 324	45 039

Brands

1 000 EUR	2012	2011
Leipurin	3 148	3 148
Telko	2 155	2 155
Total	5 303	5 303

13. TANGIBLE ASSETS

2012

1 000 EUR	Land	Buildings	Machinery and equipment	Vessels	Other tangible assets	Work in progress and advance payments	Total
Acquisition cost, Jan. 1	60	3 702	7 607	176 390	406	40 416	228 581
Translation difference			83				83
Increases		235	1 206	11 522	138	16 608	29 709
Transfers between items		2 306	674	53 750	11	-56 808	-67
Decreases		-558	-914	-24 972			-26 444
Acquisition cost, Dec. 31	**60**	**5 685**	**8 656**	**216 690**	**555**	**216**	**231 862**
Accumulated depreciation, Jan. 1		-2 833	-6 073	-132 127	-274		-141 307
Translation difference			-72				-72
Accumulated depreciation of decreases and transfers		558	751	23 756			25 065
Depreciation during the period		-228	-751	-6 965	-17		-7 961
Accumulated depreciation, Dec. 31		**-2 503**	**-6 145**	**-115 336**	**-291**		**-124 275**
Book value, Dec. 31	**60**	**3 182**	**2 511**	**101 354**	**264**	**216**	**107 587**

2011

1 000 EUR	Land	Buildings	Machinery and equipment	Vessels	Other tangible assets	Work in progress and advance payments	Total
Acquisition cost, Jan. 1	60	3 834	6 954	166 771	406	9 579	187 604
Translation difference			-105				-105
Increases			628	9 808		30 981	41 417
Increases, business combination			241				241
Decreases		-132	-111	-189		-144	-576
Acquisition cost, Dec. 31	**60**	**3 702**	**7 607**	**176 390**	**406**	**40 416**	**228 581**
Accumulated depreciation, Jan. 1		-2 797	-5 612	-127 207	-272		-135 888
Translation difference			71				71
Accumulated depreciation of decreases and transfers		109	52				161
Depreciation during the period		-145	-584	-4 920	-2		-5 651
Accumulated depreciation, Dec. 31		**-2 833**	**-6 073**	**-132 127**	**-274**		**-141 307**
Book value, Dec. 31	**60**	**869**	**1 534**	**44 263**	**132**	**40 416**	**87 274**

13.1 Financial leasing arrangements

2012

1 000 EUR	Other intangible assets	Advance payments of intangible assets	Machinery and equipment	Total
Acquisition cost, Jan. 1	2 495	764	2 787	6 046
Increases	1 387			1 387
Transfers between items			-41	-41
Decreases		-764	-982	-1 746
Acquisition cost, Dec. 31	**3 882**	**0**	**1 764**	**5 646**
Accumulated depreciation, Jan. 1	-829		-1 238	-2 067
Depreciation during the period	-885		-428	-1 313
Accumulated depreciation of decreases			571	571
Accumulated depreciation, Dec. 31	**-1 714**		**-1 095**	**-2 809**
Book value, Dec. 31	**2 168**	**0**	**669**	**2 837**

2011

1 000 EUR	Other intangible assets	Advance payments of intangible assets	Machinery and equipment	Total
Acquisition cost, Jan. 1	1 483	528	3 978	5 989
Increases	1 012	704		1 716
Decreases		-468	-1 191	-1 659
Acquisition cost, Dec. 31	**2 495**	**764**	**2 787**	**6 046**
Accumulated depreciation, Jan. 1	-275		-1 274	-1 549
Depreciation during the period	-554		-626	-1 180
Accumulated depreciation of decreases			662	662
Accumulated depreciation, Dec. 31	**-829**		**-1 238**	**-2 067**
Book value, Dec. 31	**1 666**	**764**	**1 549**	**3 979**

14. INVESTMENTS HELD FOR TRADING

2012

1 000 EUR	Unlisted shares
Acquisition cost, Jan. 1	205
Increases	1
Decreases	-8
Acquisition cost, Dec. 31	**198**
Book value, Dec. 31	**198**

2011

1 000 EUR	Unlisted shares
Acquisition cost, Jan. 1	204
Increases	1
Acquisition cost, Dec. 31	**205**
Book value, Dec. 31	**205**

15. LONG-TERM RECEIVABLES

Other items included in long-term receivables

1 000 EUR	2012	2011
Long-term loan receivables	213	206

16. ASSOCIATED COMPANIES AND JOINT VENTURES

ESL Shipping Ltd has a 35% holding in the associated company Credo AB. The carrying amount does not include goodwill. The unlisted Credo AB's registered office is in Donsö, Sweden. The company's net sales for the financial year were EUR 3.8 million, assets EUR 21.7 million, and liabilities EUR 14.3 million. Kaukomarkkinat Oy has a 50% holding in the joint venture Roll Systems Oy. The unlisted Roll Systems Oy's registered office is in Valkeakoski, Finland.

Shares in associated companies and joint ventures

1 000 EUR	2012	2011
Balance, Jan. 1	1 922	1 705
Repayment of capital	-111	
Share of associated companies' and joint ventures' profit or loss	280	207
Translation difference	79	10
Balance, Dec. 31	**2 170**	**1 922**

17. DEFERRED TAXES

On December 31, 2012, the Group had a total of EUR 3.5 million of confirmed losses (1.2), on which no deferred tax receivables had been recognized because the Group is unlikely to accumulate taxable income against which the losses could be utilized before the losses expire. Deferred tax liability of a total EUR 2.7 million (2.9) of the retained earnings were not recognized, since the funds are permanently invested in the countries in question.

Deferred tax receivables

1 000 EUR	2012	2011
Cash flow hedges	283	198
Employee benefits	5	172
Losses available for offsetting against future taxable income	2 045	484
Other temporary differences	532	415
Total	**2 865**	**1 269**

Deferred tax liabilities

1 000 EUR	2012	2011
Depreciation in excess of plan	167	7 561
Deferred tax liability due to tonnage taxation	6 052	
Convertible capital loan	1 769	1 759
Tangible and intangible assets	2 943	3 312
Cash flow hedges		288
Other temporary differences	18	17
Total	**10 949**	**12 937**

Changes in deferred tax receivables

1 000 EUR	2012	2011
Deferred tax receivables, Jan. 1	1 269	689
Items recorded in the income statement		
Measurement of derivatives	-18	-17
Unutilized tax losses	1 561	484
Employee benefits	-167	80
Other temporary differences	135	65
Items recorded in the comprehensive income statement	85	-32
Deferred tax receivables, Dec. 31	**2 865**	**1 269**

Changes in deferred tax liabilities

1 000 EUR	2012	2011
Deferred tax liabilities, Jan. 1	12 937	13 233
Items recorded in the income statement		
Depreciation in excess of plan	-7 394	-580
Deferred tax liability due to tonnage taxation	6 052	
Intangible and tangible assets	-369	-516
Convertible capital loan	10	292
Other temporary differences	1	-42
Items recorded in the comprehensive income statement	-288	288
Acquisition		262
Deferred tax liabilities, Dec. 31	**10 949**	**12 937**

18. INVENTORIES

An expense of EUR 0.7 million (0.8) was recognized for the past financial year for a write-down of inventories to net realizable value.

1 000 EUR	2012	2011
Materials and supplies	3 247	1 321
Finished goods	45 755	39 144
Other inventories	1 781	2 664
Total	**50 783**	43 129

19. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

The carrying amount is considered to be close to fair value. Accounts receivable do not involve significant credit loss risks. A total of EUR 0.8 million (0.2) were recognized as impairment loss from accounts receivable.

1 000 EUR	2012	2011
Accounts receivable	54 631	43 830
Refund from the Ministry of Transport and Communications	1 979	1 928
Advance payments	3 545	4 017
VAT receivable	475	591
Other deferred receivables	4 346	4 885
Total	**64 976**	55 251

20. CASH AND CASH EQUIVALENTS

1 000 EUR	2012	2011
Commercial papers		2
Bank accounts	21 398	14 503
Total	**21 398**	14 505

21. SHAREHOLDERS' EQUITY

Shares and share capital

On December 31, 2012, Aspo Plc's number of shares was 30,967,450 and the share capital was EUR 17.7 million.

The equity portion of Aspo's convertible capital loan is included in the shareholders' equity. Own shares held by the company are recognized as a decrease in shareholders' equity.

Shareholders' equity consists of the share capital, premium fund, revaluation fund, translation difference, invested unrestricted equity fund, and retained earnings. Share subscriptions based on the convertible capital loan that were issued during the validity of the old Companies Act (29.9.1978/734) were recognized in the premium fund. The invested unrestricted equity fund includes other equity-type investments and share subscription price to the extent that it is not recognized in the share capital in accordance with a separate agreement. The revaluation fund includes the changes in the fair value of instruments involved in hedge accounting.

Dividends and repayment of capital

After the closing date, the Board of Directors has proposed that a dividend of EUR 0.42 per share be distributed for 2012. A repayment of capital of EUR 0.42 per share was distributed for 2011 (a dividend of EUR 0.42 was distributed for 2010, adjusted for rights issue 0.40).

Shareholders' equity 2012

1 000 EUR	in 1,000s	Share capital	Premium fund	Invested unrestricted equity fund	Treasury shares	Total
January 1	**30 125**	**17 692**	**4 351**	**23 654**	**-5 103**	**40 594**
Conversion of convertible capital loan	8			44		44
Repayment of capital				-12 718		-12 718
Transfer to fund				6		6
Share-based incentive system	151			161	932	1 093
December 31	**30 284**	**17 692**	**4 351**	**11 147**	**-4 171**	**29 019**
Own shares held by the Group	683					
Total number of shares	**30 967**					

Shareholders' equity 2011

1 000 EUR	in 1,000s	Share capital	Premium fund	Invested unrestricted equity fund	Treasury shares	Total
January 1	**26 145**	**17 692**	**4 351**	**2 859**	**-4 532**	**20 370**
Conversion of convertible capital loan	284			1 535		1 535
Rights issue	3 776			19 152		19 152
Repurchase of shares	-298				-1 995	-1 995
Disposal of shares	218			74	1 424	1 498
Transfer to fund				32		32
Translation difference				2		2
December 31	**30 125**	**17 692**	**4 351**	**23 654**	**-5 103**	**40 594**
Own shares held by the Group	834					
Total number of shares	**30 959**					

Revaluation fund

1 000 EUR	2012	2011
Cash flow hedge fund	**-872**	276

Appropriations

1 000 EUR	2012	2011
Accumulated depreciation in excess of plan	**803**	30 970
Deferred taxes on excess depreciation	**-167**	-7 561
Total	**636**	23 409

Equity portion of the convertible capital loan

1 000 EUR	2012	2011
Equity portion of the convertible capital loan	**2 572**	2 572

22. LOANS

Aspo Plc has a total of EUR 10,300,000 in equity-based convertible capital loan. The loan will be repaid in one installment on June 30, 2014, provided that the repayment conditions outlined in Chapter 12 of the Finnish Companies Act and the loan terms are met. The loan has a fixed interest rate of 7%. The loan units can be converted into Aspo shares. Each EUR 50,000 loan unit entitles its holder to convert the loan unit to 8,074 Aspo shares. The conversion rate is EUR 6.19. The loan can be converted annually between January 2 and November 30. The conversion period ends on June 15, 2014.

A total of 8,074 new shares corresponding to one loan unit, were subscribed in 2012.

The convertible capital loan is divided between equity-based and external financing in the financial statements. The share of the equity-based component is EUR 2.4 million.

Long-term liabilities

1 000 EUR	2012	2011
Loans	73 573	83 415
Used overdraft facilities	1 207	423
Convertible capital loan	9 413	8 934
Total	**84 193**	**92 772**

Short-term liabilities and used overdraft facilities

1 000 EUR	2012	2011
Loans	53 854	6 122
Used overdraft facilities	2 028	2 602
Total	**55 882**	**8 724**

Maturing of financial leasing liabilities

1 000 EUR	2012	2011
Financial leasing liabilities – total amount of minimum rents		
Within one year	1 276	1 155
After one year and within five years	1 981	2 289
Total	**3 257**	**3 444**
Current value of minimum rents in financial leasing liabilities		
Within one year	1 185	1 061
After one year and within five years	1 927	2 215
Total	**3 112**	**3 276**
Financial expenses accumulated in the future	145	168

23. ACCOUNTS PAYABLE AND OTHER LIABILITIES

Other long-term liabilities

1 000 EUR	2012	2011
Long-term derivatives	141	809
Contingent consideration	1 091	1 540
Total	**1 232**	**2 349**

Accounts payable and other liabilities

1 000 EUR	2012	2011
Accounts payable	48 123	30 714
Advances received	2 354	6 028
Salaries and social contributions	5 240	5 810
Employer contributions	1 147	1 316
Accrued interest	504	532
VAT liability	3 215	3 494
Share-based incentive system		870
Other short-term deferred liabilities	7 488	7 227
Total	**68 071**	**55 991**

24. PENSION OBLIGATIONS

The Group has provided for statutory pension cover by taking out insurance with pension insurance companies. In foreign units, the pension cover is arranged in accordance with local legislation and social security regulations. The Group's pension schemes are treated as defined-contribution plans in the financial statements.

Pension liabilities in the income statement

1 000 EUR	2012	2011
Contribution plans	4 122	3 644

25. PROVISIONS

The recorded provisions are based on best estimates on the closing date. Warranty provisions are primarily connected to the Group's product warranties and other provisions to pension and rent provisions.

Warranty and other provisions

1 000 EUR	
Dec. 31, 2011	201
Increase in provisions	83
Dec. 31, 2012	**284**

26. FINANCIAL RISKS AND FINANCIAL RISK MANAGEMENT

Interest-bearing liabilities by currency

1 000 EUR	2012	2011
EUR	136 840	99 946
Other	3 235	1 550
Total	140 075	101 496

Accounts receivable by currency

1 000 EUR	2012	2011
USD	2 085	569
EUR	28 471	23 471
SEK	2 069	587
DKK	1 308	1 109
LTL	2 161	2 182
LVL	2 023	1 613
PLN	1 787	2 406
RUB	8 402	6 880
UAH	5 189	4 030
Other	1 136	983
Total	54 631	43 830

26.1 Financial risk management principles and organization

The function of Aspo Group's financial risk management is to protect the operating margin and cash flows, and effectively manage fund-raising and liquidity. Aspo Group aims to develop the predictability of the results, future cash flows, and capital structure, and continuously adapt its operations to changes in the operating environment.

Financial risk management is based on the treasury policy approved by the Board of Directors, which defines the main principles for financial risk management in Aspo Group. The treasury policy defines general risk management objectives, the relationship between the Group's parent company and business units, the division of responsibility, and risk management-related reporting requirements. The treasury policy also defines the operating principles related to the management of currency risks, interest rate risks, and liquidity and refinancing risks.

Together with the Group Treasurer, the Group CEO is responsible for the implementation of financial risk management in accordance with the treasury policy approved by the Board of Directors. The business units are responsible for recognizing their own financial risks and managing them together with the parent company in accordance with the Group's treasury policy and more detailed instructions provided by the parent company.

26.2 Market risks

Currency risk

The business operations of Aspo Group are decentralized in 14 countries, and the operations take place in 12 different currencies. Aspo Group's currency risk consists of foreign currency-denominated internal and external receivables, liabilities, estimated currency flows, derivative contracts and translation risks related to results and capital. The target of Aspo Group is to decrease the uncertainty related to fluctuations in results, cash flows and balance sheet items. At the business unit level, currency risk mainly occurs when a unit divests products and services with its domestic currency but the costs are realized in a foreign currency.

In compliance with Aspo's strategy, an increasingly significant part of the net sales of Telko and Leipurin originates from Russia. Therefore, their most extensive currency risks are related to the Russian ruble. If the ruble weakened against the euro, the Russian net sales and operating profit of the Telko and Leipurin segments would decrease. In 2012, the Russian ruble was relatively stable. Compared with the previous year, any changes in the relationship between the ruble and euro did not have any significant impact on the 2012 net sales and result.

The currency risks of ESL Shipping were mainly related to dollar-denominated investments. In 2012, ESL Shipping paid its final installments on a vessel investment totaling about USD 80 million. With derivative agreements, the company had hedged investment cash flows, all of which took place during 2010–2012. At the closing date, Aspo Group's currency position mainly consisted of internal and external interest-free and interest-bearing receivables and liabilities denominated in foreign currency.

The Aspo Group has investments in foreign subsidiaries. In addition, the equity of foreign subsidiaries increases through profitable business. The total equity of the Group's foreign subsidiaries at the closing date was EUR 33.7 million (30.6). Ruble-denominated investments of EUR 17.3 million (14.2) in subsidiaries operating in Russia were the biggest investment in regard to the currency amount. Despite the growing share of equity being denominated in the Russian ruble, the Group deems that diversifying is at a sufficient level, and there is no need to hedge the translation position associated with the equities of its foreign subsidiaries. The table above shows the Group's share in the subsidiaries' equity by currency.

In addition, long-term Group-internal loan receivables (included in the Telko segment) from Telko's Belorussian and Ukranian subsidiaries have been classified as long-term net investments in foreign business.

Investments in foreign subsidiaries

1 000 EUR	Shareholders' equity 2012	Shareholders' equity 2011
SEK	-879	-189
DKK	4 769	6 667
RUB	17 275	14 208
NOK	178	174
LVL	1 965	1 380
LTL	912	1 070
UAH	1 690	997
PLN	2 092	1 545
BYR	-500	-711
CNY	-29	868
KZT	-187	-127
EUR	6 366	4 764
Total	**33 652**	**30 646**

Cash and bank deposits and unutilized binding credit limit agreements

1 000 EUR	2012	2011
Cash and bank deposits	21 398	14 505
Credit limits	40 000	40 000
Total	**61 398**	**54 505**

Interest rate risk

To fund its operations, Aspo Group uses both fixed-rate and floating-rate liabilities that cause an interest rate risk in Aspo Group's cash flow and operating profit as a result of changes in the interest rate level. In addition to fixed-rate liabilities, Aspo Group uses interest rate derivatives to decrease growth in incoming cash flows caused by a possible increase in short-term market interest rates. The Group's interest-bearing liabilities on December 31, 2012 was EUR 140.1 million (101.5) and liquid funds stood at EUR 21.4 million (14.5). Aspo Group's credit portfolio is reviewed with regard to average interest rate, the average interest maturity, average loan maturity, and fixed-rate and floating-rate liabilities. At the closing date, the average interest rate on interest-bearing liabilities was 1.8% (3.0), the average interest maturity was 0.8 years (1.0), the average loan maturity was 4.7 years (5.5), and the share of fixed-rate liabilities was 18% (24). In 2012, the number of the Group's interest-bearing liabilities increased, and the average interest rate lowered. The average loan maturity of interest-bearing liabilities and the average interest maturity shortened, and the share of fixed-rate liabilities decreased.

Sensitivity to market risks

Aspo Group has exposure to interest rate and currency risks via financial instruments, such as financial assets and liabilities as well as derivative contracts, included in the balance sheet on the closing date. The currency position varies during the year and, accordingly, the position included in the balance sheet on the closing date does not necessarily reflect the situation during the financial year. The impact of foreign currency denominated sales and purchase transactions made during the year on the income statement is not taken into account in the sensitivity calculations unless they were hedged through derivatives.

The sensitivity analysis is used to analyze the impact of market trends on measurements. The sensitivity calculation regarding changes in the euro/dollar exchange rate is based on the following assumptions:

- The exchange rate change of +/-10%
- The positions includes dollar denominated financial assets and liabilities,

such as deposits, accounts receivable and other receivables, accounts payable, cash at hand and in banks, and derivatives.
- Future cash flows in dollars are not taken into account in the position.

The sensitivity calculation resulting from changes in interest rates is based on the following assumptions:
- The interest level changes by one percentage point.
- The position includes floating-rate interest-bearing financial liabilities and receivables.
- The calculation is based on balance sheet values on the closing date, and changes in capital during the year are not taken into account.

Market risks also have an impact on Aspo Group through items other than financial instruments. The oil price risk has an impact on Aspo Group's performance through transportation costs. The Group has hedged against this risk by means of contractual clauses. The fluctuations in raw material prices for chemicals and food also affect the Group's financial performance.

Risks based on financial instruments

1 000 EUR	2012 Income statement	2012 Shareholders' equity	2011 Income statement	2011 Shareholders' equity
+ 10% strengthening of euro against USD	-271		-64	-1 598
- 10% weakening of euro against USD	271		64	1 598
Change of +100 basic points in the market interest rates	-1 163	482	-792	365
Change of -100 basic points in the market interest rates	1 163	-487	792	-365

Accounts receivables by age

1 000 EUR	2012	2011
Not matured	41 226	31 272
Matured 1–30 days ago	8 543	8 815
Matured 31–60 days ago	1 822	2 665
Matured more than 60 days ago	3 040	1 078
Total	**54 631**	**43 830**

Hedge accounting

Cash flows related to the vessel investment launched by ESL Shipping in 2010 were hedged with derivative contracts. The derivative contracts were subject to hedge accounting and their valuation differences were recognized in the Aspo Group's equity and other comprehensive items. Hedged transactions were realized in 2012 when the profit and loss recognized at equity were transferred to the vessel acquisition cost.

The floating interest rate of the term loan that was withdrawn by Aspo Plc in 2011 and that will fall due in 2015 is hedged with an interest rate swap throughout the validity of the loan contract. Said interest rate swap is subject to hedge accounting, and its valuation differences are entered in Aspo Group's equity. In 2012, the hedging relation between the loan hedged and the hedging instrument has been effective. The effective shares of the changes in the fair value of interest rate derivatives subject to hedge accounting (adjusted by the tax impact) of EUR -0.9 million (-0.6) are recorded in other comprehensive items.

26.3 Liquidity and financing risk

The objective of Aspo Group is to ensure sufficient financing for operations in all situations and market conditions. In accordance with the treasury policy, the sources of financing are diversified among a sufficient number of counterparties and different loan instruments. The sufficient number of binding financing agreements and sufficient maturity ensure Aspo Group's current and near-future financing needs. During the 2012 financial year, the main focus of financing was on securing a sufficient distribution of maturity.

Aspo Group's most significant financing needs in 2012 were related to the vessel investments by ESL Shipping. The main financing source of Telko, Leipurin and Kaukomarkkinat is the cash flow from their operations. Liquidity is ensured through cash funds, the issuing of commercial papers and binding overdraft facilities, as well as revolving credit facilities granted by selected cooperation banks.

The Group's liquid cash funds at the end of the year were EUR 21.4 million (14.5). At the closing date, Aspo Plc had a EUR 50 million domestic commercial paper program, of which EUR 28 million was in use. At the closing date, Aspo Plc also had revolving credit facilities granted by selected cooperation banks in the amount of EUR 60 million, where EUR 40 million remains unutilized.

Financial covenants associated with significant financial agreements were not breached during the financial year.

26.4 Credit and counterparty risks

The Group has credit risk from accounts receivables. The Telko and Leipurin segments have an international and highly diversified customer base, and no considerable customer risk centers. However, the amount of accounts receivable showed an increase in 2012 as growth focused on the developing markets. ESL Shipping's accounts receivable are connected to long-term customer relationships with creditworthy companies. The turnover rate of its accounts receivable is high. All segments hedge against credit risks by using, when necessary, payment terms based on advance payments and bank guarantees.

Aspo Group's aim is to have low liquid cash funds. The counterparty risk is managed by selecting known and financially solvent domestic and international banks as counterparties. Excess funds are invested in bank deposits and short-term money market instruments. The derivative contract-based counterparty risk is managed by selecting well-known and solvent domestic banks as counterparties.

26.5 Equity management

The objective of the Group is to achieve an optimal capital structure, with which Aspo Group can ensure the operational framework for short- and long-term operations.

The main factors affecting the capital structure are possible acquisitions and divestments, Aspo Plc's dividend policy, the vessel investments of ESL Shipping and the profitability of the subsidiaries' operations.

The development of the Group's capital structure is mainly monitored through the equity ratio and net gearing. On December 31, 2012, the equity ratio was 29.2% (35.2) and net gearing was 131.6% (94.1). In 2012, Aspo Group's capital structure weakened compared with the previous year.

Maturity analysis

2012

1 000 EUR	Balance sheet value Dec 31, 2012	Cash flow 2013[1]	2014	2015	2016	2017-
Loans	-124 315	-53 559	-5 888	-20 620	-5 418	-43 417
Convertible capital loan	-9 413	-731	-11 031			
Overdraft facility	-3 235	-2 028	-1 207			
Financial leasing liabilities	-3 112	-1 276	-1 236	-295	-293	-157
Accounts payable, other liabilities	-69 303	-68 644	-625	-32	-39	-19
Derivative instruments						
Interest rate swaps						
In hedge accounting						
Cash flows to be paid		-241	-183	-262	-315	-154

[1] Repayments in 2013 are included in short-term items.

2011

1 000 EUR	Balance sheet value Dec 31, 2011	Cash flow 2012[1]	2013	2014	2015	2016-
Loans	-86 261	-8 031	-25 517	-4 982	-19 654	-39 562
Convertible capital loan	-8 934	-735	-735	-11 085		
Overdraft facility	-3 025	-2 602		-423		
Financial leasing liabilities	-3 276	-1 155	-1 617	-671	-1	
Accounts payable, other liabilities	-58 340	-56 740	-704	-845	-116	
Derivative instruments						
Interest rate swaps						
In hedge accounting						
Cash flows to be paid		-291	-160	-242	-116	
Currency derivatives						
In hedge accounting						
Cash flows to be paid		-23 363				
Cash flows to be received		24 464				
Not in hedge accountig						
Cash flows to be paid		-39				
Cash flows to be received		41				

[1] Repayments in 2012 are included in short-term items.

Book values of financial assets and liabilities by measurement group

2012

1 000 EUR	Financial assets/ liabilities recognized at fair value through profit or loss	Loans and other receivables	Other liabilities	Financial assets available for sale	Financial liabilities recognized at amortized cost	Derivatives in hedge accounting	Book values of balance sheet items
Long-term financial assets							
Long-term receivables		213					213
Other financial assets				198			198
Short-term financial assets							
Accounts receivable and other receivables		64 976					64 976
Book value by measurement group		65 189		198			65 387
Long-term financial liabilities							
Long-term interest-bearing liabilities					83 180		83 180
Derivative contracts					1 013	141	1 154
Other liabilities			1 091				1 091
Short-term financial liabilities							
Short-term interest-bearing liabilities					55 882		55 882
Non-interest bearing current liabilities			68 071				68 071
Book value by measurement group			69 162		140 075	141	209 378

2011

1 000 EUR	Financial assets/ liabilities recognized at fair value through profit or loss	Loans and other receivables	Other liabilities	Financial assets available for sale	Financial liabilities recognized at amortized cost	Derivatives in hedge accounting	Book values of balance sheet items
Long-term financial assets							
Long-term receivables		206					206
Other financial assets				205			205
Short-term financial assets							
Derivative contracts	2					1 174	1 176
Accounts receivable and other receivables		54 075					54 075
Book value by measurement group	2	54 281		205		1 174	55 662
Long-term financial liabilities							
Long-term interest-bearing liabilities					92 772		92 772
Derivative contracts						809	809
Other liabilities			1 540				1 540
Short-term financial liabilities							
Short-term interest-bearing liabilities					8 724		8 724
Derivative contracts						74	74
Non-interest bearing current liabilities			55 917				55 917
Book value by measurement group			57 457		101 496	883	159 836

27. DERIVATIVE CONTRACTS

Available market rates and prices are used to calculate fair values.

1 000 EUR	Face values 2012	Fair values, net 2012	Face values 2011	Fair values, net 2011
Currency derivatives				
Currency forwards (level 2)*			-39	2
In hedge accounting				
Currency forwards (level 2)*			-23 363	1 101
Interest rate derivatives				
Interest rate swaps (level 2)*	**15 000**	**-1 154**	15 000	-809
Total		**-1 154**		294

* The fair value of financial instruments not traded on a functional market is determined by means of measurement methods. These measurement methods use verifiable information, if available, as much as possible, and company-specific estimates as little as possible. If all essential information needed in the determination of the fair value for an instrument is verifiable, the instrument is at level 2.

28. GUARANTEES AND COMMITMENTS

As part of their ordinary business activities, the Group and some of its subsidiaries sign different agreements under which guarantees are offered to third parties on behalf of these subsidiaries. These agreements are primarily made in order to support or improve Group companies' creditworthiness, and through them it is easier to find sufficient financing.

Collateral for own debt

1 000 EUR	2012	2011
Mortgages given	**91 454**	28 859
Guarantees	**29 029**	59 567
Other contingent liabilities *	**1 744**	64 473
Other leasing liabilities		
Within one year	**7 766**	6 955
After one year and within five years	**21 632**	18 317
After five years	**10 875**	13 928
Total	**162 500**	192 099

* Other contingent liabilities in 2011 were mainly related to ship funding agreements for vessels received in 2012.

Guarantees given on behalf of associated companies and joint ventures

1 000 EUR	2012	2011
Guarantees		50
Other contingent liabilities	**25**	
Total	**25**	50

Group companies

Company	Country of incorporation	Holding %
Aspo Plc, parent company	Finland	
Aspo Management Oy*	Finland	0.00
Aspokem AB	Sweden	100.00
Oy Bomanship Ab	Finland	100.00
ESL Shipping Ltd	Finland	100.00
Hamina Terminal Services Ltd	Finland	100.00
Kaukomarkkinat Ltd	Finland	100.00
Kaukomarkkinat Shanghai Ltd.	China	100.00
OOO Kauko Rus	Russia	100.00
OOO Leipurien Tukku	Russia	100.00
Leipurien Tukku Oy	Finland	100.00
Leipurin Ltd	Finland	100.00
LLC Leipurin	Ukraine	100.00
SIA Leipurin	Latvia	100.00
TOO Leipurin	Kazakhstan	100.00
UAB Leipurin	Lithuania	100.00
Leipurin Estonia AS	Estonia	100.00
Leitok Oy	Finland	100.00
Opas Baltic AS	Estonia	100.00
Rauma Terminal Services Ltd	Finland	100.00
Suhi-Suomalainen Hiili Oy	Finland	100.00
Telko Ltd	Finland	100.00
FLLC Telko	Belarus	100.00
LLC Telko	Ukraine	100.00
OOO Telko	Russia	100.00
Telko UAB	Lithuania	100.00
LLC Telko Central Asia	Kazakhstan	100.00
Telko Estonia OÜ	Estonia	100.00
Telko Denmark A/S	Denmark	100.00
Telko Latvia SIA	Latvia	100.00
Telko Norway AS	Norway	100.00
Telko-Poland Sp. z o.o.	Poland	100.00
Telko Shanghai Ltd.	China	100.00
Telko Sweden AB	Sweden	100.00
Oy Troili Ab	Finland	100.00
Vulganus Oy	Finland	100.00
Wilfert Chemical Norway AS	Norway	100.00

* The company has been established only for the purpose of managing Aspo Plc's shareholding arrangement. Aspo Plc is contractually entitled to exercise control in the company and in its decision-making.

Related party transactions

Associated companies and joint ventures

1 000 EUR	2012	2011
Services sold to joint ventures	7	57
Services charged from associated companies	3 937	3 790
Receivables from associated companies		2
Receivables from joint ventures	204	211

29. RELATED PARTIES

Information on associated companies and joint ventures within Aspo Group's related parties is presented in Note 16.

The related parties also include key management personnel, i.e. members of the Board of Directors and the Group Executive Committee. Information about the members of the Board and the Group Executive Committee is available in the Corporate Governance section of the annual report.

Management benefits

2009 shareholding program

In 2009, Aspo Plc's Board of Directors decided on a shareholding program directed at about 30 persons. The program's earning period started on January 1, 2009, and ended on December 31, 2011. Participation in the program and rewarding required that the person acquired a number of Aspo Plc shares predefined by the Board of Directors.

The program's reward was based on the continuation of the person's employment or official relationship and Aspo Group's cumulative earnings per share indicator (EPS) in 2009–2011. The reward was paid in March 2012, partly in Aspo shares and partly in cash. The proportion paid in cash covered taxes and tax-related costs arising from the reward. A total of 150,638 shares were transferred.

2012 shareholding program

On February 14, 2012, Aspo Plc's Board of Directors decided on a new share-based incentive plan for about 30 persons. The aim of the plan is to combine the objectives of shareholders and those within the plan in order to increase the company's value, to commit the persons to the company and to offer them a competitive incentive plan based on a long-term holding of the company's shares.

The new plan includes three performance periods, i.e. the calendar years 2012, 2013 and 2014. Participation in the plan and obtaining a reward for each earning period requires that the person acquires

Aspo's shares or holds the number of shares in Aspo or Aspo Management Oy up to the number predetermined by the Board of Directors.

The Board of Directors will decide on the plan's earning criteria and their objectives at the beginning of each period. No payable reward was accumulated in 2012. Any reward over the 2013 earning period is based on the Aspo Group's earnings per share (EPS) indicator, and will be paid in 2014, partly in company shares and partly in cash. The proportion to be paid in cash will cover taxes and tax-related payments on the reward. No reward will be paid if a person's employment or service ends before the reward payment.

The shares paid during the earning periods cannot be transferred during the commitment period, which ends within two years of the earning period. If a person's employment or official relationship ends during the commitment period, the person must gratuitously return any shares paid as reward to the company.

The estimated amount of rewards paid on the basis of the Board's original decision would have corresponded with the value of 936,000 shares in Aspo Plc (including the proportion paid in cash). Because no reward was accumulated over 2012 and the reward amount has decreased, the amount of maximum rewards payable for 2013 and 2014 corresponds with the value of a maximum of 439,000 Aspo Plc shares, including the proportion paid in cash.

Share rewards exercised during the year

	Transfer date	Number of shares transferred	Exercise price, weighted average, EUR
Year 2009	March 6, 2012	150 638	7.70

Share-based incentive plan

	Grant date	Maximum number of shares awarded	Market value of share on grant date, EUR
Covers years 2012–2014	February 14, 2012		7.90
the share of the year 2012		0	
the share of the year 2013	February 14, 2013	109 750	6.63

Management's holding company

	Grant date	Number of shares invested in the company	Market value of share on grant date, EUR
Year 2010	October 26, 2010	437 160	8.10
Year 2011, rights issue	May 6, 2011	62 452	7.48

Key management compensation

1 000 EUR	2012	2011
Salaries and other short-term employee benefits	2 547	1 829
Other long-term benefits	192	180
Share-based payments	1 185	
Total	**3 924**	2 009

Management salaries and benefits

1 000 EUR	2012	2011
CEO, salaries	320	296
CEO, remunerations	147	152
CEO, share-based payments	339	
Members of the Board of Directors, remunerations	297	270
Total	**1 103**	718

Other benefits

The retirement age of the CEO is 60. The CEO has a payment-based pension plan in which the pension is determined in accordance with the accumulated insurance savings at the time of retirement. The period of notice applied in the employment relationship of the CEO is six months. If notice is given by the company, severance pay corresponding to 18 months' salary will be paid in addition to the salary for the notice period.

Information on convertible capital loan subscribed by the insiders is presented in the Corporate Governance section.

Management's holding company

On October 26, 2010, the Board of Aspo Plc decided on a shareholding program for Aspo Group's management. The purpose of the program is to enable considerable long-term shareholding in Aspo for those involved in the program. For the shareholding, the participants established a company called Aspo Management Oy, whose entire stock they own. Aspo Management Oy acquired 114,523 Aspo shares from the participants at market price and Aspo also assigned 322,637 shares at EUR 7.93 per share to the company in a directed share issue. As part of the arrangement, the Board decided to grant Aspo Management Oy an interest bearing loan, worth EUR 2,800,000, to finance the share purchase. In 2011, Aspo Management Oy subscribed to 62,452 shares in Aspo's rights issue and raised an additional loan of EUR 324,750.40 from Aspo to finance the purchases. At the end of the year the loan amounted to EUR 2,934,750.40. The program is valid until the spring of 2014. After that, it will be dissolved in a manner to be decided upon at a later date. The program will be extended for one year at a time if the share price of Aspo at the beginning of 2014, 2015 or 2016 is below the average price at which Aspo Management Oy acquired the Aspo shares it owns. There are restrictions on the right of disposal of the shares for the duration of the program. As a rule, the participants' holding in Aspo Management Oy remains valid until the arrangement is dissolved.

Key Figures

	IFRS 2012	IFRS 2011	IFRS 2010	IFRS 2009	IFRS 2008
Net sales, MEUR	**481.6**	476.3	395.9	329.4	358.2*
Operating profit, MEUR	**10.6**	21.5	17.9	15.3	14.1*
Share of net sales, %	**2.2**	4.5	4.5	4.6	3.9
Profit before taxes, MEUR	**7.4**	17.4	14.1	11.7	9.5*
Share of net sales, %	**1.5**	3.7	3.6	3.6	2.7
Group					
Return on investment (ROI), %	**5.4**	12.5	12.7	11.1	18.5
Return on equity (ROE), %	**11.8**	16.4	15.2	13.0	24.1
Equity ratio, %	**29.2**	35.2	33.2	34.6	30.6
Equity ratio excluding deferred tax liabilities, %	**32.7**	40.1	39.6	41.6	37.1
Gearing, %	**131.6**	94.1	101.5	87.9	124.9
Gross investments in fixed assets, MEUR	**30.5**	42.7	13.2	7.4	21.1
Share of net sales, %	**6.3**	9.0	3.3	2.2	5.8
Personnel, Dec. 31	**871**	814	712	717	827
Average number of personnel	**858**	797	736	723	882
Share-specific indicators					
Earnings/share (EPS), EUR, Continued	**0.36**	0.45	0.38	0.31	0.26
Earnings/share (EPS), EUR, Discontinued					0.31
Earnings/share (EPS), EUR, Group	**0.36**	0.45	0.38	0.31	0.57
Diluted earnings/share, EUR, Continued	**0.37**	0.45	0.39	0.31	0.25
Diluted earnings/share, EUR, Discontinued					0.28
Diluted earnings/share, EUR, Group	**0.37**	0.45	0.39	0.31	0.53
Group					
Equity/share, EUR	**2.95**	3.05	2.49	2.46	2.42
Nominal dividend/share, EUR (2012 proposed by Board of Directors)	**0.42**		0.42	0.42	0.42
Share issue adjusted dividend/share, EUR			0.40	0.40	0.40
Dividend/earnings, %	**117.9**		106.2	126.6	70.1
Effective dividend yield, %	**6.6**		5.1	7.1	10.4
Repayment of capital/share, EUR		0.42			
Share issue adjusted repayment of capital/share, EUR		0.42			
Repayment of capital/earnigs, %		95.2			
Effective repayment of capital yield, %		6.2			
Price/earnings ratio (P/E)	**17.9**	15.1	20.7	17.8	6.7
Diluted price/earnings ratio (P/E)	**17.4**	15.1	20.3	18.1	7.2
Share price development					
average price, EUR	**6.63**	7.39	7.05	5.15	5.51
lowest price, EUR	**5.70**	6.32	5.60	3.73	3.38
highest price, EUR	**7.95**	8.82	7.88	5.88	6.54
Closing price on the last day of trading during the fiscal year, EUR	**6.39**	6.80	7.83	5.59	3.82
Market cap, Dec. 31, MEUR	**197.9**	210.5	221.7	155.8	106.4
excluding treasury shares, MEUR **	**193.5**	204.9	216.0	152.1	103.9
Development of share turnover, 1,000	**2 704**	3 716	5 145	2 262	3 404
Development of share turnover, %	**8.7**	12.0	19.2	8.6	12.9
Total share trading, EUR 1,000	**17 625**	27 334	38 703	12 259	19 764
Registered share capital, number of shares, Dec 31, 1,000	**30 967**	30 959	26 837	26 406	26 406
Total number of shares, adjusted,1,000	**30 967**	30 959	28 313	27 858	27 858
outstanding, Dec. 31	**30 284**	30 125	27 583	27 204	27 204
outstanding, average	**30 255**	29 507	27 316	27 204	27 247
diluted number of shares, average	**31 974**	31 259	29 295	29 638	29 996

* Continued operations
** Treasury shares include the shares of Aspo Management Oy.
The key figures for the comparison years have been adjusted for rights issue. The rights issue was in 2011 and the rights issue factor is 1.054997.

Calculation Principles of Key Figures

Return on investment, % (ROI)	=	(Profit before taxes + Interest and other financial expenses) x 100 / Balance sheet total – Interest-free liabilities (average)
Return on equity, % (ROE)	=	(Profit before taxes – Taxes) x 100 / Shareholders' equity + Non-controlling interest (average)
Equity ratio, %	=	(Shareholders' equity + Non-controlling interest) x 100 / Balance sheet total – Advances received
Gearing, %	=	(Interest-bearing liabilities – Liquid funds) x 100 / Shareholders' equity + Non-controlling interest
Average number of personnel	=	Average number of personnel at the end of each month
Earnings per share (EPS), EUR	=	Profit before taxes –Income taxes on ordinary activities – Non-controlling interest / Adjusted average number of shares during the fiscal year
Shareholders' equity per share, EUR	=	Shareholders' equity / Adjusted number of shares on balance sheet date
Adjusted dividend per share, EUR	=	Dividend per share paid for the financial year / Share issue multiplier
Dividend / earnings, %	=	Adjusted dividend per share x 100 / Earnings per share
Effective dividend yield, %	=	Adjusted dividend per share x 100 / Average share price on closing day weighted with trading volume
Share issue adjusted repayment of capital/share, EUR	=	Repayment of capital per share paid for the fiscal year / Share issue multiplier
Repayment of capital/earnings, %	=	Share issue adjusted repayment of capital per share x 100 / Earnings per share
Effective repayment of capital yield, %	=	Share issue adjusted repayment of capital per share x 100 / Average share price on closing day weighted with trading volume
Price / earnings ratio (P/E)	=	Adjusted average share price on closing day / Earnings per share
Market value of shares, EUR	=	Number of shares outside the Group x Average share price on closing day weighted with trading volume

The impact of own shares has been eliminated in the calculation of key figures.

Parent Company's Income Statement

1 000 EUR	Notes	Jan. 1–Dec. 31, 2012	Jan. 1–Dec. 31, 2011
Other operating income	1.1	**2 788**	2 429
Personnel costs	1.2	**-2 624**	-2 728
Depreciation and impairment	1.3	**-10**	-19
Other operating expenses	1.4	**-4 717**	-4 301
Operating loss		**-4 563**	-4 619
Financial income and expenses	1.5	**23 090**	627
Profit/loss before extraordinary items		**18 527**	-3 992
Extraordinary items	1.6	**1 920**	3 540
Profit/loss before appropriations and taxes		**20 447**	-452
Income taxes	1.7	**1**	2
Profit/loss for the period		**20 448**	-450

Parent Company's Balance Sheet

Assets

1 000 EUR	Notes	Dec. 31, 2012	Dec. 31, 2011
Non-current assets			
Tangible assets	2.1	83	93
Investments	2.2	82 071	12 967
Total non-current assets		82 154	13 060
Current assets			
Current receivables	2.3	58 040	103 439
Cash and bank deposits		8 283	4 038
Total current assets		66 323	107 477
Total assets		148 477	120 537

Shareholders´ equity and liabilities

1 000 EUR	Notes	Dec. 31, 2012	Dec. 31, 2011
Shareholders' equity			
Share capital	2.4	17 692	17 692
Premium fund	2.4	4 351	4 351
Invested unrestricted equity fund	2.4	16 480	29 196
Retained earnings	2.4	-478	-960
Profit/loss for the period		20 448	-450
Total shareholders' equity		58 493	49 829
Mandatory provisions	2.5		774
Liabilities			
Long-term liabilities			
Loans from financial institutions	2.6	15 000	35 000
Convertible capital loan	2.6	10 300	10 350
Total long-term liabilities		25 300	45 350
Short-term liabilities			
Loans from financial institutions	2.7	48 000	5 000
Debts to Group companies	2.7	15 096	18 379
Accounts payable	2.7	404	92
Other liabilities	2.7	107	50
Deferred liabilities	2.7	1 077	1 063
Total short-term liabilities		64 684	24 584
Total liabilities		89 984	69 934
Total shareholders' equity and liabilities		148 477	120 537

Parent Company's Cash Flow Statement

1 000 EUR	Jan. 1–Dec. 31, 2012	Jan. 1–Dec. 31, 2011
Operational cash flow		
Operating loss	**-4 563**	-4 619
Adjustments to operating loss	**182**	397
Change in working capital	**511**	-262
Interest paid	**-2 456**	-2 866
Interest received	**341**	452
Dividends received	**22 755**	1 756
Taxes paid	**2 217**	-2 184
Operational cash flow	**18 987**	-7 326
Investments on other shares	**-39**	
Gains on the sale of other shares	**20**	
Cash flow from investments	**-19**	0
Cash flow from financing		
Rights issue		19 958
Repurchase of shares		-1 995
Disposal of treasury shares	**686**	1 499
New long-term loans		15 000
Repayments of long-term loans	**-20 000**	-14 000
Change in short-term receivables	**-25 426**	-8 073
Change in short-term liabilities	**39 405**	-3 738
Loans from financial institutions, Cash pool accounts		-965
Group contributions received	**3 540**	14 955
Dividends distributed		-11 284
Repayment of capital	**-12 928**	
Cash flow from financing	**-14 723**	11 357
Change in liquid funds	**4 245**	4 031
Liquid funds Jan. 1	**4 038**	7
Liquid funds from merger	**1**	
Liquid funds Dec. 31	**8 283**	4 038

Notes to the Parent Company's Financial Statements

Accounting principles
Aspo Plc's financial statements have been compiled in accordance with FAS. The accounting principles have not changed from the previous year. When compiling the financial statements, the management of the company must, in accordance with valid regulations and good accounting practice, make estimates and assumptions that affect the valuation and allocation of financial statement items. The actual figures may differ from the estimates.

Foreign currency transactions
Foreign currency denominated transactions are recorded at the exchange rates valid on the transaction date. On the closing date, the receivables and liabilities on the balance sheet are valued at the exchange rates of the closing date. Outstanding hedging instruments for foreign currency denominated items are valued at the rate of the day, taking into account interest rates. Foreign exchange gains and losses related to business operations are recognized as net sales and operational expense adjustment items. Financing related foreign exchange gains and losses are recognized in financial income and expenses.

Pensions
The company's pension coverage is arranged through pension insurance.

Receivables
Receivables are valued at acquisition cost or probable value, if lower.

Non-current assets and depreciations
Non-current assets are recognized in the balance sheet at direct acquisition cost, less depreciations made. The depreciation periods for non-current assets are:

- Other long-term costs 3–10 years
- Buildings 15–40 years
- Machinery and equipment 3–8 years
- Other tangible assets 5–40 years

Leasing
Leasing payments are treated as rent expenses.

Extraordinary items
Extraordinary income and expenses include items outside actual business operations, such as group contributions.

Mandatory provisions
Mandatory provisions on the balance sheet include items that are either based on contracts or otherwise binding obligations, but have not yet materialized. Changes to mandatory provisions are included in the income statement.

Income taxes
The income taxes in the income statement include taxes calculated on profit for the period based on Finnish tax legislation and adjustment of taxes from previous financial periods.

Dividends
No recognition of the dividend proposed by the Board of Directors to the Annual Shareholders' Meeting was made in the financial statements. The dividends are only taken into account after the decision by the Annual Shareholders' Meeting.

1.1 OTHER OPERATING INCOME

1 000 EUR	2012	2011
Other operating income, Group	1 070	902
Rents, Group	1 259	1 295
Other rents	446	230
Other operating income	13	2
Total	2 788	2 429

1.2 NOTES CONCERNING PERSONNEL AND BOARD MEMBERS

Personnel costs

1 000 EUR	2012	2011
Salaries and benefits	1 818	1 708
Share-based payments	101	377
Profit bonus paid to the personnel fund	1	3
Pension costs	615	546
Other personnel costs	89	94
Total	2 624	2 728

Management salaries and benefits

1 000 EUR	2012	2011
CEO, salaries	320	296
CEO, remunerations	147	152
CEO, share-based payments	339	
Members of the Board of Directors, remunerations	297	270
Total	1 103	718

1.3 DEPRECIATION AND IMPAIRMENT

1 000 EUR	2012	2011
Machinery and equipment	10	12
Intangible assets		7
Total	10	19

1.4 OTHER OPERATING EXPENSES

1 000 EUR	2012	2011
Rents	2 195	2 182
Other expenses	2 522	2 119
Total	4 717	4 301

Auditors' fees

1 000 EUR	2012	2011
Auditing	61	50
Tax advice	26	21
Other services	27	81
Total	114	152

1.5 FINANCIAL INCOME AND EXPENSES

1 000 EUR	2012	2011
Dividend income		
From Group companies	22 750	1 750
From others	5	6
Income from long-term investments	22 755	1 756
Other interest and financial income		
From Group companies	922	1 640
From merger	1 819	
From others	1	6
Total interest and other financial income	2 742	1 646
Interest expenses and other financial expenses		
To Group companies	-1	-234
To others	-2 406	-2 541
Total interest and other financial expenses	-2 407	-2 775
Total financial income and expenses	23 090	627

1.6 EXTRAORDINARY ITEMS

1 000 EUR	2012	2011
Income		
Group contributions	1 920	3 540

1.7 INCOME TAXES

1 000 EUR	2012	2011
Taxes from previous fiscal period	-1	-2
Income taxes on extraordinary items	470	920
Income taxes on ordinary activities	-470	-920
Total	-1	-2

2.1 INTANGIBLE AND TANGIBLE ASSETS

1 000 EUR	Intangible rights	Total intangibles	Land	Buildings	Machinery and equipment	Other tangible assets	Total tangibles
Acquisition cost, Jan. 1	539	539	1	467	506	125	1 099
Acquisition cost, Dec. 31, 2012	**539**	**539**	**1**	**467**	**506**	**125**	**1 099**
Accumulated depreciation, Jan. 1	-539	-539		-466	-488	-52	-1 006
Depreciation during the period					-10		-10
Accumulated depreciation, Dec. 31, 2012	**-539**	**-539**		**-466**	**-498**	**-52**	**-1 016**
Book value, Dec. 31, 2012	**0**	**0**	**1**	**1**	**8**	**73**	**83**
Book value, Dec. 31, 2011	**0**	**0**	**1**	**1**	**18**	**73**	**93**

2.2 INVESTMENTS

1 000 EUR	Subsidiary shares	Other shares	Total
Acquisition cost, Jan. 1	12 809	158	12 967
Increases, merger	69 072		69 072
Increases		39	39
Decreases		-7	-7
Acquisition cost, Dec. 31, 2012	**81 881**	**190**	**82 071**
Acquisition cost, Dec. 31, 2011	**12 809**	**158**	**12 967**

2.3 RECEIVABLES

Current receivables

1 000 EUR	2012	2011
Receivables from Group companies		
Group contribution receivables	**2 470**	3 540
Cash pool accounts	**3 792**	1 307
Loan receivables	**51 657**	96 176
Deferred receivable	**15**	18
	57 934	101 041
Deferred receivables*	**106**	2 398
Total current receivables	**58 040**	103 439
* Main item		
Tax receivable		2 217

2.4 SHAREHOLDERS' EQUITY

Aspo Plc has a total of EUR 10,300,000 in equity-based convertible capital loan. The loan will be repaid in one installment on June 30, 2014, provided that the repayment conditions outlined in Chapter 12 of the Finnish Companies Act and the loan terms are met. The loan has a fixed interest rate of 7%. The loan units can be converted into Aspo shares. Each EUR 50,000 loan unit entitles its holder to convert the loan unit to 8,074 Aspo shares. The conversion rate is EUR 6.19. The loan can be converted annually between January 2 and November 30. The conversion period ends on June 15, 2014.

A total of 8,074 new shares corresponding to one loan unit were subscribed in 2012.

1 000 EUR	2012	2011
Share capital, Jan. 1	17 692	17 692
Share capital, Dec. 31	17 692	17 692
Premium fund, Jan. 1	4 351	4 351
Premium fund, Dec. 31	4 351	4 351
Invested unrestricted equity fund, Jan. 1	29 196	5 889
Conversions of convertible capital loan	50	1 850
Rights issue		19 958
Repayment of capital	-12 928	
Share-based payments	162	
Disposal of treasury shares		1 499
Invested unrestricted equity fund, Dec. 31	16 480	29 196
Retained earnings, Jan. 1	-1 410	12 319
Repurchase of shares		-1 995
Share-based payments	932	
Dividend payment		-11 284
Retained earnings, Dec. 31	-478	-960
Profit/loss for the period	20 448	-450
Total shareholders' equity	58 493	49 829

Distributable unrestricted equity totals EUR 36,450,487.45 (27,786,442.11).

2.5 MANDATORY PROVISIONS

1 000 EUR	2012	2011
Share-based incentive program		774

2.6 LONG-TERM LIABILITIES

1 000 EUR	2012	2011
Convertible capital loan	10 300	10 350
Total	10 300	10 350
Loans from financial institutions	15 000	35 000
Total	15 000	35 000
Total long-term liabilities	25 300	45 350

2.7 SHORT-TERM LIABILITIES

1 000 EUR	2012	2011
Loans from financial institutions	48 000	5 000
Unpaid dividend 2005–2010	8	8
Accounts payable	404	92
Other liabilities	107	50
Deferred liabilities*	1 069	1 055
Total	49 588	6 205
Debts to Group companies		
Cash pool accounts	15 088	18 378
Deferred liabilities	8	1
Total	15 096	18 379
Total short-term liabilities	64 684	24 584
* Main items		
Accrued interests	391	412
Accrued salaries	628	608

2.8 OTHER NOTES

Unpaid lease payments

1 000 EUR	2012	2011
Payable in the next fiscal year	239	262
Payable later	265	426
Total	504	688
Remainder value liabilities	13	76
Total leasing liabilities	517	764

Other rental liabilities

1 000 EUR	2012	2011
Payable in the next fiscal year	1 546	1 500
Payable later	7 730	8 999
Total	9 276	10 499

Guarantees on behalf of Group companies

1 000 EUR	2012	2011
Guarantees	98 392	68 957

Guarantees on behalf of associated companies

1 000 EUR	2012	2011
Guarantees		50

Shares and Shareholders

Share capital
On December 31, 2012, Aspo Plc's registered share capital totaled EUR 17,691,729.57 (2011: 17,691,729.57), consisting of 30,967,450 shares (30,959,376). During the financial year, a total of 8,074 shares were subscribed on the basis of the loan units in the convertible capital loan. At the end of the year, the company's own shareholding was 183,891 shares (334,529); in other words, 0.6% (1.1) of the share capital.

Shares
Aspo Plc has one share series. Each share entitles the shareholder to one vote at the Shareholders' Meeting. The company shares are quoted on NASDAQ OMX Helsinki Ltd in the medium-sized companies category and under the GICS classification Industrials. The trading code of the share is ASU1V.

Dividend
Aspo Plc has an active, cash flow-based dividend distribution policy, the goal of which is to distribute, on average, at least half of the Group's annual earnings to shareholders. Aspo Plc's Board of Directors proposes to the Annual Shareholders' Meeting that a dividend of EUR 0.42 per share be paid for the financial year 2012, representing 117.9% of the Group's earnings.

Authorizations
The Annual Shareholders' Meeting in 2012 authorized the Board of Directors to decide on the acquisition of a maximum of 500,000 company-held shares using non-restricted shareholders' equity. The authorization is valid until the Annual Shareholders' Meeting in 2013.

The shareholders authorized the Board of Directors to decide on a share issue involving one or more installments, carried out through the transfer of treasury shares. A maximum of 834,529 shares may be transferred on the basis of the authorization. The authorization is valid until September 30, 2015.

The shareholders authorized the Board to decide on a rights issue. The authorization also includes the right to decide on a directed share issue. The total number of new shares to be offered for subscription

Major shareholders on December 31, 2012

	Number of shares	Share of stock and voting rights %	Less own shares %
Havsudden Oy Ab	3 142 941	10.15	10.21
Vehmas A.E.	1 643 394	5.31	5.34
Nyberg H.B.	1 400 000	4.52	4.55
Vehmas Tapio	1 375 827	4.44	4.47
Ilmarinen Mutual Pension Insurance Co	1 288 601	4.16	4.19
Vehmas Liisa	1 230 693	3.97	4.00
Investment fund Nordea Nordic Small Cap	721 040	2.33	2.34
Estlander Henrik	711 717	2.30	2.31
Nyberg Gustav	635 305	2.05	2.06
Varma Mutual Pension Insurance Company	529 412	1.71	1.72
Ten major shareholders, total	**12 678 930**	**40.94**	**41.19**
Nominee registrations	539 729	1.74	
Other shares	17 564 900	56.72	
Total shares outstanding	**30 783 559**	**99.41**	
Own shares	183 891	0.60	
Shares, total	**30 967 450**	**100.0**	

Distribution of ownership on December 31, 2012, by number of shares

Number of shares	Number of owners	Share of owners %	Total shares	Share of stock %	Less own shares %
1 – 100	708	10.90	41 350	0.13	0.13
101 – 500	2 237	34.43	615 967	1.99	2.00
501 – 1 000	1 187	18.27	862 425	2.79	2.80
1 001 – 5 000	1 859	28.61	3 934 265	12.70	12.78
5 001 – 10 000	267	4.11	1 862 920	6.02	6.05
10 001 – 50 000	183	2.82	3 461 010	11.18	11.25
50 001 – 100 000	20	0.31	1 351 452	4.36	4.39
100 001 – 500 000	26	0.40	6 154 667	19.88	19.40
500 001 –	10	0.15	12 678 930	40.94	41.19
Total in joint accounts			4 464	0.01	0.01
Total	**6 497**	**100.0**	**30 967 450**	**100.0**	**100.0**

Distribution of ownership on December 31, 2012, by owner groups

%	Ownership	Shares
1. Households	93.5	60.8
2. Companies	4.8	21.7
3. Financial and insurance institutions	0.4	5.9
4. Non-profit organizations	0.9	4.9
5. Public organisations	0.1	6.4
6. Non-domestic	0.3	0.3

may not exceed 1,500,000. The authorization is valid until September 30, 2015.

The Board has not used its authorizations given in 2012.

Share trading and share price development

In 2012, a total of 2,704,413 Aspo Plc shares were traded at EUR 17.6 million; in other words, 8.7% of the shares changed hands. The share reached a high of EUR 7.95 and a low of EUR 5.70 during the year. The average share price was EUR 6.63 and the closing price at year-end was EUR 6.39. The company has a liquidity providing agreement regarding its share with Nordea Bank Finland Plc.

At year-end, the market value of the share capital excluding the treasury shares was EUR 196.7 million. For the latest trading information, please visit: www.aspo.com.

Share ownership

Aspo's shares are included in the book-entry system maintained by Euroclear Finland Ltd.

During the year, Aspo's shareholders announced three flagging notifications. Havsudden Oy Ab announced on June 12, 2012 that its holdings had exceeded five per cent (5%) of the share capital in Aspo Plc. Henrik Nyberg announced on June 27, 2012 that his holdings had decreased below five per cent (5%) of the share capital and voting rights in Aspo Plc. Havsudden Oy Ab announced on June 27, 2012 that its holdings had exceeded ten per cent (10%) of the share capital and five per cent (5%) of the voting rights in Aspo Plc. Following the transfer Havsudden Oy Ab became the largest single shareholder in Aspo Plc.

At the end of 2012, the number of shareholders at Aspo totaled 6,497. Of these, 98.3% represented direct shareholding and 1.7% nominee registrations. A total of 0.3% of the shares was held by foreign entities.

On December 31, 2012, ten largest shareholders owned a total of 40.94% of the company's shares and voting rights.

A list of major shareholders with monthly updates is shown on the corporate website at: www.aspo.com.

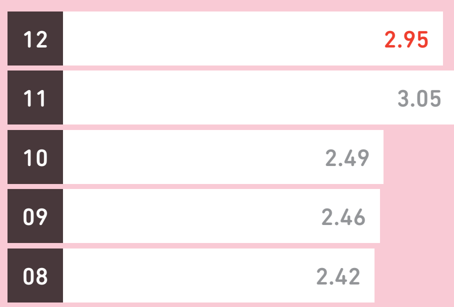
Shareholding by CEO and Board of Directors

On December 31, 2012, the total number of shares owned by the members of Aspo Plc's Board of Directors with their related parties was 4,867,797 shares, which represents 15.72% of the shares and voting rights.

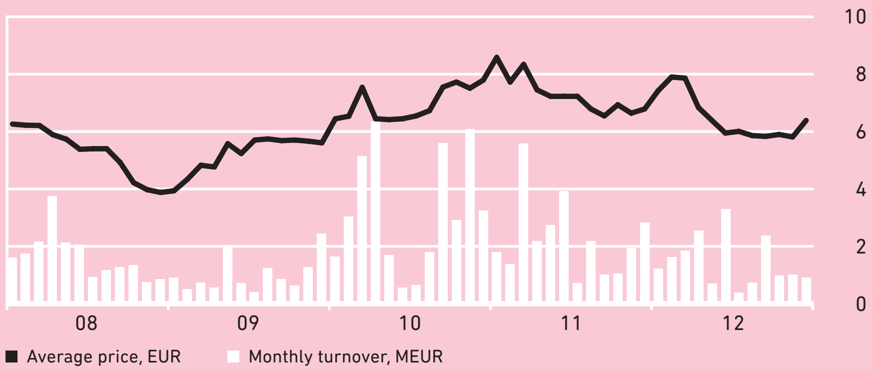
In 2010, six persons from the Group's management established Aspo Management Oy, one of the Aspo's related parties and controlled by the company. These six persons own its entire share capital. On December 31, 2012, Aspo Management Oy owned a total of 499,612 shares, which represents 1.61% of the share capital. The CEO at Aspo Plc accounted for 28.57% of Aspo Management Oy's shares.

Share price performance EUR

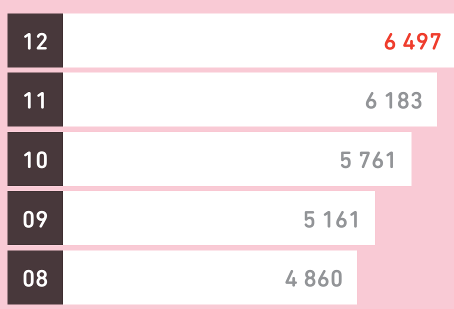
Equity/share EUR



Share trading and average prices



Number of shareholders



Proposal of the Board for the Distribution of Earnings

The parent company's distributable earnings totaled EUR 36,450,487.45 with the profit for the financial year totaling EUR 20,447,818.31.

The company's registered share capital on December 31, 2012 was 30,967,450 shares, of which the company held 183,891. After the financial year no convertible capital loan units have been converted into new shares. The company's registered share capital on March 7, 2013 is 30,967,450 shares, of which 183,891 are held by the company.

The Board proposes that the company's distributable earnings be distributed as follows:

– A dividend of EUR 0.42 per share be paid out on 30,783,559 shares	EUR 12,929,094.78
– to be held in shareholders' equity	EUR 23,521,392.67
	EUR 36,450,487.45

No significant changes have taken place in the company´s financial position since the end of the financial year. The company´s liquidity is good and in the opinion of the Board of Directors the proposed dividend will not put the company´s solvency at risk.

Helsinki, March 7, 2013

Gustav Nyberg
Matti Arteva

Mammu Kaario
Esa Karppinen

Roberto Lencioni
Kristina Pentti-von Walzel

Risto Salo
Aki Ojanen
CEO

Auditor's Report

TO THE ANNUAL GENERAL MEETING OF ASPO PLC

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of Aspo Plc for the period 1 January–31 December 2012. The financial statements comprise the consolidated statement of financial position, income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows, and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU, as well as for the preparation of financial statements and the report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company and the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion on the Consolidated Financial Statements

In our opinion, the consolidated financial statements give a true and fair view of the financial position, financial performance, and cash flows of the group in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Opinion on the Company's Financial Statements and the Report of the Board of Directors

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki, 11 March 2013

PricewaterhouseCoopers Oy
Authorised Public Accountants

Mikko Nieminen
Authorised Public Accountant

Information for Investors

Basic share information

- Listed on: NASDAQ OMX Helsinki
- Industry sector: Industrials
- Category: Mid Cap
- Trading code: ASU1V
- ISIN code: FI0009008072

Annual Shareholders' Meeting

The Aspo Plc Annual Shareholders' Meeting will be held in the Stock Exchange Building at Fabianinkatu 14, 00100 Helsinki on Wednesday, April 10, 2013 at 14:00 p.m. The record date of the Annual Shareholders' Meeting is March 27, 2013.

Shareholders intending to participate in the Annual Shareholders' Meeting should register for the meeting no later than on April 5, 2013 by 16:00 p.m. Please register:

- Through Aspo's website, at www.aspo.com
- By e-mail to ilmoittautuminen@aspo.com,
- By telephone on +358 9 521 41 00,
- By fax on +358 9 521 49 99, or
- By letter to Aspo Plc, P.O. Box 70, FI-00501 Helsinki.

In connection with the registration, shareholders are requested to notify the company of any proxies authorized to exercise their voting rights. The proxies should be delivered to the company within the registration period.

Dividend payments

Aspo's dividend policy is to distribute approximately at least half of the year's earnings in dividends. The Board of Directors will propose at the Annual Shareholders' Meeting that a dividend of EUR 0.42 per share be paid for 2012 on shares outstanding and that no dividend be paid for treasury shares.

- Ex-dividend date April 11, 2013
- Dividend record date April 15, 2013
- Dividend payment date April 22, 2013

Financial reporting in 2013

- Financial Statements Bulletin February 14, 2013
- Annual Report for 2012 week 14
- Interim Report January–March on April 29, 2013
- Interim Report January–June on August 20, 2013
- Interim Report January–September on October 24, 2013

Aspo's financial information is published on company's website at www.aspo.com, including annual reports, interim reports and stock exchange releases in Finnish and in English. Aspo's printed annual report will be published in Finnish and English. Reports can also be ordered by phone +358 9 521 40 50, by fax +358 9 521 49 99 or by e-mail from jamima.lofstrom@aspo.com.

Further investor information

Aspo's website at www.aspo.com offers also versatile further investor information, such as the latest share information and consensus estimates based on expectations and predictions by the analysts following Aspo.

At the web address www.aspo.com > media > news > news service it is possible to order all stock exchange releases and press releases to your e-mail.

Address changes

Material will be sent to shareholders to the address shown in the shareholder register maintained by Euroclear Finland Ltd. Shareholders are advised to notify changes of address to the bank or brokerage firm where the shareholder has a book-entry account.

Aspo Plc's investor relations

Aspo organizes frequent investor meetings with various stakeholder groups. The target is to provide for versatile information about Aspo and its operations to institutional and private investors, analysts and media representatives.

Aspo observes a three-week silent period preceding the publication of its results. During this time the company's representatives will not comment on the company's financial position.

Contact information

For any further information concerning Aspo's investor relations issues, please contact

Aki Ojanen, CEO
Tel. +358 9 521 40 10
aki.ojanen@aspo.com

Harri Seppälä, Group Treasurer
Tel. +358 9 521 40 35
harri.seppala@aspo.com

Arto Meitsalo, CFO
Tel. +358 9 521 40 20
arto.meitsalo@aspo.com