ANNUAL REPORT

1996

ASPO

CONTENT

NOTICE TO THE SHAREHOLDERS

Shareholders' Meeting

The Aspo Group Ltd annual Shareholders' Meeting will be held on Thursday, April 10, 1997 at 2:00 PM. The meeting will take place at Aspo Group headquarters, Suolakivenkatu 10, Helsinki, Finland.

Shareholders wishing to participate in the meeting are requested to notify the company either by telephone or in writing by April 8, 1997, 4:00 PM. The address is Aspo Group Ltd, Suolakivenkatu 10, 00810, Helsinki, Finland. Telephone + 358 9 75 951.

Payment of Dividends

The Board of Directors will propose to the shareholders that a dividend of FIM 6 per share be distributed. The dividend will be paid to shareholders who are listed in the Central Finnish Share Register on the clearing date of April 15, 1997. The Board will propose that the dividend be paid on April 18, 1997.

Financial Information

The Aspo Group Interim Reports in 1997 will be published on May 29 and September 30.

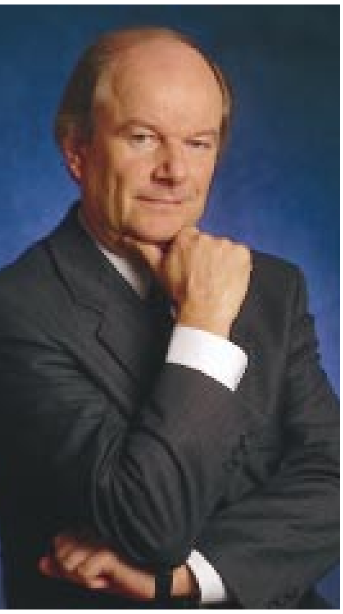
1996 IN BRIEF

	1996	1995	Change
Net Sales, MFIM	1,110	1,059	51
Operating Profit Before Depreciation, MFIM	188	204	-16
Operating Profit After Depreciation, MFIM	82	117	-35
Profit Before Extraordinary Items and Taxes, MFIM	66	98	-32
Adjusted Earnigs/Share, FIM	12.03	19.09	-7.06
Gross Investments, MFIM	88	306	-218
Shareholders' Equity, MFIM	552	523	29
Adjusted Equity/Share, FIM	125.92	119.82	6.10
Equity Ratio, %	47.3	43.0	
Return on Equity (ROE), %	9.7	16.9	
Return on Investment (ROI), %	9.7	15.3	
Personnel, December 31	1,482	1,482	0
Shares Outstanding December 31, 1,000 each, Adjusted	4,584	4,447	137

ASPO GROUP ORGANIZATION

PARENT COMPANY	OPERATIONAL ACTIVITIES Divisions and Business Units	
ASPO GROUP LTD – Group strategy – finance – financial administration – legal affairs	**ELECTRONICS** Aspocomp Oy Aspo Systems Oy	- printed circuit boards, hybrid circuits and mechanical components for the electrical and electronics industries - marine navigation and coastal surveillance systems and special electronics for the military - outdoor payment terminals (OPTs)
	CHEMICALS Aspokem Ltd Aspokem Baltic Ltd Sonmarin Oy AS Sonmarin	- industrial chemicals, automotive chemicals, plastic raw materials, coal - logistics and storage services for oil and petrochemical transit traffic
	SHIPPING ESL Shipping Oy	- shipping, shipbrokerage and chartering
	Toolsystem Oy	- automatic sheet metal machine tool lines
	Asva Oy Affiliate	- metal and steel wholesale trade

CEO'S REVIEW



Overview of 1996

In the aftermath of a record-breaking 1995 the Aspo Group's financial performance for 1996 was still quite good. Though our earnings declined by nearly one third compared with 1995, our balance sheet strengthened and our financial costs declined.

The Electronics Division developed in accordance with the program set up and initiated in 1995, as we continued to invest in the improvement of the division's technological infrastructure. Our Shipping Division's capacity increased with the commissioning of a new vessel at the beginning of the year which has performed in accordance with our expectations. We also continued to expand the storage capacity of the Chemicals Division's (formerly Chemicals and Energy) trans-shipping activities in Estonia.

During the year the Group's restrucning program was completed. The last vestiges of the Group's cross-ownership disappeared with the integration of the Polttoaine Oy (formerly the Polttoaine Osuuskunta cooperative) into Aspo Group Ltd. This restructuring process has been successful and has played an important role in the Group's improving performance over the last few years, during which more than 300 new jobs have been created.

Aspo Group Ltd is litigating a significant tax dispute with the Helsinki tax authorities which is described in the Report of the Board.

We started up a project aimed at creating a common environmental strategy for the Group which will be enforced with regular, periodic audits. We also signed the International Chamber of Commerce Business Charter which requires charter members to make a serious commitment to improving their environmental performance.

Financial Performance

The Group's financial performance was fairly strong, although earnings decreased compared with 1995. Sales in the Electronics Division increased but its earnings declined as printed circuit board orders dropped off during the beginning of the year. However, the industry recovered rapidly and the division's performance improved as the year end approached.The Chemicals Division generated stable sales and satisfactory earnings as its main markets in Finland recovered and the pressure on prices that began in 1995 dropped off, but logistics operations suffered from difficulties in deliveries from Russia. The Shipping Division also turned in a strong operating performance. Although the division's earnings after depreciation declined to some extent because of depreciation on its new vessel, its sales increased and its market position strengthened thanks partly to the increase in capacity. The Aspo affiliate, Asva Oy and the entire steel wholesale business had a year of record sales and earnings in 1995. However, prices began to decline in mid-1995 and the trend continued through the middle of last year, leveling off at the year end. Consequently, while Asva's sales volume increased in 1995, its net sales declined and its profitability weakened. A gradual recovery in the price level is now in progress.

Solvency

Another reason why we are fairly satisfied with 1996 is that we have been able to keep to the commitment we have made to develop and maintain a strong capital structure.Our equity ratio rose from 43 % to 47 % which is healthy even by international standards. Investments declined to more normal levels in 1996 after the heavy investment programs carried out particularly in Shipping and Electronics in 1995, although there were some important projects in 1996 such as the second phase of a terminal expansion in Estonia's Muuga for the Chemicals Division scheduled for completion in the spring of 1997. Partly as a result of the reduced level of investment we were able to pay off significantly more debt than we took on during the year. This allowed us to cut our financial costs while maintaining adequate cash flow levels throughout the year.

Future Prospects

All three of the Group's main divisions have reasonably good prospects. In keeping with our strategy, we will look to Electronics for growth in the next few years. We are now seriously studying the expansion of this business outside of the Nordic area in order to strengthen the division and build increased competitiveness. However, the development of Electronics will not take place at the expense of our other divisions. The Group has sufficient resources to meet the foreseeable requirements of all of its divisions.

As of this writing we expect sales and profits to improve in 1997. We expect positive development in Electronics. Growth in the telecommunications industry should compensate for the pressure on (PCB) prices which is characteristic of this sector. On the other hand, we have to remember that electronics is a volatile sector and the forecasting horizon is short. We expect the chemical trade to follow or exceed the general economic development of the Finnish economy which is currently in recovery, while logistics activities will depend mainly on petrochemical export volumes from Russia. We expect logistics sales to increase because transshipping through Estonia is on the rise and the terminal expansion in Muuga will provide more capacity. We also expect the Shipping Division to generate a good performance.

In addition, rising solvency, declining interest bearing liabilities and interest costs will strengthen the Group's capital structure and lay a good foundation for profitable performance.

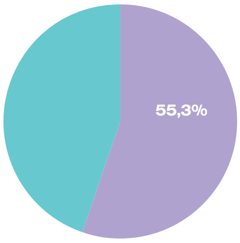
I would like to thank all of our business partners and in particular our personnel for the fruitful cooperation we enjoyed during 1996.

Helsinki, March, 1997

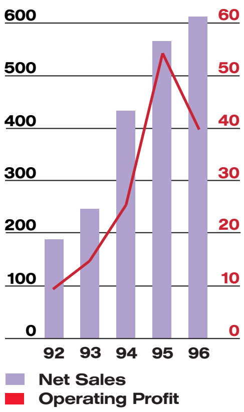
Teuvo Juuvinmaa

ELECTRONICS

Share in Group Net Sales 1996



Net Sales and Operating Profit, FIM million



The Electronics Division consists of Aspocomp Oy and Aspo Systems Oy. Aspocomp Oy serves the electronics industry. Aspo Systems Oy serves shipowners, government, oil companies and the military.

Aspocomp Oy

Aspocomp is an important part of its customers' supply chain. Rather than producing and marketing its own products, the company's customers design the product, providing the specifications and drawings while Aspocomp provides production and process know-how through its ISO-9000 certified manufacturing operations. This allows the customer to optimize its own volume and technology requirements. The product range comprises printed circuit boards, hybrid circuits and mechanical assemblies for the electronics industry. The main customers are manufacturers of electronic equipment in the Nordic countries. First class product quality, prompt delivery and flexible response to customer requirements provide the foundation for Aspocomp's competitiveness. Sustainable advantage is based on providing the best price-value ratio to customers by continuously matching production investments to their changing requirements and skillfully providing a flexible and cost-effective solution.

During the year Aspocomp initiated a Total Quality Management development program (TQM). The aim of the program is to generate a management system that will increase customer focus, generate ongoing operational improvement and maximize employee involvement and commitment to quality.

The division continued implementing the technology development investment program approved in 1995. During 1996 the single largest investment was the increase of capacity in mechatronics (mechanical assemblies) which involved a building expansion that was completed in November and an automatic component production line which will be commissioned in April, 1997.

Financial Performance

1995 was an exceptionally strong year for the entire global electronics industry which in turn generated record-breaking sales and earnings for the Electronics Division. In 1996, the electronics industry went through a downturn which impacted telecommunications in the first few months of the year. Nevertheless, the division generated a reasonably satisfactory financial performance and kept or increased its market share among its key customers.The telecommunications downturn generated poor capacity utilization at Aspocomp in February and March. In the second half of the year the capacity utilization in the key plants was relatively good. Consequently, net sales increased over 1995 despite falling prices and earnings remained at a satisfactory level, though lower than the previous year.

Future Prospects

The PCB industry is going through a restructuring process. The bigger players are expanding, the small players are niching and the medium sized players are disappearing. Aspocomp Oy is now one of the leading PCB manufacturers in Europe. Aspocomp's strategy will be to generate growth through internationalization. While volumes are expected to increase, perhaps even substantially during 1997, the industry shakeout, along with overcapacity in Europe, will cause heavy price competition. Therefore, while sales are likely to increase, order stock is short-term and and the industry's volatility will make earnings extremely difficult to forecast.

Aspo Systems Oy

Aspo Systems has two separate business units. The main unit designs, produces and markets electronic products for automatic fuel payment and dispensing (at service stations) such as

outdoor payment terminals (OPTs), point of sales systems, site controllers and tank monitoring systems which are completed with versatile remote-control administrative and technical software.The OPT, was a competitive advantage is in its high level of automation, and can operate as a stand-alone unit in unmanned filling stations.

The other unit supplies marine communication and navigation systems and specialized equipment for coastal surveillance and defense forces. The unit competes both domestically and internationally by providing customized turn-key solutions to demanding customers who require individual solutions. The key components of the system are its in-house designed maritime integrated navigation system and electronic sea chart systems and software. The unit delivers communication systems and special electronics for coastal surveillance and defense applications.

Financial Performance

Aspo Systems net sales rose, but earnings did not meet expectations.

Future Prospects

The company's net sales are expected to rise in 1997 and its profitability is expected to improve.

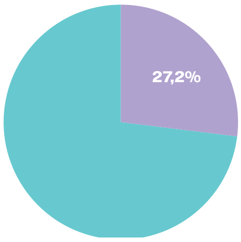
The net sales of the Electronics Division as a whole rose 8.3 % from FIM 567.1 million to FIM 614.0 million. Operating profits declined 26.5 % from FIM 54.3 million to FIM 39.9 million. Production volumes outstripped net sales while personnel remained stable.

Electronics

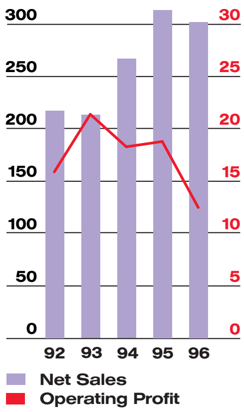
	1996	1995	1994	1993	1992
Net Sales, FIM million	614.0	567.1	434.1	246.8	188.1
Operating Profit, FIM million	39.9	54.3	25.7	15.1	9.8
Investments, FIM million	65.8	117.7	47.8	71.9	10.4
Personnel, December 31	1165	1194	903	842	367

CHEMICALS

Share in Group Net Sales 1996



Net Sales and Operating Profit, FIM million



The Chemicals Division (formerly Chemicals and Energy) consists of two seperate business units. The chemical marketing unit imports, stores and markets petrochemical and chemical products. The logistics unit manages the logistics and transport of petrochemical products traded between the company's Russian and Western European partners.

Chemical Marketing

The chemical marketing unit consists of Aspokem Ltd, its subsidiary Aspokem Baltic Ltd and sales offices in Finland, Russia, Estonia and Lithuania. The main product groups include industrial chemicals, automotive chemicals, plastic raw materials and solid fuels.

Aspokem provides industry with industrial chemicals from its Rauma tank terminal complex and warehouse via road, rail and sea links. Deliveries by road tank car transport are carried out directly to domestic, Baltic, Russian and Swedish industrial customers. Its competitive advantage lies in its storage system which is the most versatile of its kind in Finland, as well as its internationally recognized producers and suppliers.

Aspokem operates as a supplier of volume and technical plastic products to plastic industry firms and has achieved a strong market position on domestic markets as well as the Baltic. Its strength lies in its ability to supply (domestic and Baltic) customers from its own warehouses on a just-in-time basis. Automotive chemicals are marketed directly to end-users in Finland and neighboring areas, as well as through distributors. The products are well-known domestic brands produced from Aspokem's own raw materials, mainly packaged, liquid goods produced in Finland.

The company's facilities were in such good condition that no major investments were called for during the year. However, the capacity of the Rauma dry warehousing facility was increased with the construction of a new warehouse which was completed and commissioned in February, 1997.

Aspokem commissioned a new warehouse near Tallinn, in order to improve customer service in the Baltic area. The company also took another important step in its Baltic expansion with the establishment of new sales office in Vilnius, Lithuania.

Financial Performance

Aspokem had a good year, even if it did not generate as strong earnings as in 1995. Volumes increased but net sales remained at 1995 levels because of declining prices during the first half of the year. Prices dropped unevenly in all segments, but began to recover in the autumn and are currently stable.

Future Prospects

The stable performance of Finnish industry will create a good foundation for continued positive sales and earnings development in 1997. In addition, prices appear to have stabilized for the moment. Therefore we expect the company's financial performance to remain satisfactory.

Logistics

The logistics area engages in trans-shipping, tank storage and logistics services for petrochemical and oil products. The unit comprises Sonmarin Oy and its Estonian subsidiary, AS Sonmarin. It has two terminals in Finland's Kotka and one in Estonia's Tallinn Muuga with a total of 60 storage tanks generating a total storage capacity of 173,000 m3. Its core business is the traffic in transit of petrochemical materials between Russia and Western Europe. The company does not own the material in transit. The material is owned by its clients who are European petrochemical buyers and Russian petrochemical suppliers. Its competitive advantage lies in its strategically located facilities in Finland and Estonia, the quality, expertise and flexibility of its services and its unique experience in facilitating east-west trade.

Highlights 1996

The year's most important project was the

Muuga terminal expansion. The project involved the shut-down of one tank terminal in Kotka (Kotkansaari terminal) and the transfer of its capacity to Muuga, Estonia. The project was due for completion in September, 1996, but was delayed because of factors not within the control of the company.The project is expected to be completed during the second quarter of 1997. A new sales office was also opened in Moscow at the end of the year.

Financial Performance

Logistics sales declined because of decreasing total trans-shipment volumes from Finland, although the company's market share increased. Sales in Estonia were in line with the available capacity, but fell short of objectives because of the delay in the commissioning of the Muuga terminal. Earnings consequently declined relative to targets and 1995 results.

Future Prospects

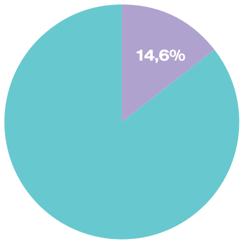
AS Sonmarin's order flow in Estonia is strong and is expected to remain so throughout the year. In addition, the completed Muuga terminal will add capacity and raise sales and earnings. In Finland the situation is more uncertain due to the country's high cost level which has weakened the order stock over the past few years. However, we do not expect volumes to decline any further at this point. Therefore, we expect sales and earnings for Sonmarin Oy to rise in 1997.

Chemicals

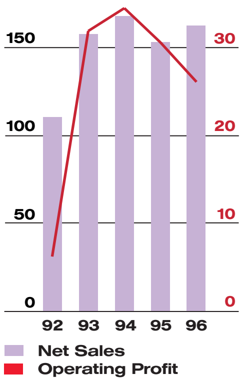
	1996	1995	1994	1993	1992
Net Sales, FIM million	301.7	313.3	266.5	213.2	217.1
Operating Profit, FIM million	12.5	18.8	18.3	21.4	15.9
Investments, FIM million	16.0	27.1	27.7	16.2	5.2
Personnel, December 31	114	113	89	72	65

SHIPPING DIVISION

Share in Group Net Sales 1996



Net Sales and Operating Profit, FIM million



The Shipping Division consists of ESL Shipping Oy along with its wholly owned subsidiaries, Oy Bomanship Ab and O.Y. Näppärä. Bomanship is a ship brokerage and shipping agency while Näppärä is engaged in stevedoring activities.

The shipping company's business idea is to build long-term customer relationships, particularly in the Baltic and North Sea, by providing customers with cost-effective transport systems. The company's competitive advantage lies in its fleet which has been designed specifically for Finnish and Baltic conditions. ESL Shipping vessels are ice-strengthened and specially designed for their traditional sailing routes throughout Northern Europe. The vessels are specially designed for shallow draught ports and can enter a wide variety of harbors with full cargo at maximum draught. In addition, each vessel has a bow thruster and is capable of self-discharging and loading on the strength of cranes and grabs with 12.5 - 15 cbm capacity. These features free the ships of the need for tugboats in most cases and reduce dependency on port cranes and personnel while enabling special operations like the lightening of large and disabled vessels.

The vessels transport mainly coal, coke, iron ore, grain and other dry, bulk cargo. All ESL ships sail under the Finnish flag with Finnish crews.

During the year the Shipping Division initiated a project aimed at obtaining ISM (International Safety Management) certification. The ISM is an international code for the safe operation of ships and prevention of pollution. Compliance will be mandatory for all all bulk carriers, tankers and passenger vessels as of July, 1998. The ISM - Code has been adopted by the IMO (International Maritime Organization) and its implementation will be controlled by national maritime authorities. Separate certificates are issued for the shipping company and for each of its vessels in operation. The Finnish Board of Navigation has certified the vessels and shipping operations of the division.

During the year the division continued and concluded some new long term affreightment agreements which will ensure significant utilization of transport capacity until the end of the century.

Financial Performance

During the year under review the company's ships were able to concentrate on the Baltic routes for which they were intended. This, in addition to the fact that Baltic freight rates were more stable than international rates during the year, had a positive impact on sales. In addition, the company's new vessel, the Ms Pasila, which was commissioned in December, 1995, increased transport capacity and added sales volume. Sales increased from FIM 152.6 million in 1995 to FIM 162.0 million. Cargo volumes also rose 16.7 % to 5.6 million tons (4.8 million tons). The Shipping Division time chartered vessels for a total of four and a half months in order to generate additional capacity needed to fulfill contract obligations. The time chartering contract has been extended into 1997.

The Division's operating profit after depreciation declined to some extent over 1995 due

to the increased depreciation charged against the division's new vessel.

Prospects 1997

In addition to the previously mentioned long-term contracts, the Shipping Division started the year with a strong portfolio of annual affreightment agreements. Finnmark-denominated freight rates are expected to remain at the same level as in 1996, but since some contracts are invoiced in dollars, currency movements could have either a positive or negative impact on financial performance. Depreciation charges will decline to some extent, so the division's sales and earnings are expected to improve.

The fleet's tonnage as of December 31, 1996

Ms Arkadia	47,442 dwt commissioned 1983	28,330 gt	ice class 1C
Ms Kontula	31,850 dwt commissioned 1980	19,854 gt	ice class 1A
Ms Hesperia	13,565 dwt commissioned 1991	10,374 gt	ice class 1AS
Ms Pasila	13,367 dwt commissioned 1995	10,098 gt	ice class 1AS
Espa	9,038 dwt commissioned 1987	4,700 gt (unmanned barge)	ice class 1A
Total tonnage:	115,262 dwt	73,356 gt	

Shipping

	1996	1995	1994	1993	1992
Net Sales, FIM million	162.0	152.6	167.3	157.1	110.1
Operating Profit, FIM million	26.1	30.6	34.5	31.9	6.2
Investments, FIM million	1.5	156.9	17.9	0.6	1.1
Personnel, December 31	134	111	119	138	138

SUBSIDIARIES AND AFFILIATES

Toolsystem Oy

Toolsystem Oy designs, produces and markets automatic sheet metal machine tool lines. The final product and fabrication method determine the amount and type of standard components required. The machines are sold almost exclusively on export markets.

Net sales totalled FIM 32.0 million (FIM 23.8 million). The company's financial performance was profitable, but did not meet expectations. We expect both sales and earnings to improve in 1997.

A dispute pertaining to a 1994 delivery is currently in arbitration.

Asva Oy

The Aspo Group affiliate, Asva Oy experienced a decline in net sales of approximately 3 % to FIM 1,341.2 million in 1996, although volumes increased.The company's profitability remained satisfactory, although earnings declined by approximately one third compared with last year. Asva carried out investments of approximately FIM 21 million aimed at strengthening its pre-treatment operations.

The deterioration of steel prices which continued throughout most of last year has levelled off and prices have now stabilized.

The company's financial performance is expected to show some improvement in 1997 over the previous year.

REPORT OF THE BOARD OF DIRECTORS

Business Conditions

After the record-breaking performance of 1995 The Group's growth sloned and earnings declined by a third from 1995. The Electronics Division in Particular suffered from The slowdown afflicting the industry at the beginning of the year, and was unable to take full advantage of its increased capacity. Conditions improved toward the year end. The performance of the Chemicals Division's (formerly Chemicals and Energy) LOGISTICS UNIT, SONMARIN Oy, also has a negative impact on group earnings lack of petrochemical product availibility in Russia, which prevented Sonmarin's customers from placing transit trafficking orders through Sonmarin, weakened earnings. Shipping Division operational earnings improved, but the profit after depreciation declined due to increased depreciation on the division's new vessel. The Aspo affiliate Asva Oy experienced a decline in earnings due to unfavorable price development, though sales volumes increased.

Net Sales

The Group's net sales increased 4.8 % to FIM 1,109.7 million as of the year end. The Group's direct exports and offshore sales totalled FIM 207.7 million (FIM 148.6 million). Sales in the Electronics division increased 8.3 % from FIM 567.1 million to FIM 614.0 million during the year. The increase resulted from the commissioning of the new production facility in Salo, as well as a 30 % jump in sales of the division's hybrid circuits. Net sales of Chemicals decreased 3.7 % from FIM 313.3 million to FIM 301 .7 million as a result of declining transit trafficking orders in the logistics unit and to some extent declining prices in the Finnish chemical market. The net sales of the Shipping Division increased 6.2 % from FIM 152.6 million to FIM 162.0 million mainly as a result of the commissioning of the division's new vessel in December, 1995.

Profits

The Group's earnings declined in all divisions. The operating profit before depreciation decreased from FIM 203.9 million to FIM 188.1 million because of increased rental costs from Electronics' new Salo plant where sales volumes did not immediately rise enough to compensate for the higher fixed costs. Declining earnings in the Finnish Sonmarin transit trafficking operations also had a negative impact on profits. In addition, delays in the completion of the new tank terminal in Muuga prevented start-up during the year and made it impossible to meet sales targets.

The Group's operating profit after depreciation totalled FIM 81.8 million (FIM 117.4 million).The operating profit after depreciation declined as a result of increased depreciation on equipment in the Salo plant, and the Shipping Division's new vessel. Net financial costs declined to FIM 16.4 million (FIM 19.8 million). Significant unrealized exchange rate gains derived from the Shipping Division's short-term investment assets had a positive impact on the Group's earnings before extraordinary items and taxes which totalled FIM 65.5 million (FIM 97.6 million). Pre-tax earnings totalled FIM 65.3 million (FIM 114.7 million). The Group's direct taxes and nominal tax liability totalled FIM 13.2 million (FIM 18.4 million).

Key figures covering 5 years of the Group's operations and the related calculation principles are shown in this annual report.

Net Sales by Division

	1996	1995	Change %	Change FIM
Electronics	614.0	567.1	+ 8.3	46.9
Chemicals	301.7	313.3	– 3.7	– 11.6
Shipping	162.0	152.6	+ 6.2	9.4
Other operations	32.0	26.1	+ 22.6	5.9
Total	1,109.7	1,059.1	+ 4.8	50.6

Operating Profit After Depreciation By Division

	1996	1995	Change %	Change FIM
Electronics	39.9	54.3	– 26.5	–14.4
Chemicals	12.5	18.8	– 33.5	– 6.3
Shipping	26.1	30.6	– 14.7	– 4.5
Other operations	3.3	13.7	– 75.9	–10.4
Total	81.8	117.4	– 30.3	–35.6

Investments and Finance

Group investments totalled FIM 8.1 million (FIM 306.3 million). Most of these investments consisted of Electronics programs aimed at technology replacement and development for Aspocomp pursuant to the division's long-term Electronics investment program. The remainder was aimed at the second phase of the Muuga terminal expansion project being carried out by AS Sonmarin (Chemicals Division). We expect the terminal to be commissioned during during the second quarter of 1997.

The Group's financing situation was satisfactory throughout the year. Liabilities totalled FIM 618.2 million (FIM 704.6 million) as of the year end, including interest-free debt totalling FIM 223.8 million (FIM 247.2 million). Net financial costs declined to 1.5 % of net sales (1.9 %). Long-term net liabilities declined by FIM 61.5 million. The Group repaid liabilities totalling FIM 84.1 million during the year and took on new debt totalling FIM 22.6 million during the same period.

The Group's equity ratio, adjusted for the tax liability, rose to 47.3 % (43.0 %).

Structural Changes

During the year the Group's major restructuring program was brought to a conclusion with the integrations of the former parent company, Polttoaine Oy (formerly Polttoaine Osuuskunta) and the Aspo Group subsidiary PO-Suhi Oy into Aspo Group Ltd. The integration of the Aspo Group Ltd subsidiary, Polttoaine Oy, into Aspo Group Ltd which was approved at the Aspo Group Ltd Annual Shareholders' Meeting on March 28, 1996 was officially authorized by the Lower Court of Helsinki on September 3, 1996, one the merger was registered on November 29, 1996. The integration of PO-Suhi Oy was authorized on March 15, 1996.

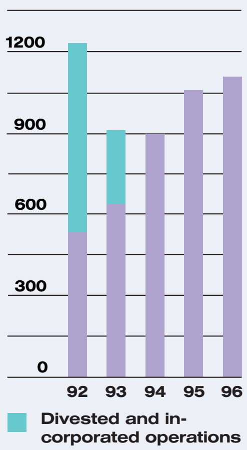
The arrangement authorized the management to increase the share capital of Aspo Group Ltd by FIM 1,054,600 by providing a total of 105,460 new shares to the Aspo Group Pension Fund, the only other owner of Polttoaine Oy, as merger compensation. In the aftermath of these operations, the cross-ownership within the Aspo Group was eliminated completely and the 285,553 Aspo Group shares held by Polttoaine Oy and PO-Suhi Oy were transferred to Aspo Group Ltd. In addition, Aspomec Oy was integrated into Aspocomp Oy on January 2, 1997, concentrating all component electronics activities into a single company, Aspocomp Oy.

The Group's holding in the Asva Oy affiliate remained steady at 42 %.

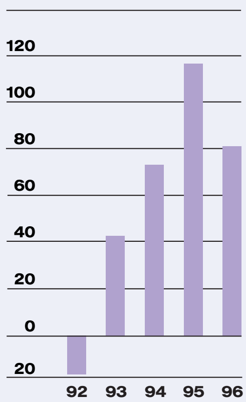
Investments by Division, FIM million

	1996	1995
Electronics	65.8	117.7
Chemicals	16.0	27.1
Shipping	1.5	156.9
Other operations	4.8	4.6
Total	88.1	306.3

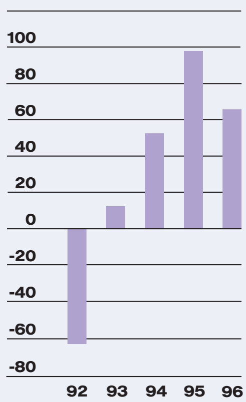
Net Sales, FIM million



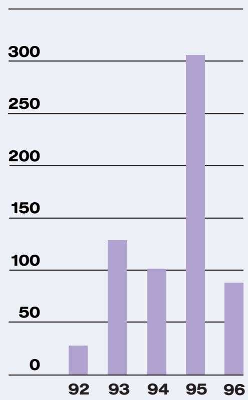
Operating Profit, FIM million



Profit Before Extraordinary Items and Taxes, FIM million



Investments, FIM million



Equity

The share capital of Aspo Group Ltd totalled FIM 45,836,050 on December 31, 1996 and comprised 4,583,605 shares with a face value of FIM 10 each.

In accordance with the terms contained in the merger agreement, the share capital was increased by FIM 1,054,600 as merger compensation to the Aspo Group Pension Fund. The increase was registered on November 29, 1996. During the year convertible bonds worth FIM 313,740 were converted into equity. Aspo Group Ltd repurchased FIM 117,000 (face value) worth of convertible bonds during the period under review in accordance with the terms contained in the convertible bond agreements. A total of FIM 9,690,000 in convertible bonds remained outstanding at the end of the period. The conversion of these bonds would allow for a maximum increase in share capital of FIM 872,100 which correspond to 1.9 % of the Group's share capital and voting rights as of December 31, 1996. The conversion period extends from May 2, 1996 to May 2, 2000. The Aspo Group subsidiary, ACT Oy was in possession of FIM 4,000,000 worth of convertible bonds as of the year end.

New bond-related shares entitle the holders to full dividend rights for the fiscal year 1996. New shares issued as merger compensation entitle holders to dividends from 1997 on.

During the fiscal year 1996 a total of 2,130,125 Aspo Group Ltd shares with a value of FIM 334 million changed hands. According to the official share register there was a total of 111,583 (2.4 %) nominee registered shares at the year end. The Group's share price averaged FIM 156.82 during the year, reaching a high of FIM 193 and a low of FIM 126 during the period under review.The high for December 31, 1996 was FIM 190. The average share price for December 31, 1996 was FIM 187.48.

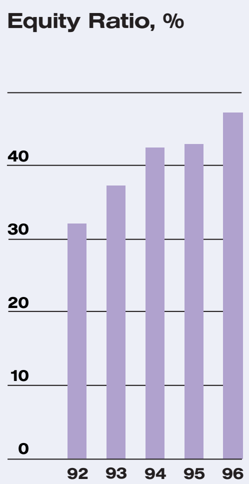
As of the year end the Board was not authorized to raise the Group's share capital or issue convertible bonds or options.

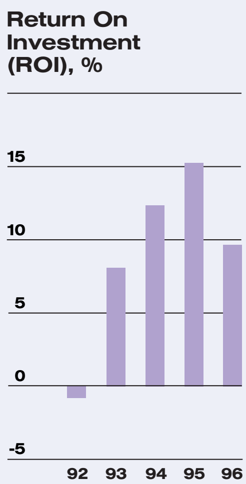
Following the integration of Polttoaine Oy and Po-Suhi Oy into Aspogroup Ltd, the Group was in possession of 285,553 distributable Aspo Group Ltd shares formerly held by these entities whose book value has been written off in the parent company's and the Group's accounts.

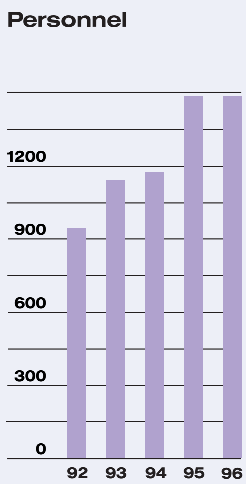
Changes in share capital, equity-related key figures, distribution of share ownership and management share ownership are shown separately in this annual report.

Taxation

The Helsinki tax auditors have applied for a change in the 1994 taxation of Aspo Group Ltd and Polttoaine Oy (formerly Polttoaine Osuuskunta).The application refers to the merger of Aspo Oy and Oy Troili Ab (currently Aspo Group Ltd) and the compensation values used in the integration and swapping procedures. These measures were part of an overall program aimed at clarifying the Group structure and eliminating cross-ownership. The tax authorities' demands include the recognition of FIM 123 million in







alleged hidden dividends as income for Polttoaine Oy with a corresponding sum to be recognized as income for Aspo Group Ltd. The demand could generate FIM 60-80 million in back taxes if upheld by the courts. Aspo Group Ltd and Polttoaine Oy have disputed the allegations made by the Helsinki tax authorities on the basis. Of expert testi-nonyas being without any legal foundation and in conflict with prevailing merger principles.The case is now in litigation.

Personnel

The Group's personnel totalled 1,482 at the year end (1,482) and averaged 1,512 from January 1 to December 31, 1996 (1,354). Salaries paid to personnel totalled FIM 208.6 million (FIM 180.4 million), including FIM 115.0 million in production wages and FIM 6.3 million (FIM 6.2 million) in salaries paid to Group company executives. Bonuses totalled FIM 0.4 million.

The parent company paid salaries totalling FIM 8.2 million (FIM 7.7 million), comprising salaries paid to the Board, Managing Director and Deputy Managing Director totalling FIM 2.2 million (FIM 1.9 million), including bonuses of FIM 0.2 million. The parent company's personnel totalled 25 (27) at the year end and averaged 26 (28) during the year.

As of the year end there were a total of 180 persons (189 persons) receiving benefits through the Aspo Group pension fund. The fund paid out pension and burial benefits totalling FIM 1.7 million (FIM 1.6 million) during the year. The total assets of the pension fund at current market value cover the total amount of pension liabilities outstanding.

Personnel by Division

	1996	1995
Electronics	1,165	1,194
Chemicals	114	113
Shipping	134	111
Others	69	64
Total	1,482	1,482

Environment

During the year the Group initiated a program aimed at developing ecologically sensitive business policies within the Group and its spheres of influence. Aspo Group Ltd signed the International Chamber of Commerce Business Charter which requires charter members to make a serious commitment to improving their environmental performance. Aspo has already begun this process by launching a program to create a binding environmental policy for the Group. The policies will function as a set of guidelines for the individual environmental policies and programs of Group companies and business units.

Board and Auditors

During the year under review the Aspo Group Ltd Board of Directors consisted of H.B. Nyberg (Chairman), A.E. Vehmas (Deputy Chairman), Aspo Group Ltd President Teuvo Juuvinmaa (member), Investment Director Pirkko Alitalo (member) Yrjö Toivola (member until March 28, 1996), and Managing Director Jorma Eloranta (member as of March 28, 1996).

The Authorized Public Accountant Tauno Haataja and the authorized public accounting firm of SVH Coopers & Lybrand Oy have served as the company's auditors during the year under review.

Prospects For 1997

The performance of the Electronics Division is expected to follow the general trend of the industry. We therefore expect growth in the face of increasing demand and efficient overall capacity utilization. However, increasing price competition may have a negative impact on Electronics earnings and forecasting must have a short-term horizon because of the volatility of this sector. The financial performance of Chemicals will depend on developments in Russia and chemical prices in Finland. Prospects for the the Shipping Division look reasonably good and changes in the energy policies on the Finnish market, which could increase coal consumption in Finland would improve the division's capacity utilization. For these reasons, the Group's net sales and financial performance are expected to improve in 1997.

CONSOLIDATED INCOME STATEMENT

	1.1.-31.12.1996 1000 FIM	1.1.-31.12.1995 1000 FIM	Note
Net Sales	**1,109,727**	1,059,112	1
Change in finished goods inventory	**-271**	7,697	
Share in affiliate profits	**16,406**	25,682	
Other operating income	**14,311**	13,175	
Expenses			
Materials, supplies and goods:			
Purchases during the financial period	**-472,902**	-482,474	
Change in inventories	**-8,445**	18,975	
External services	**-32,058**	-33,373	
Personnel expenses	**-245,325**	-228,528	2
Rent	**-33,038**	-24,443	
Other costs and expenses	**-160,323**	-151,905	
Total	**-952,091**	-901,748	
Operating Profit Before Depreciation	**188,082**	203,918	
Depreciation			3
On fixed and other long-lived assets	**-104,814**	-85,139	
On goodwill	**-1,419**	-1,416	
Operating Profit After Depreciation	**81,849**	117,363	
Financial Income and Expenses			4
Dividend income	**23**	49	
Short-term investment income	**3,220**	5,806	
Other financial income	**235**	396	
Exchange rate gains	**7,742**	9,850	
Interest expenses	**-20,426**	-21,691	
Other financial expenses	**-2,504**	-2,527	
Exchange rate losses	**-4,641**	-11,670	
Total	**-16,351**	-19,787	
Profit Before Extraordinary Items and Taxes	**65,498**	97,576	
Extraordinary Income and Expenses			5
Extraordinary income	**471**	18,165	
Extraordinary expenses	**-632**	-1,022	
Total	**-161**	17,143	
Profit Before Taxes	**65,337**	114,719	
Direct Taxes			
Current fiscal year	**-10,680**	-7,834	
Brought forward	**499**	153	
Change in nominal tax liability	**-3,069**	-10,706	
Profit Before Minority Interest	**52,087**	96,332	
Minority Interest	**-1,910**	-1,939	
Group Profit for the Year	**50,177**	94,393	

CONSOLIDATED BALANCE SHEET

ASSETS	31.12.1996 1000 FIM	31.12.1995 1000 FIM	Note
FIXED AND OTHER LONG-LIVED ASSETS			
Intangible Assets			7
Intangible rights	**6,714**	5,731	
Goodwill	**5,587**	8,192	
Group goodwill	**4,945**	6,363	
Other long-lived assets	**10,295**	9,875	
Advances	**71**		
	27,612	30,161	
Tangible Assets			7
Land and water	**12,777**	12,957	
Buildings and structures	**214,515**	219,645	
Vessels	**288,908**	319,531	
Machinery and equipment	**190,176**	183,365	
Other tangible assets	**13,718**	14,988	
Advances and fixed assets under construction	**17,925**	4,886	
	738,019	755,372	
Financial Assets			6
Affiliate shares	**81,450**	72,644	
Shares and holdings	**3,790**	3,763	
	85,240	76,407	
Total	**850,871**	861,940	
INVENTORIES AND FINANCIAL ASSETS			9
Inventories			
Raw materials and supplies	**61,822**	68,874	
Work in progress	**22,034**	23,049	
Other inventories	**10,880**	11,660	
Advances	**138**	452	
	94,874	104,035	
Receivables			
Accounts receivable	**141,048**	127,185	
Loans receivable	**1,223**	4,376	
Deferred receivables	**12,653**	12,898	
Other receivables	**333**	1,103	
	155,257	145,563	
Investments			
Marketable securities	**55,396**	107,460	
Cash and Bank Deposits	**14,956**	9,331	
	1,171,354	1,228,329	

CONSOLIDATED BALANCE SHEET

LIABILITIES AND SHAREHOLDERS' EQUITY	31.12.1996 1000 FIM	31.12.1995 1000 FIM	Note
EQUITY			11
Restricted Equity			
Share capital	**45,836**	44,468	
Share issue		16	
Contingency fund	**73,250**	50,912	
Construction fund	**150**	150	
	119,236	95,546	
Unrestricted Equity			
Retained earnings	**371,805**	308,657	
Profit for the year	**50,177**	94,393	
	421,982	403,050	
Total	**541,218**	498,596	
MINORITY INTEREST	**10,485**	24,180	
RESERVES			
Mandatory Reserves	**1,472**	972	12
LIABILITIES			13
Long-Term Liabilities			
Convertible bonds	**5,690**	9,113	
Loans from financial institutions	**232,404**	260,138	
Pension loans	**101,508**	107,661	
Nominal tax liability	**58,751**	55,682	
Other long-term liabilities		60	
	398,353	432,654	
Shor-Term Liabilities			
Loans from financial institutions	**48,646**	73,856	
Pension loans	**6,141**	6,545	
Advances	**5,529**	12,464	
Accounts payable	**74,212**	82,479	
Deferred payables	**82,152**	93,875	
Other short-term liabilities	**3,146**	2,708	
	219,826	271,927	
Total	**618,179**	704,581	
	1,171,354	1,228,329	

CONSOLIDATED CASH FLOW STATEMENT

	1996 1000 FIM	1995 1000 FIM
Operations		
Income from operations		
Operating profit before depreciation	**188,082**	203,918
Gains on sale of fixed assets	**-1,199**	-3,113
Share in affiliate profits	**-16,406**	-25,681
Financial income and expenditure	**-8,752**	-15,587
Extraordinary items	**-531**	18,164
Direct taxes	**-10,180**	-18,387
	151,014	159,314
Change in Working Capital		
Increase/decrease in inventories	**9,161**	-26,558
Increase in short-term receivables	**-9,694**	-3,575
Decrease/increase in interest-free short-term liabilities	**-26,487**	10,944
	-27,020	-19,189
Total cash flow from operations	**123,994**	140,125
Investments		
Fixed asset investments	**88,140**	306,320
Gains on sale of fixed assets	**2,133**	33,600
	-86,007	-272,720
Cash flow before financial items	**37,987**	-132,595
Financial Items		
Increase in long-term liabilities	**22,596**	185,858
Decrease in short-term liabilities	**-84,068**	-62,791
Dividends	**-26,276**	-13,822
Share issue	**3,322**	24,484
Other financial items		5,978
	-84,426	139,707
Decrease/increase in liquid funds	**-46,439**	7,112
Decrease/increase in liquid funds in the consolidated balance sheet	**-46,439**	7,112

PARENT COMPANY INCOME STATEMENT

	1.1.-31.12.1996 1000 FIM	1.1.-31.12.1995 1000 FIM	Note
Net Sales		2,279	1
Other operating income	**13,988**	9,931	
Expenses			
Materials, supplies and goods:			
Decrease in inventories		2,035	
Personnel expenses	**9,068**	9,388	2
Rent	**4,349**	2,670	
Other costs and expenses	**8,165**	5,334	
Total	**21,582**	19,427	
Operating Loss Before Depreciation	**-7,594**	-7,217	
Depreciation on Fixed and Other Long-Lived Assets	**6,944**	6,965	3
Loss After Depreciation	**-14,538**	-14,182	
Financial Income and Expenses			4
Dividend income	**23,484**	36,729	
Other interest income	**5,390**	6,855	
Corporate tax refund	**7,828**	12,243	
Other financial income	**539**	554	
Exchange rate gains	**698**	798	
Interest expenses	**-16,657**	-20,936	
Other financial expenses	**-783**	-866	
Exchange rate losses	**-254**	-1,109	
Total	**20,245**	34,268	
Profit Before Extraordinary Items, Reserves and Taxes	**5,707**	20,086	
Extraordinary Income and Expenses			5
Extraordinary income	**151,162**	66,819	
Extraordinary expenses	**-1,831**	-1,759	
Total	**149,331**	65,060	
Profit Before Reserves and Taxes	**155,038**	85,146	
Change in Accumulated Depreciation	**6,649**	5,369	
Direct Taxes			
Current fiscal year	**-13,990**	-13,700	
Brought forward (Previous year?)	**504**	159	
Profit for the Year	**148,201**	76,974	

PARENT COMPANY BALANCE SHEET

ASSETS	31.12.1996 1000 FIM	31.12.1995 1000 FIM	Note
FIXED AND OTHER LONG-LIVED ASSETS			
Intangible Assets			7
Intangible rights	**820**	855	
Other long-lived assets	**47**	57	
	867	912	
Tangible Assets			7
Land and water	**5,019**	3,694	
Buildings and structures	**101,982**	105,580	
Machinery and equipment	**2,629**	3,190	
Other tangible assets	**2,304**	1,628	
	111,934	114,092	
Financial Assets			
Shares and holdings	**217,923**	237,436	6
Total	**330,724**	352,440	
INVENTORIES AND FINANCIAL ASSETS			9
Receivables			
Accounts receivable	**56**	127	
Loans receivable	**89,556**	88,360	
Deferred receivables	**107,312**	71,892	
	196,924	160,379	
Investments			
Marketable securities	**14,000**	61,695	
Cash and Bank Deposits	**45**	28	
	541,693	574,542	

PARENT COMPANY BALANCE SHEET

LIABILITIES AND SHAREHOLDERS' EQUITY	31.12.1996 1000 FIM	31.12.1995 1000 FIM	Note
EQUITY			11
Restricted Equity			
Share capital	**45,836**	44,468	
Share issue		16	
Contingency fund	**73,250**	57,936	
	119,086	102,420	
Unrestricted Equity			
Retained earnings	**69,924**	19,641	
Profit for the year	**148,201**	76,974	
	218,125	96,615	
Total	**337,211**	199,035	
RESERVES			
Accumulated Depreciation in Excess of Plan	**41,162**	22,485	
Voluntary Reserves			
Other reserves	**14,000**	14,000	
LIABILITIES			12
Long-Term Liabilities			
Convertible bonds	**9,690**	13,113	
Loans from financial institutions	**8,883**	3,018	
Pension loans	**58,285**	53,789	
Other long-term liabilities		194,078	
	76,858	263,998	
Short-Term Liabilities			
Loans from financial institutions	**3,473**	16,795	
Pension loans	**2,893**	3,110	
Accounts payable	**306**	858	
Deferred payables	**21,592**	23,895	
Other short-term liabilities	**44,198**	30,366	
	72,462	75,024	
Total	**149,320**	339,022	
	541,693	574,542	

PARENT COMPANY CASH FLOW STATEMENT

	1996 1000 FIM	1995 1000 FIM
Operations		
Income from operations		
Operating profit before depreciation	**-7,594**	-7,217
Gains on sale of fixed assets	**-54**	-1,891
Financial income and expenditure	**20,245**	34,268
Extraordinary items	**37,637**	65,059
Direct taxes	**-13,486**	-13,541
	36,748	76,678
Change in Working Capital		
Decrease in inventories		2,035
Increase/decrease in short-term receivables	**-14,864**	763
Increase/decrease in interest-free short-term liabilities	**8,118**	-53,818
	-6,746	-51,020
Total cash flow from operations	**30,002**	25,658
Investments		
Fixed asset investments	**1,443**	8,860
Gains on sale of fixed assets	**14,503**	5,856
	13,060	-3,004
Cash flow before financial items	**43,062**	22,654
Financial Items		
Increase in long-term receivables	**-43,812**	-33,372
Decrease in long-term liabilities	**-23,328**	-18,755
Increase in short-term liabilities		13,113
Dividends	**-26,690**	-12,647
Share issue	**3,322**	27,715
Other financial items	**-232**	-52
	-90,740	-23,998
Decrease in liquid funds	**-47,678**	-1,344
Decrease in liquid funds in the balance sheet	**-47,678**	-1,344

ACOUNTING PRINCIPLES

Consolidation Principles

The Group financial statements include the parent company and all operating subsidiaries in which the parent company has directly or indirectly at least a 50 % holding either through share ownership or voting rights. Integrated companies are included in the Group income statement at the point of transfer. Net sales are presented so that in accordance with EU Directive 4, Article 28. Consequently, discounts paid and value added taxes have been recorded under adjustments.

The internal transactions of Group companies, internal receivables, payables, profit distributions and internal margins contained in inventories have been eliminated. Margins and gains on the sale of fixed assets within the Group have also been eliminated.

The effect of internal share ownership has been eliminated in the Group financial statements using the acquisition method. Subsidiary acquisition costs have been matched at the point of acquisition against shareholders' equity. Any sums in excess of shareholders' equity appear in the Group balance sheet as goodwill. In the Group income statement goodwill is amortized using 10 % straight-line depreciation. Gains on the merger of Polttoaine Oy have been applice to the previous year's profit. The book value of the parent company shares transferred in the merger has been eliminated from the merger gains.

The Balance Sheets of foreign subsidiaries have been converted into Finnmarks at the Bank of Finland's official year end average exchange rate. While income statements have been converted using the average rate for the entire year. Discrepancies between historical subsidiary equity values and year end equity values have been carried under Group unrestricted equity. Minority holdings which have been separated from the Group's equity, after-tax liability voluntary reserves, excess depreciation and earnings, are presented as a separate item.

Affiliate Figures

The figures of the Group affiliate, Asva Oy, have been absorbed using the equity value method. A share in earnings consistent with the Group's shareholding in the affiliate has been recorded in the upper section of the Group income statement under Other Income. Equity value figures include reserves net of the hidden tax liabilities they contain.

Dividends received have been eliminated from the income for the fiscal year and from the acquisition cost of the shares. Tax refunds have been deducted from the Group's direct taxes.

Foreign Denominated Items

Liabilities and receivables denominated in foreign currencies have been recorded at the Bank of Finland's average exchange rate. Foreign denominated advances have been recorded using the rate on the date of transaction. All exchange rate gains and losses have been charged to the income statements.

Inventories

Inventories have been valued on the basis of their immediate acquisition cost or a lower resale or probable sale price. Finished and semi-finished goods inventories have been valued in accordance with their variable production costs.

Planned depreciation is calculated throughout the Group consistently on the basis of the economic lifetime of fixed assets and using the straight-line method from the date of acquisition.

Planned depreciation periods are as follows:

Intangible assets	5 years
Other long-lived assets	5-10 years
Buildings and structures	20-30 years
Vessels	16-20 years
Machinery and equipment	4-8 years
Other tangible assets	5-40 years

Research and development costs are written off in one year.

Pension Schemes

The Group has arranged pension insurance for its personnel. The voluntary pension funds of some Group companies have been set up within the Aspo Group Pension Fund which was shut down in 1992. The prevailing market value of the pension fund's assets covers its entire pension liability.

Taxes and Tax Liabilities

Tax refunds related to the group´s internal disribution of profits have been deduced from the group tax liabilities.
A nominal tax liability figure has been separated from the voluntary reserves and excess depreciation which matches the corporate tax rate.

NOTES TO THE FINANCIAL STATEMENTS

1. NET SALES BY SECTOR AND MARKET AREA

	Group 1996 1000 FIM	1995 1000 FIM	Parent 1996 1000 FIM	1995 1000 FIM
Net sales by sector				
Electronics	**613,963**	567,140		
Chemicals	**301,750**	313,309		
Shipping	**162,007**	152,580		
Machine tool technology	**32,007**	23,821		
Securities trading		2,267		2,279
Other		-5		
	1,109,727	1,059,112		2,279
Net sales by market area				
Finland	**901,999**	910,454		2,279
Other Nordic countries	**77,353**	51,312		
Other Europe	**115,022**	89,890		
USA, Canada	**2,708**	1,192		
Other	**12,645**	6,264		
	1,109,727	1,059,112		2,279

2. PERSONNEL COSTS

	Group 1996 1000 FIM	1995 1000 FIM	Parent 1996 1000 FIM	1995 1000 FIM
Personnel costs and benefits				
Salaries and wages	**199,766**	182,435	**6,903**	7,272
Pension costs	**26,732**	25,974	**1,136**	1,104
Other personnel costs	**18,827**	20,119	**1,029**	1,012
	245,325	228,528	**9,068**	9,388
Benefits	**4,073**	3,691	**441**	466
Total	**249,398**	232,219	**9,509**	9,854

3. DEPRECIATION

	Group 1996 1000 FIM	1995 1000 FIM	Parent 1996 1000 FIM	1995 1000 FIM
Planned depreciation				
Intangible assets	**1,116**	1,170	**76**	95
Goodwill	**2,507**	2,219		
Other long-lived assets	**1,730**	1,295	**10**	10
Buildings and structures	**12,643**	14,475	**5,477**	5,428
Vessels	**31,484**	23,599		
Machinery and equipment	**53,449**	40,470	**1,078**	1,158
Other tangible assets	**1,885**	1,910	**302**	274
Total	**104,814**	85,138	**6,943**	6,965
Group goodwill	**1,419**	1,416		
Changes in excess depreciation:				
Intangible assets	**-47**	-1	**-16**	-28
Goodwill		106		
Other long-lived assets	**-13**	-127		
Buildings and structures	**-1,735**	301	**-2,277**	-2,094
Vessels	**13,982**	10,622		
Machinery and equipment	**-237**	16,193	**-339**	-768
Other tangible assets	**-157**	-160	**-1**	-28
	11,793	26,934	**-2,633**	-2,918
Depreciation in excess of plan:				
Gains on disposals	**-701**	-4,067	**-4,016**	-2,451
Total	**11,092**	22,867	**-6,649**	-5,369

4. GROUP INTERNAL FINANCIAL INCOME AND EXPENSES

	Parent 1996 1000 FIM	1995 1000 FIM
Financial income from Group companies		
Dividend income	**15,831**	32,480
Interest income from short-term investments	**4,366**	4,007
Commissions from guarantees	**539**	554
Financial expenses to Group companies		
Interest expenses	**11,904**	14,785
Commissions from guarantees	**378**	443

5. EXTRAORDINARY INCOME AND EXPENSES

	Group 1996 1000 FIM	1995 1000 FIM	Parent 1996 1000 FIM	1995 1000 FIM
Extraordinary income				
Group transfers			**37,490**	53,100
Gains from mergers		43	**113,525**	
Gains from subscription premiums		3,466		
Gains from litigation decisions		12,611		12,611
Other gains	**471**	2,044	**147**	1,108
Total	**471**	18,164	**151,162**	66,819
Extraordinary expenses				
Losses from mergers		8	**1,759**	1,609
Losses on shares sold		20		
Donations	**56**	347		150
Other	**576**	647	**72**	
Total	**632**	1,022	**1,831**	1,759

6. GROUP AND PARENT COMPANY SHARES AND HOLDINGS

Group Companies	Group Interest %	Group Voting Rights %	Group Share in Equity, FIM 1000	Parent Company Interest, %	Parent Shares and Holdings Number of Shares	Face Value FIM 1000	Book Value FIM 1000	Latest Profit/Loss FIM 1000
ACT Oy, Helsinki	100.00	100.00	162	100.00	50	50	303	63
Kiint. Oy Alpinus, Kuusamo	100.00	100.00	144	100.00	450	45	315	-2
Aspocomp Oy, Helsinki	100.00	100.00	60,547	100.00	25,000	25,000	59,950	197
Aspokem Ltd, Helsinki	100.00	100.00	30,028	100.00	6,000	6,000	30,007	2
Aspomec Oy, Nurmijärvi	100.00	100.00	3,661	100.00	1,000	1,000	3,500	29
ESL Shipping Oy, Helsinki	92.91	92.91	48,168	92.91	8,362	8,362	25,983	9,597
Aspo Systems Oy, Porvoon mlk.	100.00	100.00	5,559	100.00	1,000	3,500	10,353	-81
Sonmarin Oy, Helsinki	100.00	100.00	37,774	100.00	6,000	6,000	37,397	367
Kiint. Oy Tietokartano, Tampere	79.00	79.00	4,698	79.00	395	790	5,642	-9
Toolsystem Oy, Hyvinkää	90.91	90.91	3,806	90.91	3,000	3,000	6,151	65
Kiint. Oy Olarinluoma 12, Espoo	100.00	100.00	54	100.00	9	9	2,997	20
Aspo Elektronik GmbH, Germany*)	100.00	100.00		100.00		DEM 100	243	
Oy Bomanship Ab, Helsinki	100.00	100.00	221					135
O.Y. Näppärä, Helsinki	100.00	100.00	228					
Kiint. Oy Hyvinkään Varikko, Hyvinkää	100.00	100.00	4,729					-5
Aspocomp Ab, Sweden	100.00	100.00	101					-48
AS Sonmarin, Tallinn, Estonia	100.00	100.00	6,263					258
AS Sonmarin-Sadama, Tallinn, Estonia	100.00	100.00	150					
Kiint. Oy Yrittäjäntie 6, Porvoon mlk.	100.00	100.00	80					
Aspokem Baltic Ltd, Tallinn, Estonia	100.00	100.00	314					-5
Total							182,841	

Affiliates	Group Interest %	Group Voting Rights %	Group Share in Equity, FIM 1000	Parent Company Interest, %	Parent Shares and Holdings Number of shares	Face Value FIM 1000	Book Value FIM 1000	Latest Profit/Loss for the Year, FIM 1000	Closing Date	Financial Period mos. months
Asva Oy, Helsinki	42.00	42.00	74,631	42.00	1,617	16,170	32,340	34,529	31.12.1996	12
Kiint. Oy Hiihtäjäntie 2,*) Helsinki	50.00	50.00	126	50.00	115	115	153	4	31.12.1996	12
Total							32,493			

Aspo Group Ltd shares held by the Parent Company	Number	Face Value FIM 1000	Book Value FIM 1000
Aspo Group Ltd, Helsinki	285,553	2,856	0

Other Parent Company Shares and Holdings	Interest %	Number	Face Value FIM	Book Value FIM
Helsingin Puhelinyhdistys		179		491
Other shares and holdings				2,098
Total				2,589

*) not included in consolidated financial statements

7. TANGIBLE AND INTANGIBLE ASSETS

	Group		Parent	
	1996	1995	**1996**	1995
	1000 FIM	1000 FIM	**1000 FIM**	1000 FIM
Intangible assets				
Acquisition cost, Jan. 1	**11,908**	11,439	**1,897**	1,913
Increases, Jan. 1 - Dec. 31	**1,612**	1,146	**386**	2
Decreases, Jan. 1 - Dec. 31	**1,225**	677	**344**	18
Acquisition cost, December 31	**12,295**	11,908	**1,939**	1,897
Accumulated planned depreciation, Dec. 31	**5,581**	6,177	**1,119**	1,042
Book value, December 31	**6,714**	5,731	**820**	855
Accumulated depreciation in excess of plan, Jan. 1	**499**	513	**131**	159
Increases, Jan. 1- Dec. 31	**14**			
Decreases, Jan. 1 - Dec. 31		14	**16**	28
Accumulated depreciation in excess of plan, December 31	**513**	499	**115**	131
Goodwill				
Acquisition cost, Jan. 1	**12,061**	8,894		
Increases, Jan. 1 - Dec. 31		3,167		
Acquisition cost, December 31	**12,061**	12,061		
Accumulated planned depreciation, Dec. 31	**6,474**	3,869		
Book value, December 31	**5,587**	8,192		
Accumulated depreciation in excess of plan, Jan. 1	**1,572**	1,467		
Increases, Jan. 1 - Dec. 31		105		
Accumulated depreciation in excess of plan, December 31	**1,572**	1,572		
Group Goodwill				
Acquisition cost, Jan. 1	**16,355**	16,112		
Increases, Jan. 1 - Dec. 31		245		
Decreases, Jan. 1 - Dec. 31		2		
Acquisition cost, December 31	**16,355**	16,355		
Accumulated planned depreciation, Dec. 31	**11,410**	9,992		
Book value, December 31	**4,945**	6,363		

	Group 1996 1000 FIM	1995 1000 FIM	Parent 1996 1000 FIM	1995 1000 FIM
Other long-lived assets				
Acquisition cost, Jan. 1	**16,343**	11,644	**1,554**	1,554
Increases, Jan. 1 - Dec. 31	**2,673**	4,699		
Decreases, Jan. 1 - Dec. 31	**525**			
Acquisition cost, December 31	**18,491**	16,343	**1,554**	1,554
Accumulated planned depreciation, Dec. 31	**8,196**	6,469	**1,507**	1,497
Book value, December 31	**10,295**	9,874	**47**	57
Accumulated depreciation in excess of plan, Jan. 1	**945**	1,071	**18**	18
Decreases, Jan. 1 - Dec. 31	**66**	126		
Accumulated depreciation in excess of plan, December 31	**879**	945	**18**	18
Buildings and structures				
Acquisition cost, Jan. 1	**277,907**	273,643	**155,817**	161,686
Increases, Jan. 1 - Dec. 31	**7,864**	10,365	**21,064**	177
Decreases, Jan. 1 - Dec. 31	**2,191**	6,101	**17,997**	6,046
Acquisition cost, December 31	**283,580**	277,907	**158,884**	155,817
Accumulated planned depreciation, Dec. 31	**69,065**	58,262	**56,902**	50,237
Book value, December 31	**214,515**	219,645	**101,982**	105,580
Accumulated depreciation in excess of plan, Jan. 1	**46,966**	49,338	**19,584**	24,340
Increases, Jan. 1 - Dec. 31	**410**		**19,332**	
Decreases, Jan. 1 - Dec. 31		2,372		4,756
Accumulated depreciation in excess of plan, December 31	**47,376**	46,966	**38,916**	19,584
Vessels				
Acquisition cost, Jan. 1	**552,990**	379,265		
Increases, Jan. 1 - Dec. 31	**861**	173,725		
Acquisition cost, December 31	**553,851**	552,990		
Accumulated planned depreciation, Dec. 31	**264,943**	233,459		
Book value, December 31	**288,908**	319,531		
Accumulated depreciation in excess of plan, Jan. 1	**87,982**	77,360		
Increases, Jan. 1 - Dec. 31	**13,983**	10,622		
Accumulated depreciation in excess of plan, December 31	**101,965**	87,982		

	Group 1996 1000 FIM	1995 1000 FIM	Parent 1996 1000 FIM	1995 1000 FIM
Machinery and equipment				
Acquisition cost, Jan. 1	**312,837**	210,491	**21,155**	20,989
Increases, Jan. 1 - Dec. 31	**61,608**	130,444	**3,043**	2,112
Decreases, Jan. 1 - Dec. 31	**20,087**	28,098	**3,641**	1,946
Acquisition cost, December 31	**354,358**	312,837	**20,557**	21,155
Accumulated planned depreciation, Dec. 31	**164,182**	129,472	**17,928**	17,965
Book value, December 31	**190,176**	183,365	**2,629**	3,190
Accumulated depreciation in excess of plan, Jan. 1	**40,047**	25,160	**2,266**	2,747
Increases, Jan. 1	**556**	14,887		
Decreases, Jan. 1 - Dec. 31			**663**	481
Accumulated depreciation in excess of plan, December 31	**40,603**	40,047	**1,603**	2,266
Book value, December 31 Share of machinery and equipment	**171,546**	149,189	**1,324**	1,333
Other tangible assets				
Acquisition cost, Jan. 1	**20,295**	18,056	**5,403**	5,966
Increases, Jan. 1 - Dec. 31	**615**	3,194	**1,364**	392
Decreases, Jan. 1 - Dec. 31	**568**	955	**97**	955
Acquisition cost, December 31	**20,342**	20,295	**6,670**	5,403
Accumulated planned depreciation, Dec. 31	**6,624**	5,307	**4,366**	3,775
Book value, December 31	**13,718**	14,988	**2,304**	1,628
Accumulated depreciation in excess of plan, Jan. 1	**350**	585	**485**	589
Increases, Jan. 1- Dec. 31	**379**		**25**	
Decreases, Jan. 1 - Dec. 31		235		104
Accumulated depreciation in excess of plan, December 31	**729**	350	**510**	485

8. FIXED ASSET TAX VALUES

Tax values	Group 1996 1000 FIM	1995 1000 FIM	Parent 1996 1000 FIM	1995 1000 FIM
Land	**6,833**	7,233	**3,329**	3,360
Buildings	**107,159**	120,128	**73,432**	74,985
Shares and holdings	**176,222**	251,810	**160,619**	203,894

If no tax value is available the asset has been assigned its book value.

9. INVENTORIES AND FINANCIAL ASSETS

Receivables due after one year or later:

	Group 1996 1000 FIM	1995 1000 FIM	Parent 1996 1000 FIM	1995 1000 FIM
Accounts receivable	**90**	99		
Loans receivable	**1,223**	290	**34,475**	34,361
Other receivables			**107,070**	71,080
Total	**1,313**	389	**141,545**	105,441

Receivables and debts/Group companies and affiliates

	1996 mk	1995 mk
Accounts receivable/Group companies		8
Accounts receivable/Affiliates	**56**	25
Loans receivable/Group companies	**88,623**	84,320
Accruals and deferred receivables/Group companies	**106,962**	71,080
Other long-term receivables/Group companies		198,078
Including compensation to Polttoaine Oy	**1**	
Short-term receivables/Group companies		194,078
Accruals and deferred liabilities/Group companies	**9,732**	9,500
Other short-term debt/Group companies	**41,228**	21,409

10. EXECUTIVE PENSION LIABILITIES AND LOANS GRANTED TO EXECUTIVES OR SHAREHOLDERS

The President and Vice President of the parent company may retire at 58 and the President of ESL Shipping Oy may retire at 60 if they so choose.

No loans have been granted to management or shareholders.

11. EQUITY

	Group 1996 1000 FIM	1995 1000 FIM	Parent 1996 1000 FIM	1995 1000 FIM
Share capital, Jan. 1	**44,468**	12,647	**44,468**	12,647
Fund issue, April 6, 1995		25,295		25,295
New issue, June 2, 1995		6,324		6,324
Convertible bond registration	**314**	202	**314**	202
Pension fund equity conversion, November 29, 1996	**1,054**		**1,054**	
Share capital, Dec. 31.	**45,836**	44,468	**45,836**	44,468
Share issue, Jan. 1	**16**		**16**	
Convertible bond registration	**-16**	16	**-16**	16
Share issue, December 31		16		16
Contingency fund, Jan. 1	**50,912**	56,019	**57,936**	62,058
Fund issue, April 6, 1995		-25,295		-25,295
New issue, June 2, 1995		18,971		18,971
Convertible bond registration	**3,008**	2,202	**3,009**	2.,202
Change in subsidiary ownership		-985		
Pension fund equity conversion	**12,305**		**12,305**	
Elimination of cross-ownership	**7,025**			
Contingency fund, December 31	**73,250**	50,912	**73,250**	57,936
Construction fund, Jan.1	**150**	150		
Construction fund, Dec. 31	**150**	150		
Unrestricted equity. Jan. 1	**403,050**	320,255	**96,615**	32,288
Dividend payment	**-24,977**	-11,829	**-26,690**	-12,647
Conversion-related change in Subsidiary equity	**-189**	28		
Elimination of cross-ownership	**-7,024**			
Change in minority interest	**945**	203		
Net profit for the year	**50,177**	94,393	**148,201**	76,974
Unrestricted equity, December 31	**421,982**	403,050	**218,126**	96,615
Distributable funds in unrestricted equity	**266,994**	256,434	**218,126**	96,615

12. RESERVES

	Group 1996 1000 FIM	1995 1000 FIM	Parent 1996 1000 FIM	1995 1000 FIM
Voluntary Reserves				
Accumulated excess depreciation	**193,636**	182,544	**41,162**	22,485
Other reserves	**16,190**	16,321	**14,000**	14,000
	209,826	198,865	**55,162**	36,485
Nominal tax liability	**-58,752**	-55,682		
	151,074	143,183		
Minority interest in reserves	**-5,242**	-4,765		
Affiliate interest in reserves	**9,155**	8,198		
Voluntary reserves in unrestricted equity. December 31	**154,987**	146,616		
Mandatory Reserves				
Reserves against future warranty claims	**730**	505		
Other mandatory reserves	**742**	467		
	1,472	972		

13. LIABILITIES

Debts due for maturity after 5 years or longer	Group 1996 1000 FIM	1995 1000 FIM	Parent 1996 1000 FIM	1995 1000 FIM
Loans from financial institutions	**64,024**	93,298		
Pension loans	**81,273**	78,537	**48,602**	41,322
	145,297	171,835	**48,602**	41,322

A total of FIM 9,690,000 in unconverted options remained on the FIM 15,533,000 convertible bond principal placed with the Group's personnel between May 2 and 12, 1995 as of the year end, The bonds may be converted into shares up until the maturity date. Each FIM 1000 mark (face value) bond is convertible into nine Aspo Group Ltd shares.

14. CONTINGENT LIABILITIES

	Group 1996 1000 FIM	1995 1000 FIM	Parent 1996 1000 FIM	1995 1000 FIM
Securities and contingent liabilities				
Securities on Group liabilities				
Secured shares	**1**	153	**1**	1
Securities against company assets	**17,000**	25,000		
Securities against vessels	**272,828**	290,928		
Securities against land and buildings	**108,500**	139,400	**51,200**	64,100
Securities on Group company debts				
Securities against land and buildings			**4,000**	4,000
Guarantees			**124,271**	139,220
Securities on behalf of affiliates				
Guarantees	**87**	377	**87**	377
Securities on behalf of others				
Guarantees	**778**	1,914	**770**	1,873
Other contingent liabilities				
Leasing liabilities 1997	**10,268**	8,242	**65**	66
Leasing liabilities, 1998-	**23,516**	34,396		66
Repurchasing liabilities	**1,770**	3,620	**1,742**	3,569
Other liabilities			**20,202**	27,698
Property buy-out liabilities	**72,446**	72,672		
Total				
General securities	**1**	153	**1**	1
Securities against company assets	**17,000**	25,000		
Securities against vessels	**272,828**	290,928		
Securities against land and buildings	**108,500**	139,400	**55,200**	68,100
Guarantees	**865**	2,291	**125,128**	141,470
Other contingent liabilities	**35,554**	46,258	**22,009**	31,399
Property buy-out liabilities	**72,446**	72,672		
Open derivative contracts				
Forward exchange agreements	**3,637**	3,599	**3,637**	3,599
Pension liabilities and coverage				
Aspo Group Pension Fund pension liabilities				
Total pension liabilities	**29,857**	27,331	**19,581**	12,220
Pension liability coverage	**27,280**	26,756	**19,013**	10,831
Uncovered pension liabilities	**2,577**	575	**568**	1,389

Pension liabilities are fully covered if assets evaluated using current market value.

PROPOSAL OF THE BOARD FOR THE DISTRIBUTION OF PROFITS

The unrestricted equity of the Group totals FIM 421,981,673.38 according to the Group balance sheet. Of this sum, FIM 266,994,315.94 is distributable. The unrestricted equity of the parent company totals
FIM 218,125,647.85.

Total number of shares	4,583,605
– in possession of the parent company	285,553
– private placement to the pension fund merger compensation (entitled to dividends from 1997)	105,460
	4,192,592

The Board recommends that the earnings be distributed in the following manner:

– distribution of a dividend amounting to FIM 6 / share on 4,192,592 shares totalling	25,155,552.00 mk
– that a sum be held in retained earnings totalling	192,870,095,85 mk
– reserved for charitable purposes	100,000,00 mk
	218,125,647.85 mk

Helsinki, February 27, 1997

H.B. Nyberg	A.E. Vehmas	Pirkko Alitalo
Jorma Eloranta	Teuvo Juuvinmaa Chief Executive Officer	

AUDITORS' REPORT

We have reviewed the financial statements, accounting and administration of Aspo Group Ltd for the fiscal period January 1 - December 31, 1996. The financial report prepared by the Board and the CEO contains the Report of the Board as well as the Group and parent company financial statements and notes. Our audit is based upon the examination of the accounts and administration.

The principles, content and form of the accounts and financial statements have been audited in accordance with generally accepted auditing standards. The administrative audit covers the activities of the CEO and the members of the Board with respect to their conformance with Finnish law.

The annual report and financial statements have been prepared in international standards accordance with generally accepted Finnish accounting standards and legislation. The accounts, notes, verbal content and structure give an accurate and sufficient account of the Group and parent company financial performance.

It is our opinion that the accounts have been prepared in accordance with legal and professional resurements. We recommend that the financial reports and statements be adopted and that the CEO and Board be released from liability for the fiscal period covered under this audit.

The proposal of the Board regarding the distribution of the company's earnings is in keeping with current corporate legislation.

We have also reviewed the interim reports published during the fiscal year. In our opinion they have been prepared in accordance with the required procedures and regulations.

Helsinki March 5, 1997

SVH Coopers & Lybrand Oy,
Authorized Public Accountants

Tauno Haataja APA	Ilkka Haarlaa APA

ASPO GROUP KEY FIGURES

The 1992 and 1993 Group key figures are based on a retroactively prepared financial report prepared in accordance with the official financial statements of Group companies. The reports have been prepared in accordance with post-restructuring conditions.

ASPO GROUP FINANCIAL PERFORMANCE AND KEY FIGURES 1992-1996

	1996	1995	1994	1993	1992
Net sales, MFIM	1,109.7	1.059.1	897.4	910.8	1,233.8
Operating profit before depreciation, MFIM	188.1	203.9	150.0	116.5	68.4
Share of net sales, %	16.9	19.3	16.7	12.8	5.5
Operating profit after depreciation, MFIM	81.8	117.4	73.8	43.2	-18.3
Share of net sales, %	7.4	11.1	8.2	4.7	-1.5
Profit before extraordinary items and taxes, MFIM	65.5	97.6	52.4	12.1	-61.2
Share of net sales, %	5.9	9.2	5.8	1.3	-5.0
Profit before taxes, MFIM	65.3	114.7	57.2	40.5	-82.2
Share of net sales, %	5.9	10.8	6.4	4.4	-6.7
Return on equity (ROE), %	9.7	16.9	10.0	3.0	-13.1
Return on investment (ROI), %	9.7	15.3	12.4	8.1	-0.8
Equity ratio, %	47.3	43.0	42.5	37.3	32.1
Equity ratio, net of tax liabilities, %	52.4	47.6	47.2	42.9	36.9
Gearing	58.7	65.1	75.7	94.2	118.4
Gross investments in fixed assets, MFIM	88.1	306.3	101.5	128.8	28.2
Share in net sales, %	7.9	28,9	11.3	14.1	2.3
Personnel, December 31	1,482	1,482	1,170	1,138	944
Personnel, average	1,512	1,354	1,146	990	928
Earnings/share (EPS), FIM	12.03	19.09	10.40	2.38	-11.51
Earnings per share (adjusted), FIM	11.87	18.86			
Equity/share, FIM	125.92	119.82	99.67	91.79	84.71
Nominal dividend/share, FIM	6.00*)	6.00	10.00		
Adjusted dividend/share, FIM			3.01		
Dividend/ earnings, %	49.9	31.4	28.9		
Effective dividend yield, %	3.2	3.7	2,9		
Price/earnings ratio (P/E)	15.6	8.5	10.1		
Share prices (adjusted)					
average, FIM	156.82	139.00			
low, FIM	126.00	107.00			
high, FIM	193.00	192.00			
Average share price, Dec. 31, FIM	187.48	163.00			
Market value of total shares outstanding, December 31, MFIM	805.8	678.3			
Share turnover 1000 each	2,130	1,714			
Share turnover %	47.6	51.2			
Total shares changing hands, FIM 1000	334,048	311,667			

Share-related key figures are calculated on the basis of shares outside the Group.

	1996	1995	1994	1993	1992
Adjusted number of shares, 1000 each					
total year end	4,584	4,447	4,202	3,870	3,870
outside the Group, year end	4,298	4,161	3,911	3,572	3,572
outside the Group, average	4,185	4,039	3,612	3,572	3,572
outside the Group, adjusted average	4,272	4,118			
Total adjusted average number of shares	4,471	4,330			

*) Proposal of the Board

CALCULATION OF KEY RATIOS

Return on Equity (ROE), %
Profit before extraordinary items and taxes - direct taxes x 100 /shareholders' equity + minority interest and excess depreciation net of nominal tax liability (average)

Return on Investment (ROI), %
Profit before extraordinary items and taxes + financial costs x 100 /balance sheet total - interest free liabilities (average)

Equity Ratio, %
Shareholders' equity + minority interest + voluntary reserves and excess depreciation net of nominal tax liability x 100 /balance sheat total - advances received.

Gearing
Interest bearing liabilities - liquid assets/shareholders equity + minority interest + voluntary reserves and excess depreciation net of nominal tax liability

Average Personnel
Average number of personnel as of the month end

Earnings Per Share (EPS), FIM
Profit before extraordinary items and taxes - direct taxes - minority interest / adjusted average number of shares outstanding for the period

Equity / Share, FIM
Shareholders' equity + voluntary reserves and excess depreciation net of nominal tax liability and minority interest / adjusted number of shares outstanding at the year end.
Adjusted dividend /share , FIM dividend paid in period / share issue multplier.

Dividend/Earnings, %
Adjusted dividend per share x 100 / earnings per share

Effective Dividend Yield, %
Adjusted dividend/share x 100/ average share price for last day of fiscal year

Price Earnings Ratio (P/E)
Adjusted year end share price/ earnings per share

Adjusted Average Share Price
Total share turnover, FIM/ adjusted number of shares changing hands during the period

Equity Market Value
Total number of shares outstanding x average share price for last day of fiscal year

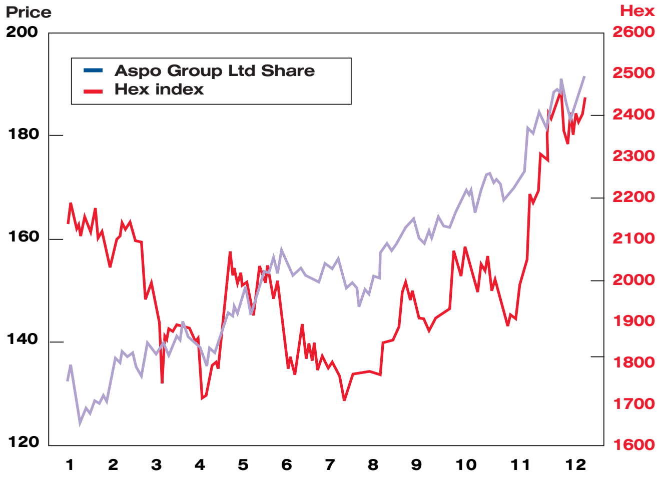
SHARES AND SHAREHOLDERS

Aspo Group Ltd had a total number of 4,583,605 registered shares as of December 31, 1996, yielding share capital of FIM 45,836,050. By February 2, 1997 a total of 369 bonds had been converted, but the increase in share capital has not as yet been registered.

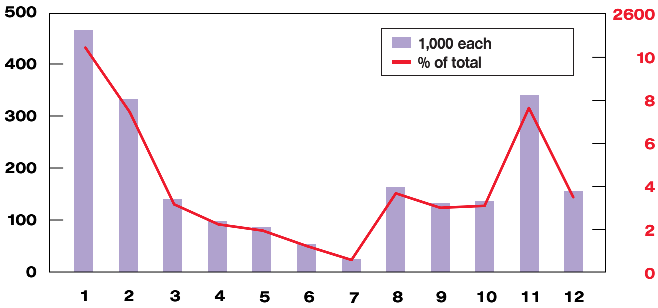
According to the company's articles of association the minimum share capital is to be FIM 37,942,380 and the maximum is to be FIM 151,769,520. Within these limits the the share capital may be raised or lowered without any changes in the articles of association. The shares carry a face value of FIM 10 at one vote per share and were registered with the Finnish Book-Entry Securities System on September 22, 1994.

As of December 31, 1996 approximately 94 % of the company's shares were held outside the Group. Aspo Group Ltd held 6.2 % of the shares and the Aspo Group Pension Fund was in possession of 3.9 % of the shares.These shares carry no voting rights. The Aspo Group Ltd. subsidiary, ACT Oy holds convertible bonds worth FIM 4,000,000 carrying conversion rights for a maximum subscription of 36,000 shares in Aspo Group Ltd.

Aspo Group Ltd Share Prices
January 2-December 30,1996



Aspo Group Ltd Monthly Share Turnover, 1996



Changes in Share Capital 1993-1996	Registration Date	Number of New Shares	Face Value FIM	New Share Capital FIM
Reduction of share capital by reducing face value (earlier share capital MFIM 5.4)	11.5.1994	-	10 (face value changed from FIM 60 to FIM 10)	900,000
Increases in share capital				
- private placement to Kiinteistö Oy Aamunkajo, Ludus Oy and Asunto Oy Ukintie 5 stockholders as merger compensation	26.10.1994	246,014		3,360,140
- private placement directed at individual members of Polttoaine Osuuskunta	26.10.1994	237,483		5,734,970
- private placement to Aspo Oy stockholders as merger compensation	14.12.1994	691,249		12,647,460
- fund issue (stock split)	12.4.1995	2,529,492		37,942,380
- share issue	14.6.1995	632,373		44,266,110
- convertible bond option exercised	30.8.1995	1,800		44,284,110
- convertible bond option exercised	1.11.1995	18,360		44,467,710
- convertible bond option exercised	10.1.1996	1,620		44,483,910
- convertible bond option exercised	14.6.1996	22,374		44,707,650
- convertible bond option exercised	18.9.1996	3,330		44,740,950
- private placement to Aspo Group Pension Fund as merger compensation	29.11.1996	105,460*)		45,795,550
- convertible bond option exercised	31.12.1996	4,050		45,836,050

New shares entitle the holders to full dividend rights in each fiscal period during which issues took place. Shares converted from bonds entitle the holders to dividends from starting in the year of registration.
*) New shares held by the Aspo Group Pension Fund carry dividend rights on earnings starting from fiscal year 1997.

Buy-Out Requirement

According to the Aspo Group Ltd articles of association, any shareholder whose holding in the company meets or exceeds 33 1/3 % or 50 % is required upon demand to buy out the other shareholders as defined more precisely in the articles of association.

Convertible Bonds

At the 1995 Annual Shareholders' Meeting the placement of convertible bonds totalling FIM 20 million with the staff of the Aspo Group was approved. A total of FIM 11,533,000 in bonds were registered. In addition, the Aspo subsidiary, ACT Oy acquired 4,000,000 worth of bonds. The payback period for the bonds runs from May 2, 1995 to May 2, 2000. The bonds may be converted throughout their lifetime. The bond holder is entitled to exchange one bond with a face value of FIM 1,000 for nine Aspo Group Ltd shares. By February 27, 1997 a total of 51,903 shares related to convertible bonds were registered, after which FIM 9,649,000 in bonds remain outstanding, taking into account redemptions totalling FIM 117,000. These can be converted into a maximum of 86,841 new Aspo Group Ltd shares. On December 31, 1996 shares registered in the name of a nominee tolalled 111,583 accounting for 2.4 % of the total number of shares and voting rights.

Executive Share Ownership

The board members, President and Vice-President of Aspo Group Ltd held a total of 682,780 shares or 14.9 % of the shares outstanding as of December 31, 1996. In addition, endes under the control of the chairman of the board held 15,575 shares representing 0.3 % of the company`s shares and voting rights.

Aspo Group Ltd's largest shareholders as of December 31, 1996

Shareholder Shares	Number of	Holding %
Nyberg H.B.	437,718	9.5
Kaleva Life Group	288,000	6.3
Aspo Group Ltd	285,553	6.2*
Pohjola Insurance Company	236,905	5.2
Vehmas A.E.	209,228	4.6
Ilmarinen Pension Insurance Company	198,450	4.3
Vehmas Tapio	187,133	4.1
Aspo Group Pension Fund	178,113	3.9*
Vehmas Liisa	166,675	3.6
Sampo Enterprise Insurance Company	150,000	3.3

* no voting rights

Distribution of Share Ownership by holding, December 31, 1996

Number of Shares	No. of Share-holders	% of Sha-reholders	Total Shares	% of Share Capital
1-100	206	22.4	12,057	0.3
101-500	379	41.1	101,332	2.2
501-1,000	128	13.9	95,289	2.1
1,001-10,000	156	17.0	407,970	9.0
10,001-100,000	39	4.2	1,247,380	27.2
100,001-	13	1.4	2,708,878	59.1
Shares in trust and awaiting clearance			5,146	0.1
	921	100.0	4,583,605	100.0

Shareholder Breakdown by type, %

1. Households	82.9
2. Companies	9.8
3. Financial Instititutions	0.9
4. Non-profit organizations	2.6
5. Public sector organizations	1.3
6. Foreign shareholders	2.5
Total	100.0

BOARD OF DIRECTORS, EXECUTIVE BOARD AND AUDITORS

Aspo Group Ltd Board of Directors

H.B. Nyberg, 66, Chairman

A.E.Vehmas, 69, Deputy Chairman

Pirkko Alitalo, 47

Jorma Eloranta, 46

Teuvo Juuvinmaa, 53

Aspo Group Executive Board

Teuvo Juuvinmaa, 53, CEO Aspo Group Ltd, Chairman,

Markku Keskitalo, 58, Senior Vice President Aspo Group Ltd, Deputy Chairman,

Pertti Vuorinen, 47, Chief Financial Officer, Aspo Group Ltd

Jarmo Niemi, 43, President, Aspocomp Oy

Hannu Höckert, 55, President, ESL Shipping Oy

Other Group Executives

Anne Leppälä-Nilsson, 43, Director, Legal Affairs, Secretary to the Board and Executive Board

Kaj Smedman, 53, Director, Administration

Auditors

Tauno Haataja, Authorized Public Accountan

SVH Coopers & Lybrand Oy, Authorized Public Accountan

Subsidiary Boards

The Aspo Group Executive Board oversees the Divisions. Division Boards comprise Group Executive Board members and some of the Division Presidents. Mr. Mikko J. Aro has been an outside member of the Board of Aspocomp Oy. Group Executive Board Chairman Teuvo Juuvinmaa has also acted as Chairman of the Boards of Aspocomp Oy and Toolsystem Oy. Group Executive Board Deputy Chairman Markku Keskitalo has also acted as Chairman of the Boards of Aspokem Ltd. Aspokem Baltic Ltd, Sonmarin Oy, AS Sonmarin and Aspo System Oy. Deputy Chairman of the Aspo Group Ltd Board A.E. Vehmas has also acted as Chairman of the ESL Shipping Oy Board.

H.B. Nyberg

A.E. Vehmas

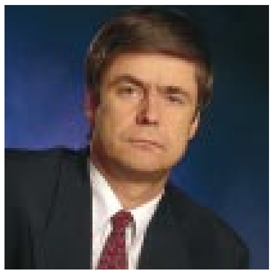
Pirkko Alitalo

Jorma Eloranta

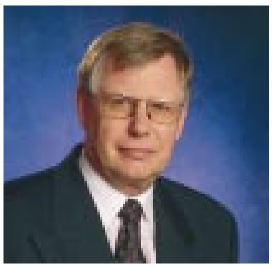
Teuvo Juuvinmaa

Markku Keskitalo

Pertti Vuorinen



Jarmo Niemi



Hannu Höckert

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