Aspo

Annual Report 2004

Contents

Aspo In Brief

Aspo provides value-added logistical services for industrial customers. We support the energy and process industries with special expertise and logistical know-how that enhances their processes. Aspo's customer relations are long-term partnerships based on solid trust. We have concentrated our operations around the Baltic Sea area.

Key Figures

	2004	2003	Change, %
Net Sales, MEUR	184.5	145.2	27.1
Operating Profit after Depreciation, MEUR	20.9	13.6	53.7
Share of Net Sales, %	11.3	9.3	
Profit before Extraordinary Items and Taxes, MEUR	19.2	12.5	
Share of Net Sales, %	10.4	8.6	
Earnings / Share, EUR	1.77	1.01	
Equity / Share, EUR	6.70	6.55	
Equity Ratio, %	49.3	44.8	
Return on Investment, % (ROI)	24.9	16.5	
Return on Equity, % (ROE)	26.7	14.5	
Personnel, December 31	566	536	

We operate in three divisions:

Aspo Chemicals

imports and markets industrial chemicals and plastic raw materials, and produces branded automotive chemicals.

Aspo Shipping

handles marine raw material transports for the energy and heavy industry sectors.

Aspo Systems

produces and services dispensing and payment automation systems for service stations.

A Critical Link In Our Client's Value Chain

Aspo provides logistical support services for industry. We serve companies in the processing and energy production sectors, both of which require extensive specialist knowledge and logistical competence. We are responsible for an important part of our clients' value chains.

Our vision is to increase Aspo's value and competence over the long term, from one generation to the next. Our goal is to establish enduring client relationships based on strong partnership and accumulated know-how. We believe this is the best way to increase shareholder value.

Aspo's sectors share many features that support cross-divisional synergy. We serve demanding B-to-B clients in all three of our divisions. Our logistics know-how is diversified: we have a long history of managing a variety of value chains. This helps us to better understand the customer's logistics as a whole. We have concentrated our operations around the Baltic Sea area, which also serves as the home market for our key customers.

As a diversified company we have a good overview of the evolving business environment, from several different points of reference. We can leverage experience gained in one sector and transfer what we have learned to other sectors and customer relationships. This allows us to serve our customers better.

Unique Know-how And Strong Partnerships

Aspo Chemicals: Linking Producers & End Users

In industrial chemicals Aspo Chemicals' strategy is to link raw material producers and chemical end users. Superior logistical know-how has given Aspo Chemicals excellent credentials to assume responsibility for a part of both the producer and end user businesses. That is the engine of our growth.

In plastic raw materials our strategy revolves around efficiently serving small and medium size subcontractors who manufacture plastic components. These firms have to react rapidly to the changing needs of their own customers, so a responsive local distributor is crucial to their competitiveness. Aspo Chemicals is able to supply its customers with plastic raw materials tailored exactly to their needs.

Aspo Shipping: Just-In-Time Delivery

Aspo Shipping's strategy is to ensure the efficient transport of raw materials for energy producers and industry. Shipping takes particular care of vital transports for businesses utilizing Just-In-Time (JIT) delivery principles based on pinpoint scheduling. JIT requires superior responsiveness and delivery performance, which in turn demand close customer collaboration, a large enough fleet and a solid reputation developed over many years. These features build a clear competitive advantage for Aspo Shipping.

Aspo Systems: Total Service Station Automation – Reliably

The Aspo Systems strategy is to act as a long-term partner for the market's leading service station chains by providing reliable, cost-effective automation solutions. In a changing business environment service station chains require dependable suppliers with state-of-the-art automation systems, equipment and maintenance services. Technologically advanced systems and a geographically comprehensive maintenance service system make Aspo Systems the long-term partner of choice for service station chains.

A Record Year

Last year Aspo generated one of the best performances in its 75-year history. In a way it is rare for diversified companies that all divisions exceed their targets. The record result was created by both favorable market conditions and highly efficient operations. At the same time we worked hard to lay the foundation for continued earnings improvements in the coming years.

For Chemicals rapid price fluctuations have characterized market conditions. Last year the trend in prices was mainly upwards, and eventually the demand was so strong that supply dried up. Thanks to good supplier relations Chemicals was able to supply most of the products required by its clients. For the first time the Division's earnings reached the three million euro level.

For Shipping the year had an unfortunate start when our dry bulk barge sank in heavy weather. The company pays close attention to safety so no one was lost, but the lost tonnage meant that Shipping had to concentrate its operations and to improve its efficiency. This improved productivity and in combination with price increases significantly improved Shipping's profitability.

The Systems Division's Autotank succeeded both in increasing revenues and cutting costs. Investments in the sector picked up, boosting Autotank's sales. The division has introduced a new generation of payment terminals suitable for payment with chip cards, soon to be launched. Simultaneously the division's cost-cutting program progressed faster than what was targeted. Autotank's costs decreased last year by over EUR 1.5 million from the previous year.

We really have to be satisfied with this record year. Yet at the same time we have to constantly look to the future. We not only generated earnings, but worked hard to pave the way for future growth. The Autotank and Chemicals acquisitions capped a very successful year for the Aspo Group. These actions will open future opportunities for an even stronger performance than the past year.

Autotank's Malte acquisition in January 2005 will further strengthen the division's position in the Nordic countries. The acquisition will make customer service more comprehensive, further extending our maintenance service coverage to Sweden and Norway. The acquisition provides many synergies, since maintenance services in this larger market area can be organized with significantly greater efficiency.

The Pemco acquisition will provide Chemicals with an important foothold in Sweden. In addition to new markets the division will get new product groups, for instance coating chemicals used by the forest industry. For Chemicals this provides an opportunity to renew both operationally and organizationally. New suppliers, markets and product groups will be crucial to Chemicals' future, because profits in the industry are declining. For this reason the only way to increase earnings in absolute terms is to increase volumes and revenues.

The current year looks promising for Shipping as well. Even if the demand for energy coal is subsiding from its peak level and slower periods are predicted for the steel industry as well, the changes will not significantly impact Shipping. The Baltic Sea is a stable market area where changes in world markets are reflected only partially. Moreover, the operational efficiency of the company still offers opportunities for improvement.

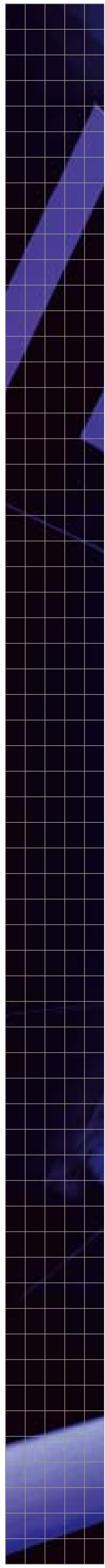
All of the acquisitions and divestitures made in the past few years have worked to stabilize Aspo's operational performance. For Autotank the increased share of maintenance services will effectively even out fluctuations in equipment sales. In Chemicals new market areas and product groups will decrease the importance of price fluctuations in individual products. In Shipping the increased raw material transports for the steel industry have decreased our dependency on fluctuations in energy coal demand.

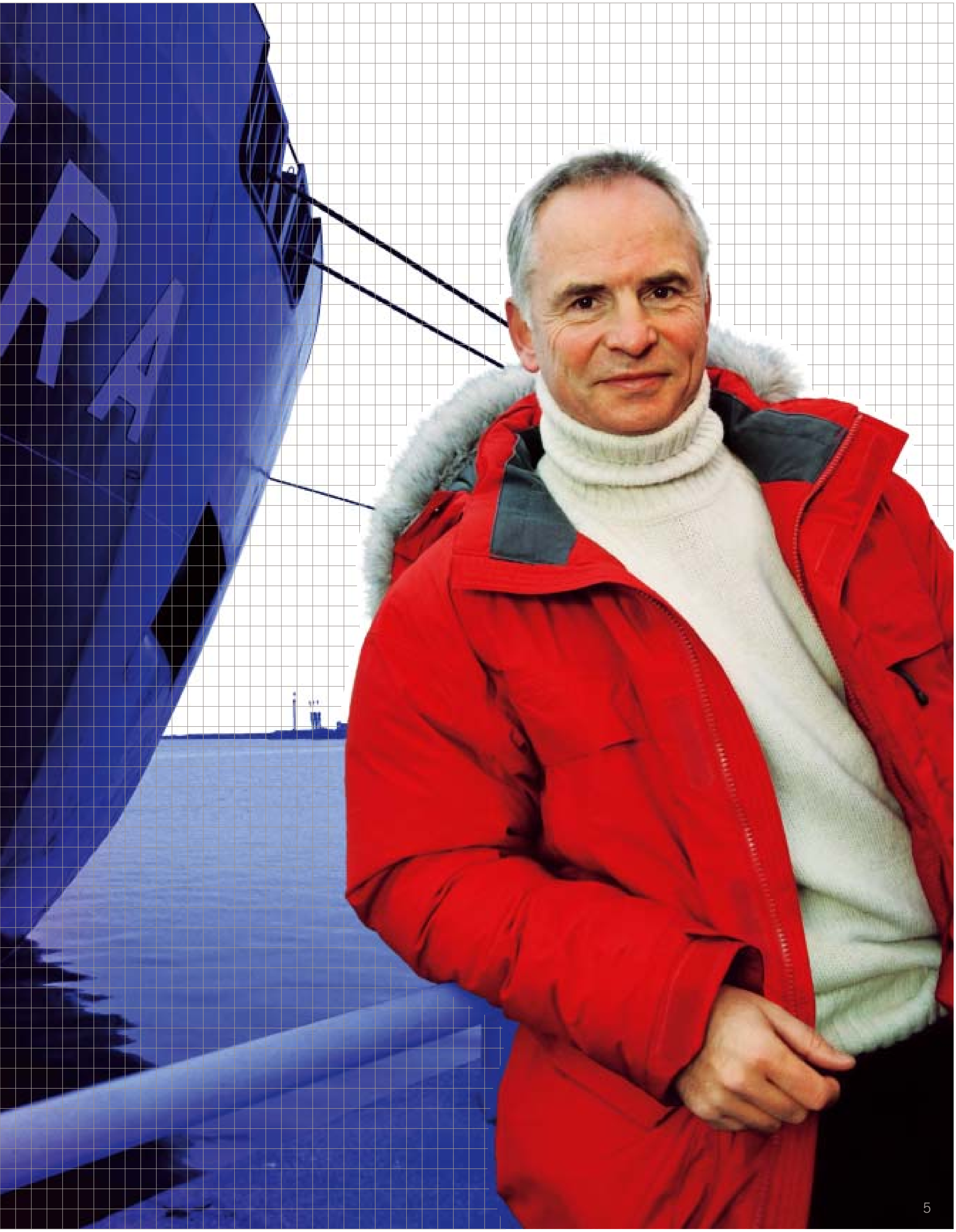
As a result of all this the starting points for 2005 are exceptionally positive. No major changes are expected and our recent acquisitions should keep Aspo on a positive track. There is also a very strong go-getter spirit within the company.

The number of Aspo's shareholders has been rising steadily. Last year the number rose again by more than a third. I would like to thank all of our 3 252 shareholders, as well as our customers and partners. But the credit for this record year goes first and foremost to the team effort made by everyone at Aspo. I would like to extend my warmest thanks to our skilled and motivated personnel – a team that is always ready for new challenges.

Helsinki, February 18, 2005

Gustav Nyberg
CEO
gustav.nyberg@aspo.fi





The Power Of Diversification

”In the long run any one of Aspo’s divisions can grow to be of such interest for the markets that it can create more shareholder value as an independent company. The listing or the divestiture of a division is consequently quite possible in the future. Aspo has some experience in that respect, as the spinoff and listing of our electronics division some five years ago demonstrated”, says Aspo CEO Gustav Nyberg.

According to Nyberg all of Aspo’s divisions have the potential to manage as independent listed companies. Service station maintenance and general property maintenance have many synergies, which may open up profitable new business opportunities for Autotank. On the one hand, Shipping, being highly specialized and operating in the whole Baltic Sea area, could be an interesting alternative on the Nordic OMX exchange. On the other hand, a large acquisition would put Chemicals among the ten largest distributors in Europe. In any event, the area of operation must be large enough, profitable and interesting.

“If one of Aspo’s divisions were separated, it would be important to replace it with another pillar. Incidentally, the number of Aspo’s divisions will probably remain at the present level (three), since developing a new business is a long process. We have been in the shipping business for over 50 years, in chemicals for over 40 years and even in the service station business for over 30 years.”

The Advantage of Undervaluation

Nyberg feels that diversified companies such as Aspo are constantly undervalued. For an owner with a long-term perspective this is however a positive thing, as the undervaluation contributes to a steady increase in market value. Increasing the long-term shareholder value is thus one of the most important advantages of diversification.

”Companies focused on a single business area are very vulnerable. If a crack appears in their future prospects, it immediately affects the operations and the market value of the whole company. In a diversified company the sum of the components is always greater than the company’s market value. This provides a buffer. If one of the divisions suffers setbacks, it doesn’t generally affect the value of the whole company very much. Consequently, a diversified company can provide the owners a solid, steady long-term performance”, Nyberg says.

According to Nyberg General Electric is a good example of a diversified company that has been very successful in different market conditions. Since a diversified company is constantly undervalued, it has to pay special attention to growth, profitability and return on investment. Aspo has set its goal at an absolute growth in earnings.

”Last year Aspo’s operating profit exceeded ten percent. Profits did not include significant non-recurring items, which means that the earnings can be considered excellent. Aspo’s long-term objective is to keep the margin closer to ten than five percent. For the next five years the objective is to further increase average net revenues by 10 to 15 percent annually.”

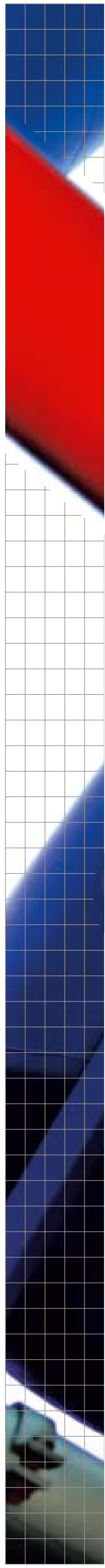
“For the return on investment and the return on equity our objective is an average of over 20 percent. For a company like Aspo this is a very challenging level. Our dividend policy remains the same: the goal is to distribute on average half of the company’s annual earnings.”

The Baltic as a Home Market

The benefits of diversification have accentuated during the past few years, as Aspo operates even more strongly in the whole Baltic Sea region. When expanding into new market areas different divisions can share their experiences – they can avoid making the same mistakes and exploit business models that have proven effective. This is a very valuable advantage, especially in the Russian and other Eastern European markets.

“Generally companies make their biggest mistakes when expanding into new markets. For that reason an accurate view of the market and learning from others are important benefits of diversification. We know very well which risk level is appropriate for investment in each market area. But it is just as useful to know which markets are not worth expanding into.“

“The Baltic Sea area is for us a very natural market, since our big customers operate increasingly within the whole Baltic sea area. The Hanseatic League did not develop by accident. The Baltic Sea is a natural economic zone of its own requiring its own logistical infrastructure. This is the underpinning of Aspo’s strength now and will be in the future as well. Big corporations need a logistics partner who knows and understands the area well”, says Nyberg.



A Flexible Distributor

Aspokem is the leading distributor of industrial chemicals and plastics in Finland and its neighboring areas. The company's strategy is to link raw material producers and chemical end users. The division's strength lies in specialist know-how, acquired over many years that is related to the raw materials required in its customers' processes.

Aspokem has three business segments: Industrial Chemicals (nearly 50% of net sales), Plastics (over 40% of net sales) and Automotive Chemicals (over10% of net sales). In addition to Finland, Aspokem operates in Estonia, Latvia, Lithuania, Russia and Ukraine. About 65% of its net sales derive from Finland.

Adding Value to Customer Processes

Our customers in the industrial chemicals segment include firms working in the coatings and paints, process, feed, chemicals and pharmaceutical industries. Our competitive advantage comprises the most versatile storage system in the business, efficient logistics, a comprehensive product range, as well as long-term cooperation with some of the leading global players in the chemicals field.

In the plastics segment customers include both electrical and electronics companies, as well as firms producing various consumer goods. We supply these customers with engineering and volume plastics. We have the most comprehensive product range in the business, efficient logistics and technical customer service. Tailored deliveries go straight into the customer's production.

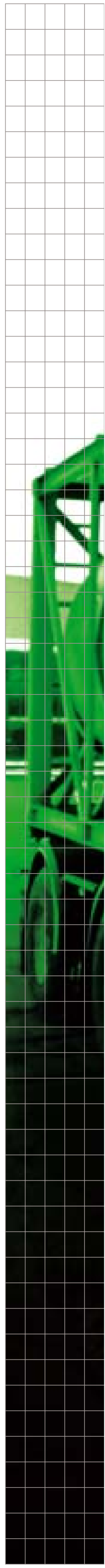
Automotive Chemicals produces branded products from our own raw materials. Zero and Polar are market leaders in radiator coolants in Finland and in the Baltic states.

Fiscal 2004

In 2004 Aspokem generated the best sales and earnings in its history. For most products the price trend was upwards. Demand increased somewhat in Finland and significantly abroad. Although there were some supply problems, Aspokem wasn't much affected, as the company has healthy long-term relations with its material suppliers. During the year Aspokem also launched operations in Ukraine.

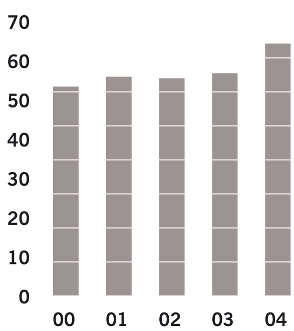
Key Earnings Factors

Rapidly fluctuating raw material prices underline the importance of correctly timing purchases. About one fifth of our purchases are made in dollars. This means that a weaker dollar improves earnings. Weather conditions can affect Automotive Chemicals' earnings for up to one quarter. The optimal winter conditions for product demand is mild and muddy.

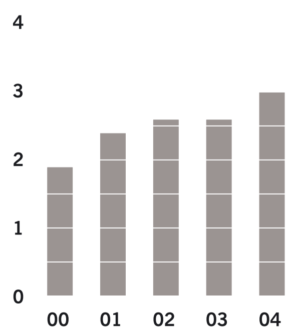


Aspo Chemicals

Net Sales, MEUR



Operating Profit, MEUR



Key Figures	**2004**	**2003**	**2002**	**2001**	**2000**
Net Sales, MEUR	65.7	57.9	56.6	57.0	54.7
Operating Profit, MEUR	3.0	2.6	2.6	2.4	1.9
Average Personnel	84	82	76	67	61

Share in Group Net Sales	**35.6%**
Share in Group Personnel	**14.8%**

Chemicals

Looking To The East

"Aspokem's future growth is in the East. Consumption of finished goods, for example in Russia's chemicals sector, is only a fraction of that in the West. It offers great potential to a flexible and agile distributor such as us", says Aspokem's CEO Jari Ranne.

At present, Aspokem operates in six countries: Finland, Estonia, Latvia, Lithuania, Russia and Ukraine. There will be at least nine such countries in five years time, according to Ranne. Our target is to increase revenues to well over EUR 100 million within five years. It will be fairly equally divided between the Finnish unit and the other countries.

"Our principle growth will come from the Eastern European and CIS markets. The overall demand in Finland for our products will continue to grow very moderately. Finnish companies have fallen into foreign hands. It makes no sense for a big manufacturer to keep a plant in a market area that serves only five million people. It is natural for us to develop our activities eastwards; getting raw materials in Russia is a long-established practice of ours."

Big Customers in Russia

It is possible for a distributor to manage quite a large share of business in Russia. The large raw material producers focus on the biggest finished goods manufacturers. Distributors get the medium-sized companies as customers. In recent years, raw materials manufacturers have been cautious about taking on more employees. With markets developing in Russia, the size of their business partners has also increased. Consequently, distributors have also been getting bigger customers than before. Aspokem has customers in Russia who can buy hundreds of tons of products each month. Traditionally, raw materials manufacturers have themselves managed customers buying such huge quantities.

"Several new chemical sector companies are starting up in Russia and Ukraine. The potential is enormous; for example, the ratio of inhabitants to raw materials consumption in the paints and plastics sector is only a fraction of what it is in the West", says Ranne.

"Joint ventures with local operators also offer interesting opportunities for growth in the East. We have several such projects under way."

The ground rules in eastern trading markets vary a lot from western models. Adequate expertise in local customs and business practices is absolutely vital for success. As just one example, double invoicing can cause problems.

"It is essential to be quick. If a product sector changes to the extent that our involvement in it is no longer profitable, then we have to switch rapidly to another chemical or plastic raw material."

The general trend in the chemical sector is that the number of raw material manufacturers is dwindling. Competition is intense, and manufacturers are reducing their employees. It is typical that Aspokem's principal has no employees in the Nordic countries. This underlines the local distributor's role. There is more and more work available for the good distributor to do.

New Products Possible

Economic growth in China has propped up demand and bullish prices for well over a year. Since distributors with storage facilities sell goods they bought yesterday tomorrow, Aspokem takes advantage of the increased demand and controlled increase in price. Of course, if the Chinese economy should overheat, sudden changes could come about in world market prices.

"China brings a lot of speculation to bear. During the upturns, prices of volume products can rapidly double. On the other hand, if Chinese economic growth were to stagnate, prices could plummet. The structure of the European and US markets is such that it is easier to forecast changes. But competence in the China sphere is still in short supply – big raw materials manufacturers, for example, view the development of the country's markets very differently."

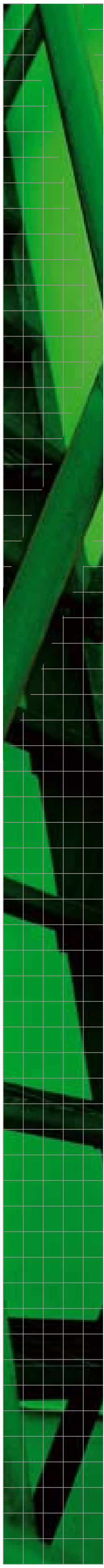
Steep price changes underscore the significance of purchasing at the right time; success with purchases is a key factor influencing Aspokem's profit. The mark of the professional is the ability to pinpoint price developments as closely as possible. Long experience in monitoring and weighing what those involved in the market do and say allows Aspokem to project price developments.

The share of plastic raw materials in Aspokem's sales and profit has grown in recent years. It appears this trend will continue.

"A very successful principal-product-customer structure has been found for plastics. I feel that the turnover of plastic raw materials will be about the same as industrial chemicals in five years time."

"There is also great growth potential in automotive chemicals. Car markets in East Europe and the CIS are rapidly becoming westernized. Consumers want western quality in automotive chemicals. This growth presupposes expansion of local manufacturing. We are looking at the investment alternatives", says Ranne.

Aspokem may well have more product areas in the future. There could be growth potential in the market for various fine and paper chemicals. Aspokem continually examines new business opportunities in which it could utilize the company's accumulated experience and expertise.



Chemicals

The Baltic Expert

ESL Shipping is the leading dry bulk sea transport company operating in the Baltic Sea area. Enduring client relationships based on strong partnership are the division's strength. Because of the importance of raw material transport, Aspo Shipping plays a crucial role in the customers' logistics chain.

ESL Shipping operates across the entire Baltic Sea area. The company's self-discharging vessels are designed specifically to operate in demanding Baltic conditions. Its ice-strengthened and relatively shallow draft ships are able to safely enter even the narrowest and shallowest ports fully loaded. All of our vessels are also equipped with bow thrusters and most have on-deck cranes. This reduces the ship's dependence on port handling or tugboat services. In addition, our vessels can also load and unload rapidly at sea. Company ships concentrate on iron ore and pellets (31% of cargoes), coal (53%) and limestone (11%) shipments.

Adding Value to Customer Processes

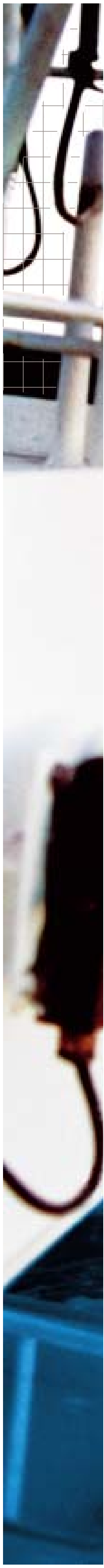
ESL Shipping serves energy producers as well as companies in the steel and chemical industries. The company's competitive advantage lies in flexible and efficient operations made possible by a modern and sufficiently large fleet comprising vessels of different sizes. All of our vessels sail under the Finnish flag and our crews are Finnish.

Fiscal 2004

In 2004 transport demand was stronger than usual. The fleet operated at optimal efficiency and was fully employed. The use of external vessels rose to almost four percent, which reflects the intensity of the demand. Transport contracts with the steel industry boosted total transport volumes by over 60 percent. The traffic was steady and generated good synergies. The sinking of a bulk barge in the spring changed earlier operating plans. At the same time it intensified the search for synergies, as only a limited amount of capacity was available.

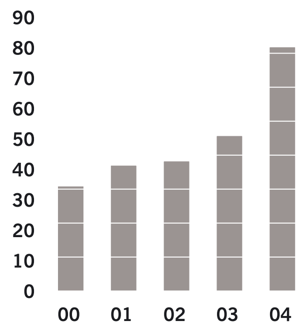
Key Earnings Factors

The strengthening of the dollar will improve earnings somewhat, but currency rates have less impact on earnings than in previous years. The Baltic Sea is a stable market area: the demand for raw materials is stable and customer relations are based on long-term partnerships. Cold and dry years tend to increase the demand for coal.

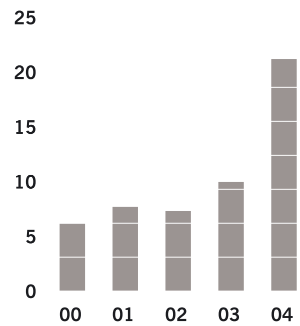


Aspo Shipping

Net Sales, MEUR



Operating Profit, MEUR



Key Figures	**2004**	**2003**	**2002**	**2001**	**2000**
Net Sales, MEUR	80.9	51.5	43.1	41.7	34.8
Operating Profit, MEUR	21.4	10.1	7.4	7.8	6.3
Average Personnel	262	215	192	180	160
Share in Group Net Sales					**43.9%**
Share in Group Personnel					**46.0%**

Zeroing In On Profitable Growth

“The Baltic Sea is our home market. It’s relatively stable and should remain so in the future as well. Our versatile fleet will enable us to generate profitable and moderate growth in the area. And there are also new opportunities, like transports in the southern Baltic Sea”, says Eerik Yrjölä, CEO of ESL Shipping.

The Baltic Sea will have its own shipping market in the future as well because ice-strengthened vessels are required in the area. Shipping companies won’t order ice-strengthened ships based on speculation, since they are needed only within a very limited area and in a narrow market segment. Consequently, no major new competitors are to be expected on the Baltic market.

Ocean freights have proliferated during the last few years due especially to China’s strong economic growth. Changes in freight rates show up in the Baltic Sea area, but with some lag.

“There is a so-called overflow linkage between ocean freights and the Baltic Sea freight level. The ocean freight level affects fleets bringing goods in and out of the Baltic Sea area. When ocean freights rise, some of the ships in the Baltic Sea leave for the larger oceans in search of higher earnings. This results in reduced capacity in the Baltic Sea and prices rise. Baltic Sea freights typically fluctuate by about a third of ocean freight movements”, says Yrjölä.

New Hardware Coming

Mini-cycles are also an ongoing feature of the freight markets. Currently, a great number of ships are under construction and the added capacity is expected to lead to a natural downturn in 2006–2007. On the other hand, ongoing Chinese economic growth or any quick upswing in an emerging market could fill this extra capacity and keep shipping prices up.

The bulk cargo carrier ordered by a joint venture between ESL Shipping and the Swedish Donsöshipping will be completed in December 2005. It will arrive in the Baltic Sea in the winter of 2006. Thanks to an option, the price was fixed during more favorable market conditions prevailing some years ago. Yrjölä sees many positive features in the cooperation with Donsöshipping.

“We can renew our fleet and at the same time substantially limit the risks of the investment. We are also able to utilize Donsö’s earlier experience of ordering ships from China. The cooperation helps us in the Swedish market too - we are better known there now.”

ESL Shipping now has critical mass. Not just anyone can compete with the company. Its current size also provides more maneuvering room in timing the ordering of new ships. The fleet can be renewed when shipyards are facing weaker market conditions and prices are lower.

“We are looking for moderate growth. It is essential that the growth is controlled and does not jeopardize our operational efficiency or the quality of our service. There are several ways to grow. Outsourcing, partnerships and acquisitions are all in the cards.”

ESL Shipping and Rautaruukki have now worked together for over a year in marine transport of raw materials. Outsourced shipments generate synergies and consequently the customer enjoys both competitive freight rates and dependable deliveries. Normally matching these two factors is difficult.

“The southern Baltic Sea is an area that offers perhaps the best opportunities for consolidation. However, it is essential to expansion that the transported goods are compatible with our processes. All our operations must generate synergy from outgoing and incoming traffic. We must have return freight and ships must not sail empty. This is the core source of our profitability. For this reason we do a very careful analysis before expanding into new products and markets“, says Yrjölä.

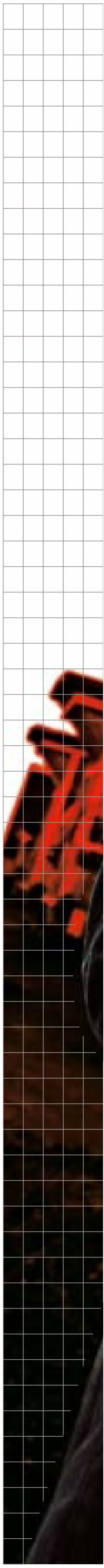
Coal will remain one of the most important materials in the future. A new domestic nuclear power plant will begin to have an impact on energy production only towards the end of the decade, at which time energy consumption will have increased from its present level. Moreover, in district heating coal is and will remain an important resource in the future.

More Flexible Shipments

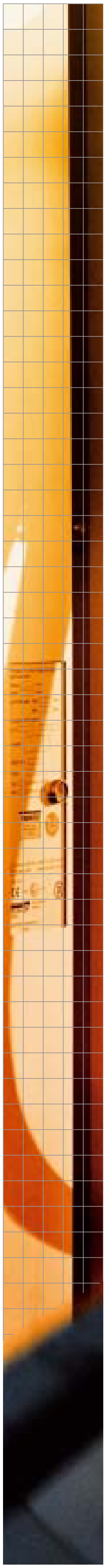
According to Yrjölä, in five years ESL Shipping will be a more diversified and also somewhat larger shipping company with a partially renewed fleet. There may even be operations outside the Baltic, if customers want a more diversified set of services. One of the specific factors affecting the situation in the Baltic Sea is an increase in long-distance imports. In the long run, for instance Polish coal output will drop off, which will increase long-distance imports by large ocean-going vessels.

Yrjölä believes that in the future the importance of marine transport will become increasingly clear both within the EU and in Finland. The EU is already trying to support marine transport. Its goal is to reduce the amount of heavy, environmentally unfriendly and dangerous road shipments.

“Even in Finland the importance of logistics is gradually attracting attention. For instance deepening the waterways will allow for greater unit loads and ships. This will mean more dependable and more cost-effective shipments.”



The Service Behind The Service Station



Autotank is the leading supplier of automated service station dispensing systems and maintenance services in the Nordic market. The division's strength is a comprehensive service palette that covers both tailored systems and efficient maintenance.

Autotank operates in the Nordic countries, the Baltic states, Poland and Russia.Our product and service range comprises outdoor payment terminals with on-line checking, site controllers, point of sale systems, dispensers, wet stock management systems, as well as a comprehensive range of installation and maintenance services.

In the aftermath of the Malte acquisition in January 2005 maintenance services comprise two thirds of Autotank's net sales. Approximately 70 percent of net sales derive from Sweden and Norway.

Adding Value to Customer Processes

Autotank's customers are local and international service station chains. We add value to client supply and sales processes on the strength of highly automated, eco-sensitive systems. Effective maintenance services enhance capacity utilization and improve end user service.

Fiscal 2004

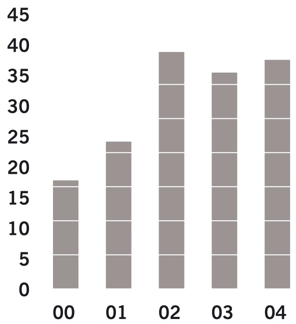
In 2004 customers invested in building new roadside stations and modernizing old ones. In addition, many old stations were automated. Growth was strong, especially in the Baltic states and Poland. During the year the company completed the outsourcing of its dispenser production. The measure increased sales and improved the return on investment. The quality of new dispensers has improved and their production is also more cost-effective. The company also developed the SmartNet remote service concept allowing monitoring of the station's sales and stocks over data networks.

Key Earnings Factors

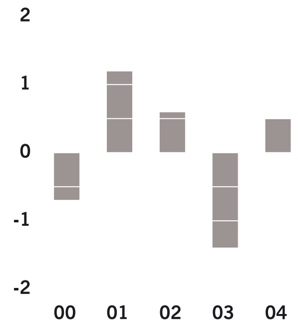
For Autotank the winter months normally generate weaker demand in equipment sales and installation services, while during the second half of the year business usually is brisk. The steady cash flow from maintenance evens out fluctuations in equipment sales. A major part of Autotank's net sales is outside the euro region: a stronger euro weakens earnings somewhat, but the importance of currency rates is decreasing.

Aspo Systems

Net Sales, MEUR



Operating Profit, MEUR



Key Figures	**2004**	**2003**	**2002**	**2001**	**2000**
Net Sales, MEUR	37.9	35.8	39.2	24.4	18.0
Operating Profit, MEUR	0.5	-1.4	0.6	1.2	-0.7
Average Personnel	215	233	249	157	144

Share in Group Net Sales	**20.5%**
Share in Group Personnel	**37.8%**

Customer Service Takes Center Stage

"With the Malte acquisition maintenance services now comprise two thirds of Autotank's net sales. Maintenance has now become a critical success factor because service station safety is a crucial element of oil company branding. Moreover, the reliability of fuel dispensing is having an increasing impact on our customers' sales performance", says Autotank's CEO Peter Hutton.

In January 2005 Autotank purchased the Swedish and Norwegian maintenance operations of the Scandinavian Malte Group. With the purchase Autotank net sales increased by roughly 40 percent and maintenance services began to generate significantly larger revenues than equipment sales.

"Autotank is now more clearly a service company. Maintenance smoothes out the cyclical fluctuations of our business. From now the forecasting of our operational performance will be more predictable."

Two major factors in particular contribute to the increased importance of maintenance services. International oil companies pay close attention to their brands. The brand has to keep its promises all around the world, at every single service station – and safety plays a particularly central role.

"Safety is the key factor in all our operations. We train and test our service personnel continually. Our technicians take tests for specific service qualifications, and our customers audit our operations as well. We are also promoting an official certification for the business."

Competing with Speed

Another factor contributing to the growth in maintenance is the fact that an increasing share of service station sales derives from non-petroleum products, the shops and the restaurants. So if the pumps are out of order, the station will lose store revenues at the same time. Since so much is at stake, ever more investments are being made in maintenance.

"You can see the efficiency of maintenance most clearly in response times. The sooner we can get things fixed, the less revenue the customer loses. Here the scale of our maintenance service is an important strategic competitive advantage. As a big operator we can more easily have a technician on the spot quickly and more cost-effectively", Hutton says.

Autotank provides its customers increasingly with more comprehensive service contracts where a specific level of service is guaranteed. These contracts are based on intensive cooperation. Autotank monitors the station's operation continuously and responds to emerging problems independently without specific orders from the customer. Remote equipment control makes it increasingly possible to service the technology through IP or satellite connections.

In equipment and software Autotank is focusing increasingly on tailoring the solutions to the needs of each client. Risks in product development are reduced through cooperation with selected partners. Components are purchased from subcontractors and equipment is assembled as close to the customer as possible.

"Our role is to build the customer's needs into a working system. Here we utilize the best components in the business, our expertise in systems and our knowledge of customers. This is a combination that competitors cannot copy."

The Card Comes to Russia

Although the Nordic markets are already relatively mature, there are continuous internal changes within the business that generate investments.

"In the Nordic countries the station networks are practically complete. However, major road projects, such as the Turku and Lahti expressways, bring along new roadside stations. As a result new unmanned stations are built alongside new shopping centers. Investments are also being spurred by the competition between oil companies: station profiles are changing and the tendency is to try to continuously offer customers something new."

Likewise, technological development is driving continuous investment. The EMV chip card reform will be the next major development. After this payment terminals will begin to utilize Internet protocol as well as color and touch displays. Color displays make the use of payment terminals possible for instance in advertising. Experimenting with the technology will begin towards the end of the year 2005. Another technological factor fostering growth is the proliferation of diesel-powered cars. In the future unmanned stations will increasingly have diesel dispensing points.

Autotank, too, has set its sights on the East. In Poland and the Baltic states large roadside stations are being built for instance along the Warsaw-Krakow highway and along the Via Baltica. Growth in percentages in these states is rapid, but in absolute terms the figures are still modest. In Russia Autotank is present both in the Vyborg and St.Petersbourg areas, as well as in Moscow.

"Over the next five years we will invest heavily both in Western Russia and in the Moscow market. There will be strong demand for payment terminals. We have learned that when the use of credit and bank cards becomes more common, the change happens quickly."

Intangible Assets Add Value

Aspo's vision is to increase the company's net worth and expertise on a long-term basis, over generations. One source of value are intangible assets, such as the company's human resources and a solid environmental reputation.

Aspo Group's personnel stood at 566 (536) people by the end of the fiscal year with an average of 569 (538) people over the year. The average number of office people was 264 (268) and that of non-office staff was 305 (270). 75% of the staff work in Finland, 15% in Scandinavia and 7% in the Baltic countries.

Aspo uses every means at its disposal to improve the skills of its staff and to create a motivating atmosphere. Aspo HR management is based on open internal communication that supports commitment to targets while encouraging strong performances. Regular performance reviews are a pivotal tool in our HR management. We invest in training and development of professional skills on all levels of the organization.

Aspo divisions use different incentive models to reward staff members. The incentive systems are linked to the achievement of the budgeted targets of each division. In 2004 a total of EUR 0.7 million was paid out in bonuses. Aspo has an incentive system for executives in which the bonuses are linked to the yield of the company's stock.

Aspo's Environmental Program

The continuous development of operations is an essential component of the Aspo environmental policy. Aspo is committed to following by the Covenant for the Economy of the International Chamber of Commerce.

We aim at anticipating and avoiding environmentally harmful activities through the assessment of the environmental impact of various projects, product life cycle analyses and risk evaluations. The company seeks to manage critical environmental issues beyond the minimum requirements of statutes and regulations. The voluntary soil study conducted at the Rauma terminal is an example of Aspo's proactive environmental policy.

For Aspo Chemicals' partners a solid environmental reputation is a basic operational prerequisite. Some of these partners are not content with certification, but want to directly audit the quality and environmental systems of their distributors.

For Aspo Chemicals the objective at every level of its activities is a perfect environmental, safety and sanitary record – and that record has held for the last nine years.

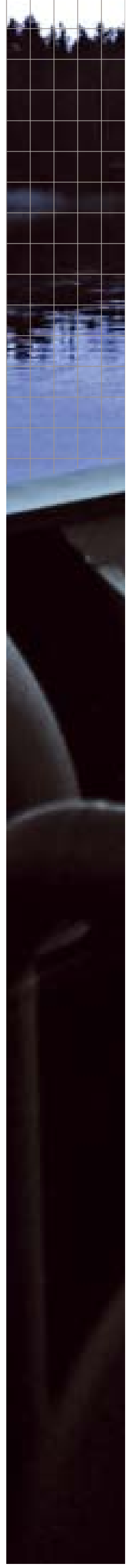
Aspo Chemicals participates in the Responsible Care program in its version focusing on the chemical trade. The program involves commitment to continuous voluntary improvement in environmental, health and safety matters. Aspo Chemicals also has a quality certificate corresponding to the ISO 9001 standard.

Aspo Shipping's operations are certified in compliance with the ISM safety management code of the international maritime organization, IMO. The ISM code is a set of rules covering the safe operation of vessels and prevention of environmental damage. The certification includes annual audits. Every vessel is also certified under the ISM code.

Aspo also enhances vessel safety by using good equipment: all our vessels are ice-strengthened and our experienced crews are intimately familiar with the Baltic ports, shipping lanes and conditions. All vessels sail under the Finnish flag, with Finnish crews.

For Aspo Systems concern for the environment is a pivotal value that guides product development and the planning of maintenance services. For big international oil companies, service station safety is an important factor in building a strong company image. This places stringent demands on the equipment and systems of service stations. Consequently, the latest technology is used in every piece of equipment produced.

Aspo Systems has the skills to assume the responsibility for critical service station technologies throughout the station lifecycle. This comprehensive service includes products that employ environmentally friendly technologies, remote diagnostics that rapidly report technical malfunctions and preventive maintenance services. This reduces malfunctions and the risk of accidents.



Corporate Governance

Aspo Plc is managed in accordance with the regulations of the Finnish Companies Act, Securities Market Regulations, other governmental regulations on the management of public limited companies and the Company's Articles of Association. In addition, Aspo Plc follows the insider trading guidelines established by the Helsinki Stock Exchange. Aspo also complies with the Corporate Governance Recommendation for listed companies issued by the Central Chamber of Commerce of Finland and the Confederation of Finnish Industry and Employers.

Aspo Plc

Aspo Chemicals — Aspokem Ltd + subsidiaries

Aspo Shipping — ESL Shipping Oy + subsidiaries

Aspo Systems — Autotank Ltd + subsidiaries

Organization

The operations of Aspo are carried out by its subsidiaries. The operational organization is divided into three divisions and Group headquarters operations. The three divisions are Aspo Chemicals, Aspo Shipping and Aspo Systems.

It is the task of Aspo Plc to own and control assets, control the operations of subsidiary companies and other business units, and centrally manage issues relating to the administration, financing and strategic planning of all Group companies, as well as to plan and implement financially viable investments.

In the Aspo Group the highest authority for management and operations is held by the statutory bodies of Aspo Plc, which are the Annual Shareholders' Meeting, the Board of Directors and the Chief Executive Officer. The ultimate power for decisions is vested in the shareholders at the Annual Shareholders' Meeting.

Annual Shareholders' Meeting

The Annual Shareholders' Meeting is held yearly in Helsinki, at the registered domicile of the company, at a time specified by the Board of Directors. Notice of the Annual Shareholders' Meeting is to be published in newspapers determined by the Board of Directors not earlier than two months and not later than seventeen days prior to the meeting.

At the Annual Shareholders' Meeting the stockholders approve the income statement and the balance sheet of the company and the Group, decide on the payment of dividends and elect the Board members and the auditor.

In order to be allowed to speak and vote at the Annual Shareholders' Meeting, a shareholder must register at the company as indicated in the notice of the meeting. The period of registration shall not expire earlier than ten days prior to the meeting.

The company's objective is to have Board members assist at the Annual Shareholders' Meeting. Likewise, the company intends to have first-time Board member candidates present at the electing Shareholders' Meeting, barring particularly good reasons for absence. The decisions of the Shareholders' Meeting will be announced immediately after the Meeting in a stock exchange bulletin.

Advance Notice

Notification of the Shareholders' Meeting, and agendas of the matters handled at the Meeting, are announced in national newspapers. Moreover, the notice of the Meeting and the Board's proposals to the Shareholders are published as a stock exchange bulletin and posted on the company's website.

Board member candidates are announced along with the notice of the Meeting or in another manner after the announcement of the notice before the Meeting, if the candidate has accepted the post in writing and has the support of shareholders representing at least 10% of all voting rights. Moreover, the nomination of the company auditor prepared by the Board is announced in the same manner before the Meeting.

Board of Directors

The Board of Directors of Aspo Plc comprises not less than four and not more than eight members. The members of the Board of Directors are elected for a one-year term of office.

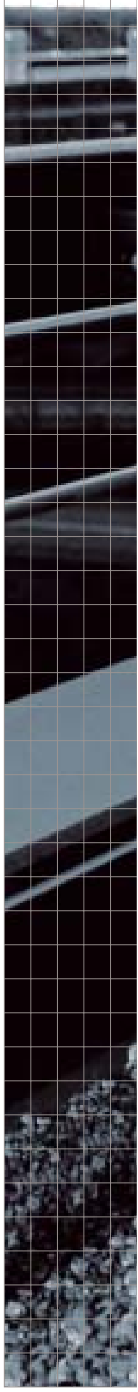
The number of members of the Board of Directors is determined at the Annual Shareholders' Meeting, where its members are also elected. The members of the Board of Directors elect a chairman and a vice-chairman from amongst themselves. Currently the Aspo Board comprises four members, a deviation from the Corporate Governance Recommendation.

The duties and responsibilities of the Board of Directors are set out in the Company's Articles of Association, the Finnish Companies Act and other applicable regulations. The Board of Aspo Plc has confirmed a written agenda through which matters handled by the Board include:

- Group strategic policies and divisional strategies
- Group structure
- Group interim reports and financial statements
- Group business plans, budgets and investments
- expansions and reductions of operations, acquisitions/divestitures of companies or businesses
- Group risk management, insurance and financial policies
- Group environmental policy
- management's remuneration and incentive systems
- appointing the CEO

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 at Board meetings.

The Board will evaluate its activity and operational methods on a regular basis by performing a self-assessment once a year.



Fees and other benefits of Board members

The Annual Shareholders' Meeting approves Board member fees and cost reimbursement guidelines annually. Board member fees are paid in cash.

The Aspo Plc Board met 16 times during fiscal 2004, of which seven were through conference calls. Attendance by Board members at Board meetings has been a hundred percent.

The 2004 Annual Shareholders' Meeting approved the following Board member fees:

- Board chairman is paid EUR 2,300 a month
- other Board members are paid EUR 1,300 a month
- a Board member with a full-time job at an Aspo Group company is not paid a fee.

Travel expenses will be reimbursed according to Aspo's general travel guidelines.

In 2004 Aspo Plc Board members were paid a total of EUR 68,550 in fees.

Board members

Kari Stadigh

Born 1955, Chairman
M.Sc. (Eng.), BBA
Deputy CEO, Sampo Plc, 2001–

Primary working experience:
President, Sampo Life Insurance Company Limited, 1999–2000; President, Nova Life Insurance Company, 1996–1998; President and COO, Jaakko Pöyry Group, 1991–1996; President, JP-Finance Oy, 1985–1991.

Chairman of the Board since 2000, member of the Board since 1999.

Shareholdings in Aspo Plc: 392,086 shares corresponding to 4.59% of the total number of shares.

No holdings or rights based on a share price-related compensation system.

Key positions of trust:
Chairman of the Board: If Skadeförsäkring Holding AB (publ), Sampo Life Insurance Company Limited, Kaleva Mutual Insurance Company; Vice-Chairman of the Board: Alma Media Corporation.

Fees in 2004: EUR 25,800.

Matti Arteva

Born 1945, Vice-Chairman
Engineer
Senior Adviser, Rautaruukki Oyj, 2005–

Primary working experience:
President, Rautaruukki Oyj Metal Products, 2003–2004; Chief Executive Officer, Asva Ltd, 1993–2003; Management positions, Aspo Ltd, 1975–1993; Manager, Oy Telko Ab, 1970–1975.

Vice-Chairman of the Board since 2000, member of the Board since 1999.

Shareholdings in Aspo: 77,308 shares corresponding to 0.9% of the total number of shares. EUR 50,000 of Aspo's convertible capital loan.

No holdings or rights based on a share price-related compensation system.

Key positions of trust:
Steel Group member: The Association of Finnish Technical Traders, Technology Industries of Finland; Delegate: Helsinki Chamber of Commerce.

Fees in 2004: EUR 14,250.

Kari Haavisto

Born 1941, independent member of the Board
Lic. Sc. (Econ.)

Primary working experience:
Chief Financial Officer, Metsäliitto Group, 1992–2003; Executive Vice President, Metsä-Serla, 1987–1992; Management positions, Nokia, 1976–1987.

Member of the Board since 1999.

Shareholdings in Aspo Plc: 52,000 shares (Fundum Oy) corresponding to 0.61% of the total number of shares.

No holdings or rights based on a share price-related compensation system.

Key positions of trust:
Vice-Chairman of the Board: Suominen Corporation; Member of the Board: Exel Oyj, Evli Bank Plc.

Fees in 2004: EUR 14,250.

Roberto Lencioni

Born 1961, independent member of the Board
LL.B.
Managing Director, Oy Gard (Baltic) Ab, 2003–

Primary working experience:
Management positions, Oy Baltic Protection Ab, 1990–2002; Managing Director, Oy Baltic Insurance Brokers Ab, 1994–2001; Sales Manager, Aspocomp Oy, 1988–1990; Group Lawyer, Aspo Group, 1986–1988.

Member of the Board since 1999.

Shareholdings in Aspo Plc: 3,096 shares corresponding to 0.04% of the total number of shares. EUR 155,000 of Aspo's convertible capital loan.

No holdings or rights based on a share price-related compensation system.

Key positions of trust:
Vice-Chairman of the Board: Aspokem Ltd, Autotank Ltd, ESL Shipping Oy; Member of the Board: Aspocomp Group Oyj.

Fees in 2004: EUR 14,250.

Committees

With respect to the expansion of operations and the size of the Board, the Aspo Plc Board has not considered the establishment of separate committees necessary, but the entire Board participates in the preparation of matters.

Chief Executive Officer

The Board of Directors appoints the Chief Executive Officer of Aspo Plc. The Chief Executive Officer is responsible for the management and control of the company's business and operational management in accordance with the instructions of the Board of Directors. According to the Finnish Companies Act, the Chief Executive Officer is also responsible for the management of corporate bookkeeping and accounting in compliance with the law and applicable regulations and for the reliable management of corporate funds.

The terms and conditions of the employment are written into an executive employment contract. B.Sc. (Econ.) eMBA, Gustav Nyberg (48) has served as Aspo's Chief Executive Officer since October 1, 1999. The company executive committee assists the CEO. In addition to the Chief Executive Officer, the executive committee has two other members: Dick Blomqvist, Chief Financial Officer, and Pekka Piiroinen, Project Manager.

Salaries, Bonuses and Benefits

The CEO, Mr. Gustav Nyberg, was paid in 2004 a total of EUR 224,447.86 in salary, bonuses and fringe benefits consisting of EUR 164,765.94 of regular salary, EUR 59,681.92 in bonuses and EUR 14,520.00 in benefits.

The retirement age is 60 years and the full pension 60 percent of the retirement salary.

The notice period applied to the CEO contract is 6 months and when the company terminates the employment the CEO is entitled to compensation corresponding 18 months' salary, in addition to the salary paid for the notice period.

Group Executive Board

Gustav Nyberg

Born 1956
B.Sc. (Econ.), eMBA
CEO, Aspo Plc, 1999–

Primary working experience:
Management positions, Elfa International Ab, 1985–1995; Finnboard, 1979–1984.

Key positions of trust:
Chairman of the Board: Aspokem Ltd, ESL Shipping Oy, Autotank Ltd; Vice-Chairman of the Board: Association of Finnish Technical Traders; Member of the Board: Aspocomp Group Oyj, Foundation for Economic Education.

Number of Aspo Plc shares: 242,995 or 2.84% of the total number of shares. EUR 400,000 of Aspo's convertible capital loan.

Dick Blomqvist

Born 1949
B.Sc. (Econ.)
CFO, Aspo Plc, 1999–

Primary working experience:
In Aspo Group's employment since 1985: Finance Manager, Aspo Electronics, 1985–90; Finance Director, Aspo Ltd, 1990–1994; Group Controller, Aspo Ltd, 1994–1999; Chief Accountant, A Ahlström Osakeyhtiö, 1975–1985.

Key positions of trust:
Member of the Economic committee: Association of Finnish Technical Traders.

Shareholdings in Aspo Plc: 7,140 shares corresponding to 0.08% of the total number of shares. EUR 100,000 of Aspo's convertible capital loan.

Pekka Piiroinen

Born 1969
M.Sc. (Econ.), MBA
Project Manager, Aspo Plc, 2001–

Primary working experience:
Management Consultant, Manager, KPMG Consulting Oy Ab, 1995–2001; Strategic Planning Analyst, AT&T Microelectronics, USA, 1991.

Shareholdings in Aspo Plc: 5,000 shares corresponding to 0.06% of the total number of shares.

Management Bonus System

Aspo Plc Board has approved an incentive system aimed at the Group executives in which possible rewards are based on the yield of the company share.

Aspo has not issued a bond or stock option.

Auditors

According to Aspo Plc's Articles of Association the Shareholders' Meeting approves one auditor who has to be approved by the Central Chamber of Commerce for the auditing of the company's administration and bookkeeping. The elected auditor also handles the internal auditing, where applicable. The term of the auditor ends at the conclusion of the following Annual Shareholders' Meeting.

The auditor appointed by Aspo Plc's Shareholders' Meeting is responsible for the guidelines and coordination of the auditing for the whole Group. The auditor gives the company shareholders the statutory auditing report with the annual financial statements. Board members are also given the auditor's interim auditing reports.

Aspo Plc's 2004 Shareholders' Meeting approved the selection of the CPA group PricewaterhouseCoopers Oy to act as company auditor. The auditor in charge has been CPA, M.Sc. (Econ.) Jouko Malinen. Companies in Finland and abroad belonging to the PricewaterhouseCoopers chain were paid a total of EUR 152,167 for the auditing of Aspo Group companies and a total of EUR 82,230 for consulting in 2004.

Internal Control, Internal Audits and Risk Management

The internal control of the Group is organized by monthly reporting, based upon which the actual figures are compared with the budgeted and previous year's figures. The actual figures are synchronized regularly with the accounting. The Board receives corresponding reports on a monthly basis.

The internal audit is a part of the Group's financial management. The controller of each company is responsible for complying with the legislation and the Group's policies and procedures. Each controller reports the results of the internal audit to the Group CFO. When needed, the internal audit can be enhanced through the purchase of external services. The CFO reports the observations of the internal audit to the CEO and the Board.

Risk management is a part of the Aspo Group's control system, with the objective of observing, analyzing and trying to contain possible operational threats and risks. Risk survey is made annually. For certain risks the principles and the central contents of risk management are defined in Group-level policies and instructions. Damage risks are covered by the appropriate insurance. The Aspo Plc CFO who reports to Aspo Plc's CEO coordinates risk management.

Insider Regulations

Aspo Plc follows the insider trading guidelines established by the Helsinki Stock Exchange. On December 19, 2002 the Aspo Plc Board has confirmed the insider rules for Aspo Plc that took effect as of January 1, 2003. The insider register for Aspo Plc is maintained by the Finnish Central Securities Depository Ltd.

The permanent insiders of Aspo Plc are not allowed to trade any securities issued by the company during a 14-day period preceding the release of financial statements or interim reports.

According to the Securities Act the members of the Board, the CEO and auditors of Aspo Plc, including the auditor primarily in charge, are considered permanent insiders. In addition, persons assigned by the Board to perform certain duties, gaining continually access to insider information in their work, are permanent insiders. Information on the holdings of the insiders is published monthly updated on the company's website.

Insiders January 31, 2005

Name	Basis	Number of Shares	%
Kari Stadigh	Chairman of the Board, Aspo Plc	392 086	4.59
Matti Arteva	Vice-Chairman of the Board, Aspo Plc	77 308	0.90
Kari Haavisto (Fundum Oy)	Member of the Board, Aspo Plc	52 000	0.61
Roberto Lencioni	Member of the Board, Aspo Plc	3 096	0.04
Gustav Nyberg	CEO, Aspo Plc	242 995	2.84
Alexander Nyberg		600	0.01
Marcella Nyberg		600	0.01
Dick Blomqvist	CFO, Aspo Plc	7 140	0.08
Asta Nurmi	Executive Secretary, Aspo Plc	1 734	0.02
Pekka Piiroinen	Project Manager, Aspo Plc	5 000	0.06
Hilkka Jokiniemi	Secretary, Aspo Plc	–	–
Jari Ranne	CEO, Aspokem Ltd	5 000	0.06
Kari Tiiri	Deputy CEO, Aspokem Ltd	5 680	0.07
Eerik Yrjölä	CEO, ESL Shipping Oy	3 000	0.04
Tom Blomberg	Deputy CEO, ESL Shipping Oy	3 000	0.04
Peter Hutton	CEO, Autotank Ltd	5 000	0.06
Jouko Malinen	Chartered Accountant, PricewaterhouseCoopers Oy	–	–
Total		**804 239**	**9.43**

Notice To The Shareholders

Annual Shareholders' Meeting

The Aspo Plc Annual Shareholders' Meeting will be held at the Conference Hall of Palace, Eteläranta 10, FI-00130 Helsinki, on Thursday, March 31, 2005 at 4 PM.

Shareholders registered by the Finnish Central Securities Depository Ltd no later than March 21, 2005 are entitled to participate in the meeting. Shareholders wishing to attend the meeting are requested to notify the company by 4 PM on March 29, 2005, either by letter at the address Aspo Plc, P.O.Box 17, FI-00581 Helsinki, or by telephone at +358 9 7595 368 / Hilkka Jokiniemi, or by telefax at +358 9 7595 301 or by e-mail at hilkka.jokiniemi@aspo.fi.

Letters authorizing a proxy to exercise a shareholder's voting right at the Annual Shareholders' Meeting should be sent to the Company before the notification period expires.

Payment of Dividends

The Aspo Plc Board of Directors proposes that a dividend totaling EUR 1.19 per share on fiscal 2004 be paid on April 12, 2005 to shareholders registered by the Finnish Central Securities Depository Ltd by April 5, 2005, at the latest.

Share Register

Shareholders are requested to provide the custodial register containing their book-entry account with their name, address and any changes in equity holdings.

Annual Report 2004

This Annual Report is available in Finnish, English and Swedish, as well as on the company website www.aspo.fi.

Interim Reports 2005

Aspo Plc will publish interim reports in fiscal 2005 as follows:
On Thursday, April 28, 2005, for January-March
On Wednesday, August 24, 2005, for January-June
On Thursday, October 27, 2005, for January-September

The reports will be available at www.aspo.fi immediately after publishing.

Aspo Plc Investor Relations

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Aspo observes a news blackout between the end of the fiscal period and the publication of the results for the period in question. During the blackout the company's representatives do not meet investors or analysts, nor will they comment on the company's financial performance.

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Aspo

Financial Statement 2004

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Aspo In Brief

Aspo provides value-added logistical services for industrial customers. We support the energy and process industries with special expertise and logistical know-how that enhances their processes. Aspo's customer relations are long-term partnerships based on solid trust. We have concentrated our operations around the Baltic Sea area.

Key Figures

	2004	2003	Change, %
Net Sales, MEUR	184.5	145.2	27.1
Operating Profit after Depreciation, MEUR	20.9	13.6	53.7
Share of Net Sales, %	11.3	9.3	
Profit before Extraordinary Items and Taxes, MEUR	19.2	12.5	
Share of Net Sales, %	10.4	8.6	
Earnings / Share, EUR	1.77	1.01	
Equity / Share, EUR	6.70	6.55	
Equity Ratio, %	49.3	44.8	
Return on Investment, % (ROI)	24.9	16.5	
Return on Equity, % (ROE)	26.7	14.5	
Personnel, December 31	566	536	

We operate in three divisions:

Aspo Chemicals

imports and markets industrial chemicals and plastic raw materials, and produces branded automotive chemicals.

Aspo Shipping

handles marine raw material transports for the energy and heavy industry sectors.

Aspo Systems

produces and services dispensing and payment automation systems for service stations.

Report Of The Board Of Directors

Operational Overview

In 2004 general market conditions in the Baltic Sea area developed favorably for all of Aspo's divisions. The Group's organic growth continued to surpass general economic growth. The increasing proportion of steel raw material transports in the Shipping Division's overall deliveries boosted revenue growth. All of the Group's divisions improved their operational efficiency, and the Group's profitability improved markedly. Moreover key indicators, such as the return on investment (ROI), showed clear improvement.

Aspo Chemicals

Market conditions for the Chemicals Division were brisk throughout the year. Price increases were first visible in plastic raw materials. Later on growing demand for industrial chemicals increased prices as well. Towards the end of the year there was a shortage of many raw materials and deliveries were possible thanks only to long-term contracts.

Non-domestic units generated about a third of the net sales and operational earnings. The operations of our new Ukrainian company started up as planned and its net sales showed accelerated growth towards the end of the year. Overall, the division performed favorably and its operational profit was the best in its history.

Aspo Shipping

The rising share of steel raw material shipments fueled strong sales and earnings growth. In fact, for the first time Shipping led the Aspo Group in sales figures last year. In the wake of the economic growth in Asia ocean freight prices increased considerably, which had a positive impact on transport demand in the Baltic Sea area as well. The energy sector replenished its stocks i.e. coal transport demand remained strong through the year.

Many changes in the customer portfolio, the fleet and the palette of raw materials strengthened business opportunities and decreased risks. The dollar's share in transactions sunk to about one third of the total invoicing, and the steel industry became an equally important customer alongside the energy sector. Both stood for about 40 percent of all shipments. Transport volumes broke records and exceeded 16 million tons. The increased volumes and productivity improved the division's operating earnings and relative profitability.

Aspo Systems

Long-anticipated investments in the service station sector finally materialized throughout the Baltic region during the fiscal period. The newest members of the EU got a boost from the process of joining the Union. The cancellation of a service station divestiture in Scandinavia also stimulated investments. Systems revenues peaked in the second and fourth quarters, which is typical for this sector. The division reached its operational cost-cutting targets and total costs consequently fell by nearly two million euros from the previous year. At the same time, net sales rose to some extent and the division's financial performance became profitable.

Net Sales

The Aspo Group's net sales increased EUR 39.3 million (27.1%) to EUR 184.5 million. The Group's direct exports and non-domestic subsidiary sales totaled EUR 47.9 million (EUR 40.1 million).

The Chemicals Division's net sales increased 13.5% to EUR 65.7 million (EUR 57.9 million). The Shipping Division's net sales increased 57.1% to EUR 80.9 million (EUR 51.5 million). The Systems Division's net sales rose by 5.9% to EUR 37.9 million (EUR 35.8 million).

Net Sales by Division

	2004 MEUR	2003 MEUR	Change MEUR	Change %
Chemicals				
Aspokem Ltd	**50.3**	46.2	4.1	
Aspokem Eesti AS	**6.6**	4.7	1.9	
Aspokem Latvia SIA	**6.5**	4.8	1.7	
UAB Aspokemlit	**3.4**	3.3	0.1	
OOO Aspokem	**6.2**	4.5	1.7	
LLC Aspokem Ukraine	**0.3**		0.3	
Internal sales	**-7.6**	-5.6	-2.0	
Total	**65.7**	57.9	7.8	13.5
Shipping				
ESL Shipping Oy	**80.9**	51.5	29.4	57.1
Systems				
Autotank Ltd	**15.4**	14.9	0.5	
Autotank AB	**13.3**	11.7	1.6	
Autotank Service AB	**5.3**	6.9	-1.6	
Autotank As	**4.5**	4.7	-0.2	
Autotank Oü	**1.1**	0.7	0.4	
SIA Autotank	**0.4**	0.3	0.1	
UAB Autotank	**0.2**	0.1	0.1	
Autotank Sp. zo.o	**0.3**	0.3		
Internal sales	**-2.6**	-3.8	1.2	
Total	**37.9**	35.8	2.1	5.9
Total Net Sales	**184.5**	145.2	39.3	27.1

Earnings

The Group's operating profit for the fiscal year was EUR 20.9 million (EUR 13.6 million).

The operating profit of the Chemicals Division rose EUR 0.4 million to EUR 3.0 million (EUR 2.6 million). About a third of the profit was generated by foreign subsidiaries. The Shipping Division's operating earnings more than doubled from the previous year and reached EUR 21.4 million (EUR 10.1 million). The Systems Division improved its profits by EUR 1.9 million and generated a positive result of EUR 0.5 million (EUR -1.4 million).

The Group's depreciation expenses increased EUR 1.1 million to EUR 8.8 million. Depreciation expenses totaled EUR 0.5 million in the Chemicals Division, EUR 7.4 million in the Shipping Division and EUR 0.6 million in the Systems Division.

The Group's net financial expenses were 0.9% of net sales or EUR 1.7 million (EUR 1.0 million).

The Group's profit before extraordinary items and taxes totaled EUR 19.2 million (EUR 12.5 million). A sum totaling EUR 1.1 million related to the company's 1994 tax dispute was recorded under extraordinary expenses.

The Group's pre-tax profit was EUR 18.1 million (EUR 4.8 million). Direct taxes and net nominal tax liabilities totaled EUR 4.2 million (EUR 3.7 million).

Investments

The Group's investments of the fiscal year, totaling EUR 0.6 million (EUR 24.6 million), were mainly replacement investments.

Operating Profit by Division

	2004 MEUR	2003 MEUR	Change MEUR	Change %
Chemicals	**3.0**	2.6	0.4	15.4
Shipping	**21.4**	10.1	11.3	111.9
Systems	**0.5**	-1.4	1.9	135.7
Other operations	**-4.0**	2.3	-6.3	-273.9
Total Operating Profit	**20.9**	13.6	7.3	53.7

Financing

The Group's liquidity was good throughout the fiscal year. Liquid assets totaled EUR 12.2 million (EUR 17.6 million) at the yearend. There was a total of EUR 25.6 million in interest-bearing liabilities on the Group balance sheet (EUR 30.1 million) as of the yearend. Interest-free liabilities totaled EUR 23.1 million (EUR 29.3 million). The EUR 20 million capital loan issued in the spring has been used mainly to amortize the Group's long-term loans.

The Group's gearing was 23.5% (22.2%). The equity ratio adjusted for nominal tax liabilities was 49.3% (44.8%) as of the yearend.

Personnel

The Group's personnel totaled 566 (536) at the yearend and averaged 569 (538) during the period. The Group employed an average of 264 (268) office personnel and a total of 305 (270) non-office workers during the fiscal year.

A total of 8 (8) persons were employed by the parent company at the yearend. They were all office personnel. The average figure for the year was 8 (8).

Research and Development

The Group's R&D activity is organized according to the nature of each Division. In the Chemicals and Shipping Divisions R&D activity is focused mainly on the development of operations, methods and product technology without a separate organization, for which reason these development investments are recorded without specification under normal business expenses.

The Autotank Group, from which the Systems Division is comprised, invests heavily in R&D focusing on the development of new payment solutions. A total of 30 persons have participated in Finland and Sweden in the product development. During fiscal 2004 it totaled about EUR 1.8 million (EUR 1.3 million) representing 4.7% (3.7%) of the net sales of the Autotank Group.

Investments by Division

	2004 MEUR	2003 MEUR
Chemicals	**0.3**	0.5
Shipping	**0.1**	23.8
Systems	**0.2**	0.2
Other operations		0.1
Investments, total	**0.6**	24.6

Average Personnel by Division

	2004	2003
Chemicals		
Office personnel	**75**	73
Non-office workers	**9**	9
	84	82
Shipping		
Office personnel	**27**	21
Crew members	**235**	194
	262	215
Systems		
Office personnel	**154**	166
Non-office workers	**61**	67
	215	233
Group Management	**8**	8
Total Personnel	**569**	538

Environmental Affairs

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 for creating a lasting development set out by the International Chamber of Commerce.

Introduction of IFRS Standards

As of January 1, 2005 the Aspo Group will change over to reporting using the IFRS standard. The fiscal 2004 financial report and interim reports are based on the old reporting practices, but to enable the calculation of comparative data the balance sheet from January 1, 2004 and the fiscal 2004 annual and interim reports will also be prepared using the IFRS standard. The Aspo Group will publish the opening statements using the IFRS standard and comparative data for 2004 before publishing the first quarter results in 2005.

The prevailing expert opinion is that the adoption of IFRS standards will have no relevant impact on the company's shareholder equity.

Post-Fiscal Events

The management has decided to focus Systems operations increasingly on the service and maintenance business. In January 2005 the Autotank Group acquired the Swedish and Norwegian maintenance operations of the Malte Group, which operates in the Scandinavian region.

The Chemicals Division will strengthen its position by purchasing the plastics and chemicals operations of the Norwegian Pemco in Latvia, Lithuania, Ukraine and Byelorussia. Moreover, the majority of the stock of Pemco Specialities AB operating in Sweden is to be transferred to Aspokem. The total net sales of the acquired businesses were approximately EUR 8 million in 2004.

Board of Directors and Auditors

The Annual Shareholders' Meeting of Aspo Plc held on April 1, 2004 approved the appointments of Kari Stadigh, Matti Arteva, Kari Haavisto and Roberto Lencioni to the Board for a one-year term. Kari Stadigh has acted as chairman and Matti Arteva as vice-chairman.

The Group's auditor has been the public auditing group PricewaterhouseCoopers Oy. The auditor in charge has been CPA Jouko Malinen.

Prospects for 2005

Even if many factors indicate that the peak of the global boom is over, the Baltic region countries, and Finland in particular, seem to be going strong. Finland benefits from low European interest rates that continue to stimulate consumption and investments.

We expect the net sales of the Aspo Group to grow by another 10 to 20%, in keeping with the average growth of the last five years. Comparable earnings should reach the previous year's level.

Aspo Chemicals

Chemical markets are expected to grow to some extent in line with the average macroeconomic growth of the Baltic region countries. We expect the growth of Chemicals Division net sales to exceed general market growth. No major changes are expected in profitability, i.e. the operating profit should reach the previous year's level.

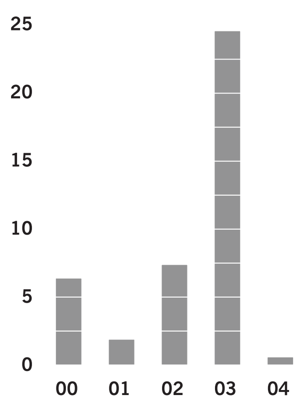
Aspo Shipping

The market situation for the Shipping Division is expected to remain strong. If the winter stays mild, the demand for energy coal should decrease from the previous year, but there is enough compensating demand according to estimates. Shipping capacity will probably remain unchanged, as the vessel under construction will start operations only by early 2006. Barring a considerably stronger dollar the division's revenues are expected to remain on the previous year's level. We estimate that profitability will remain good and comparable earnings should hold at the previous year's level.

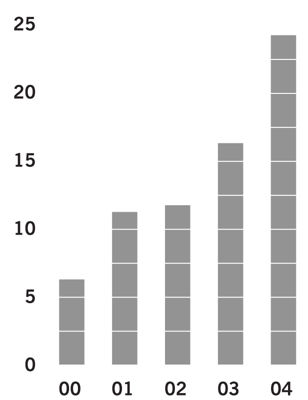
Aspo Systems

The Systems Division is expected to show clear revenue growth. The growth is mainly due to the acquisition made of maintenance operations in Sweden and Norway in early 2005. Organic growth is expected to continue as well. The integration of the acquired business is expected to lead to non-recurring expenses, but according to current estimates they will remain below the achieved savings. The division's operations for the year as a whole are expected to be profitable.

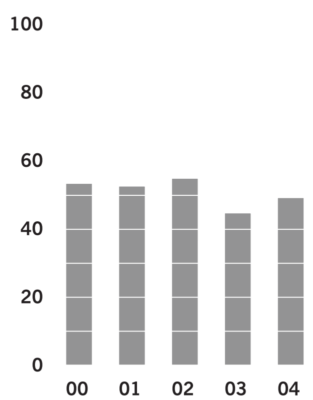
Investments, MEUR



Return on Investment, % (ROI)



Equity Ratio, %



Shares And Shareholders

Share Capital

The minimum share capital of Aspo Plc is 8,729,178 euros and the maximum is 34,916,712 euros, within which limits the share capital can be increased or decreased without amending the Articles of Association. The minimum number of shares is 4,364,589 and the maximum number is 17,458,356. On December 31, 2004, the registered share capital of Aspo Plc was 17,101,442 euros, consisting of 8,550,721 shares with a book value of 2 euros per share.

Shares

The company has one series of shares. Each share entitles its holder to one vote at the Annual Shareholders' Meeting. Aspo Plc shares have been traded on the main list on the Helsinki Stock Exchange since October 1, 1999, with the trading code ASU1V under the heading Diversified Companies. The standard batch is 50 shares.

Share Ownership

Aspo Plc shares are running on the Finnish book-entry system maintained by the Finnish Central Securities Depository Ltd.

No major changes have occurred in Aspo Plc ownership. As of the yearend 2004 the number of shareholders totaled 3,252. Of these 99.6% were held directly, 0.4% were held through nominee registrations. A total of 0.3% of the company stock was held by non-domestic entities. As of the yearend 2004 the ten largest shareholders of Aspo Plc were in possession of 47.8% of the shares and voting rights. The list of the major shareholders is shown with monthly updates on the company website www.aspo.fi.

Sampo Plc announced on April 1, 2004 that the share of Sampo Life Insurance Company Limited of Aspo Plc shares and voting rights had decreased below 10%. On November 26, 2004 Sampo Plc announced that the share of Sampo Life Insurance Company Limited in stock and voting rights had fallen below 5%.

Share Ownership by the CEO and the Board of Directors

The total number of shares held by the CEO and the members of the Board of Directors of Aspo Plc with their interest groups as of December 31, 2004 was 763,485 shares, corresponding to 8.9% of the shares and voting rights.

Share Turnover and Share Prices

During the fiscal 2004 a total of 3,244,927 Aspo Plc shares with a value of EUR 47.0 million changed hands on the Helsinki Stock Exchange, or 37.9% of the total number of shares outstanding. The shares reached a high of EUR 16.35 for the period and a low of EUR 10.71. The average share price was EUR 14.48. The closing price on December 31, 2004 was EUR 15.30. The company has a liquidity provider agreement with Kaupthing Bank Plc concerning its stock.

At the end of the financial period the market value of the shares outstanding totaled EUR 130.8 million. You can see the latest trades at www.aspo.fi.

Dividends

Aspo has an active, cash flow-based dividend policy, the goal of which is to distribute on average at least half of our annual earnings to shareholders. The Aspo Plc Board of Directors will propose at the Annual Shareholders' Meeting that a dividend totaling EUR 1.19 per share on fiscal 2004 be distributed to the shareholders, representing 67% of company earnings.

Tax Value of the Share in Finland

For year 2004 taxation the official tax value of the Aspo Plc share in Finland is EUR 10.50.

Authorizations

Authorization to Repurchase and Dispose of Company's Own Shares

The Shareholders' 2004 Meeting authorized the Board to repurchase up to 427,536 of the company's own shares with distributable funds regardless of the shareholders' holdings. The shares will be purchased through public trading organized by the Helsinki Stock Exchange at the going price. The share purchase will reduce the amount of the company's distributable funds.

The shareholders further authorized the Board of Directors to decide on the disposal of a maximum of 427,536 repurchased shares in one or more lots regardless of the shareholders' pre-emptive rights.

The shares will be purchased and disposed of mainly to finance any company acquisitions or other purchases related to the company's operations. The Board may also propose to the shareholders that some shares be nullified. The authorizations are valid for a year from the decision of the Shareholders' Meeting.

The Board has used its authorization to repurchase shares during the fiscal period. In its meeting on May 11, 2004 the Board decided to purchase the company's own shares for a sum totaling EUR 1 million. As of the end of the fiscal year the company held 79,000 of its own shares with an average purchase price of EUR 12.71, corresponding to 0.9% of the shares and voting rights.

For more information about the Board authorizations provided by the Aspo Plc shareholders go to www.aspo.fi.

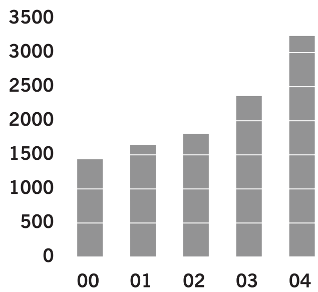
Repurchases of Shares during the Fiscal Period

Time	Number	Nominal value, EUR 2/share	Repurchase price EUR/ share, average	Repurchase price EUR/ share, range
May 2004	23 600	47 200	12.74	12.45–13.00
June 2004	55 400	110 800	12.68	12.47–12.90

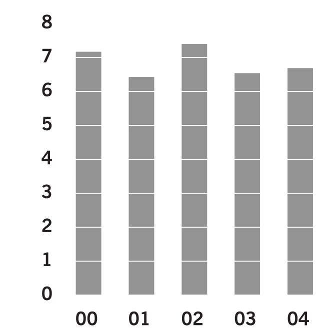
Major Shareholders as of December 31, 2004

	Number of shares	Share of stock and voting rights, %	Less own shares, %
Nyberg H.B.	1 000 000	11.69	11.80
Mutual Employee Pension Insurance Company Varma	501 000	5.86	5.91
Vehmas A.E.	453 640	5.31	5.35
Vehmas Tapio	393 946	4.61	4.65
Stadigh Kari	392 086	4.59	4.63
Sampo Life Insurance Company Limited	369 176	4.32	4.36
Vehmas Liisa	333 030	3.89	3.93
Nyberg Gustav	242 995	2.84	2.87
Estlander Henrik	222 584	2.60	2.63
Berling Capital Oy	182 100	2.13	2.15
10 major shareholders, total	**4 090 557**	**47.84**	**48.28**
Nominee registrations	**36 980**	**0.43**	
Other shares	4 423 184	51.73	
Total	**8 550 721**	**100.00**	

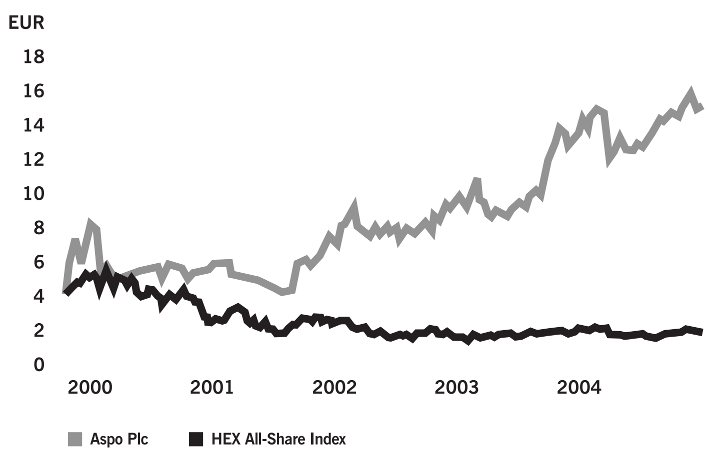
Number of Shareholders



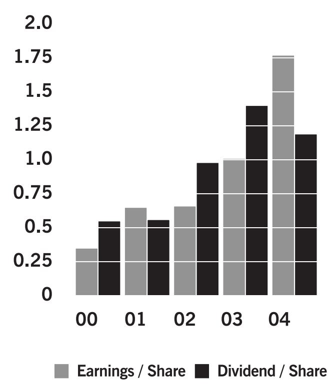
Equity / Share, EUR



Share Price Performance 2000–2004



Earnings and Dividend / Share, EUR



Distribution of Ownership December 31, 2004 by Number of Shares

Number of shares	Number of owners	Share of owners, %	Total shares	Share of stock %	Less own shares %
1–100	742	22.8	55 408	0.7	0.7
101–500	1 417	43.6	427 655	5.0	5.0
501–1 000	534	15.4	431 055	5.0	5.1
1 001–10 000	495	15.2	1 405 690	16.4	16.6
10 001–100 000	52	2.6	1 894 968	22.2	21.4
100 001–	12	0.4	4 334 457	50.7	51.2
Total in joint accounts			1 488	0.02	
Total	**3 252**	**100.0**	**8 550 721**	**100.00**	**100,00**

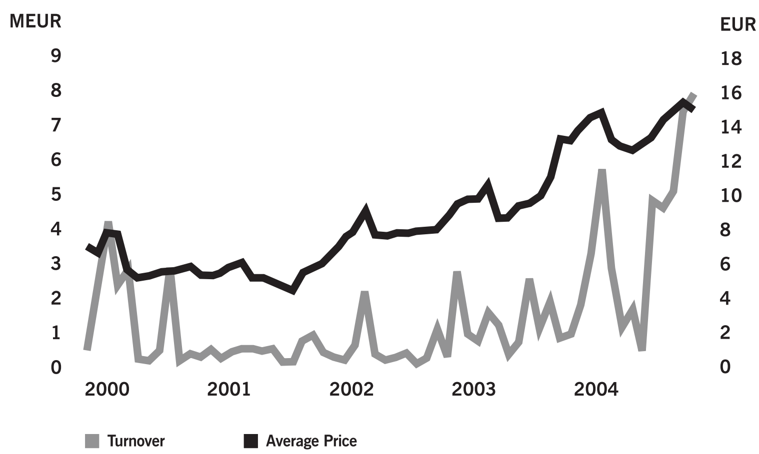
By Owner Groups

	Ownership shares, %	Shares, %
1. Households	91.7	66.6
2. Companies	6.1	13.2
3. Financial and insurance institutions	0.4	9.3
4. Non-profit organizations	1.4	4.4
5. Public organizations	0.1	6.2
6. Non-domestic	0.3	0.3

Share Trading by Year

	Trading, MEUR	Trading, number of shares	Average, EUR	Low, EUR	High, EUR
2000	14.4	1 812 523	4.99	4.50	11.70
2001	5.3	966 604	5.45	4.10	6.40
2002	5.8	708 000	8.23	6.15	9.26
2003	15.4	1 531 107	10.05	8.60	14.00
2004	**47.0**	**3 244 927**	**14.48**	**10.71**	**16.35**

Share Trading and Average Prices 2000–2004



Income Statement

1 000 EUR	Note	Group 2004	Group 2003	Aspo Plc 2004	Aspo Plc 2003
Net Sales	1.1	**184 517**	145 238		
Increase (+)/ Decrease (-) in finished goods inventory		**2 444**	1 094		
Other operating income	1.2	**1 826**	6 690	**745**	6 399
Materials and services	1.3	**-89 374**	-76 069		
Personnel costs	1.4	**-26 041**	-23 608	**-1 871**	-979
Depreciation and write-downs	1.5	**-8 820**	-7 697	**-78**	-703
Other operating expenses	1.6	**-43 642**	-32 082	**-2 519**	-2 410
Operating Profit/Loss		**20 910**	13 567	**-3 723**	2 306
Financial Income and Expenses	1.7	**-1 684**	-1 033	**-1 189**	-42
Profit/Loss Before Extraordinary Items		**19 226**	12 534	**-4 912**	2 265
Extraordinary Items	1.8	**-1 134**	-7 700	**20 660**	6 360
Profit Before Appropriations and Taxes		**18 092**	4 834	**15 748**	8 625
Appropriations	1.9			**-29**	2 864
Direct taxes	1.10	**-4 146**	-3 723	**-4 879**	-5 447
Minority interest		**-90**	-12		
Net Profit for the Period		**13 856**	1 099	**10 840**	6 042

Balance Sheet

1 000 EUR	Note	Group 2004	Group 2003	Aspo Plc 2004	Aspo Plc 2003
Assets					
Non-Current Assets	2.1				
Intangible assets	2.1	**389**	488	**22**	41
Group goodwill	2.1	**2 677**	3 242		
Tangible assets	2.1	**59 557**	71 765	**128**	844
Long-term investments	2.2	**1 215**	1 166	**14 971**	15 920
		63 838	76 661	**15 121**	16 805
Current Assets					
Inventories	2.3	**13 942**	12 002		
Deferred tax receivable	2.4	**686**	255		
Long-term receivables	2.4	**152**	314	**84**	84
Short-term receivables	2.4	**24 838**	19 226	**58 865**	34 765
Short-term investments	2.5	**7 500**	13 500	**7 500**	13 500
Cash and bank deposits		**4 701**	4 108	**834**	1 466
		51 819	49 405	**67 284**	49 816
		115 657	126 066	**82 405**	66 620
Liabilities and Shareholders' Equity					
Shareholders' Equity	2.6				
Share capital		**17 101**	17 101	**17 101**	17 101
Premium fund		**439**	439	**439**	439
Other funds			25		
Retained earnings		**25 393**	37 337	**213**	7 146
Net profit for the fiscal year		**13 856**	1 099	**10 840**	6 042
Capital loan		**19 200**		**20 000**	
Total Equity		**75 990**	56 002	**48 595**	30 728
Appropriations	2.7			**29**	
Minority Interest		**98**	220		
Mandatory Reserves	2.8	**567**	428	**238**	249
Liabilities					
Deferred taxes		**9 558**	9 989		
Long-term liabilities	2.9	**4 749**	24 991		
Short-term liabilities	2.10	**24 695**	34 436	**33 544**	35 643
		39 002	69 416	**33 544**	35 643
		115 657	126 066	**82 405**	66 620

Cash Flow Statement

1 000 EUR	Group 2004	Group 2003	Aspo Plc 2004	Aspo Plc 2003
Operational Cash Flow				
Operating profit/loss	**20 910**	13 567	**-3 723**	2 306
Adjustments to operating profit/loss	**9 249**	2 873	**1 209**	-4 091
Net change in working capital	**-5 179**	-1 784	**-72**	-33
Interest paid	**-1 467**	-1 529	**-850**	-475
Interest received	**555**	446	**469**	347
Dividends received	**97**	50	**97**	50
Other financial items				5
Taxes paid	**-8 285**	-3 691	**-8 137**	-3 498
Back-taxes	**-8 834**		**-8 834**	
Net Operational Cash Flow	**7 046**	9 932	**-19 839**	-5 388
Investments				
Investments in tangible and intangible assets	**-595**	-23 842	**-24**	-83
Gains on the sale of tangible and intangible assets	**4 296**	11 380		11 261
Gains on the sale of shares	**700**	1 139	**700**	1 139
Purchases of subsidiary shares	**-15**			
Sale of subsidiary shares	**427**	3 903	**427**	3 903
Purchases of affiliate shares	**-50**	-739		
Total Cash Flow from Investments	**4 764**	-8 159	**1 103**	16 220
Financing				
Repurchase of shares	**-1 003**		**-1 003**	
Increase/Decrease in long-term receivables	**385**	-23		20
Increase/Decrease in short-term receivables			**-2 063**	65
Repayments of short-term debt	**-2 565**	-1 788		
New short-term loans			**7 141**	2 008
Repayments of long-term debt	**-21 167**	-7 556		
New long-term loans	**19 200**	19 000	**20 000**	
Profit distribution for minority shareholders	**-62**	-33		
Dividends paid	**-12 005**	-8 380	**-11 971**	-8 380
Total Financing	**-17 217**	1 220	**12 104**	-6 287
Increase/Decrease in Liquid Funds	**-5 408**	2 993	**-6 632**	4 546
Liquid funds as of January 1	**17 608**	14 615	**14 966**	10 420
Liquid Funds as of December 31	**12 201**	17 608	**8 334**	14 966

Accounting Principles

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.

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
Pushers	8 - 10 years
Machinery and equipment	3 - 8 years
Piping and fixtures	5 - 20 years
Other fixed assets	5 - 40 years
Group goodwill	10 years
Goodwill	5 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 has been 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.

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 in the financial statements.

The income statements of foreign subsidiaries are converted into euros using the average exchange rate of 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.

Notes On The Financial Statements

1 000 EUR	Group 2004	Group 2003	Parent 2004	Parent 2003
1. NOTES ON THE INCOME STATEMENT				
1.1 Net Sales				
Net Sales by Sector and Market Area				
Net sales by sector				
Chemicals	**65 686**	57 938		
Shipping	**80 912**	51 488		
Systems	**37 919**	35 811		
Total	**184 517**	145 238		
Net sales by market area				
Finland	**143 942**	100 799		
Other Europe	**40 574**	44 427		
North America		12		
Total	**184 517**	145 238		
1.2 Other Operating Income				
Gains on the sale of fixed assets	**1 683**	4 824	**20**	4 765
Gains on the sale of operations		331		
Other Group operating income			**647**	476
Rental income and related remuneration	**89**	1 105	**63**	1 105
Other operating income	**54**	429	**14**	52
Total	**1 826**	6 690	**745**	6 399
1.3 Materials and Services				
Purchases during the fiscal period	**81 591**	67 802		
Change in inventories	**506**	67		
	82 097	67 870		
Outsourced services	**7 277**	8 199		
Total	**89 374**	76 069		
1.4 Personnel-Related Notes				
Personnel costs and benefits				
Salaries and wages	**20 180**	18 073	**1 256**	671
Pension costs	**2 308**	2 499	**405**	174
Other personnel costs	**3 553**	3 036	**210**	134
Total	**26 041**	23 608	**1 871**	979
Management salaries and benefits				
Executives, salaries	**626**	623	**239**	208
Executives, bonuses	**96**	88	**73**	52
Board members	**144**	101	**69**	51
Total	**866**	812	**381**	311
Employees of the Group and Parent during the fiscal period				
Office personnel	**264**	268	**8**	8
Non-office workers	**305**	270		
Total	**569**	538	**8**	8

CEO and Board Member Pension Liabilities
The CEO of the Parent has the option to retire at 60.

1 000 EUR	Group 2004	Group 2003	Parent 2004	Parent 2003
1.5 Depreciation and Write-downs				
Depreciation of tangible and intangible assets	**8 402**	7 101	**78**	703
Amortization of Group goodwill	**418**	596		
Total	**8 820**	7 697	**78**	703
1.6 Other Operating Expenses				
Rent	**2 647**	2 324	**589**	376
Other expenses	**40 995**	29 758	**1 930**	2 035
Total	**43 642**	32 082	**2 519**	2 410
1.7 Financial Income and Expenses				
Income from long-term investments				
Dividend income				
From outside the Group	**97**	50	**97**	50
Total	**97**	50	**97**	50
Other interest and financial income				
From Group companies			**199**	199
From others	**595**	446	**301**	186
Total	**595**	446	**501**	385
Interest and other financial expenses				
To Group companies			**466**	458
Write-down of shares	**349**		**349**	
To others	**2 027**	1 529	**971**	19
Total	**2 376**	1 529	**1 786**	476
Total Financial Income and Expenses	**-1 684**	-1 033	**-1 189**	-42
1.8 Extraordinary Items				
Extraordinary income				
Group transfer, Aspokem Ltd			**1 750**	1 810
Group transfer, ESL Shipping Oy			**20 020**	12 000
Group transfer, Oy Troili Ab			**11**	
Group transfer, Suhi-Suomalainen Hiili Oy			**13**	250
Total			**21 794**	14 060
Extraordinary expenses				
Back-taxes with interest	**1 134**	7 700	**1 134**	7 700
Extraordinary Items Total	**-1 134**	-7 700	**20 660**	6 360
1.9 Appropriations				
Accumulated depreciation in excess of plan			**-29**	2 864
1.10 Direct taxes				
Deferred taxes	**-150**	86		
Change in deferred taxes	**-834**	-1 357		
Taxes on extraordinary items		-145	**6 320**	3 932
Taxes on operational income	**5 130**	5 140	**-1 441**	1 515
Total	**4 146**	3 723	**4 879**	5 447

2. NOTES ON THE BALANCE SHEET
2.1 Non-Current Assets
2.1.1 Intangible and tangible assets

Group 1 000 EUR	Intangible assets	Goodwill	Other long-lived assets	Intangible assets total	Group goodwill	Land	Buildings
Acquisition cost January 1, 2004	1 341	804	356	2 502	5 419	1 046	4 988
Increase	125	24	16	165			
Decrease	-19		-1	-19	-73	-913	-448
Transfers	-66	723	1	659	-4	-71	-1 135
Acquisition cost December 31, 2004	**1 381**	**1 552**	**373**	**3 306**	**5 342**	**62**	**3 404**
Accumulated depreciation January 1, 2004	-936	-656	-273	-1 865	-2 325		-3 216
Accumulated depreciation on transfers and deductions	-72	-638		-709	78		1 050
Planned depreciation	-113	-194	-36	-343	-418		-180
Accumulated depreciation December 31, 2004	**-1 120**	**-1 488**	**-308**	**-2 917**	**-2 665**		**-2 347**
Book value December 31, 2004	**260**	**63**	**65**	**389**	**2 677**	**62**	**1 058**

	Machinery and equipment	Vessels	Other tangible assets	Other prepaid expenses	Tangible assets total
Acquisition cost January 1, 2004	5 999	146 374	911		159 318
Increase	345		22	62	430
Decrease	-257	-3 810	-425		-5 854
Transfers			2		-1 205
Acquisition cost December 31, 2004	**6 087**	**142 564**	**510**	**62**	**152 690**
Accumulated depreciation January 1, 2004	-4 232	-79 552	-553		-87 554
Accumulated depreciation on transfers and deductions	58	1 114	259		2 481
Planned depreciation	-627	-7 216	-37		-8 060
Accumulated depreciation December 31, 2004	**-4 801**	**-85 653**	**-331**		**-93 132**
Book value December 31, 2004	**1 287**	**56 910**	**179**	**62**	**59 557**

Aspo Plc 1 000 EUR	Intangible assets	Land	Buildings	Machinery and equipment	Other tangible assets	Tangible assets total
Acquisition cost January 1, 2004	217	30	1 105	360	129	1 624
Increase	10			13		13
Decrease	-9	-29	-638		-4	-671
Acquisition cost December 31, 2004	**218**	**1**	**467**	**373**	**125**	**967**
Accumulated depreciation January 1, 2004	-176		-436	-293	-52	-780
Planned depreciation	-19		-29	-30		-59
Accumulated depreciation December 31, 2004	**-195**		**-464**	**-323**	**-52**	**-839**
Book value December 31, 2004	**22**	**1**	**3**	**51**	**73**	**128**

2.2 Investments

Group	Other shares	Affiliate shares	Total
Acquisition cost January 1, 2004	427	739	1 166
Increase		50	50
Decrease	-1		-1
Acquisition cost December 31, 2004	**426**	**789**	**1 215**
Book value December 31, 2004	**426**	**789**	**1 215**

Aspo Plc	Group company shares	Other shares	Total
Acquisition cost January 1, 2004	15 496	424	15 920
Write-down of shares	-349		-349
Decrease	-600		-600
Acquisition cost December 31, 2004	**14 548**	**424**	**14 971**
Book value December 31, 2004	**14 548**	**424**	**14 971**

Group companies	Group interest %	Parent company interest %	Parent Shares and Holdings Number of shares	Face value 1 000 EUR	Book value 1 000 EUR
Suhi-Suomalainen Hiili Oy, Helsinki	100.00	100.00	1 260	252	922
Autotank Ltd, Tampere	100.00	100.00	10 000	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	673	6 829
Oy Troili Ab, Helsinki	100.00	100.00			8
Oy Bomanship Ab, Helsinki	100.00				
O.Y. Näppärä, Helsinki	100.00				
Aspokem Eesti AS, Estonia	100.00				
Aspokem Latvia SIA, Latvia	100.00				
Aspokemlit UAB, Lithuania	100.00				
OOO Aspokem, Russia	100.00				
LLC Aspokem Ukraine, Ukraine	100.00				
Autotank OÜ, Estonia	100.00				
Autotank SIA, Latvia	100.00				
UAB Autotank, Lithuania	100.00				
Autotank Holding AB, Sweden	100.00				
Autotank AB, Sweden	90.10				
Autotank Service AB, Sweden	100.00				
Autotank AS, Norway	100.00				
Autotank Sp.zo.o., Poland	54.95				
Aspo Systems Oy, Helsinki	100.00				
Total					**14 548**

1 000 EUR	Group 2004	Group 2003	Parent 2004	Parent 2003
2.3 Inventories				
Materials and supplies	**2 909**	3 101		
Work in progress	**1**	14		
Finished goods	**10 877**	8 871		
Advances	**155**	15		
Total	**13 942**	12 002		
2.4 Receivables				
Long-term receivables				
Loans receivable	**152**	183	**84**	84
Deferred receivables		132		
Total long-term receivables	**152**	314	**84**	84
Nominal tax receivable				
From losses of earlier periods	**538**	255		
From mandatory reserves	**147**			
Total	**686**	255		
Short-term receivables				
Accounts receivable	**19 651**	15 450		103
Intra-Group receivables				
Group transfers receivable			**49 952**	28 158
Loans receivable			**8 254**	6 487
			58 206	34 644
Advances		253		
Other receivables	**621**	274		
Deferred receivables *)	**4 566**	3 249	**659**	18
	5 187	3 776	**659**	18
Total short-term receivables	**24 838**	19 226	**58 865**	34 765
*) Main items				
Subsidy from the Ministry of Transport and Communications	**2 337**	1 630		
Tax receivable	**1 192**	770	**630**	
Interest risk hedging contract	**287**			
Advances	**244**			
2.5 Short-Term Financial Assets				
Acquisition cost	**7 500**	13 500	**7 500**	13 500
Book value	**7 500**	13 500	**7 500**	13 500

1 000 EUR	Group 2004	Group 2003	Parent 2004	Parent 2003
2.6 Shareholders' Equity				
Share capital January 1	**17 101**	17 101	**17 101**	17 101
Share capital December 31	**17 101**	17 101	**17 101**	17 101
Premium fund January 1	**439**	439	**439**	439
Premium fund December 31	**439**	439	**439**	439
Other funds January 1	**25**	25		
Decrease	**-25**			
Other funds December 31		25		
Retained earnings January 1	**38 436**	45 794	**13 187**	15 525
Dividend distribution	**-11 971**	-8 380	**-11 971**	-8 380
Repurchased shares	**-1 003**		**-1 003**	
Conversions	**-69**	-77		
Retained earnings December 31	**25 393**	37 337	**213**	7 146
Net profit for the year	**13 856**	1 099	**10 840**	6 042
Capital loan, Group			**800**	
Capital loan	**19 200**		**19 200**	
Total	**19 200**		**20 000**	
Total Shareholders' Equity	**75 990**	56 002	**48 595**	30 728

The parent company has drawn down a 20,000,000 euro capital loan. The principal of this loan may only be repaid at maturity if the restricted equity and other undistributable funds reported in the latest confirmed fiscal financial statements of both the Company and Group meet the minimal levels required by the Articles of Association. The loan will be repaid in its entirety on June 4, 2009, assuming that the repayment provisions of the loan agreement and Chapter 5 of the Finnish Company Law statutes have been satisfied. According to requirements defined in Article 7 of the loan agreement provisions, as of January 2, 2005 Aspo may prematurely repay the principal in its entirety, plus interest compounded by a factor of one hundred percent (100) up to the date of repayment. A fixed annual interest of 5% will be paid on the principal of the loan.

1 000 EUR	Group 2004	Group 2003	Parent 2004	Parent 2003
Share of accumulated excess depreciation and voluntary reserves	**23 597**	21 688		
Distributable unrestricted equity	**15 653**	16 748	**11 054**	13 187
2.7 Appropriations				
Accumulated depreciation in excess of plan December 31	**36 762**	35 626	**29**	
Nominal tax receivable	**-9 558**	-10 332		
Reserves in equity at point of acquisition	**-3 607**	-3 607		
Voluntary reserves in equity December 31	**23 597**	21 688		
2.8 Mandatory Reserves				
Guarantee reserve	**329**			
Provision for expenses related to divestitures	**238**	428	**238**	249
Total	**567**	428	**238**	249

1 000 EUR	Group 2004	Group 2003	Parent 2004	Parent 2003
2.9 Long-Term Liabilities				
Loans from financial institutions	**4 749**	24 948		
Pension loans		43		
Total Long-Term Liabilities	**4 749**	24 991		
Deferred taxes				
Taxes on appropriations	**9 558**	9 989		
Debts with maturities longer than 5 years				
Loans from financial institutions		7 462		
2.10 Short-Term Liabilities				
Loans from financial institutions	**1 583**	5 102		
Pension loans	**43**	14		
Unpaid dividends 1999-2003	**7**	6	**7**	6
	1 633	5 123	**7**	6
Payables	**11 255**	10 135	**82**	216
Advances	**284**	519		
Other debt *)	**3 144**	5 390	**26**	2 732
Deferred payables **)	**8 380**	13 269	**1 571**	7 996
	23 062	29 313	**1 679**	10 944
Intra-Group liabilities				
Loans			**31 831**	24 689
Deferred payables			**28**	4
			31 858	24 693
Total Short-Term Liabilities	**24 695**	34 436	**33 544**	35 643
*) Main items				
Deferred taxes		2 710		2 710
VAT	**1 309**	1 177		
Employer's contributions	**1 228**	1 105	**26**	21
**) Main items				
Accrued interest	**1 388**	266	**568**	
Bareboat lease for Ms Eira	**623**	612		
Annual vacation and other salary allocations	**4 826**	3 420	**823**	233
Back-taxes		7 700		7 700

1 000 EUR	Group 2004	Group 2003	Parent 2004	Parent 2003
3. OTHER NOTES				
3.1 Securities, Contingent Liabilities and Other Liabilities				
Debts secured by real estate and vessels				
Loans from financial institutions	**6 332**	9 290		
Securities	**6 728**	13 623		
Pension liabilities				
The Group has no pension liabilities.				
Leasing liabilities				
Unpaid lease payments				
Payable in the fiscal 2005	**680**	487	**60**	38
Payable later	**948**	899	**172**	164
Total	**1 629**	1 386	**231**	202
Scrap value-related liabilities	**2 496**	2 450		
Total leasing liabilities	**4 125**	3 836		
Bareboat contract payments				
Payable in the fiscal 2005	**1 614**	1 587		
Payable later	**12 191**	13 805		
Total	**13 805**	15 392		
The contract contains a buyout option (separate agreement).				
Guarantees on behalf of Group companies				
Pension loans			**547**	561
Leasing liabilities			**2 645**	2 516
Bareboat agreement			**13 805**	15 392
Total			**16 450**	17 908
Derivative contracts	**653**	3 283	**653**	3 283

Financial Performance and Key Figures 2000-2004

	2004	2003	2002	2001	2000
Net sales, MEUR	**184.5**	145.2	138.9	123.1	107.5
Operating profit after depreciation, MEUR	**20.9**	13.6	9.0	8.7	5.6
Share of net sales, %	**11.3**	9.3	6.5	7.1	5.2
Profit before extraordinary items and taxes, MEUR	**19.2**	12.5	8.0	8.0	4.4
Share of net sales, %	**10.4**	8.6	5.8	6.5	4.1
Profit before taxes, MEUR	**18.1**	4.8	15.6	0.8	4.3
Share of net sales, %	**9.8**	3.3	11.3	0.7	4.0
Return on investment (ROI), %	**24.9**	16.5	11.9	11.4	6.4
Return on equity (ROE), %	**26.7**	14.5	9.5	9.4	4.7
Equity ratio, %	**49.3**	44.8	55.0	52.7	53.5
Equity ratio net of tax liabilities, %	**57.6**	52.7	64.9	62.9	63.1
Gearing, %	**23.5**	22.2	9.2	28.6	33.0
Gross investments in fixed assets, MEUR	**0.6**	24.6	7.4	1.9	6.4
Share of net sales, %	**0.3**	17.0	5.3	1.5	6.0
Personnel, December 31	**566**	536	538	435	384
Personnel, average	**569**	538	525	412	375
Share-Related Key Figures					
Earnings/share (EPS), EUR	**1.77**	1.01	0.66	0.65	0.35
Earnings/share (adjusted), EUR	**1.69**				
Equity/share, EUR	**6.70**	6.55	7.41	6.44	7.18
Nominal dividend/share, EUR (Board proposal)	**1.19**	1.40	0.98	0.56	0.55
Adjusted dividend/share, EUR	**1.19**	1.40	0.98	0.56	0.55
Dividend/earnings, %	**67.3**	138.3	147.9	86.3	155.8
Effective dividend yield, %	**7.8**	10.8	11.2	8.9	11.0
Price/earnings ratio (P/E)	**8.6**	12.9	13.5	9.7	14.2
Price/earnings ratio (adjusted)	**9.1**				
Share prices (adjusted)					
average, EUR	**14.48**	10.05	8.23	5.45	7.93
low, EUR	**10.71**	8.60	6.15	4.10	4.50
high, EUR	**16.35**	14.00	9.26	6.40	11.20
Average yearend closing price, EUR	**15.30**	13.02	8.94	6.30	5.00
Market value of total shares outstanding, December 31, MEUR	**130.8**	111.2	76.4	53.9	42.9
Market value of total shares outstanding, less own shares, December 31, MEUR	**129.6**	111.3	76.4	53.9	42.9
Share turnover, 1,000 each	**3 245**	1 531	708	966	1 813
Share turnover, %	**37.9**	17.9	8.3	11.0	20.7
Total share volume, 1,000 EUR	**46 997**	15 391	5 828	5 264	14 375
Total number of shares, 1,000 each					
total yearend	**8 551**	8 551	8 551	8 770	8 770
total yearend, adjusted	**8 551**	8 551	8 551	8 770	8 770
outside the Group	**8 427**	8 551	8 551	8 551	8 584
outside the Group, adjusted average	**8 427**	8 551	8 551	8 581	8 713

Calculation of Key Ratios

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

Return on Equity (ROE), %
Profit before extraordinary items and taxes – direct taxes x 100 / Shareholders' equity + minority interest (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), EUR
Profit before extraordinary items and taxes – direct taxes – minority interest / Adjusted average number of shares outstanding during the period

Equity / Share, EUR
Shareholders' equity / Adjusted number of shares outstanding at the yearend

Adjusted Dividend / Share, EUR
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 yearend share price

Price Earnings Ratio (P/E)
Adjusted yearend share price / Earnings per share

Adjusted Average Share Price
Total share turnover in euros / Adjusted fiscal share turnover

Equity Market Value
Total number of shares outstanding x Average yearend share price

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

Risks and Risk Management

Risk management is part of Aspo Group's management control system. Its objective is to identify, analyze and contain possible operational threats and risks. Risks are considered to include all internal and external factors affecting Aspo's ability to reach its business objectives and to generate earnings. Within Aspo risks are not only seen as a negative factor to be removed or a cost item. We recognize the importance of taking controlled risks and exploiting opportunities as a part of Aspo's development and search for increased shareholder value.

Risks are mapped, classified and assessed systematically and decisions on necessary measures are then taken. When assessing the importance of risks we consider not only their direct financial impact, but also other factors, such as the effect on personnel, customers and Aspo's reputation. Risks are classified into certain groups based on the probability and consequences of possible events. This illustrates the priority of risk control measures and creates a consistent way of assessing and evaluating risks within the Group.

Critical risks are handled in the Group by an approved decision-making procedure. The management of the Group and the division goes through the risks and prepares measures for controlling the critical ones. Critical risks and the state of their management are reported regularly to the Aspo Plc Board. When necessary, measures are started on a Group level and outside experts are used.

Critical, large and moderate risks are considered normal business risk for the Aspo Group. The operational management is responsible for their control within their respective areas of responsibility. Important risks require monitoring by the management, as they may become critical risks, if circumstances change. The management is responsible for defining and executing sufficient measures and monitoring their execution as part of normal operational control. If necessary, projects are initiated on a divisional or unit level and outside experts are used.

For certain risks the principles and the essential contents of risk management are defined in Group level policies and instructions. Damage risks are covered by appropriate insurance. The CFO of Aspo Plc, who reports to the CEO of Aspo Plc, coordinates risk management.

Business risks

All of Aspo's Divisions have a common market area centering on the Baltic Sea area and enjoying market leadership in selected sectors. Even if these sectors do not provide significant internal synergies, they balance market-related risks. As a diversified company Aspo has a clear perception of evolving business conditions based on multiple interfaces. The experience gained in one sector can be utilized in other sectors.

Business risks include risks that impede the achievement of Aspo's and its divisions' strategic targets, risks resulting from political conditions or decision-making, risks related to mergers and acquisitions and various risks related to day-to-day operations. The earnings of Aspo Chemicals are particularly sensitive to fluctuations in raw material prices, i.e. the right timing of purchasing is the main factor affecting earnings. A fifth of the purchasing is priced in dollars. Other essential business risks with a possible impact on operations include mergers and acquisitions between raw material suppliers, rearrangements of distribution channels and changes in the chemical industry and the legislation. There is always a risk of environmental damage in handling chemical substances, for which reason special attention must be paid to the caution and functional security of the processes.

Aspo Shipping's coal transport is giving way to steel raw material shipments, which balances its shipment portfolio. This will increase the use of the euro in invoicing and balance the transport demand. This is especially important in downturns in coal shipments. The main business risks are considered to be unfavorable changes in demand and competitive conditions, loss of customer confidence, labor conflicts, optimizing capacity and shipments, and an emergency or accident at sea. With long-term customer contracts and the constant monitoring and development of operations Aspo Shipping has been able to manage its risks well.

At Aspo Systems steady cash flow from maintenance services balances fluctuations in equipment sales. A stronger euro can negatively impact earnings to some extent, but the significance of currency fluctuations is declining. Changes in competitive conditions or customer purchasing behavior and loss of key customers are risks that we have systematically tried to reduce by building tight partnerships with customers and by expanding our market area.

The most important risks included in business risks are connected with operations and especially customer loyalty, adequacy of equipment, the protection of margins and key personnel. Consequently, risk management at Aspo is not only about securing sufficient insurance protection, but an essential part of daily operations and included in normal processes.

Financial Risks

The financing and management of financial risks is performed centrally within the parent company in accordance with a financial policy approved by the Board.

Currency Risks

In the Aspo Group currency risks are managed through hedging operations and through intra-Group currency transactions. At the moment about a third of Aspo Shipping's invoicing is in dollars and about one fifth of Aspo Chemicals purchasing is in dollars.

Information Technology

In order to safeguard smooth and continuous operation Aspo Group's core information systems and connections are handled centrally in accordance with IT security policies approved within the Group. In the IT security policy risks connected with both IT systems and structures, and risks connected with the availability and use of information are managed.

Proposal of the Board on the Distribution of Profits

The unrestricted shareholders' equity according to the consolidated balance sheet is EUR 39,249,398.11, of which EUR 15,652,614.71 is distributable. The unrestricted equity of the parent company is EUR 11,053,873.52. As of December 31, 2004, the number of registered shares was 8,550,721, of which the company held 79,000 shares.

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

a basic dividend of EUR 1.00/share to be paid out on each of the 8,471,721 shares outstanding	8,471,721.00 €
an additional dividend of EUR 0.19/share to be paid out on each of the 8,471,721 shares outstanding	1,609,626.99 €
to be held in the retained earnings account	972,525.53 €
	11,053,873.52 €

Helsinki, February 9, 2005

Kari Stadigh   Matti Arteva
Kari Haavisto   Roberto Lencioni

Gustav Nyberg
CEO

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 January 1 – December 31, 2004. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets and notes on 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 of the parent company.

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 of 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 statement presentation. The purpose of our audit of corporate governance is to examine that the members of the Board of Directors and the CEO of the parent company 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 parent 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 assets is in compliance with the Companies' Act.

Helsinki, March 3, 2005

PricewaterhouseCoopers Oy
Authorized Public Accountants

Jouko Malinen
Authorized Public Accountant

Notice To The Shareholders

Annual Shareholders' Meeting

The Aspo Plc Annual Shareholders' Meeting will be held at the Conference Hall of Palace, Eteläranta 10, FI-00130 Helsinki, on Thursday, March 31, 2005 at 4 PM.

Shareholders registered by the Finnish Central Securities Depository Ltd no later than March 21, 2005 are entitled to participate in the meeting.

Shareholders wishing to attend the meeting are requested to notify the company by 4 PM on March 29, 2005, either by letter at the address Aspo Plc, P.O.Box 17, FI-00581 Helsinki, or by telephone at +358 9 7595 368 / Hilkka Jokiniemi, or by telefax at +358 9 7595 301 or by e-mail at hilkka.jokiniemi@aspo.fi.

Letters authorizing a proxy to exercise a shareholder's voting right at the Annual Shareholders' Meeting should be sent to the Company before the notification period expires.

Payment of Dividends

The Aspo Plc Board of Directors proposes that a dividend totaling EUR 1.19 per share on fiscal 2004 be paid on April 12, 2005 to shareholders registered by the Finnish Central Securities Depository Ltd by April 5, 2005, at the latest.

Share Register

Shareholders are requested to provide the custodial register containing their book-entry account with their name, address and any changes in equity holdings.

Annual Report 2004

This Annual Report is available in Finnish, English and Swedish, as well as on the company website www.aspo.fi.

Interim Reports 2005

Aspo Plc will publish interim reports in fiscal 2005 as follows:
On Thursday, April 28, 2005,
for January-March
On Wednesday, August 24, 2005,
for January-June
On Thursday, October 27, 2005,
for January-September

The reports will be available at www.aspo.fi immediately after publishing.

Aspo Plc Investor Relations

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Aspo observes a news blackout between the end of the fiscal period and the publication of the results for the period in question. During the blackout the company's representatives do not meet investors or analysts, nor will they comment on the company's financial performance.

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