ASPO

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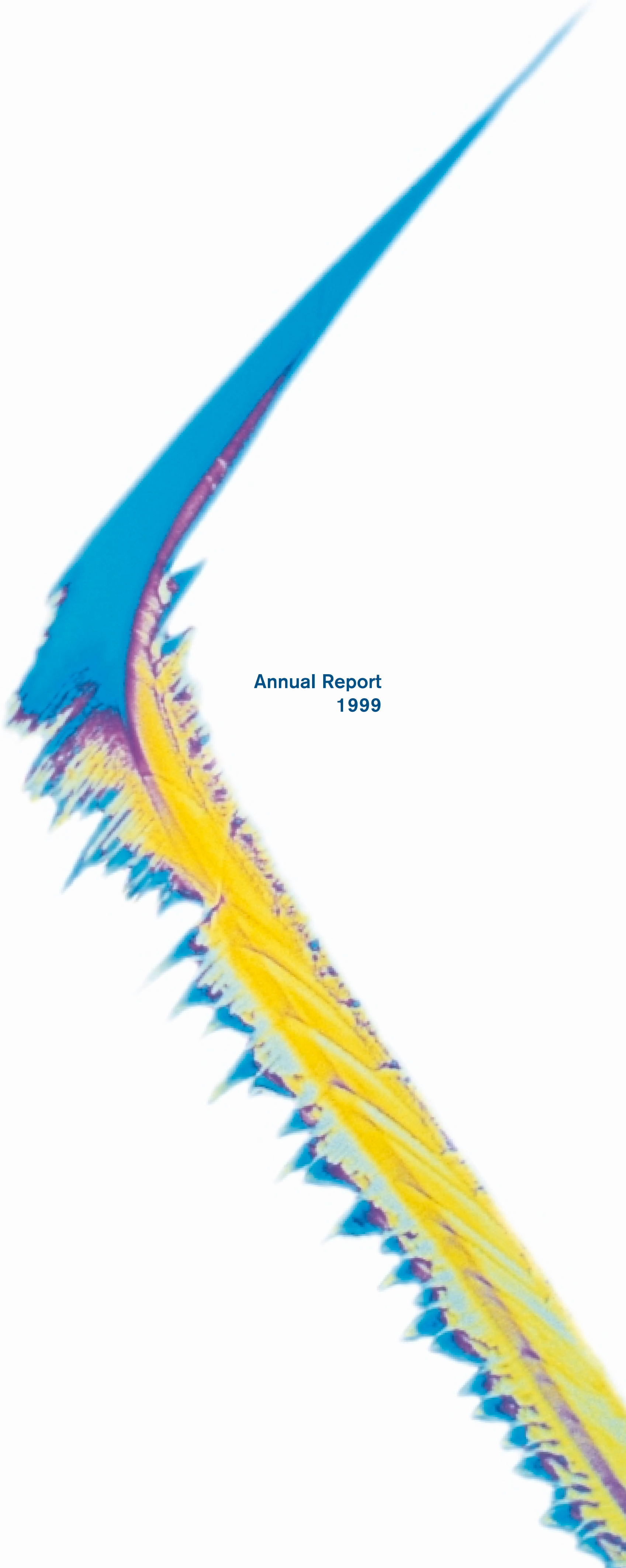
ASPO



Annual Report 1999

Notice to the Shareholders

Shareholders' Meeting

The Aspo Plc Annual Shareholders' Meeting will be held on Thursday, April 13, 2000 at 2:00 PM. The meeting will take place at Aspo Group headquarters, Suolakivenkatu 10, 00810 Helsinki, Finland.

Any shareholder who has been officially registered by the Finnish Central Securities Depository no later than April 7, 2000, is entitled to participate in the meeting.

Shareholders wishing to participate in the meeting are requested to notify the company either by telephone, e-mail or in writing by April 11, 2000, 4:00 PM. The address is Aspo Plc, Suolakivenkatu 10, FIN-00810 Helsinki. Telephone + 358 9 7595 361 / Asta Nurmi, telefax +358 9 785 301, e-mail asta.nurmi@aspo.fi.

Payment of Dividends

The Board of Directors will propose to the shareholders that a dividend of EUR 2 per share be distributed. The dividend will be paid to shareholders who have been registered by the Finnish Central Securities Depository. The dividend clearance date will be April 18, 2000 and the dividends will be paid on April 27, 2000, assuming the proposal of the Board is approved.

Interim Reports 2000

The Aspo Group plans to release interim reports for fiscal 2000 on May 3, 2000, August 9, 2000 and November 1, 2000.

Aspo in Brief

Aspo's core business is to provide logistical support services for industry. We serve a variety of companies in the energy and process industries where an in depth knowledge of their operations enables us to provide value-added services.

Aspo is the market leader in its sectors, and the vast majority of our client relationships are based upon long-term, intensive partnership. Our competitive advantage derives from a deep knowledge of our clients' business processes and value chains.

We have three divisions:

Aspo Chemicals imports and markets industrial chemicals and plastic raw materials.

Aspo Shipping engages in raw material sea transports.

Aspo Systems produces and develops information technologies for service stations, as well as marine navigation systems.

Highlights of 1999

- The new Aspo Plc was launched on October 1, 1999 following the division of the old Aspo Group.
- Decision to focus on logistics services for industry in three sectors: Chemicals, Shipping and Systems.
- Capital was freed up with the divestiture of Toolsystem Oy and the Sonmarin companies.
- Pension insurance activities of the Aspo Group Pension Fund were transferred and the Aspo Plc shares held by the Fund were sold to Sampo Life Insurance Company.
- Aspo Systems doubled its net sales level and strengthened its market position with the acquisition of the service station systems operations of Instrumentointi Oy.
- Aspo Chemicals launched East-West chemical trading operations which will enable exploitation of its existing infrastructure and know-how.
- Aspo Shipping bolstered its capacity with the ordering of a new, self-discharging, 1 A Super Ice Class dry bulk freighter from a Japanese shipbuilder.
- The ECDIS electronic sea chart systems development project progressed favorably. Marine navigation systems were incorporated in Navintra Ltd on March 1, 2000.
- Net Sales rose to EUR 83.5 million (80.1 M€).
- Profit before Taxes totalled EUR 6.9 million (4.5 M€).
- The Board proposes a dividend totalling EUR 2 per share.

1999 in Brief, Pro Forma	1999	1998
	M€	M€
Net Sales	**84**	80
Operating Profit after Depreciation	**2**	4
Profit before Extraordinary Items and Taxes	**1**	4
Profit before Taxes	**7**	5
Gross Investments	**9**	19
Shareholders' Equity	**69**	74
Earnings/Share, €	**0.13**	0.51
Equity/Share, €	**15.62**	16.88
Equity Ratio %	**53.2**	54.1
Return on Equity (ROE), %	**0.8**	3.4
Return on Investment (ROI), %	**3.0**	4.9
Personnel, December 31	**366**	294
Shares Outstanding December 31, 1 000 each	**4 385**	4 385

CEO's Review

Year 1999 was for Aspo a year of transition. The most visible change was the splitting of the Aspo Group into two listed companies. At the same time we worked at sharpening Aspo's identity and strategic profile. We are now clearly focused on logistic services for industry.

The departure point for this process was maximizing shareholder value, focusing on two main elements: growth and profitability measured by capital employed. We are prepared to continue developing all operations with long-term growth and earnings potential with a window of 5 - 10 years.

We have also consistently separated ourselves from activities which are too capital-intensive or lack the growth or earnings potential to satisfy our strategic goals. Consequently we divested last year Sonmarin, a logistics company which tied up too much capital and carried too much risk.

We intend to continue using the cash flow generated by mature businesses to take advantage of new business opportunities with higher profit potential. In these investments we can also tolerate higher risks. In Aspo's operations Chemicals and Shipping represent mature businesses that generate steady cash flow. On the other hand, in the Systems business both profit expectations and risks are higher.

Shipping has invested continuously in its fleet, which now has both critical mass and a high level of cost-effectiveness. The addition of another state-of-the-art vessel to the fleet in 2001 will provide a platform for growth in this business. We are also constantly diversifying our transports, allowing us to balance fluctuations in demand. Efficient logistics have always been the key competitive element of Shipping. Together these factors provide a good foundation for Shipping's competitiveness - now and in the future.

The Chemicals Division is also a relatively mature business which generates stable earnings and positive cash flow, but this division also offers some interesting development potential. Our traditional distribution business and long-term, well-established client relations will act as a platform for developing new sophisticated technical service solutions. For instance, we can link the buyers and the suppliers into a new electronic network providing real time information concerning things like routing, delivery times and pricing. We could even provide a platform for commodity exchange. Aspo has the credibility, the relationships and the technical skills to manage what is essentially a large-scale information management operation.

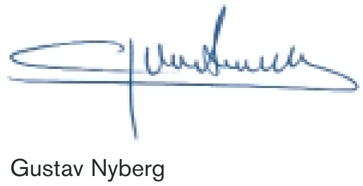
In Systems operations last year marked a breakthrough in the development of navigation systems. Navigation systems has excellent international potential and for this reason it was separated and incorporated in March, 2000. The incorporation will allow fuel payment and dispensing operations to develop a focused profile and to concentrate resources on growth and technological development. For instance, in the fuel payment and dispensing operation we will exploit opportunities for mobile telecom and Internet technologies to revolutionize the way service stations manage their business processes. If successful, we will have created a technological competitive advantage which will enable us to capture new international markets. In order to improve our market positions we acquired in December the service station systems operations of Instrumentointi Oy. The acquisition will give us better opportunities to develop new products and our export activities.

Aspo's divisions play an important role in the value chain of different industries. In all of our business sectors advanced expertise, logistic know-how and intense, proactive management of client relations is required. This expertise is incorporated within Aspo; it is one example of the synergy between our divisions. In order to maximize the benefit of existing and new synergies, the divisional structure and each individual function has to be as efficient as possible. We will continue to pay special attention to this operational streamlining in the future. In our opinion it helps to increase shareholder value.

We believe that the new Aspo has all of the prerequisites to increase shareholder value. We can grow, we can be profitable and at the same time we can significantly improve critical key figures and ratios, such as ROI. At the end of the day shareholder value is measured by the numbers - and when it comes to the numbers we are very confident that Aspo is going to deliver on its commitments.

I would like to warmly thank all of our stakeholders, and in particular our dedicated staff who, with their solid professional skills, carried out extensive changes of last year. This gives us a good platform for the achievement of challenging new goals.

Helsinki, March 2000



Gustav Nyberg
CEO
gustav.nyberg@aspo.fi

Aspo as an Investment

Shares and Share Capital

Aspo Plc was founded on October 1, 1999 as a consequence of the division of the Aspo Group into two listed companies. The trade in Aspo Plc shares began on the same day on the main list of the Helsinki Stock Exchange with the trading code ASU1V. The round lot is 50 shares. In the division, for each share in the divided Aspo Plc the shareholders received one share in the new Aspo Plc.

The share capital of Aspo Plc totals EUR 8,770,416 on 4,385,208 shares outstanding, each of which has a book-keeping value of EUR 2. The company's shares have been registered with the Finnish Central Securities Depository on October 1, 1999.

During the fiscal period under review a total of 426,604 Aspo Plc shares with a value of EUR 3,227,327 were traded on the Helsinki Stock Exchange. As of December 31, 1999 a total of 609,794 shares were nominee registered or held by non-domestic entities, or 13.9 % of the total shares and votes outstanding. The average share price for Aspo Plc shares from October 1 to December 31, 1999 was EUR 7.57. The shares reached a low of EUR 6.10 for the period and a high of EUR 9.00. The closing price on December 31, 1999 was EUR 8.89 and the average price for the day was EUR 8.89.

Executive Share Ownership

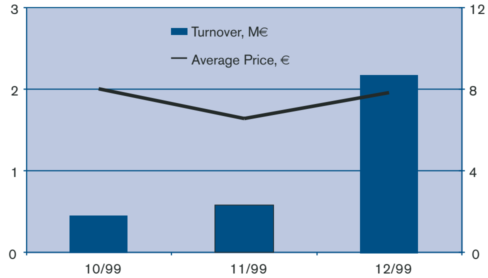
The Board Members and CEO of Aspo Plc together with those within their sphere of inclunce held a total of 365,219 shares or 8.3 % of the shares outstanding as of December 31, 1999.

Investor Relations

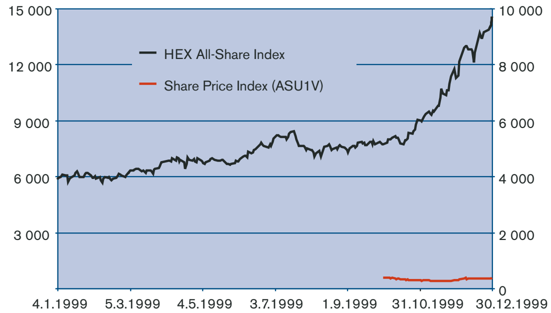
Aspo's goal is to increase shareholder value through profitable growth and increasing returns on invested capital.

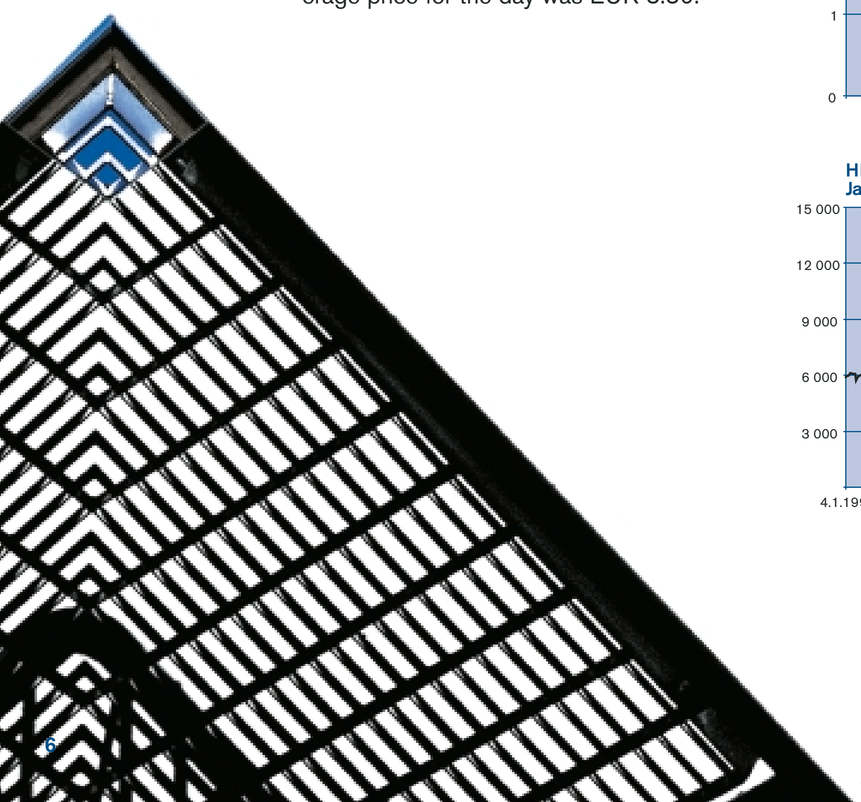
Our aim is to provide investors with transparent and reliable information on Aspo's operations and their future prospects in order to optimize the liquidity of Aspo stock and the number of shareholders. Up-to-date information is also available on our website at www.aspo.fi.

Share Turnover and Average Price
October 1 - December 30, 1999



HEX All-Share Index and Share Price Index (ASU1V)
January 1 - December 30, 1999





Major Shareholders as of December 31, 1999

	Number of Shares	Holding, %
Sampo Group		
Sampo Insurance Company Plc	**100 000**	**2.28**
Industrial Insurance Company Ltd	**100 000**	**2.28**
Sampo Enterprise Insurance Company Limited	**150 000**	**3.42**
Otso Loss of Profits Insurance Company Ltd	**57 000**	**1.30**
Sampo Life Insurance Company Limited	**230 363**	**5.25**
	637 363	**14.53**
Nyberg H.B.	**430 000**	**9.81**
Pohjola Group		
Pohjola Non-Life Insurance Company Limited	**193 905**	**4.42**
Pohjola Life Assurance Company Ltd	**65 000**	**1.48**
	258 905	**5.90**
Varma-Sampo Mutual Insurance Company	**249 550**	**5.69**
European Strategic Investors Holdings NV	**228 000**	**5.20**
Vehmas A.E.	**211 920**	**4.83**
Vehmas Tapio	**187 133**	**4.27**
Kaleva Mutual Insurance Company	**185 000**	**4.22**
Vehmas Liisa	**166 595**	**3.80**
Estlander Henrik	**133 073**	**3.03**

Insider Holdings as of February 29, 2000

	Number of Shares	Holding, %
Board of Directors		
Juuvinmaa Teuvo	**15 976**	**0.36**
Stadigh Kari	**111 600**	**2.54**
Alesco S.A.	**34 443**	**0.79**
Arteva Matti	**31 154**	**0.71**
Haavisto Kari		
Fundum Oy	**38 700**	**0.88**
Lencioni Roberto	**1 548**	**0.04**
Chief Executive Officer		
Nyberg Gustav	**130 598**	**2.98**
Nyberg Alexander	**300**	**0.01**
Nyberg Zacharias	**300**	**0.01**
Nyberg Marcella	**300**	**0.01**
Nyberg Patricia	**300**	**0.01**

Nominee registered shares

Skandinaviska Enskilda Banken Ab (publ.)	**226 950**	**5.18**
Merita Bank Plc	**115 903**	**2.64**
D. Carnegie AB, Finland Branch	**500**	**0.01**
Hex Securities Services	**2 000**	**0.05**
	345 353	**7.88**

Distribution of Share Ownership December 31, 1999 by Number of Shares

Number of Shares		No. of Share-holders	% of Share-holders	Total Shares	% of Share Capital
1 -	100	292	32.8	16 156	0.4
101 -	500	321	36.0	83 810	1.9
501 -	1 000	124	13.9	93 605	2.1
1 001 -	10 000	113	12.7	291 201	6.7
10 001 -	100 000	26	2.9	948 586	21.6
100 001 -		15	1.7	2 950 590	67.3
Shares in trust and awaiting clearance				1 260	
Total		**891**	**100.0**	**4 385 208**	**100.0**

Shareholder Breakdown

Shareholder Breakdown	Total Holding, %	Total Shares, %
1. Households	86.9	45.1
2. Companies	7.9	4.8
3. Financial and insurance institutions	1.6	35.1
4. Non-profit organizations	2.4	1.7
5. Public sector organizations	0.4	7.3
6. Non-Domestic	0.8	6.0
Total	**100.0**	**100.0**

Corporate Governance

The Aspo Plc Board has approved a directive in the year 2000 which conforms to the Corporate Governance recommendations of the Central Chamber of Commerce and the Confederation of Finnish Industry and Employers (TT).

Election of the Board of Directors

The Board of Aspo Plc will comprise at least four and at the most eight members. The number and identity of the Board members will be decided by the shareholders at the Annual Shareholders' Meeting. Each member will have a two year term and the term will expire upon the conclusion of the second Annual Shareholders' Meeting.

In an exception to the Articles of Association the first Board members of Aspo Plc were elected at the Annual Shareholders' Meeting of the old Aspo on April 15, 1999. The selections were part of the division plan for the Group. Of the five members elected to the Board at that time, the terms of two are to expire at the Annual Shareholders' Meeting in 2000 and the term of three Board members is to expire in 2001.

Retiring Board members can be replaced either at the annual meeting or in extraordinary shareholders' meetings.

The Board of Aspo Plc comprises representatives of its largest owners. More information about the Board members is presented on page 45.

Board Activities

The Board selects a Chairman and Deputy Chairman from amongst its members. In addition to the duties and responsibilities mentioned in the Articles of Association and the Finnish corporate legislation, the Board is responsible for approving the company's long-term objectives and strategies, as well as approving the budgets of Group subsidiaries, as part of the Group budgeting process. In addition, the Board is responsible for acceptance of significant Group investments, expansion of operations, reduction of operations, and acquisition, divestiture and asset disposal-related activities. The Board oversees the Group environmental policy and makes decisions concerning charitable donations.

The Board appoints the Group management on the basis of the proposals of the CEO, and approves the president appointments of significant subsidiaries, as well as the terms and conditions of executive employment contracts.

The Company Board is to have a full-time Chairman. The duties of the Chairman are to include supporting the operational management in its pursuit of business opportunities, and assisting in reorganizations, as well as aiding the implementation of strategic objectives.

In keeping with its responsibility to oversee the Group's operations and financial performance, the Board will receive and examine financial reports for its meetings. The CEO of the Parent company will present the Group report to the Board at the Board meetings.

Upon accepting the annual and interim reports the Board will receive and review at its meetings the responsible auditor's report covering the Group audit and possibly any observed Group-level risks. The members will also receive interim audit results concerning Aspo Plc. The auditor will participate in Board meetings when necessary, also at other times than when the financial statements are to be approved.

Appointment and Tasks of the Chief Executive Officer

The Board appoints the CEO and defines the terms and conditions of his employment, which are to be written into an executive employment contract. The CEO is to take charge of the operational management of the Company in accordance with the directives given by the Board.

Organization and Responsibilities for Group Operations

Aspo's line activities will take place within the Group subsidiaries. The Board of Aspo Plc will appoint the Board members of the subsidiaries. The Board of Aspo Plc will approve strategic objectives, the operational implementation of which will be handled and overseen by the subsidiary Boards.

The Boards of Group Subsidiaries may include outside individuals, in addition to members of the Aspo Group Management.

Management Compensation

The compensation of Board members will be decided by the shareholders at the Annual Shareholders' Meeting. Salaries and other benefits for the CEO are to be approved by the Board of Aspo Plc. Salaries and compensation paid to the CEO and Board members of the parent company for the period October 1 - December 31, 1999 totalled EUR 0.1 million. Within the Group the total for the period January 1 - December 31, 1999 was EUR 0.6 million.

No bonuses were paid within the parent during the period under review, nor was any bonus-based incentive system in use. Most of the companies within the Group employ an incentive system in which bonuses are tied to the achievement of budget targets. In 1999, bonuses totalling EUR 0.1 million were paid within Group subsidiaries. The maximum allowable bonus is equivalent to three months' base salary.

Insider Regulations

As of February 1, 2000 Aspo Plc adopted insider regulations for public companies which are in conformance with recommendations made by the Helsinki Stock Exchange, the Central Chamber of Commerce and the Confederation of Finnish Industry and Employers (TT), issued on October 28, 1999. Persons defined as insiders are the Presidents of line subsidiaries, as well as some persons working with Group administration. The holdings, interests and other insider-related specifics of those defined as insiders under Finnish legislation, as well as those defined under the above-mentioned are publicly available through the SIRE system of the Finnish Central Securities Depository. The holdings of legally defined insiders and those within their sphere of influence with Aspo Plc are presented on page 7. The information is also available, periodically updated on the company website at www.aspo.fi.

ASPO Chemicals

Aspo Chemicals is the leading distributor of industrial chemicals and plastic raw materials in Finland. The business unit has accumulated expertise on the raw materials required in the processes of the customers.

In industrial chemicals, customers consist of companies in the paint, process, chemical and pharmaceutical industries in Finland, Sweden, Russia and the Baltic countries. Competitive advantages consist of the most versatile storage system of its kind, a comprehensive product range and collaboration during many years with world's leading producers in the chemical industry. The warehouses of the unit are located close to the customers and they can deliver precisely tailored lots.

In plastic raw materials, customers include companies in the electric and electronic industries who are supplied volume and technical plastic products. The unit has a strong market position in Finland and in the Baltic countries. Competitive advantages lie in efficient logistics, technical customer service and tailored deliveries directly into the customer's production.

Furthermore, Aspo Chemicals produces and markets branded automotive chemical products. The products manufactured using the company's own raw materials are delivered to markets both in Finland and nearby areas.

Aspo Chemicals has subsidiaries in Estonia, Latvia and Lithuania and sales offices in Moscow and St. Petersburg. The business unit has also started East-West trading of chemicals with the same products that are purchased for distribution markets.

Financial Performance

The operating profit for Aspo Chemicals in 1999 was EUR 2.1 million (1.6 M€). Net sales rose 6.3 % to EUR 45.5 million (42.8 M€).

The operating profit rose 27,1 % from the previous year, as raw material prices returned to a normal level from the low level of 1998. The new trading business significantly increased business volumes. The increase in net sales remained lower, since price levels remained low until midyear.

Business Conditions

Global markets for most petrochemical products recovered in 1999. During the three previous years (1996-1998) earnings levels

President
Jari Ranne
Aspokem Ltd

were very low. Supply outstripped demand and investment decisions were postponed. During 1999 supply and demand were virtually in balance and at the same time price levels rose. In addition, rising oil prices contributed to market recovery.

1999 Highlights

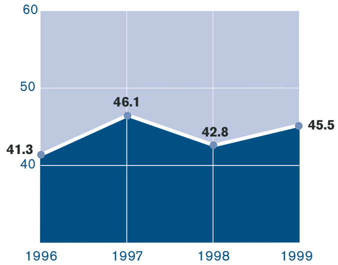
In October Aspo divested Sonmarin Oy, selling it to the German Oiltanking GmbH and Greenergy Baltic Oy. Sonmarin stored and handled petrochemicals transported from Russia to Western Europe. The unit was sold because it tied up too much capital and its operations carried too many risks.

Aspo Chemicals has consistently developed its international sales and distribution network. Subsidiaries have been founded in the Baltic countries and sales offices in Russia. In 1999 the operations of all subsidiaries were profitable. During the reviewed period the decision was taken to start East-West trading. The trading business takes advantage of the existing strengths of the unit: the mature infrastructure and product-related know-how. Synergies derive from being able to exploit existing supplier relationships in addition to a common product and client portfolio. Investments are expected to improve the profitability of the whole unit, since the purchasing volumes can be substantially increased.

Future Prospects

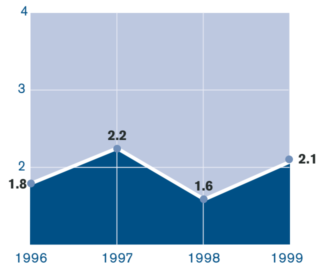
We expect conditions in Finland to remain favorable due to continued strong economic performance. We expect conditions in Russia as well to remain relatively stable. This will support business development both domestically and abroad. The Asian economic crisis appears to have subsided and this will support healthy price levels on the whole. Given these conditions and the expected increase in the new East-West trading business we anticipate that the net sales and earnings of Aspo Chemicals will rise in fiscal 2000.

Net Sales, M€

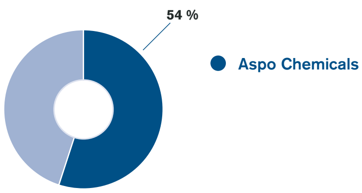


Chemicals M€	1999	1998	1997	1996
Net Sales	45.5	42.8	46.1	41.3
Operating Profit	2.1	1.6	2.2	1.8
Personnel	60	58	50	47

Operating Profit, M€

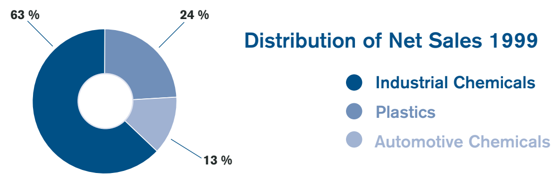


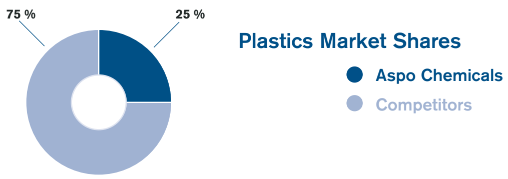
Share in Group Net Sales

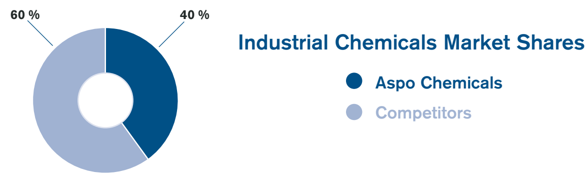


ASPO Chemicals

Plastics Know-How is the Key to Competitive Advantage







”When it comes to highly refined technical plastics, the client is not only purchasing raw material, but also the accumulated know-how which is related to it. Aspo Chemicals has collected a lot of plastics competence, from processing and moulding to client process management. That’s our competitive advantage”, says Customer Service Manager **Arto Heinonen**.

Heinonen has substantial experience in plastics production design which enables him to provide customers with needed support, such as assistance in handling test-run associated problems.

”Recently one of our clients was having problems with the injection process for one component. I was able to help them determine the correct injection values. We changed the process parameters and tried different materials in the test runs too. From the customer service point of view it’s important for us to possess production process-related know-how.”

In providing technical support, it is important to work closely with clients, raw material suppliers, and increasingly with product designers and end users as well.

”Nowadays we are often involved with projects from the very beginning. We examine materials, conduct tests, do test runs and participate in test mould design. Collaboration with our clients is intensive to say the least. It can take years to build up this kind of trust with customers. We have to demonstrate our reliability and our ability to solve their problems.”

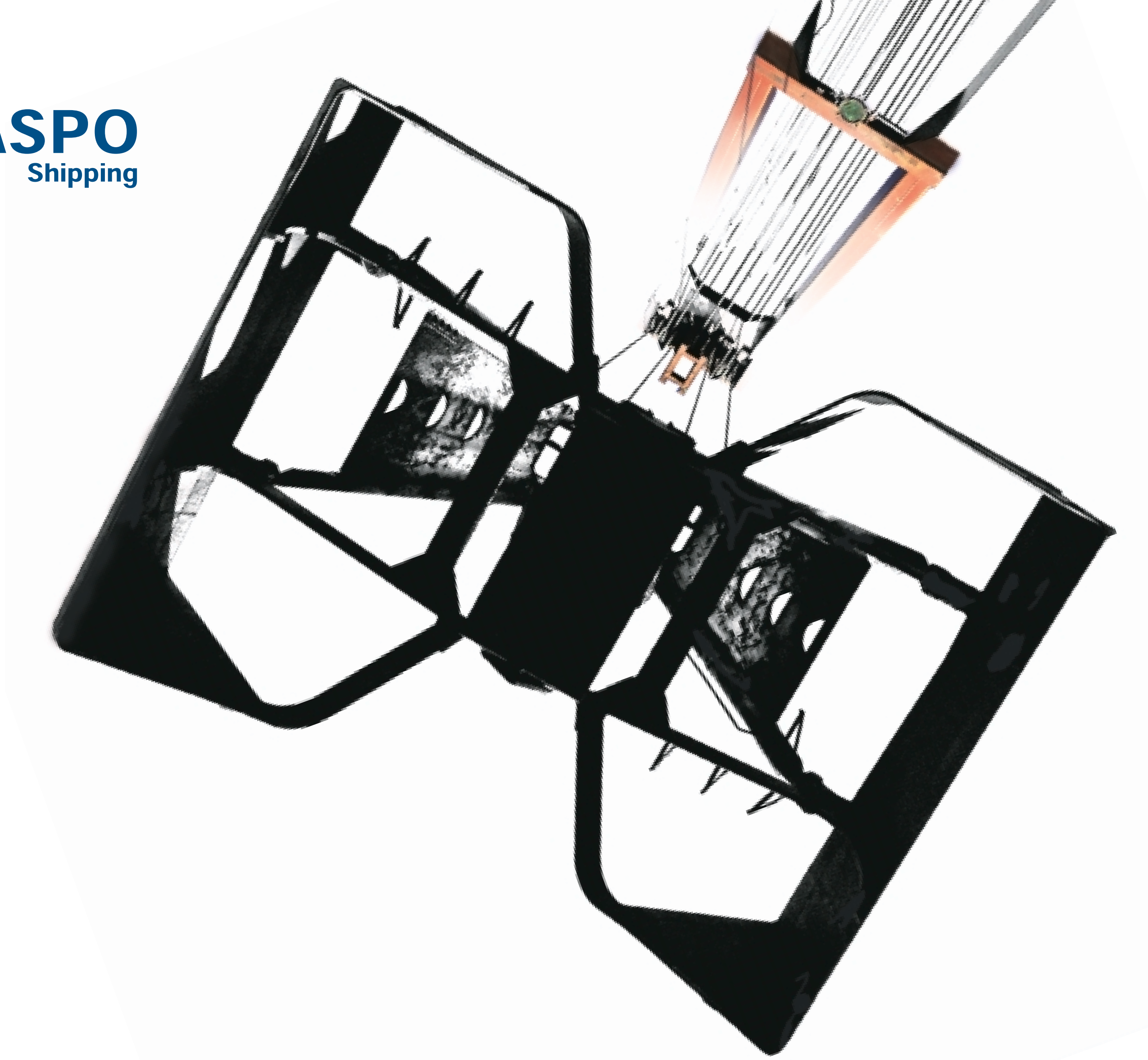
”Customers have shown a lot of appreciation for our technical skills. In the Baltic countries and Russia in particular this gives us a competitive advantage in sales negotiations. Raw material suppliers don’t always have the time to reply to customer inquiries, we do, and we often provide responses immediately.”

”Our success is based upon solid team work. We have a comprehensive skill range and each of us also has a specialty. But we have made all of this information broadly available within the team because, for instance, our marketing is based heavily upon technical argumentation. We also remain in close contact with our principals’ technical experts.”

Heinonen underlines that in this business, continuous learning is essential.

”In our field it is a big mistake to think that you have mastered something. Processes are under constant change, technologies are evolving, so you have to keep an open mind and continuously follow industry developments. And just as when we are working to solve client problems, the most important thing is to ask the right questions.”

ASPO
Shipping



Aspo Shipping is the leading transporter of dry bulk freight in the Baltic Sea area. The business unit serves energy companies and other clients, such as steel and chemical industries. Company vessels transport solid fuels such as coal, and iron ore, limestone and other dry bulk cargo. Due to importance of its transport activities, Aspo Shipping is an essential part of the logistic chain of its clients.

Aspo Shipping's competitive advantage lies in its fleet of self-discharging vessels that have been designed specifically for Baltic Sea conditions. As the vessels are ice-strengthened and have a shallow draught, they are able to enter even shallow and narrow harbors with full cargo at maximum draught. In addition, each vessel has a bow thruster and on-board cranes. These features reduce dependency on port cranes and tugboat services. Moreover, the company's ships are capable of loading and unloading quickly even at sea. Flexible operations and service "in the right spot at the right time" are the key strengths of Aspo Shipping.

All ships sail under the Finnish flag with Finnish crews.

Financial Performance

The operating profit of Aspo Shipping totalled EUR 2.4 million in 1999 (4.2 M€). The total tonnage carried by the company was 5.4 million tons (5.4 million tons). Net sales declined by 0.7 % to EUR 27.5 million (27.7 M€).

Net sales declined because of weak demand in the Baltic Sea region. Consequently, the division's largest ship, ms Arkadia, was time chartered and engaged in cross-trade traffic for most of the year. Furthermore, maintenance work on ms Kontula generated substantial costs. In combination these factors reduced the operating profit significantly.

President
Hannu Höckert
ESL Shipping Oy

Business Conditions

During the last couple of years there have been several factors in the Aspo Shipping business environment that have had a negative effect on the unit's operations. Changes in Finnish legislation have allowed the domestic power companies to reduce their coal reserves, weakening demand for bulk coal. Electricity prices also fell to their lowest level ever following the deregulation of the Finnish electricity distribution system. Consequently, power companies purchased their electricity from electricity exchanges instead of generating their own power. At the same time, excess hydroelectric resources in Sweden and Norway created an oversupply of Nordic electricity.

The aggregate effect of these factors kept domestic power plants operating at low capacity levels and reduced their coal consumption considerably. This reduced Aspo Shipping's coal transports and consequently the net sales and earnings of the division.

On the other hand, Baltic Sea freight rates have been relatively stable, even rising slightly in the fall and this, together with a strengthening dollar, had some positive impact on Aspo Shipping's financial performance, though not enough to turn around the unit's overall profitability.

1999 Highlights

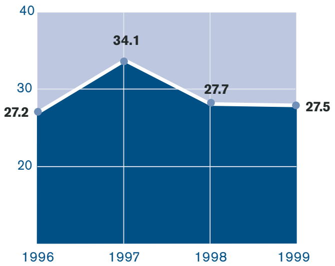
A new self-discharging 1 A Super Ice Class dry bulk freighter was ordered from the Japanese shipbuilder Tsuneishi Shipbuilding Co. Ltd. The ship is scheduled for delivery in January, 2001. The deal has a total value of EUR 22.5 million.

The purpose of this investment is to increase the cost-effectiveness of the division's operations substantially. The new ship is specially designed for the tough arctic conditions and shallow draughts characteristic of Baltic Sea ports. This will enable larger loads to be transported directly from port to port. This way Aspo Shipping can efficiently adapt to changes in the business environment and fluctuations in freight rates and volumes.

Future Prospects

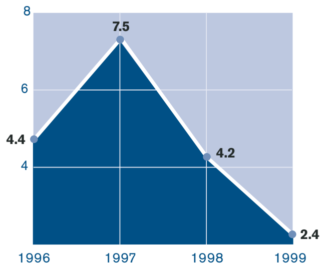
Following the record-low electricity price levels of 1999, there have been signs of a recovery in electricity prices and consequently coal imports have begun to rise substantially. In addition, Baltic Sea freight rates are rising slightly. In the future Aspo Shipping will carry non-coal products totalling at least one third of its tonnage, reducing its dependency on coal markets. Because of these factors Aspo Shipping's freight volumes, net sales and earnings are expected to grow in the year 2000.

Net Sales, M€

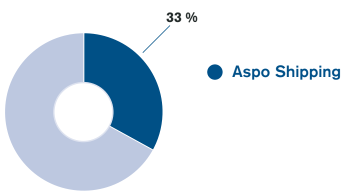


Shipping M€	1999	1998	1997	1996
Net Sales	**27.5**	**27.7**	**34.1**	**27.2**
Operating Profit	**2.4**	**4.2**	**7.5**	**4.4**
Personnel	**152**	**164**	**144**	**134**

Operating Profit, M€



Share in Group Net Sales



ASPO Shipping

In the Right Place at the Right Time

Finland's largest dry bulk freighter, the ms Arkadia unloads at Helsinki's Hanasaari. The ship's four built-in cranes can unload about 30 000 tons of coal in a day and a half, twice as fast as the harbor's own dock cranes. This means that the ship doesn't waste time idling in the harbor and can put to sea with new loads quickly.

"Built-in cranes are a crucial competitive advantage. Our cranes have 15 cubic meter grabs while in many of the older harbors grab volumes are sometimes only 4-6 cubic meters", says ms Arkadia Chief **Ali Hagelberg**.

Built-in cranes allow the vessels to be lightened at sea, which in turn gives even larger ships passage into shallow harbors. The ships are also equipped with bow thrusters which allow them to dock independently, with no need for harbor tugs.

The ms Arkadia has specialized in dry bulk freight transport routes in the Baltic and North Sea areas, but it also carries other cargo, such as minerals, iron ore, steel and grain.

"In February of this year we reached a milestone with the transport of 20 million tons of coal from Poland, and that excludes other cargo", says Hagelberg.

"We have long-term agreements with our customers which enables us to optimize our activities. Positioning charts allow us to plan routes a month down the line", he continues.

"Schedules are tight because idling in ports is expensive. For this reason we are in daily contact with destination harbor personnel. We keep them abreast of our movements and we are aware of their loading and unloading situation. This kind of dialogue keeps everyone well aware of our status and enables us to dock straight away."

"Our long-term customers' trust in us is based on the fact that we are punctual and we keep our promises. That means that the ship has docked when we say it will." According to Hagelberg, what lies behind this level of reliability are well-equipped and maintained ships, and professional personnel.

"Our people are veterans who know how to handle all of the jobs that need to be done. They're proud of their work and of their ships, and that keeps our morale running high."

The fleet's tonnage as of December 31, 1999

Ms Arkadia	47,442 dwt	28,330 gt	ice class 1C	commissioned 1983
Ms Kontula	31,850 dwt	19,854 gt	ice class 1A	commissioned 1980
Ms Hesperia	13,511 dwt	10,374 gt	ice class 1AS	commissioned 1991
Ms Pasila	13,367 dwt	10,098 gt	ice class 1AS	commissioned 1995
Ms Tali	13,340 dwt	10,098 gt	ice class 1AS	commissioned 1998
Espa (unmanned barge)	9,038 dwt	4,700 gt	ice class 1A	commissioned 1987
Total	**128,548 dwt**	**83,454 gt**		

ASPO
Systems

Aspo Systems is the leading producer of automatic fuel payment and dispensing systems in Finland, and also develops marine navigation systems.

Clients in fuel dispensing automation are major service station chains which are supplied with electronic products for automatic payment and dispensing such as outdoor payment terminals (OPTs), point of sales systems, site controllers and tank monitoring systems. The clients are also offered service and maintenance. The company's competitive advantage lies in its high level of automation. For instance, OPTs can operate as stand-alone units in unmanned filling stations.

In maritime systems the company's clients consist of ship owners and other operators in the field who are supplied with navigation and marine communication systems, electronic sea chart systems as well as specialized systems for coastal surveillance. The unit competes by providing highly customized solutions and turnkey services. The marine navigation systems were incorporated in March, 2000 in Navintra Ltd.

Financial Performance

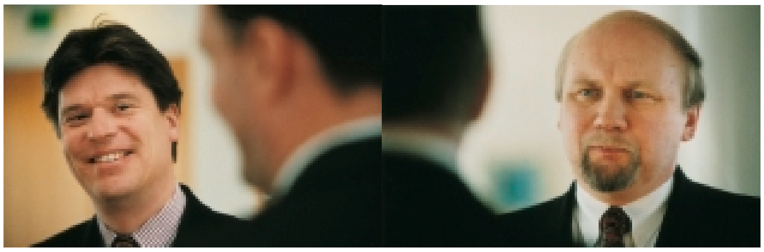
The operating profit of Aspo Systems was EUR 0.5 million (0.5 M€). With the acquisition of the service station systems operations of Instrumentointi Oy net sales rose by 8.9 % to EUR 10.5 million (9.6 M€). Net sales remained on the1998 level, when the effects of the acquisition are eliminated. The slight decline in earnings was due to a decrease in domestic after-sales projects in fuel dispensing systems, but Aspo Systems' profitability met the levels targeted by management.

The target in fuel dispensing automation systems has been to increase the share of exports. Last year the share of exports in total net sales rose to about half, as the company has successfully exploited opportunities on Baltic markets in particular. In the maritime navigational sector the development of electronic sea chart systems progressed up to the readiness for type approval, and actual marketing will be launched during year 2000. Last year the unit was able to break even.

Business Conditions

The intense competition that has continued for some time has held back the domestic infrastructure investments of oil companies for several years. On the other hand, many of the same players have invested substantially in the Baltic region, opening up opportunities for OPT system deliveries. The combination of intense competition and internationalization has made the Baltic area a challenging market. Suppliers to the industry must provide products which clearly add value and/or generate savings or improved efficiency. This requires solid know-how and investments from the suppliers. On the other hand, successful suppliers can become steady partners with the clients and can gain access to the rapidly expanding international business that their clients are engaged in. Aspo Systems has made a strategic commitment to technological and market leadership in this sector.

President
Markku Piippo
Aspo Systems Oy



President
Mikko Heikkinen
Navintra Ltd

At the same time it seems that in maritime navigation systems ship owners want increasingly to cooperate with companies that can supply products and related services over the entire life cycle of the system. This kind of cooperation includes tailored design, deliveries, as well as comprehensive training and maintenance contracts. With the arrival of official electronic sea chart systems on the market the transition from conventional charts to computer-assisted navigation is taking its first steps.

Highlights 1999

In the fuel payment and dispensing sector, the acquisition of the service station systems operations of Instrumentointi Oy in December was the most significant development of the year. This acquisition almost doubled the size of the business thus strengthening the division's market position, while improving its know-how in the service and maintenance businesses and in OPT technology. Thanks to the acquisition Aspo Systems can offer the domestic service station chains nationwide after sales services from one location. This also means improved opportunities for exporting these services, as well as new OPT solutions, to international markets.

In 1999 development work in navigation and electronic sea chart systems progressed favorably. The unit received on February 7, 2000 the type approval for its electronic ECDIS sea chart system from the authorities. In addition to receiving this type approval the marketing activities of our international OEM partner Furuno have been launched.

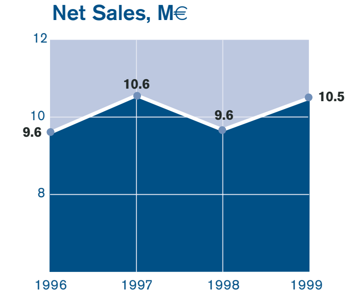
Future Prospects

Aspo Systems has a clear strategy to increase sales and internationalize through both acquisition and organic growth. If acquisition opportunities arise in 2000, they will be investigated and where considered feasible, exploited.

At this phase the domestic petroleum market is showing some signs of recovery evident in the form of slight increases in investment activity. We are also expecting the continued acceleration of activity in international markets, particularly in the Baltic area and Poland, where several projects are already underway. Barring major structural changes we therefore expect both organic growth and a profitable performance for fiscal 2000.

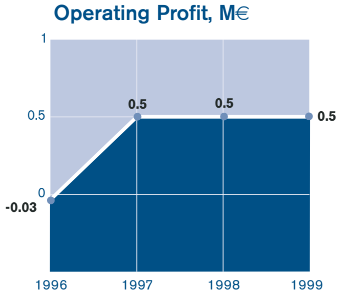
In maritime navigation systems growth is expected in the service and maintenance activities covering both on-board systems and maritime surveillance systems. Integrated bridge system tenders are expected to generate deliveries for 2000 and 2001. Furuno's global marketing efforts are also expected to increase deliveries of electronic sea chart systems.

Net Sales, M€

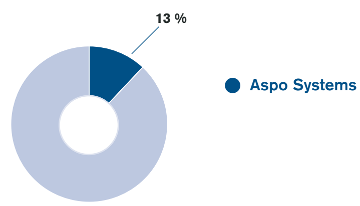


Systems	1999	1998	1997	1996
M€				
Net Sales	10.5	9.6	10.6	9.6
Operating Profit	0.5	0.5	0.5	-0.03
Personnel	137	56	57	55

Operating Profit, M€



Share in Group Net Sales



ASPO Systems

A Breakthrough on the Seven Seas

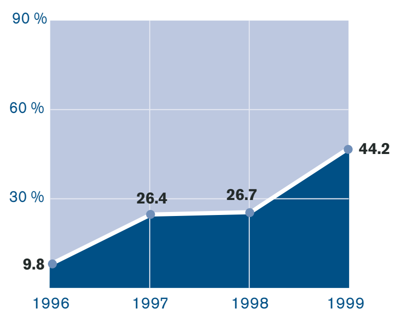
Electronic marine navigation systems are the latest of Aspo Systems' technological breakthroughs, a paradigm shift made possible by years of accumulated know-how and understanding of customer needs.

"ECDIS electronic sea chart systems will be produced by only a handful of firms, maybe. Our system will be among the first to reach the market. Equipment will be marketed under both the Aspo name, as well as the name of our big OEM partner, Furuno", says project engineer **Petri Tissari**. Tissari is responsible for a number of ECDIS tasks, including documentation for the system's type approval, and end user training.

ECDIS (Electronic Chart Display and Information System) will replace the paper charts traditionally used on board ships. National marine authorities create standard electronic charts out of the old paper charts, which are updated as needed. The updates are regularly run in the international data bases. Vessels using the ECDIS system can then order the charts and their updates via satellite link, GSM or CD-ROMs.

"Ships sailing on ocean routes have traditionally used about 500 different charts, and all of the up-dates had to be performed manually. Now up-dates can be done on a real-time basis, with a single key stroke.

Share of Exports in Net Sales



"Our system allows the user to see the ship on the map without needing to separately measure the ship's position. This speeds up route planning and bridge command has a very clear picture of what is going on the entire time. This gives navigators more time to set their courses and in this sense the system improves marine safety."

According to Tissari the Aspo system is highly developed and very sophisticated; the programming and design work was very demanding.

"The main challenge in the product development was getting the system to be fast enough. It was important to be able to change the visual interface in accordance with user needs, and the charts had to move smoothly on the screen without lags."

Aspo Systems has designed the system for the Windows NT environment, as well as a standard version of computer which can withstand vibration and temperature fluctuations.

Aspo Systems has been developing navigational systems since the mid-1980s. According to Tissari the know-how accumulated over many years provided the team with a clear edge in ECDIS development work.

"We have a good understanding of our users and we follow them continuously. When I meet with captains and first officers, we spend a lot of time discussing practical navigational issues and the like. The feedback that comes out of these discussions is invaluable and it to a large extent guides our development work. For instance, we have worked hard to create a logical user interface on the basis of this type of user feedback, and we have received a lot of praise as a result."

The Aspo ECDIS has applications beyond ship navigation as well, for instance, in the quality assurance activities of chart-producing and maintaining organizations all over the world. In addition, some marine academies use the system in simulation training.

Operating Principles

Personnel

Traditionally, Aspo has focused a lot of attention on personnel issues such as improving the work environment and optimizing job performance. In addition to providing personnel with leisure-time accommodations, the company supports its people by sponsoring common activities such as physical fitness programs and cultural activities.

In compensation we have tried to employ various types of incentive systems, such as stock options and convertible bond options. Our business units have their own incentive plans, which are normally aimed at the entire staff. The basic idea behind these systems is to tie incentives to unit financial performance.

We invest in training and development of professional skills within all of our organizations, focusing in particular on the ongoing development of our key persons' skills and know-how.

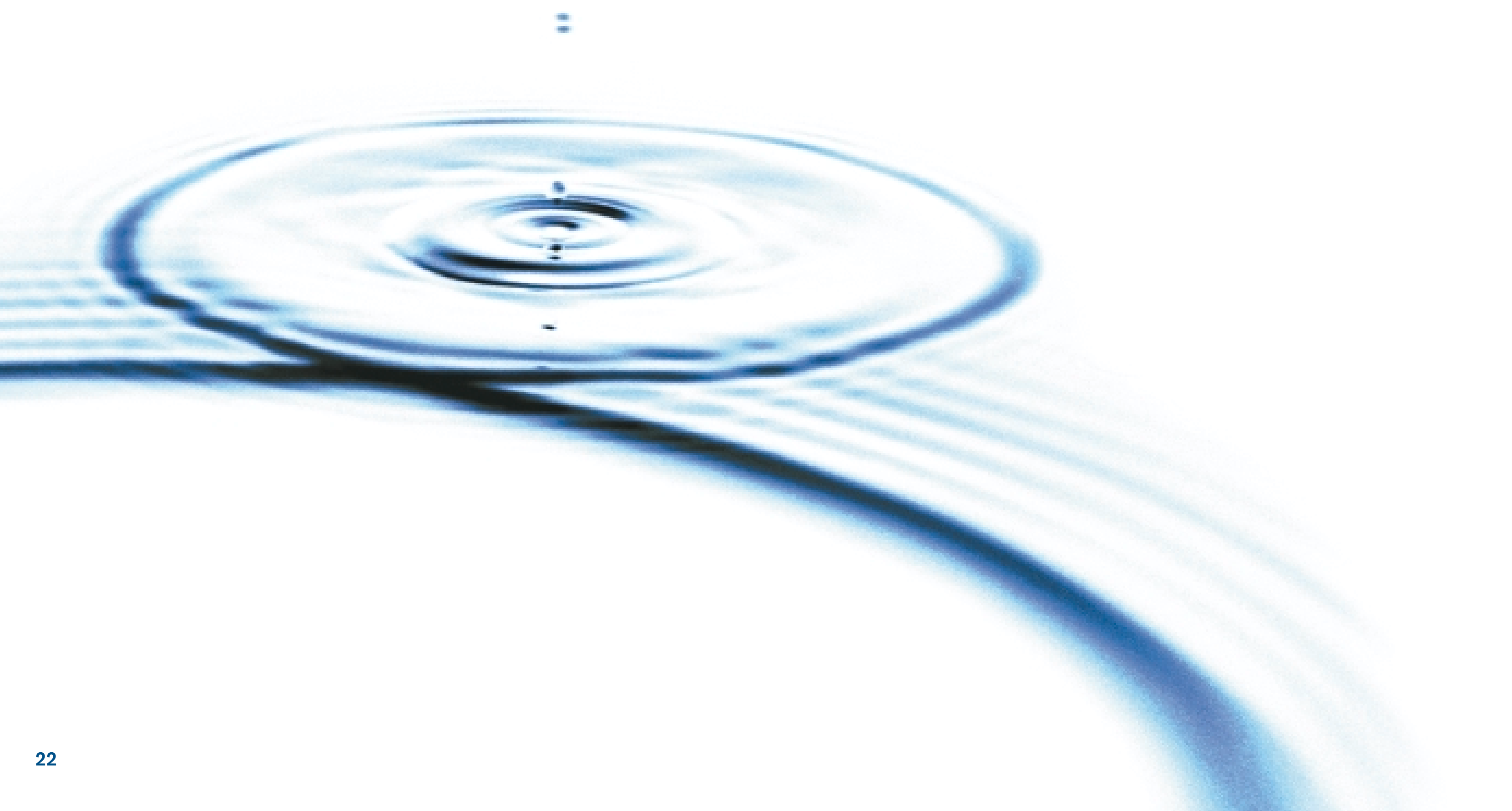
We also maintain an open internal communications possible, aimed at supporting the commitment of our people. To this end we are building up a comprehensive Intranet system for the whole group which take its place along side conventional internal communication tools.

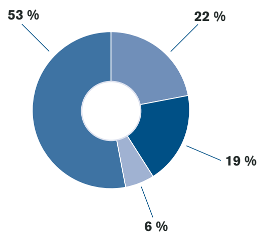
Environmental Policy

In its environmental policy, Aspo has made a commitment to conforming with the guidelines laid out by the International Chamber of Commerce for sustainable development. We also continuously develop internal environmental management systems on the basis of our own environmental policies.

In accordance with Aspo environmental policy, we make every attempt to anticipate and prevent events with environmental impact by employing exhaustive impact analyses, product life cycle analyses and risk analyses. In order to minimize environmental impact, we use the best technologies available, we train our people and we encourage them to take initiatives to work in an environmentally sensitive manner. Our principles also include a commitment to continuous improvement of environmental performance.

The responsibility for supervising the implementation of these principles lies with





Personnel by Division 1999

- Chemicals
- Shipping
- Systems
- Group Administration

Group Administration. In the business units environmental responsibility lies with the unit manager, or in some units with a separately appointed individual.

Aspo Chemicals takes part in the Responsible Care program's chemical trade sub-program which requires members to commit to ongoing, voluntary improvement of environmental, health and safety performance. Environmental issues are also increasingly influencing product range development with the target of providing customers with increasingly secure products.

Aspo Shipping operations have been certified by the International Maritime Organization (IMO) to conform with its safety management codes (ISM). The ISM guides on board safety procedures and prevention of environmental accidents. All Aspo Shipping vessels are double hulled and ice strengthened. The sulphur content of the crude oil carried by the ships is approximately 2 % on average and only about 1 % for the so-called low-sulphur oil. We monitor the oil content of bilge water and no water with a count exceeding 15 ppm is pumped into the sea.

The target of **Aspo Systems**' product development program is to produce increasingly safer and environmental-performance optimizing products. In development we examine the entire life cycle of the product. We provide service station chains with environmentally equipped products, such as fuel container monitoring systems with leak alarm systems. The useful life of the products has been extended and maintenance contracts include decommissioning and disposal services: we break down the installations, the usable components are repaired and the rest is recycled.

We systematically follow the development of Aspo's environmental policy on a yearly basis, through both stakeholder surveys and internal audits. To date, no significant policy breaches have been observed. The environmental awareness of our personnel has increased and with this awareness has come an increasingly proactive attitude toward prevention. Our goal is to keep working on the professional skills and environmental awareness of our personnel and support preventative activities. We have also launched an environmental accounting program to improve the reliability of our data.

Report of the Board of Directors, Pro Forma

At the beginning of 1999 the decision was made to divide the Aspo Group into two separately listed companies. The new companies were registered on October 1, 1999 and the quotation of their shares on the main list of the Helsinki Stock Exchange began the same day.

The figures in this printed Annual Report have been prepared as if the division of the Aspo Group had been executed already on January 1, 1996 (Pro Forma figures). The official financial statements of Aspo Plc and the Group financial statements from the period between October 1 and December 31, 1999 are available at the headquarters of Aspo Plc.

Business Conditions

The net sales of the Aspo Group for fiscal 1999 totalled 83.5 M€ (80.1 M€) and earnings after financial items 1.4 M€ (3.7 M€).

The process of renewing Aspo's identity and strategic profile took place during the division process. Consequently, Aspo will focus its activities on products and services related to industrial logistics.

Divestitures and acquisitions were executed on the basis of this strategic review. Toolsystem Oy was sold at the beginning of the year in a management buy-out. In October the Sonmarin companies were sold to the German Oiltanking GmbH and Greenergy Baltic Oy.

The Systems Division was strengthened with the acquisition of the service station systems operations of Instrumentointi Oy in December. At the same time it was decided to separate and incorporate the marine navigation system operations of the Systems Division.

In September an agreement with the Sampo Life Insurance Company Limited was concluded covering the transfer of the pension insurance activities of the Aspo Group Pension Fund to Sampo Life. The deal also included the sale of Aspo Plc shares held by the Aspo Group Pension fund to Sampo Life.

The Shipping Division's ESL Shipping Oy ordered a new dry bulk freighter at the end of the year from a Japanese shipyard. The vessel is scheduled for delivery in January of 2001.

The division of the Group and the divestitures and acquisitions carried out during the period generated additional non-recurring expenses that had a negative impact on the Group's operating profit. On the other hand, extraordinary gains resulting from restructuring activities raised the company's pre-tax profit significantly.

Net Sales

The Group's net sales increased by 3.4 M€ to 83.5 M€ as of the year end. The Group's direct exports and non-domestic subsidiary sales totalled 11.4 M€ (6.5 M€).

Sales in the **Chemicals** Division increased 6.3 % to 45.5 M€ (42.8 M€).

Shipping Division net sales declined 0.7 % to 27.5 M€ (27.7 M€).

The net sales of the **Systems** Division rose 8.9 % to 10.5 M€ (9.6 M€).

Profits

The Group's operating profit was 1.6 M€ (3.9 M€).

The operating profit of the **Chemicals** Division rose 0.4 M€ to 2.1 M€. The trading companies, Aspokem Ltd, Aspokem Eesti AS, UAB Aspokemlit and Aspokem Latvia SIA, increased their net sales and earnings over last year.

The **Shipping** Division's operating profit fell 1.9 M€ to 2.4 M€.

The **Systems** Division generated an operating profit of 0.5 M€ (0.5 M€).

Net Sales by Division	1999	1998	Change	Change
	M€	M€	%	M€
Chemicals				
Aspokem Ltd	**44.2**	42.6	3.7	1.6
Aspokem Eesti AS	**2.4**	2.4	0.7	0.0
Aspokem Latvia SIA	**1.1**	0.6	73.0	0.5
UAB Aspokemlit	**0.6**	0.3	131.3	0.4
Internal sales	**-2.7**	-3.0	-9.9	0.3
Total	**45.5**	**42.8**	**6.3**	**2.7**
Shipping				
ESL Shipping Oy	**27.4**	27.6	-0.7	-0.2
Oy Bomanship Ab	**0.2**	0.2	0.0	0.0
Internal sales	**-0.1**	-0.1	-16.7	0.0
Total	**27.5**	**27.7**	**-0.7**	**-0.2**
Systems				
Aspo Systems Oy	**10.5**	9.6	8.9	0.9
Total	**10.5**	**9.6**	**8.9**	**0.9**
Total Net Sales	**83.5**	**80.1**	**4.2**	**3.4**

The Group's depreciation expenses rose 0.2 M€ to 7.6 M€ with depreciation expenses rising 0.2 M€ in the Chemicals Division to 0.6 M€ and in the Shipping Division 0.3 M€ to 5.6 M€.

Net financial costs totalled 0.2 % of net sales, or 0.2 M€ (0.2 M€). Currency gains for the year totalled 0.2 M€ and rising income from investments in marketable securities also slowed the growth in the Group's net financial expenses.

The Group's earnings before extraordinary items and taxes totalled 1.4 M€ (3.7 M€), a decrease of 2.3 M€ form the previous year. Extraordinary gains of 5.4 M€ consisted mainly of refunds from the premium on the Aspo Group Pension Fund following its transfer. The refunds totalled 5.1 M€. The Groups's pre-tax profit was 6.9 M€ (4.5 M€). Direct taxes and net nominal tax liabilities totalled 0.6 M€ (1.3 M€).

Investments and Finance

The Group's investments totalled 9.4 M€ (18.6 M€). The most significant item was a 4.6 M€ down payment on the new vessel ordered for ESL Shipping Oy. The other significant item was the acquisition of service station systems operations from Instrumentointi Oy for Aspo Systems Oy. The purchase price was 2.5 M€.

The Group's financial position was good throughout the year. The Group held liquid assets totalling 19.5 M€ (38.5 M€) at the year end. Liabilities totalled 28.1 M€ (37.5 M€) as of the year end, including interest-free debt totalling 14.4 M€ (11.6 M€).

The Group's equity ratio, adjusted for tax liabilities, was 53.2 % (54.1 %).

Equity

Aspo Plc was founded on October 1, 1999 as a consequence of the division of the Aspo Group into two listed companies. The trade in Aspo Plc shares began the same day on the main list of the Helsinki Stock Exchange with the trading code ASU1V. The round lot is 50 shares. In the division, for each share in the divided Aspo Plc the shareholders received one share in the new Aspo Plc.

The share capital of Aspo Plc totals EUR 8,770,416 comprising 4,385,208 shares outstanding, each of which has a book-keeping value of 2 €. The company's shares have been registered with the Finnish Central Securities Depository on October 1, 1999.

During the fiscal period under review a total of 426,604 Aspo Plc shares with a value of EUR 3,227,327 were traded on the Helsinki Stock Exchange. As of December 31, 1999 a total of 609,794 shares were nominee registered or held by non-domestic entities, or 13.9 % of the total shares and votes outstanding. The average share price for Aspo Plc shares from October 1 to December 31, 1999 was 7.57 €. The shares reached a low of 6.10 € for the period and a high of 9.00 €. The closing price on December 31, 1999 was 8.89 € and the average price for the day was 8.89 €.

As of the year end the Board was not authorized to raise the company's share capital or issue convertible bonds or options or acquire or resell Aspo's own shares.

According to the Aspo Plc Articles of Association, any shareholder whose holding in the company meets or exceeds 331/3 or 50 % is required upon demand to buy out the other shareholders as defined more precisely in the Articles of Association.

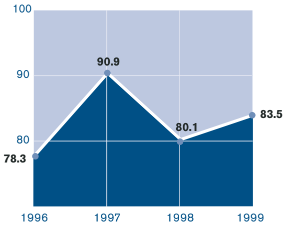
Subsidiary Shareholdings

The Board of Aspo Plc made a decision on December 16, 1999 to buy out the other shareholders of its subsidiary, ESL Shipping Oy, in accordance with Finnish equity legislation provisions. The shareholders will be paid market price for the stock. At the point when the decision was made, Aspo Plc had a holding of approximately 96 % in ESL Shipping Oy's shares and voting

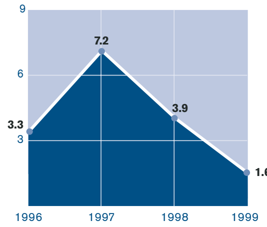
Operating Profit by Division	1999	1998	Change	Change
	M€	M€	%	M€
Chemicals	**2.1**	1.6	27.1	0.4
Shipping	**2.4**	4.2	-44.4	-1.9
Systems	**0.5**	0.5	10.3	0.1
Other operations	**-3.3**	-2.4	0.0	-0.9
Total	**1.6**	**3.9**	**-58.6**	**-2.3**

Investments by Division	1999	1998
	M€	M€
Chemicals	**0.5**	0.3
Shipping	**4.6**	17.6
Systems	**2.9**	0.2
Other operations	**1.4**	0.6
Total	**9.4**	**18.6**

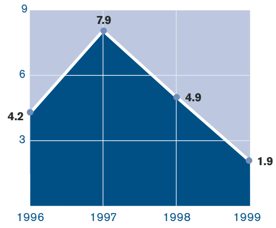
Net Sales, M€



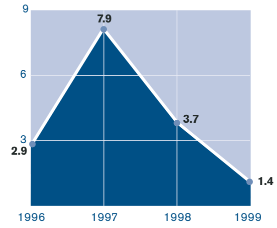
Operating Profit, M€



Operating Profit, Share of Net Sales, %



Profit before Extraordinary Items and Taxes, M€



rights. As a consequence of this buy-out decision the company's holding in ESL Shipping had risen to 98.98 % as of the signing of the fiscal 1999 financial reports. The repurchasing price is FIM 115 per share.

Liquidation of the Pension Fund

It was decided to liquidate the Aspo Group Pension Fund and to transfer its pension insurance activities to the Sampo Life Insurance Company, effective from January 1, 2000. Funds exceeding the pension liabilities, the pension fund premium totalling 6.1 M€, have been recognized on December 31, 1999. A total of 5.9 M€ has been recognized to Aspo Plc and the rest to the subsidiaries, Aspo Systems Oy and Oy Bomanship Ab.

Legal Proceedings

Taxation

The division plan called for the taxation-related litigation to be transferred to the new Aspo Plc. The Helsinki tax auditors have continued pursuing their application to the tax authorities for a change in Aspo's 1994 taxation. The Helsinki tax auditors have demanded that FIM 123 million (20.7 M€) in alleged hidden dividens be added to the 1994 taxable income of Polttoaine Osuuskunta (later merged with Aspo Plc) and a corresponding sum from Aspo Group Ltd (later Aspo Plc). The tax auditors' appeal refers to the 1994 merger of Aspo Oy and Oy Troili Ab and the compensation values used in the integration of the two companies.

The auditing committee of the Helsinki Tax Office dismissed the charges on June 26, 1997. The tax auditors appealed the decision to the Provincial Court. The auditing committee did, however, take the position that Oy Troili Ab had paid hidden dividends to members of Polttoaine Osuuskunta, cancelling the taxation decision pertaining to this issue, and returned the matter to the Helsinki Tax Office to determine the amount involved. Aspo Plc has denied all charges and appealed to the Provincial Court to uphold the original 1994 taxation ruling.

The Provincial Court gave its verdict on October 15, 1999 regarding the decisions issued by the auditing committee. The Court returned the entire matter to the provincial tax authorities for reconsideration as to which tax legislation is to be applied in the case. The Provincial Court has, however, noted that the sum, which was paid as merger compensation by Oy Troili Ab to Polttoaine Osuuskunta, has been well below the market value of the shares.

Aspo Plc's position on the matter remains that the market value of the shares was paid as compensation, and will continue to pursue the case on this basis. Aspo Plc has applied an appeal from the Supreme Administrative Court concerning certain of the substantive issues decided upon by the Provincial Court.

Environmental Damage Claim

The City of Helsinki has filed a claim against Aspo Plc in the Helsinki District Court calling for Aspo Plc and three oil companies to jointly pay the clean-up expenses for facilities rented in the former oil storage center of Herttoniemi, Helsinki, for damage related to land leased under several different agreements. The claim was transferred to Aspo Plc in accordance with the division plan. The claim amounts to FIM 27.1 million (4.6 M€). In a second claim, the city is demanding that Aspo's share of the clean-up costs, an alleged sum of FIM 4.3 million (0.7 M€), be separately paid to the city of Helsinki. Aspo has disputed the claims and will argue that it and its predecessor, Polttoaine Osuuskunta, have operated in Herttoniemi in complete accordance with the conditions and terms of the existing agreements and prevailing legislation.

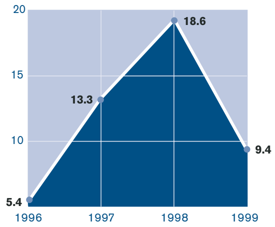
Personnel

The Group's personnel totalled 366 (294) at the year end and averaged 300 (282) during the period. The Group employed an average of 128 office personnel and a total of 172 non-office workers during the period under review.

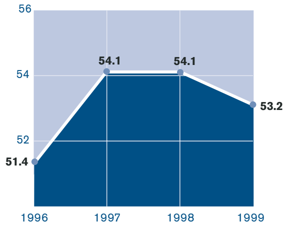
There were a total of 17 (16) persons in the service of the parent company at the year end, all of whom were office personnel. The average figure for the year was 17 (16).

As of the year end there were a total of 154 persons (160 persons) receiving benefits through the Aspo Group pension fund. The fund paid out pension and burial benefits totalling 0.4 M€ (0.4 M€) during the year. The pension insurance activities of the fund were tranferred to Sampo Life Insurance Company effective from January 1, 2000. The pension fund operations

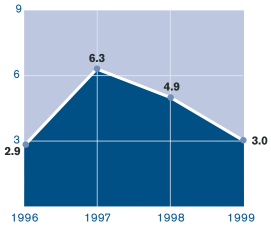
Investments, M€



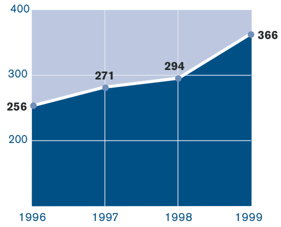
Equity Ratio, %



Return on Investment, %



Personnel, December 31



were shut down on January 1, 2000, and the fund will be liquidated.

Research and Development

The Group's R&D activities during the year focused mainly on various aspects of Group operations, procedures and manufacturing technologies without a dedicated organization. For this reason these expenses have been recorded under normal operational costs. Aspo Systems Oy maintains own product development activities.

Environment

The Group continued developing its environmental policies using follow-up and monitoring procedures in accordance with the Group's environmental policy and standards and procedures laid out by the International Chamber of Commerce.

Year 2000

Preparations for the year 2000 proved to be satisfactory and we moved to the year 2000 without any disturbances in our operations.

Prospects for 2000

As of the beginning of 2000 we expect that the net sales of the Chemicals Division will rise, with profitability remaining at the same relative level as in fiscal 1999. This view is based on the expectation that chemical prices will continue to rise, although not as steadily as in 1999. Prices in plastic raw materials are expected to be less stable. In addition, recovering market conditions at the end of last year will allow our Baltic subsidiaries to improve their performances, and this recovery appears to be sustainable. Trading activity-related net sales is expected to continue growing in 2000.

In the Shipping Division we expect freight volumes in the Baltic area to increase over last year, generating higher net sales volumes. In particular, we expect coal shipments to Finland to rise after a year of record low levels. Getting the entire fleet into operation in the Baltic area will have a critical impact on profitability and, as freight volumes increase, this will become more probable. Once all of our vessels are sailing Baltic routes we can optimize their operations and profitability will improve.

In the Systems Division net sales will increase significantly following the acquisition of the service station systems operations made at the end of 1999. Fuel payment and dispenser systems sales are expected to rise, particularly on export markets. In Finland the share of technical service in net sales will increase thanks to the acquisition and this will make it easier to forecast sales performance.

The performance of marine navigation systems in 2000 is more difficult to forecast. 2000 will be a breakthrough year after a sustained product development effort, and this will increase sales potential, but it is very difficult to predict the effectiveness of our international distribution channels.

Overall we expect the net sales of the Aspo Group to rise this year and its operating profit to improve.

Personnel by Division	1999	1998
Chemicals		
Office personnel	**50**	50
Non-office workers	**8**	8
Total	**58**	**58**
Shipping		
Office personnel	**15**	14
Crew members	**143**	136
Total	**158**	**150**
Systems		
Office personnel	**46**	39
Non-office workers	**21**	19
Total	**67**	**58**
Group Administration	**17**	16
Total	**300**	**282**

Income Statement, Pro Forma

	Note	Jan. 1- Dec. 31, 1999 1 000 €	Jan. 1-Dec. 31, 1998 1 000 €
Net Sales	1.1	**83 523**	80 145
Increase (+)/ Decrease (-) in finished goods inventory		**381**	-1 385
Other operating income	1.2	**1 150**	2 139
Materials and services	1.3	**-47 073**	-42 233
Personnel costs	1.4	**-11 673**	-10 708
Depreciation and write-downs	1.5	**-7 641**	-7 446
Other operating expenses	1.6	**-17 050**	-16 616
Operating Profit		**1 617**	3 896
Financial income and expenses	1.7	**-175**	-198
Profit Before Extraordinary Items		**1 442**	3 698
Extraordinary items	1.8	**5 445**	819
Profit Before Taxes		**6 887**	4 517
Direct taxes	1.9	**-653**	-1 265
Minority interest		**-33**	-422
Net Profit for the Period		**6 201**	2 830

Balance Sheet, Pro Forma

	Note	Dec. 31, 1999 1 000 €	Dec. 31, 1998 1 000 €
Assets			
Non-Current Assets	2.1		
Intangible assets	2.1	**1 291**	453
Goodwill	2.1	**554**	284
Tangible assets	2.1	**83 279**	84 920
Long-term investments	2.2	**987**	1 005
		86 111	86 662
Current Assets			
Inventories	2.3	**9 782**	7 502
Long-term receivables	2.4	**113**	113
Short-term receivables	2.4	**13 689**	8 280
Short-term investments	2.5	**18 027**	15 978
Cash and bank deposits		**1 478**	22 534
		43 089	54 407
		129 200	141 069

	Note	Dec. 31, 1999 1 000 €	Dec. 31, 1998 1 000 €
Liabilities and Shareholders' Equity			
Shareholders' Equity	2.6		
Share capital		**8 770**	8 770
Other funds		**25**	25
Retained earnings		**53 491**	62 396
Net profit for the fiscal year		**6 201**	2 831
Total Equity		**68 487**	74 022
Minority Interest		**212**	2 249
Mandatory Reserves	2.8	**686**	
Liabilities			
Deferred taxes		**11 570**	10 560
Long-term liabilities	2.9	**28 102**	37 509
Short-term liabilities	2.10	**20 143**	16 729
		59 815	64 798
		129 200	141 069

Cash Flow Statement, Pro Forma

	1999 1 000 €	1998 1 000 €
Operational Cash Flow		
Operating profit	**1 617**	3 896
Adjustments to operating profit	**7 822**	10 286
Net change in working capital	**-2 279**	-7 686
Interest received	**1 296**	1 703
Interest paid	**-1 824**	-1 954
Dividends received	**353**	53
Taxes paid	**-548**	-529
Net Operational Cash Flow	**6 437**	5 769
Investments		
Purchases of subsidiary and other shares	**-2 749**	
Purchases of other fixed assets	**-6 661**	-18 659
Disposal of shares and holdings	**1 035**	56
Disposal of other fixed assets	**90**	134
Total Cash Flow from Investments	**-8 285**	-18 469
Cash Flow before Financing	**-1 848**	-12 700
Financing		
Increases in long-term debt		13 455
Repayments of long-term debt	**-9 408**	-7 653
Increase/Decrease in long-term receivables		-8
Increase/Decrease in short-term financing	**4 074**	14 443
Dividends paid	**-11 824**	-5 890
Total Financing	**-17 158**	14 347
Increase/Decrease in Liquid Funds	**-19 006**	1 647
Liquid funds as of January 1	**38 512**	36 865
Liquid Funds as of December 31	**19 506**	38 512

Accounting Principles, Pro Forma

The financial statements and reports of the Group and Group companies have been prepared in accordance with the procedures laid out in the Finnish accounting law and other Finnish accounting legislation.

The calculation principles for the Group pro forma financial statements included in this printed Annual Report are presented in more detail later.

Asset Valuation and Allocation Principles

Fixed assets have been recorded in the balance sheet at their acquisition cost net of planned depreciation. Planned depreciation has been calculated straightline over the entire economic lifetime of the asset from the point of acquisition.

The depreciation schedules for different asset classes are as follows:

Intangible assets	3 - 5 years
Other long-term assets	5 - 10 years
Buildings and structures	15 - 30 years
Vessels	16 - 20 years
Machinery and equipment	3 - 8 years
Piping and fixtures	5 - 20 years
Other fixed assets	5 - 40 years
Group goodwill	5 - 10 years

Inventories are accounted for using the FIFO method and are valued at their acquisition cost, their resale value, or their probable market value.

Marketable securities are valued at their acquisition cost.

Discounts and VAT have been accounted for under adjustments to net sales.

Research and development costs are fully expensed against the income statement during the fiscal year under review.

Pension benefits have been organized on behalf of the Group's personnel using pension insurance. The Group has no pension liabilities. The pension liabilities of the Aspo Group Pension Fund have been transferred to a pension insurance company and the fund will be liquidated. The pension benefits of foreign subsidiaries have been organized according to local practices.

Liabilities and receivables denominated in foreign currencies have been recorded at the prevailing exchange rate on the date of transaction. Liabilities and receivables are converted into euros in connection with the preparation of financial statements using the average exchange rate on the closing date. Foreign currency denominated advances are converted using the prevailing exchange rate on the date of payment. All currency gains and losses are recognized or charged against the income statement during the year under review.

Accounting Principles for the Group Financial Statements

The Group financial statements and reports include the parent company and all operational subsidiaries in which the parent has, either directly or indirectly, more than a 50 % holding. Acquired companies are consolidated into the Group accounts from the point of acquisition. The financial statements of foreign subsidiaries are adjusted to match the Group's accounting principles and to meet Finnish accounting standards.

The Group financial statements are prepared using the acquisition cost method. This means that the acquisition costs of subsidiaries are matched against the equity accounts at the point of acquisition. Any amounts in excess of shareholders' equity are recorded in the subsidiary's fixed asset accounts and are then amortized using the planned depreciation schedule of the asset account in question. Group goodwill is written off over 10 years in accordance with prevailing accounting legislation.

Intra-Group transactions, internal receivables and payables, internal dividend payments and internal gross margins included in inventories are eliminated. Margins and gains related to the internal sale of fixed assets are also eliminated from the accounts.

Minority interests, which have been separated from the shareholders' equity accounts, from accumulated excess depreciation (net of deferred taxes), and from earnings accounts, are presented as a separate item on the financial statements.

The income statements of foreign subsidiaries are converted into euros using the average exchange rate in the fiscal period in question. Balance sheets are converted using the exchange rate on the date the accounts are closed. Discrepancies arising from conversions are recorded along with equity-related conversion effects in the retained earnings account.

Leasing expenses are written off in the year under review.

Accumulated excess depreciation is allocated into the equity and deferred taxes (nominal tax liability) accounts. Changes in excess depreciation are recorded in the change in deferred taxes account and the profit for the fiscal year account. All significant allocation-related gains and losses are recognized or expensed.

Allocations pertaining to deferred taxes are performed using the prevailing tax base in the given country.

Calculation Principles for the Pro Forma Figures

The pro forma calculations are prepared on the basis of the financial statements from the years 1996-1999. The companies referred to in the division plan have been consolidated in the financial statements excluding Toolsystem Oy and Sonmarin Oy with its subsidiaries which were sold in 1999. The divested operations have been eliminated from the figures as if the companies had been sold off already before the beginning of 1996. FIM 1.5 million (0.25 M€) from the expenses of Aspo Plc have been transferred to Aspocomp Group Oyj. Dividends paid in previous years have been regarded as dividends paid by the new Aspo Plc. Interest paid and interest received, taxes and financial items comprise nominal items. A more detailed examination of the pro forma accounting is available in the division prospectus issued on April 8, 1999 and updated on September 28, 1999.

Notes to the Financial Statements, Pro Forma

1. Notes on the Income Statement

1.1 Net Sales

Net Sales by sector and market area

Net sales by sector	1999 1 000 €	1998 1 000 €
Chemicals	**45 625**	42 815
Shipping	**27 409**	27 686
Systems	**10 489**	9 644
Total	**83 523**	80 145

Net sales by market area	1999 1 000 €	1998 1 000 €
Finland	**72 122**	73 606
Other Europe	**8 318**	6 002
North America	**3**	33
Others	**3 080**	504
Total	**83 523**	80 145

1.2 Other Operating Income

	1999 1 000 €	1998 1 000 €
Gains on the sale of fixed assets	**155**	262
Other income	**995**	1 877
Total	**1 150**	2 139

1.3 Materials and Services

	1999 1 000 €	1998 1 000 €
Purchases during the fiscal period	**45 342**	40 102
Change in inventories	**-324**	237
	45 018	40 339
Outsourced services	**2 055**	1 894
Total	**47 073**	42 233

1.4 Personnel-related Notes

Personnel costs and benefits	1999 1 000 €	1998 1 000 €
Salaries and wages	**9 283**	8 510
Pension costs	**1 386**	1 210
Other personnel costs	**1 004**	988
Total	**11 673**	10 708

Management salaries and benefits	1999 1 000 €	1998 1 000 €
Presidents	**463**	515
Board members	**120**	94
Total	**583**	609

Employees of the Group and Parent during the fiscal period	1999	1998
Office personnel	**128**	119
Non-office workers	**172**	163
Total	**300**	282

CEO and Board Member pension liabilities

The CEO of the Parent and the President of ESL Shipping Oy have the option to retire at 60. The Chairman of the Parent Board has the option to retire at 58.

1.5 Depreciation and Write-downs

	1999 1 000 €	1998 1 000 €
Depreciation of tangible and intangible assets	**7 518**	7 307
Amortization of Group goodwill	**122**	139
Total	**7 640**	7 446

1.6 Other Operating Expenses

	1999 1 000 €	1998 1 000 €
Rents	**819**	878
Other expenses	**16 231**	15 738
Total	**17 050**	16 616

1.7 Financial Income and Expenses

	1999 1 000 €	1998 1 000 €
Income from long-term investments		
Dividend income	**353**	53
Other interest and financial income	**1 296**	1 703
Interest and other financial expenses	**1 824**	1 954
Total financial income and expenses	**-175**	-198
Interest and financial income includes currency gains (net)		520

1.8 Extraordinary Items

	1999 1 000 €	1998 1 000 €
Extraordinary income		
Gains on the sale of fixed assets	**817**	821
Pension premium	**6 103**	
Other	**382**	
	7 302	821
Extraordinary expenses		
Other	**1 857**	1
Extraordinary items total	**5 445**	820

1.9 Direct taxes

	1999 1 000 €	1998 1 000 €
Taxes on extraordinary items	**-184**	230
Taxes on operational income	**838**	1 035
Total	**654**	1 265

2. Notes on the Balance Sheet

2.1 Non-Current Assets

2.1.1 Intangible and tangible assets

	Intangible assets 1 000 €	Goodwill 1 000 €	Other long-lived assets 1 000 €	Intangible assets total 1 000 €	Group goodwill 1 000 €	Land 1 000 €
Fixed assets						
Acquisition cost Jan. 1, 1999	892		317	1 210	2 574	1 467
Conversions						
Increase	194	809	1	1 004	401	
Decrease	-12		-1	-13		-468
Acquisition cost Dec. 31, 1999	1 074	809	317	2 200	2 975	999
Accumulated depreciation Jan. 1, 1999	-464		-293	-757	-2 289	
Accumulated depreciation on transfers and deductions	11			11		
Planned depreciation	-142	-14	-8	-164	-132	
Accumulated depreciation Dec. 31, 1999	-595	-14	-301	-910	-2 421	
Book value December 31, 1999	479	795	16	1 291	554	999

Aspo Group

	Buildings 1 000 €	Machinery and equipment 1 000 €	Vessels 1 000 €	Other tangible assets 1 000 €	Other prepaid expenses 1 000 €	Tangible assets total 1 000 €
Fixed assets						
Acquisition cost Jan. 1, 1999	30 077	7 293	118 179	1 433	44	158 493
Conversions				8		8
Increase	663	1 019		16	4 740	6 439
Decrease		-412		-128	-144	-1 152
Acquisition cost Dec. 31, 1999	30 740	7 900	118 179	1 329	4 640	163 788
Accumulated depreciation Jan. 1, 1999	-12 527	-5 602	-54 534	-911		-73 574
Accumulated depreciation on transfers and deductions		425		1		426
Planned depreciation	-1 015	-781	-5 474	-90		-7 361
Accumulated depreciation Dec. 31, 1999	-13 542	-5 958	-60 008	-1 000		-80 509
Book value December 31, 1999	17 198	1 942	58 171	329	4 640	83 279

2.2 Investments

	Other shares 1 000 €	Total 1 000 €
Acquisition cost Jan. 1, 1999	1 005	1 005
Decrease	-18	-18
Acquisition cost December 31, 1999	987	987
Book value December 31, 1999	987	987

Group companies	Group Interest %	Parent Company Interest %	Parent Shares and Holdings Number of Shares	Face Value 1 000 €	Book Value 1 000 €
Navintra Ltd, Helsinki	100.00	100.00	50	8	51
Aspo Systems Oy, Porvoo	100.00	100.00	1 000	589	1 741
Aspokem Ltd, Helsinki	100.00	100.00	6 000	1 009	5 047
ESL Shipping Oy, Helsinki	100.00	100.00	1 800 000	1 514	6 829
Kiint. Oy Alpinus, Kuusamo	100.00	100.00	450	8	53
Kiint. Oy Olarinluoma 12, Espoo	100.00	100.00	9	2	504
Kiint. Oy Tietokartano, Tampere	79.00	79.00	395	133	949
Aspokem Eesti AS, Tallinn, Estonia	100.00				
Aspokem Latvia SIA, Riga, Latvia	100.00				
UAB Aspokemlit, Vilnius, Lithuania	100.00				
Oy Bomanship Ab, Helsinki	100.00				
O.Y. Näppärä, Helsinki	100.00				
Kiint. Oy Yrittäjäntie 6, Porvoo	100.00				
Aspo Systems Eesti Oü Tallinn, Estonia	100.00				
Aspo Systems Ceská republika s.r.o., Prag, Czech	100.00				
Total					**15 174**

	1999 1 000 €	1998 1 000 €
2.3 Inventories		
Inventories		
Materials and supplies	**3 299**	2 148
Work in progress	**53**	72
Finished goods	**6 381**	5 282
Advances	**49**	
Total	**9 782**	7 502
2.4 Receivables		
Breakdown		
Long-term receivables		
Loans receivable	**113**	113
Total long-term receivables	**113**	113
Short-term receivables		
Accounts receivable	**9 132**	7 317
Loans receivable	**49**	19
Other receivables	**182**	11
Deferred receivables *)	**4 127**	933
Calculated tax receivable	**199**	
	4 557	963
*) Main items		
Subsidy from the Ministry of Transport and Communications	**582**	589
Receivable from the Aspo Group Pension Fund	**2 819**	
Tax receivable	**113**	
Total short-term receivables	**13 689**	8 280

	1999 1 000 €	1998 1 000 €
2.5 Short-Term Financial Assets		
Acquisition cost	**18 027**	15 978
Book value	**18 027**	15 978
2.6 Shareholders' Equity		
Share capital January 1	**8 770**	8 770
Share capital December 31	**8 770**	8 770
Other funds January 1	**25**	25
Other funds December 31	**25**	25
Retained earnings January 1	**65 226**	68 190
Dividend distribution	**-11 745**	-5 794
Conversions	**10**	
Retained earnings December 31	**53 491**	62 396
Net profit for the year	**6 201**	2 831
Total shareholders' equity	**68 487**	74 022
Share of accumulated excess depreciation and voluntary reserves	**26 878**	27 460
Distributable unrestricted equity	**32 813**	37 766
2.7 Appropriations		
Accumulated depreciation in excess of plan December 31	**39 896**	38 020
Calculated tax receivable	**-11 570**	-10 560
Minority interest	**-1 448**	
Voluntary reserves in equity December 31, 1999	**26 878**	27 460

	1999 1 000 €	1998 1 000 €
2.8 Mandatory Reserves		
Other mandatory reserves *)	**686**	
*) Mandatory reserves		
Provision for expenses related to the divestiture of Sonmarin	**505**	
Provision for personnel and pension costs	**181**	
Total	**686**	
2.9 Long-Term Liabilities		
Loans from financial institutions	**27 747**	33 200
Pension loans	**355**	3 923
Other long-term debt		386
Total long-term liabilities	**28 102**	37 509
Deferred taxes		
On appropriations	**11 570**	10 560
Debts with maturities longer than 5 years		
Loans from financial institutions	**6 332**	9 290
Pension loans	**136**	557
Total	**6 468**	9 847
2.10 Short-Term Liabilities		
Unredeemed shares	**1 541**	
Loans from financial institutions	**5 709**	4 973
Pension loans	**438**	55
Unpaid dividend 1993-1998	**8**	7
Payables	**7 280**	4 893
Other debt *)	**2 080**	4 291
Deferred payables **)	**3 086**	2 510
Total short-term liabilities	**20 143**	16 729
*) Main items		
Deferred taxes	**286**	2 959
VAT	**910**	834
Employer's contributions	**463**	426
Instrumentointi Oy	**352**	
**) Main items		
Accrued interest	**486**	510
Personnel expenses	**1 810**	975

3. Other Notes

	1999 1 000 €	1998 1 000 €
3.1 Securities, Contingent Liabilities and Other Liabilities		
Debts secured by real estate		
Loans from financial institutions	**33 123**	37 935
Securities	**37 775**	44 839
Total	**37 775**	44 839
Other securities		
Securities against vessels		395
Repurchasing liabilities	**25**	59
Total	**25**	454
Securities on behalf of others		
Securities against vessel		143
Total		143

Pension liabilities

The Group has no pension liabilities.

	1999	1998
Leasing liabilities Unpaid lease payments		
Payable in the fiscal 2000	**30**	24
Payable later	**25**	43
Total	**55**	67
Guarantees on behalf of others		252

Derivative contracts

The Group has no open derivative contracts.

Division-related proceedings

According to the chapter 14 A, section 6 of the Companies Act, the recipient companies (Aspo Plc and Aspocomp Group Oyj) are jointly responsible for the debts and liabilities prior to the division. The total liability of the Company corresponds to the net value of the transferred assets.

Aspo Group Financial Performance and Key Figures 1996-1999, Pro Forma

	1999	1998	1997	1996
Net sales, M€	**83.5**	80.1	90.9	78.3
Operating profit after depreciation, M€	**1.6**	3.9	7.2	3.3
Share of net sales, %	**1.9**	4.9	7.,9	4.2
Profit before extraordinary items and taxes, M€	**1.4**	3.7	7.9	2.9
Share of net sales, %	**1.7**	4.6	8.7	3.6
Profit before taxes, M€	**6.9**	4.5	17.6	2.9
Share of net sales, %	**8.2**	5.6	19.4	3.7
Return on equity (ROE), %	**0.8**	3.4	7.7	2.9
Return on investment (ROI), %	**3.0**	4.9	6.3	2.9
Equity ratio, %	**53.2**	54.1	54.1	51.4
Equity ratio, net of tax liabilities, %	**62.1**	61.6	59.5	57.0
Gearing	**21.5**	5.4	-23.3	8.5
Gross investments in fixed assets, M€	**9.4**	18.6	13.3	5.4
Share in net sales, %	**11.3**	23.3	14.6	6.9
Personnel, December 31	**366**	294	271	256
Personnel, average	**300**	282	265	250
Earnings/share (EPS), €	**0.13**	0.51	1.24	0.41
Equity/share, €	**15.62**	16.88	17.70	15.89
Nominal dividend/share, € (Board's proposal)	**2.00**			
Adjusted dividend/share, €	**2.00**			
Dividend/earnings, %	**1 534.4**			
Effective dividend yield, %	**22.5**			
Price/earnings ratio (P/E)	**68.2**			
Share prices (adjusted)				
average, €	**7.57**			
low, €	**6.10**			
high, €	**9.00**			
Average share price, December 31, €	**8.89**			
Market value of total shares outstanding, December 31, M€	**39.0**			
Share turnover, 1 000 each	**427**			
Share turnover, %	**9.7**			
Total shares changing hands, 3 months, 1 000 €	**3 227**			
Total number of shares, 1 000 each	**4 385**	4 385	4 385	4 385

Calculation of Key Ratios

Return on Equity (ROE), %
Profit before extraordinary items and taxes – direct taxes x 100 /
shareholders' equity + minority interest (average)

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

Equity Ratio, %
Shareholders' equity + minority interest x 100 / balance sheet total
– advances received

Gearing
Interest-bearing liabilities – liquid assets / shareholders' equity + minority interest

Average Personnel
Average number of personnel as of the month end

Earnings per Share (EPS), €
Profit before extraordinary items and taxes – direct taxes – minority interest /
adjusted average number of shares outstanding during the period

Equity / Share, €
Shareholders' equity / adjusted number of shares outstanding at the year end

Adjusted Dividend / Share, €
Dividend paid in period / share issue multiplier

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, € / 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

Aspo Plc Financial Statements October 1 – December 31, 1999

Income Statement

	Note	Oct 1-Dec 31, 1999 1 000 €
Net Sales	1.1	
Other operating income	1.2	354
Personnel costs	1.4	-379
Depreciation and write-downs	1.5	-227
Other operating expenses	1.6	-927
Operating Loss		-1 179
Financial income and expenses	1.7	52
Loss before Extraordinary Items		-1 127
Extraordinary Items	1.8	6 008
Profit before Appropriations and Taxes		4 881
Appropriations	1.9	-116
Direct taxes	1.10	35
Net Profit for the Period		4 800

Balance Sheet

	Note	Dec. 31,1999 1 000 €
Assets		
Non-Current Assets	2.1	
Intangible assets	2.1	120
Tangible assets	2.1	12 574
Long-term investments	2.2	16 148
		28 842
Current Assets		
Long-term receivables	2.4	113
Short-term receivables	2.4	8 821
Short-term investments	2.5	18 027
Cash and bank deposits		13
		26 974
		55 816

	Note	Dec. 31,1999 1 000 €
Liabilities and Shareholders' Equity		
Shareholders' Equity	2.6	
Share capital		8 770
Retained earnings		20 978
Net profit for the period		4 800
Total Equity		34 548
Appropriations	2.7	4 812
Mandatory Reserves	2.8	686
Liabilities		
Short-term liabilities	2.9	15 770
		15 770
		55 816

Cash Flow Statement

	Oct 1 – Dec 31, 1999 1 000 €
Operational Cash Flow	
Operating loss	-1 179
Adjustments to operating loss	409
Net change in working capital	38
Interest received	53
Other financial items	-1
Taxes received	2
Net Operational Cash Flow	-678
Investments	
Purchases of shares	-1 783
Purchases of other fixed assets	-82
Disposal of shares and holdings	8 640
Disposal of other fixed assets	2
Total Cash Flow from Investments	6 777
Cash Flow before Financing	6 099
Financing	
Increases in long-term debt	
Repayments of long-term debt	-3 340
Increase/Decrease in long-term receivables	2 500
Increase/Decrease in short-term financing	9 039
Group transfers	-1 741
Total Financing	6 458
Increase/Decrease in Liquid Funds	12 557
Liquid funds as of October 1	5 483
Liquid Funds as of December 31	18 040

Notes to the Financial Statements

1. Notes on the Income Statement

1.2 Other operating income

Other	354
Total	354

1.4 Personnel-related Notes

Personnel costs and benefits	
Salaries	321
Pension costs	33
Other personnel costs	25
Total	379
Management salaries and benefits	
CEO and the Board of Directors	79
Employees of the Parent during the fiscal period	
Office personnel	17
Total	17

The CEO and Board Member pension liabilities

The CEO has the option to retire at 60. The Chairman of the Board has the option to retire at 58.

	Oct 1 – Dec 31, 1999 1 000 €
1.5 Depreciation and Write-downs	
Depreciation of tangible and intagible assets	227
	227
1.6 Other Operating Expenses	
Rents	138
Other expenses	789
Total	927
1.7 Financial Income and expenses	
Other interest and financial income	
From Group companies	40
From others	157
Total other interest and financial income	197
Interest and other financial expenses	
To Group companies	107
To others	38
Total interest and other financial expenses	145
Total financial income and expenses	52

	Oct 1 – Dec 31, 1999 1 000 €
1.8 Extraordinary Items	
Extraordinary income	
Gains on the sale of fixed assets	2 325
Pension premium *)	5 927
Other	1
	8 253

*) The pension premium with corporate tax refunds totals EUR 8,232,284.09 in Aspo Plc, recognized as extraordinary income net EUR 5,927,244.51.

Extraordinary expenses	
Group transfers	1 741
Other *)	504
	2 245
*) Main item	
Expenses related to the divestiture of Sonmarin	504
Extraordinary items total	6 008
1.9 Appropriations	
Accumulated depreciation in excess of plan	-117
	-117
1.10 Direct Taxes	
Taxes on extraordinary items	23
Taxes on operational income	-56
Deferred taxes	-2
	-35

2. Notes on the Balance Sheet

Non-Current Assets

2.1 Intangible and Tangible Assets

	Intangible assets 1 000 €	Other long-lived assets 1 000 €	Intangible assets total 1 000 €	Land 1 000 €	Buildings 1 000 €	Machinery and equipment 1 000 €	Other tangible assets 1 000 €	Tangible assets total 1 000 €
Fixed assets								
Acquisition cost Oct. 1, 1999	114	3	117	30	12 203	331	160	12 724
Increase	15		15			67		67
Decrease	-2		-2					
Acquisition cost Dec. 31, 1999	127	3	130	30	12 203	398	160	12 791
Planned depreciation	-10		-10		-172	-36	-8	-217
Accumulated depreciation Dec. 31, 1999	-10		-10		-172	-36	-8	-217
Book value December 31, 1999	117	3	120	30	12 031	362	152	12 574

2.2 Investments

	Group Company Shares 1 000 €	Other Shares 1 000 €	Total 1 000 €
Acquisition cost Oct. 1, 1999	19 681	999	20 680
Increase	1 783		1 783
Decrease	-6 290	-25	-6 315
Acquisition cost December 31, 1999	15 174	974	16 148
Book value December 31, 1999	15 174	974	16 148

Group companies	Group Interest %	Parent Company Interest %	Parent Shares and Holdings Number of Shares	Face Value 1 000 €	Book Value 1 000 €
Navintra Ltd., Helsinki	100.00	100.00	50	8	51
Aspo Systems Oy, Porvoo	100.00	100.00	1 000	589	1 741
Aspokem Ltd, Helsinki	100.00	100.00	6 000	1 009	5 047
ESL Shipping Oy, Helsinki	100.00	100.00	1 800 000	1 514	6 829
Kiint. Oy Alpinus, Kuusamo	100.00	100.00	450	8	53
Kiint. Oy Olarinluoma 12, Espoo	100.00	100.00	9	2	504
Kiint. Oy Tietokartano, Tampere	79.00	79.00	395	133	949
Aspokem Eesti AS, Tallinn, Estonia	100.00				
Aspokem Latvia SIA, Riga, Latvia	100.00				
UAB Aspokemlit, Vilnius, Lithuania	100.00				
Oy Bomanship Ab, Helsinki	100.00				
O.Y. Näppärä, Helsinki	100.00				
Kiint. Oy Yrittäjäntie 6, Porvoo	100.00				
Aspo Systems Eesti Oü, Tallinn, Estonia	100.00				
Aspo Systems Ceská republika s.r.o., Prag, Czech	100.00				
Total					15 174

	Oct 1 – Dec 31, 1999 1 000 €
2.4 Receivables	
Breakdown	
Long-term receivables	
Loans receivable	113
	113
Total long-term receivables	113
Short-term receivables	
Accounts receivable	13
Loans receivable	6 073
	6 073
Deferred receivables *)	2 734
	2 734
*) Main item	
Pension premium from the Aspo Group Pension Fund	2 588
Total short-term receivables	8 820
2.5 Short-Term Financial Assets	
Acquisition cost	18 027
Book value	18 027
2.6 Shareholders' Equity	
Share capital October 1	8 770
Share capital December 31	8 770
Retained earnings	20 978
Retained earnings	20 978
Net profit for the period	4 800
Total shareholders' equity	34 548
Distributable unrestricted equity	25 778
2.7 Appropriations	
Accumulated depreciation	4 812
2.8 Mandatory Reserves	
Provision for expenses related to the divestiture of Sonmarin	505
Provision for personnel and pension costs	181
	686

	Oct 1 – Dec 31, 1999 1 000 €
2.9 Short-Term Liabilities	
Unredeemed shares	1 541
Unpaid dividend 1993-1998	9
Payables	184
Other debts *)	334
Deferred payables **)	178
	2 246
*) Main items	
Deferred taxes	286
Employer's contributions	48
**) Main items	
Personnel expenses	133
Accrued interest	27
Intra-Group debts	
Group account balance	81
Other debts	6 386
Deferred payables	1
Deferred payables ***)	7 056
	13 524
***) Group transfers	
Total short-term liabilities	15 770

3. Other Notes

3.1 Securities, Contingent Liabilties and Other Liabilities

Other securities	
Repurchasing liabilities	25
Total	25
Securities on behalf of Group companies	
Guarantees	917
Total	917

Pension liabilities

Aspo Plc has no pension liabilities.

Division-related proceedings

According to chapter 14 A, section 6 of the Companies Act, the recipient companies, Aspo Plc and Aspocomp Group Oyj, are jointly responsible for the debts and liabilities prior to the division. The total liability of the company corresponds to the net value of the transferred assets.

Major Shareholders as of December 31, 1999

	Number of Shares	Holding, %
Sampo Group		
Sampo Insurance Company Plc	100 000	2.28
Industrial Insurance Company Ltd	100 000	2.28
Sampo Enterprise Insurance Company Limited	150 000	3.42
Otso Loss of Profits Insurance Company Ltd	57 000	1.30
Sampo Life Insurance Company Limited	230 363	5.25
	637 363	14.53
Nyberg H.B.	430 000	9.81
Pohjola Group		
Pohjola Non-Life Insurance Company Limited	193 905	4.42
Pohjola Life Assurance Company Ltd	65 000	1.48
	258 905	5.90
Varma-Sampo Mutual Insurance Company	249 550	5.69
European Strategic Investors Holdings NV	228 000	5.20
Vehmas A.E.	211 920	4.83
Vehmas Tapio	187 133	4.27
Kaleva Mutual Insurance Company	185 000	4.22
Vehmas Liisa	166 595	3.80
Estlander Henrik	133 073	3.03
Nominee registered shares		
Skandinaviska Enskilda Banken Ab (publ.)	226 950	5.18
Merita Bank Plc	115 903	2.64
D. Carnegie AB, Finland Branch	500	0.01
Hex Securities Services	2 000	0.05
	345 353	7.88

As of December 31, 1999 a total of 609,794 shares were nominee registered or held by non-domestic entities, or 13.9 % of the total shares and votes outstanding.

Mr. H.B. Nyberg informed on October 29, 1999 that his holding in Aspo Plc, including Oy Havsudden Ab, exceeded one tenth, totalling 442,575 shares or 10.1 %.

Executive Share Ownership

The Board Members and CEO of Aspo Plc together with those within their sphere of inclunce held a total of 365,219 shares or 8.3 % of the total shares outstanding as of December 31, 1999.

Distribution of Share Ownership December 31, 1999

By Number of Shares

Number of Shares		No. of Share-holders	% of Share-holders	Total Shares	% of Share Capital
1 -	100	292	32.8	16 156	0.4
101 -	500	321	36.0	83 810	1.9
501 -	1 000	124	13.9	93 605	2.1
1 001 -	10 000	113	12.7	291 201	6.7
10 001 -	100 000	26	2.9	948 586	21.6
100 001 -		15	1.7	2 950 590	67.3
Shares in trust and awaiting clearance			1 260		
Total		891	100.0	4 385 208	100.0

Shareholder Breakdown

	Total Holding, %	Total Shares, %
1. Households	86.9	45.1
2. Companies	7.9	4.8
3. Financial and insurance institutions	1.6	35.1
4. Non-profit organizations	2.4	1.7
5. Public sector organizations	0.4	7.3
6. Non-Domestic	0.8	6.0
Total	100.0	100.0

Administration and Auditors

Corporate Governance

The ultimate responsibility for the Group's management and operations belongs to the constitutional bodies of Aspo Plc. As the Group parent Aspo Plc is responsible for Group administration, strategic planning, financial administration, legal affairs and providing services related to the joint Group functions for the business divisions.

The Annual Shareholders' Meeting elects the Board members. The Board elects the Chairman and the Vice-Chairman from amongst its members. Each member has a two year term and the term will expire upon the conclusion of the second Annual Shareholders' Meeting following the election. Exceptionally two Board members were elected for the term expiring at the conclusion of the next Shareholders' Meeting. The CEO is appointed by the Board of Directors.

The Aspo Plc Articles of Association require a minimum of four and a maximum of eight Board members. At the year end the Board comprised five Members.

Board and Auditors

During the year under review the Aspo Plc Board met 9 times. The Board of Directors consisted of Mr. Teuvo Juuvinmaa (Chairman), Mr. Kari Stadigh (Vice-Chairman), Mr. Matti Arteva, Mr. Kari Haavisto and Mr. Roberto Lencioni. The term of Mr. Arteva and Mr. Haavisto will expire at the Annual Shareholders Meeting in 2000. The term of other Board Members will expire at the Annual Shareholders' Meeting of 2001. Mr. Gustav Nyberg has served as CEO of the company since October 1, 1999.

The authorized public accounting firm of SVH Pricewaterhouse Coopers Oy served as the company's auditors during the year under review.

Proposal of the Board for the Distribution of Earnings

The Group has a total of EUR 59,691,766.85 in its unrestricted earnings account, of which EUR 32,813,378.38 is distributable. The parent company has a total of EUR 25,777,651.75 in its unrestricted equity account. As of December 31, 1999 there were a total of 4,385,208 registered shares outstanding. The Board proposes that the company's earnings be distributed as follows:

• a basic dividend of EUR 0.5 / share to be paid out on each of the 4,385,208 shares outstanding	2,192,604.00 €
• an additional dividend of EUR 1.5 / share to be paid out on each of the 4,385,208 shares	6,577,812.00 €
• to be held in the retained earnings account	16,957,235.75 €
• to be held for charitable purposes	50,000.00 €
	25,777,651.75 €

Helsinki, March 3, 2000

Teuvo Juuvinmaa   Kari Stadigh   Matti Arteva

Roberto Lencioni   Gustav Nyberg
CEO

Auditor's Statement on the Pro Forma Calculations

As the auditors of Aspo Plc, we have reviewed the pro forma income statements, balance sheets and notes to the financial statements which base on the audited financial statements of Aspo group companies for the years 1998 and 1999, and the key ratios presented. The Aspo group pro forma information is calculated in accordance with the accounting principles in the financial statements.

In connection with our review, we have not become aware of anything that would give us reason to doubt that the pro forma information presented would not give, for their essential parts, a true and fair view of the consolidated result and financial position. We have issued an Auditor's Report dated 8 Mach 2000 on the audit of Aspo Plc for the financial period 1.10. - 31.12.1999.

Helsinki, March 8, 2000
SVH Pricewaterhouse Coopers Oy
Authorized Public Accountants

Ilkka Haarlaa
Authorized Public Accountant

Auditor's Report

To the shareholders of Aspo Plc

We have audited the accounting, the financial statements and the corporate governance of Aspo Plc for the period 1.10. - 31.12.1999. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets and notes to the financial statements, have been prepared by the Board of Directors and the CEO. Based on our audit we express an opinion on these financial statements and on corporate governance.

We have conducted the audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by the management as well as evaluating the overall financial statements presentation. The purpose of our audit of corporate governance is to examine that the members of the Board of Directors and the CEO have legally complied with the rules of the Companies' Act.

In our opinion the financial statements have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements. The financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and parents company's result of operations as well as of the financial position. The financial statements with the consolidated financial statements can be adopted and the members of the Board of Directors and the CEO of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the distributable equity is in compliance with the Companies' Act.

Helsinki, March 8, 2000
SVH Pricewaterhouse Coopers Oy
Authorized Public Accountants

Ilkka Haarlaa
Authorized Public Accountant

Aspo Plc Board

Teuvo Juuvinmaa, born 1943
M.Sc. (Econ.)
Chairman since 1999
Shareholding: 15 976

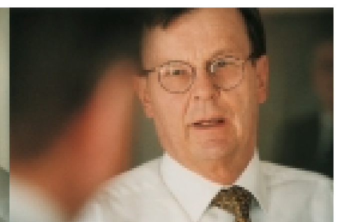
Kari Stadigh, born 1955
M.Sc. (Techn.), M.Sc. (Econ.)
President, Sampo Life Insurance Company Limited
Vice-Chairman since 1999
Shareholding: 111 600
Alesco S.A. 34 443

Matti Arteva, born 1945
Engineer
President, Asva Ltd
Board Member since 1999
Shareholding: 31 154

Kari Haavisto, born 1941
Lic.Sc. (Econ.)
CFO, Metsäliitto Group
Board Member since 1999
Shareholding: -
Fundum Oy 38 700

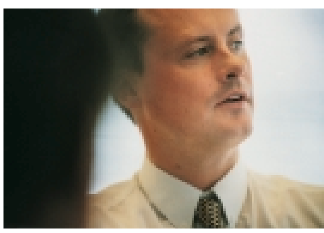
Roberto Lencioni, born 1961
LL.M.
Partner, Oy Baltic Protection Alandia Ab
Board Member since 1999
Shareholding: 1 548

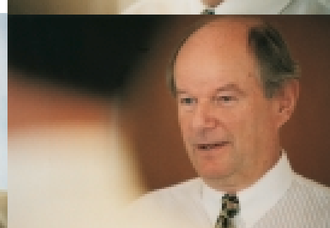
Matti Arteva



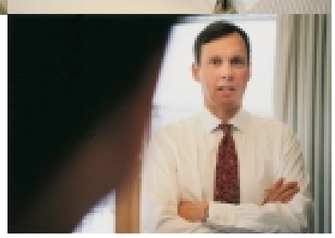
Kari Haavisto

Roberto Lencioni





Teuvo Juuvinmaa



Kari Stadigh

Aspo Directory

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