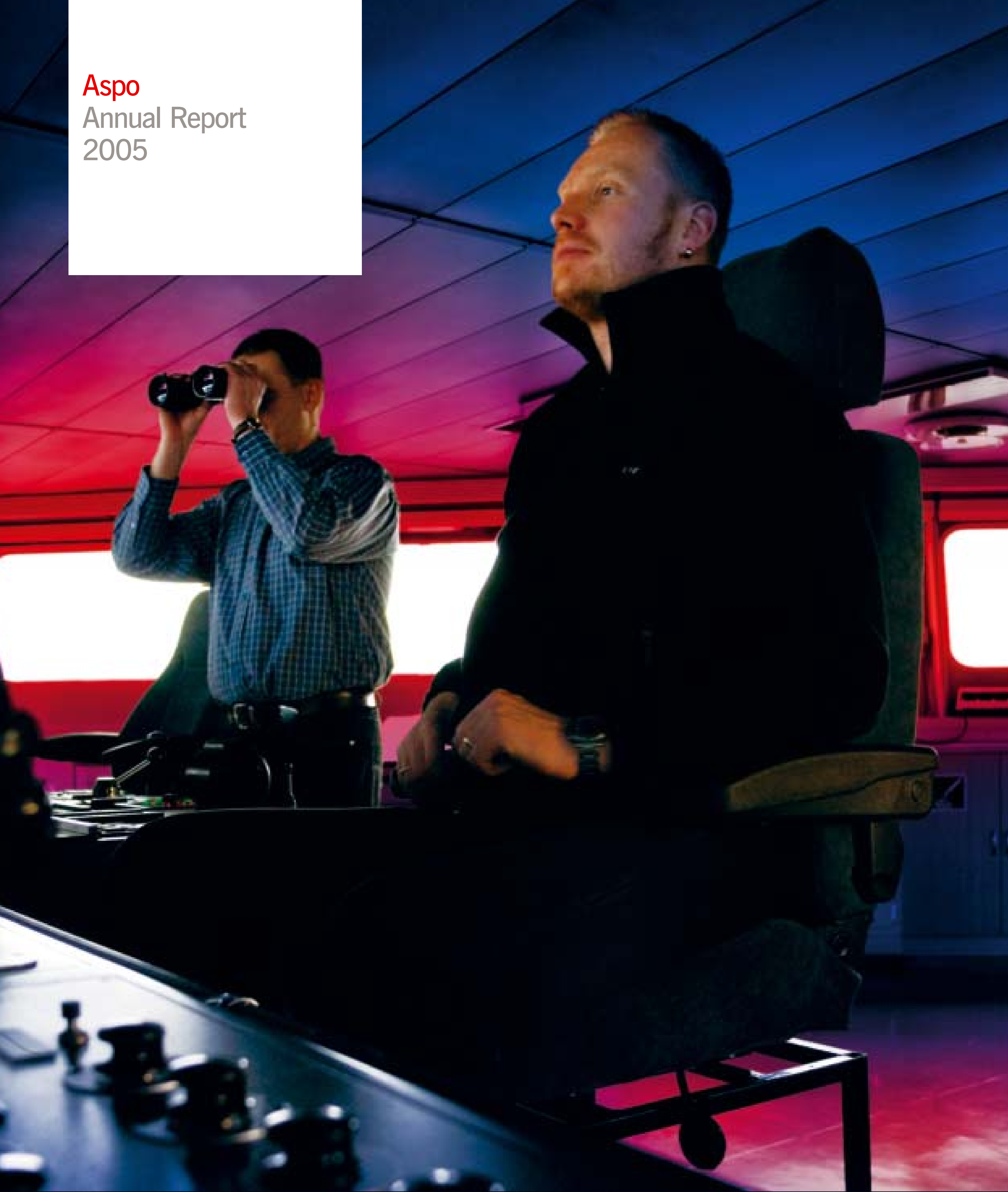
Aspo
Annual Report 2005



Aspo Annual Report 2005
Contents

Aspo provides logistical support services for industry. We serve companies in the processing and energy sectors, both of which require extensive specialist knowledge and logistical competence.

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.

Key Figures

	2005	2004	Change, %
Net Sales, MEUR	204.9	184.3	11.2
Operating Profit after Depreciation, MEUR	16.2	21.6	-25.0
Share of Net Sales, %	7.9	11.7	
Profit before Taxes and Minority Interest, MEUR	14.7	19.7	
Share of Net Sales, %	7.2	10.7	
Earnings / Share, EUR	0.42	0.61	
Earnings / Share, EUR (adjusted)	0.40	0.58	
Equity / Share, EUR	2.23	2.25	
Equity Ratio, %	46.9	48.5	
Return on Investment, % (ROI)	19.4	25.0	
Return on Equity, % (ROE)	18.8	27.4	
Personnel, December 31	681	566	

Aspo's Financial Objectives:

- Operating profit as percentage of net sales closer to ten than five.
- Approximately 10–15% annual net sales growth.
- Return on investment and on equity more than 20% on average.
- To distribute approximately half of the year's profit in dividends.

A critical link in our clients' value chain. Aspo is responsible for an important part of our clients' supply 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 has been in the shipping business for more than 50 years, in the chemicals business for more than 40 years, and in the petrol station automation business for over 30 years.

All three of our divisions serve demanding B-to-B clients. 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. The Baltic Sea is an economic area with its own unique character that requires its own logistical infrastructure.

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.

Expansion into new market areas provides an excellent opportunity to capitalize on the benefits of diversification. Our divisions can adopt best practices from each other and learn from each other's mistakes. This is a valuable asset, particularly in the Russian and East European markets.

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.

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 that utilize 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 lay the foundation for a sustainable competitive advantage for Aspo Shipping.

Aspo Systems: Total Petrol Station Automation – Reliably

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

In a whole new performance class. Aspo continued to perform extremely well last year, continuing the previous year's trend. Despite some unexpected challenges we generated an excellent performance.

Being able to succeed in a challenging environment proves that we have taken our operations to a whole new level, which also translates into an excellent outlook for future years.

Even though the Chemicals Division has adapted to its cyclical business environment, raw material prices last year showed greater fluctuation than we had expected. There were many speculators in the markets, sometimes causing very dramatic price fluctuations. Considering these very challenging price conditions and a fiercely competitive business environment, Chemicals performed well.

The Chemicals Division's objective is to double its size within the next five years. To reach this objective, we have a clear strategy: Export existing products to new markets and sell new products to existing customers. Last year, Chemicals established a subsidiary in Sweden. New markets opened in Belarus and our operations in Ukraine gained momentum.

Acquisitions are another way to create new product groups. This allows us to offer our customers an even more extensive product range. Since the Chemicals Division already has a widespread presence in Eastern Europe, we can offer our principals a larger market with greater potential for their products. Diversifying the product portfolio also increases stability and improves operational predictability.

For the Shipping Division, last year was the second best in its history. The shipping company's performance was stable, even though emissions trading caused a steeper decline in the demand for energy coal than we expected. For several years, the Shipping Division has worked systematically to expand its client base and become less vulnerable to the fluctuations in the demand for energy coal.

Last year, the Shipping Division worked very hard to ensure good growth potential in the future. This work culminated in the most significant investment in the Division's history: ordering two new Eira class vessels from India. Along with the commissioning of Credo, a vessel in the same size class, in the spring of 2006, the Shipping Division is set to pursue even more powerful growth.

The shipping company is performing well with steady development in the transport tonnage, effective operations and high-quality customer service. Furthermore, the recent investments will secure its fleet capacity and operational efficiency well into the future.

In the Systems Division, Autotank's performance fell short of its objectives. The integration of the maintenance business acquired from Malte generated non-recurring costs, and in addition, the company invested heavily in strengthening its new organization through training and shared information systems. By the end of this year, Autotank is expected to be in excellent form.

Last year, Autotank was able to renew several maintenance contracts with both its existing customers and customers from acquired operations. This is an indication of the company's high quality and service level and of its customers' faith in the company.

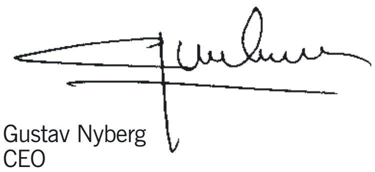
Positive developments from the Autotank perspective included the start-up of its customers' major technology investments. The order book for the current year is good. The EMV chip card upgrade will support orders this year, but the bulk of the alteration work required will be distributed over the next three years.

The business environment of Aspo's Divisions has become more and more cyclical. Within the general business cycles there are also mini-cycles caused by a variety of factors. This is why we have taken steps in the past few years to systematically improve the predictability of our business operations. Several changes experienced last year made 2005 a good acid test for our new business structure. It showed that we had succeeded in our work and can now enjoy the fruits of our labor. Aspo is now well positioned for solid performance even in a very challenging operating environment.

This successful year served as a great starting point for Aspo's newly launched personnel fund. A significant profit bonus for 2005 will be placed in the fund to be used for buying Aspo's shares. It is our objective to make our personnel one of Aspo's key shareholder groups. I believe that this will provide strong motivation for our already highly committed personnel.

Besides the skilled and competent Aspo personnel, I would like to thank our customers, business partners and close to 5,000 shareholders. The number of our shareholders grew by almost a half last year. Everyone at Aspo will continue to work very hard each day to earn your trust in the years to come as well.

Helsinki, February 20, 2006



Gustav Nyberg
CEO
gustav.nyberg@aspo.fi

07:58 Gustav Nyberg plans to make personnel one of Aspo's key shareholder groups. The personnel fund has an important role: Share ownership further increases dedication to and interest in the company's success.

Aspo Chemicals
Expertise in Logistics

08:48 Latvia is the heart of the Baltic operations. The industrial chemicals warehouse and the automotive chemicals plant are both located within an hour's drive from Riga. Arto Heinonen also travels frequently to Ukraine and Belarus.

Strong growth in the Baltic countries. In Eastern Europe, Aspokem is winning new clients with its raw material, molding technology and production process skills.

08:18

Aspokem Technical Customer Service Manager **Arto Heinonen** zigzags through the morning traffic in Riga. While he's driving he's also talking on the phone, consulting a Finnish customer who runs a plastic and mold production company on the using of plastic raw materials.

"In the morning I usually talk to our Finnish customers and colleagues. As the day progresses, my focus shifts towards Latvia and other Baltic countries," explains Heinonen, who has lived in Riga for about a year now.

The day before yesterday he was called urgently to Lithuania, where a customer was testing plastic raw materials. The customer company manufactures extrusion molded profiles that are used in the light panels of cafeterias and service stations.

"We performed test runs using different raw materials, and eventually the third alternative proved to be the most suitable for their process. It was a long day, but we solved the customer's problem in the end."

In addition to the Baltic countries, Heinonen makes regular visits to the Ukraine and Belarus. Despite fierce price competition, Aspo's expertise is highly valued. According to Heinonen, technical added value and the excellent location of the warehouse are key factors that help win customers. A deep knowledge and understanding of the raw material plays an important role, especially when it comes to engineering plastics.

"The Baltic countries are developing really fast. What took 20 years in Finland happens in two years over here," says Heinonen, who visited Riga for the first time in 1997. Before joining Aspo, Heinonen worked in production planning in the plastic industry, which means he's familiar with the customer processes.

The Latvian office is the regional center. The industrial chemical warehouse and the automotive chemicals plant are both located within an hour's drive from Riga. Aspokem's Baltic offices employ approximately twenty people, seven of whom work in Riga.

10:58

Heinonen's car approaches the Riga airport, and he makes a turn and parks outside Atec, a Singapore-based company supplying plastics equipment to plastics molders and manufacturing plastic products. The plant in Riga manufactures different types of containers, kitchenware and home appliances. Aspokem supplies a range of plastic raw materials to Atec.

Atec's highest profile customer is Ikea. Atec manufactures all the Ikea plastic products made in Latvia. Ikea has very strict quality standards, which places heavy requirements on the raw material supplier, too.

Heinonen visits Atec about four times a year. The purpose of these visits is to discuss the customer's future needs and review factors affecting raw materials, molding techniques and processes.

For instance, Atec relied on Heinonen's expertise when it made a mold for a new plastics food container. Atec needed assistance in dimensioning the mold.

"The mold for the product is made in Taiwan and the raw material is ExxonMobil's linear polyethene. The information I collected from Atec included mold designs, mold wall thickness, and the injection molding machine itself. After studying this data I contacted the raw material manufacturer's experts and based on our discussions I was able to instruct Atec on the dimensioning of the mold. This made mold design and manufacture much easier."

Phua Cheng Boon, Atec's Financial Director, is impressed with Aspokem's expertise.

"For us, the local presence of the raw material supplier is a necessity. If we have any technical problems, help is available immediately. From the customer service perspective it's great to have a raw material supplier that also has strong expertise in the production process and the various factors affecting that process."

Boon says that Ikea is in the process of focusing its production on fewer selected locations, which means Atec is well positioned for even stronger growth. This year the target is to double the plant's output.

"Our growth rate requires extremely reliable material suppliers. There are few suppliers in the Baltic countries and most of them do not carry large stocks. This makes Aspokem a very important long-term partner for us. Their operations are very flexible and they can provide a number of different alternative raw materials."

During the visit Heinonen and Boon discuss the safety regulations regarding end products. Atec manufactures a large number of food containers that must meet strict official regulations.

One of the products Aspokem delivers to Atec is linear polyethene, which is manufactured by ExxonMobil. It is used in the manufacture of container lids. Ikea provides a list of hazardous materials that are not permitted in its products, and Aspokem consults ExxonMobil to ensure that the raw materials it supplies comply with these regulations.

13:15

Heinonen drives back to the office located near downtown Riga. The same building also houses Autotank's Latvian office. One of the advantages of being a conglomerate is that it expands into new market areas, allowing different sectors of industry to benefit from each other's experiences and best practices.

According to Heinonen, Atec is a classic customer: It carries small stocks, which makes a flexible local distributor all the more important. Atec is also a good example of the successful client-product-customer concept used in Aspokem's plastics business.

"In this line of work, you need to have a close relationship with the customers as well as the raw material manufacturer's technical experts. When we get involved in the early design phase of the end product, our customer benefits the most."

16:36

Arto is about to start a meeting with **Juris Avotins**, Aspokem Business Manager in the Baltic States. The men are leaving for Belarus where Aspokem is launching new operations.

"The Belarus market shows good potential. The country has a sound infrastructure, and it's safe. There's a lot of red tape to deal with, though – 80% of all companies are still government controlled," Avotins explains.

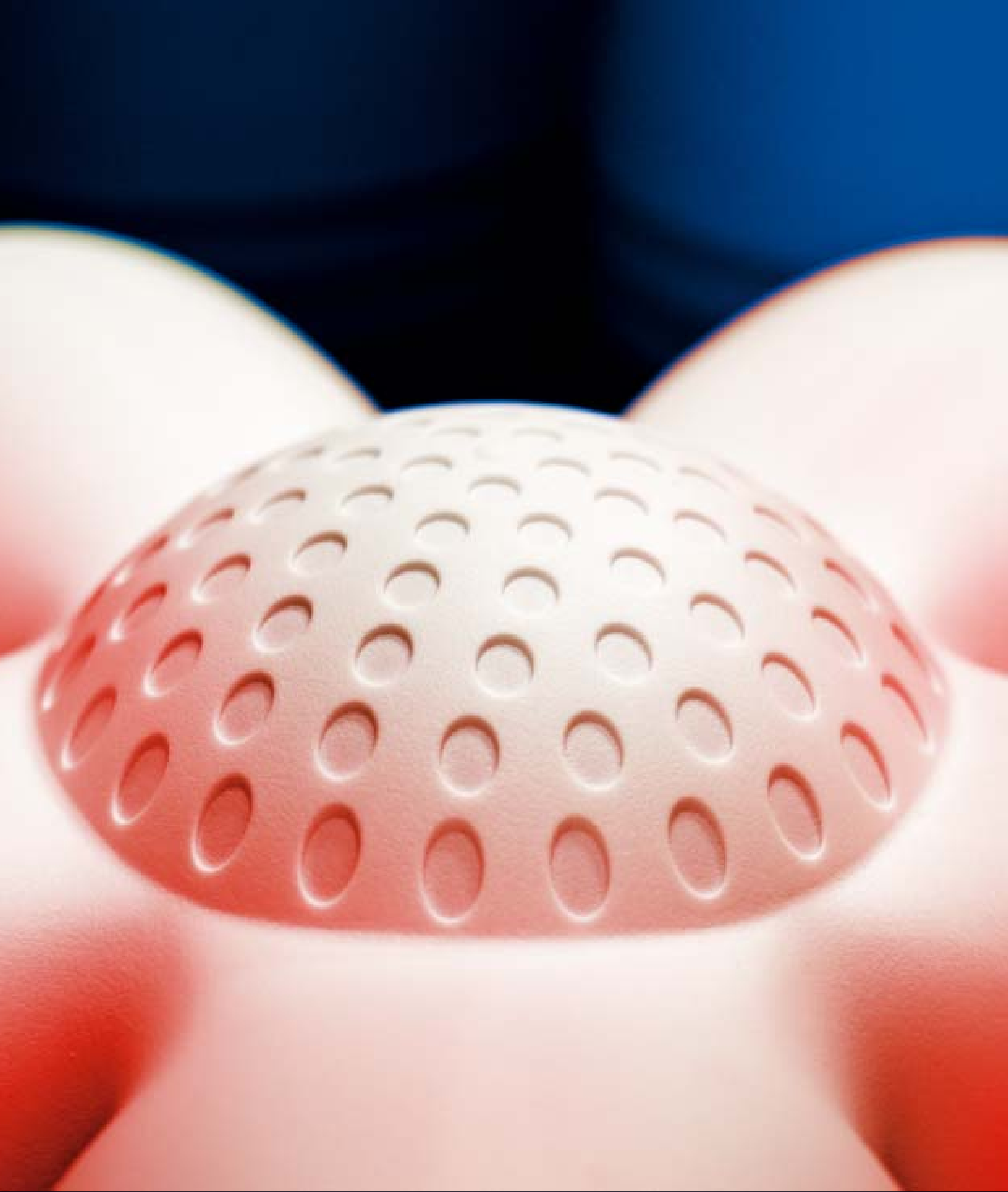
Aspokem employs a tried and true strategy in its business efforts in Belarus: Introducing recognized and well-known products to a new market. Although Aspokem's growth efforts focus on the East, the West hasn't been ignored. In 2005, Aspokem set up a new subsidiary in Sweden. Gaining a foothold in new markets supports Aspokem's objective of raising its net sales to well over EUR 100 million within the next four years.

In a global economy, the same factors affect the Baltic markets as any other market. The growth of the Chinese economy and the increase in oil price have contributed to more dramatic fluctuation in the prices of high-volume chemical products. Rapid price changes accentuate the importance of making purchases at exactly the right time.

The Baltic operations seem to have a bright future ahead. Last year extending product responsibility to cover the entire area enhanced operational efficiency. Furthermore, processing activities were relocated to Latvia, allowing liquid chemicals to be stored in a warehouse that serves the entire Baltic region.

"In terms of logistics, Latvia is the optimal location for a Baltic warehouse," Heinonen says.

11:34 Phua Cheng Boon from the plastic product manufacturing company Atec enhances Aspokem's and Arto Heinonen's expertise. If there are technical problems, help is available immediately.



15:05 The shape of the lamp is a challenge for the blending characteristics of plastic raw material. To ensure an even color in the final product, the process needs the exact right temperature and rotation speed.

A flexible distributor. Aspokem is the leading distributor of plastics and chemicals in Finland and its neighboring areas, serving as a link between the raw material producers and the end-clients.

The Division's strength lies in specialist know-how, acquired over many years, related to the raw materials required in its customers' processes.

Aspokem has three business areas: Industrial Chemicals (nearly 50% of net sales), Plastics (more than 40%) and Automotive Chemicals (more than 10%). In addition to Finland, the Division has operations in Estonia, Latvia, Lithuania, Russia, Ukraine and Sweden. Finland accounts for approximately 65% of the net sales.

Customers and Added Value

Our industrial chemicals customers include companies working in the coatings and paints, inks, process, feed, chemicals and pharmaceutical industries. Our competitive advantage derives from the most versatile storage system in the business, efficient logistics, a comprehensive product range and long-term cooperation with some of the leading international chemical manufacturers.

Our plastic raw material customers include both electrical and electronics companies, as well as firms producing various consumer goods. We supply these customers with engineering and volume plastics. In plastic raw materials our competitive strengths include the largest product range in the business, efficient logistics and technical support service in combination with tailored deliveries, feeding material directly into the customer's production process.

The Automotive Chemicals unit manufactures branded products from our own raw materials. Zero and Polar are the leading coolant brands in Finland and the Baltic countries.

Fiscal 2005

In 2005, the price and availability of several volume products fluctuated dramatically. Plummeting prices forced us to sell some product at a loss. Favorable market development continued in Russia and Ukraine. However, the earnings performance in Russia was disappointing owing to the poor availability of a few key products throughout the year. Meanwhile in Ukraine, a sharp focus on automotive chemicals had a positive impact on sales as well as earnings. Establishing a subsidiary in Sweden provided an important access point to the Western markets.

Key Earnings Factors

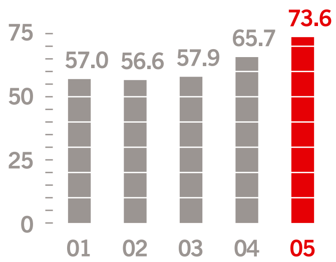
Swift changes in raw material prices underline the importance of accurate timing in purchases. Since approximately one fifth of our purchases are made in US dollars, the weakening of the dollar has a positive impact on our profit.

Weather has no more than a 25% impact on the Automotive Chemicals' earnings. In terms of demand, the optimal winter is mild and muddy.

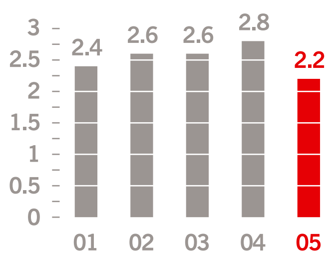
In the EU countries the worst-case scenario resulting from the new REACH chemical legislation would be that the chemical industry could relocate its operations outside the EU area. In the next few years, Aspokem expects the strongest growth to take place in the large Eastern European countries such as Russia and Ukraine.

Aspo Chemicals

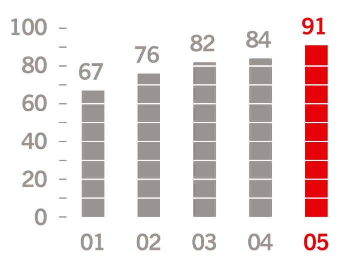
Net Sales, MEUR



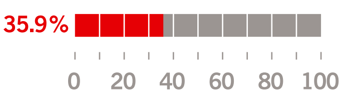
Operating Profit, MEUR



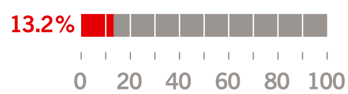
Average Personnel



Share in Group Net Sales



Share in Group Personnel



Aspo Shipping
Reliable Deliveries
All Year Round

14:16 Urmas Sepp (left), Veli Colliander and Tom Blomberg are in charge of ESL Shipping's vessel operations and each one knows the current routes and cargos of every vessel in the fleet.

A game of chess with ships. ESL Shipping has been able to create a highly efficient vessel routing concept for the steel industry. Effective fleet operations are the cornerstone of the shipping line's profitability.

06:15

ESL Shipping's **Veli Colliander** wakes up at home in Helsinki. The lantern in his balcony swings so hard that Colliander knows the wind is going to be a problem at some point.

Colliander, who is in charge of vessel traffic, first checks the morning paper for weather, particularly the wind forecast for sea areas. Next he takes a quick look at the other factors that can impact ESL Shipping's financial performance, namely the exchange rate of the US dollar and the price of oil.

Weather charts continue to be scrutinized at ESL Shipping's vessel traffic control center. He is worried about the low pressure zone passing Norway, which usually brings strong westerly winds to the Gulf of Bothnia. And the Rautaruukki plant in Raahe, on the coast of the Gulf of Bothnia, is the destination of the pusher vessel fleet Colliander is responsible for.

"The pusher and barge fleet is sensitive to winds. Given the forecasts it looks like the pusher Steel won't be able to make it from Luleå, Sweden, to Raahe on schedule."

The Steel is supposed to bring in a shipment of MAF, ground iron ore, from Luleå. The weather conditions are of the utmost importance when transporting MAF, as it can easily get wet in an open barge.

"When iron ore gets wet, it becomes sludgy and makes the cargo dangerous to transport. That's why open barges are not allowed to transport MAF if the wind is blowing more than 14 meters per second."

The Steel is currently on route to Raahe. It's bringing limestone from Gotland, Sweden, for steel production. Colliander calls the captain of the Madzy, a vessel sailing in the Gulf of Bothnia, and warns him that his vessel may have to take on the MAF cargo that the Steel was supposed to carry.

The Steel's schedule is about to fall apart, and it needs a new cargo. This typically requires changes in other vessels' routes and their cargos. What's essential is that the vessels do not run empty or stand idle in ports.

"ESL Shipping's operations and profitability rely on the vessels' ability to carry cargo round trip. We have to be able to minimize the time vessels run empty," Colliander says.

In the steel industry, ESL Shipping has developed a highly efficient vessel routing concept. In the north, the main ports are Luleå and Raahe. In the south Koverhar, Storugns in Gotland, and Oxelösund, south of Stockholm.

For example, a vessel could bring iron ore from Luleå to Oxelösund for use at SSAB's steel mill, then sail to Gotland and take on a load of limestone for transportation to Raahe. In this way, vessels sail long distances with a full load.

An added advantage is that ESL Shipping is by far the biggest customer of the Luleå and Storugns ports.

"In these ports we don't need to compete with other shipping companies' vessels about who gets to dock and load first. Being able to plan which vessel to take into port gives us a clear logistical advantage," Colliander explains.

ESL Shipping also operates in the Russian ports to a growing extent. The focus on coal shipments has already shifted from Poland to Russia, and a great deal of raw material for the fertilizer industry is also being shipped from the country.

09:52

According to Colliander, planning the vessel traffic is like playing chess: One move can change the entire game.

"When planning the schedule, I have to constantly think two or three moves ahead, all the while paying attention to costs."

One major cost item is bunker, the fuel used in the vessels. The price of bunker varies from one port to the next, and the vessel speed and fuel consumption also have a calculus all their own. Fuel supply logistic contributes significantly to the profitability of operations.

Two or three times a week ESL Shipping publishes a position list showing the cargos and routes of the vessels for one week ahead. The list has more than 30 recipients: In addition to the vessels, the information goes to customers, stevedores, and port agents.

"There are differences between the ports – some are always congested, others have bad infrastructures. It is really important to understand the special conditions of each port and its key people."

10:43

Colliander receives a phone call from Luleå that ruins the day's schedule. The shipping agent says that a snow storm has caused an electrical problem at the iron ore mine, which caused the MAF filters to dry up. As a result, the iron ore to be loaded is going to be wet. It is now clear that the Steel could not carry the iron ore even if weather conditions would allow it. The MAF will be loaded into the Madzy where it will be placed under hatches.

"Problems like this with the cargo occur maybe once a month. The shipping agents don't have any warehouses, which means the iron ore goes directly from the mine to the furnace," Colliander says.

On average, customers stock enough raw material for two weeks' production, which is what makes a steady flow of goods so crucial. That is why consistently reliable operations are such a competitive asset for ESL Shipping.

Colliander reports the loading problem to Rautaruukki's route planners and starts to look for new cargo for the Steel.

"This is my typical workday. Problems occur in the morning and it takes the afternoon to solve them."

15:36

Colliander is planning a new schedule. He uses an excel spreadsheet to play with different alternatives. Steel could pick up pellets instead of MAF from Luleå and take them to Oxelösund. Colliander calls SSAB to check if the pellet cargo could arrive a few days earlier than estimated in the previous schedule.

"The customer's needs and deadlines come first when planning a schedule, within that framework we can express our own wishes."

"What should we do with the Eira?" inquires **Urmas Sepp**, Colliander's colleague.

The change in the Steel's schedule affects other vessels, and what's more, the Eira needs a new cargo. ESL Shipping's size is an asset when planning the schedule – the company has enough capacity to deal with all situations.

The company will raise capacity further in spring 2006 with the commissioning of the Credo, a new vessel ordered from China. In addition, two new 18,800 dwt bulk carriers equipped with on-deck cranes and with the highest ice class ratings have recently been ordered from India. The vessels are very well suited to the transportation needs of the steel industry in the Baltic Sea, especially once the dredging of the Raahe port has been completed by the end of the decade.

All personnel responsible for vessel traffic operations at ESL Shipping also have experience at sea. Colliander, for instance, worked as a ship's mate for five years in the 1980s.

The Rautaruukki raw material shipping deal was closed in early 2004. A few months later, ESL Shipping was really put to the test. The company lost tonnage in a storm, the demand for coal was sky-high, and thick ice was obstructing traffic.

"Those were trying times but we made it through, and I'm sure that has enhanced our customer's faith in our operations."

The fleet shortage increased operational efficiency. Last year both of ESL Shipping's pushers carried more than 160 cargo shipments. Colliander feels that the best feedback is to hear that vessels have had a record-breaking month.

Colliander finishes the schedule and dispatches it to the vessels, customers and ports.

Later that night at home Colliander calls the vessels that have been outside the GSM service area during the day. His work follows him over the weekend as the vessels sail across different parts of the Baltic Sea.

15:46 Eira's captain Petteri Laitinen (left) and first mate Pasi Niinivuo receive a new position list from vessel operations planners about twice a week. It indicates the cargos and routes of the vessel for one week ahead.

16:18 ESL Shipping's customers stock enough raw material for approximately two weeks' production. In practice, iron ore is transported directly from the mine to the furnace. That's why a steady flow of traffic is extremely important.

Baltic prowess. ESL Shipping is the leading dry bulk sea transport company operating in the Baltic area.

The Division's competitive strength lies in its customer relationships that are built on long-term trust: As a carrier of important raw materials, ESL Shipping is an integral part of its customers' logistics chain.

ESL Shipping operations cover the entire Baltic Sea region. Its self-discharging vessels are designed specifically for the demanding Baltic Sea conditions. Its ice-strengthened and shallow draft ships can safely enter even the shallowest ports while carrying a full load. All vessels are equipped with forward thrusters and most with on-deck cranes. This makes the vessels less dependent on port handling services and tugboats. Furthermore, the vessels can also load and unload rapidly at sea.

Our vessels carry cargo such as iron ore and pellets (34.5% of all cargo), energy coal (33.7%), coking coal (14%) and limestone (13%). The shipping line's fleet is presented in more detail on the company website at www.eslshipping.fi.

Customers and Added Value

ESL Shipping's customers include steel and chemical industry companies as well as energy producers. Its competitiveness is based on flexible and efficient operations; the result of a sufficiently large, modern fleet comprising a broad range of different sized vessels. All vessels sail under the Finnish flag and have Finnish crews.

Fiscal 2005

The 2005 financial performance was the second best in the history of ESL Shipping. In the steel industry, vessels carried 2.7 million tons of raw material to SSAB, an increase of more than a third from the previous year.

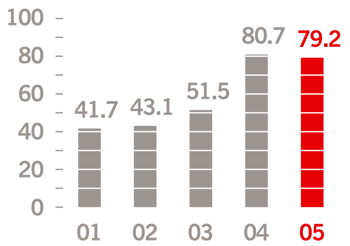
Three factors affected the efficiency: Firstly, demand for energy coal shrank by 44 % from the previous year record-high level. Secondly, vessels spent twice as many days in shipyards than a year earlier. And thirdly, ports were more congested, which prolonged waiting periods.

Key Earnings Factors

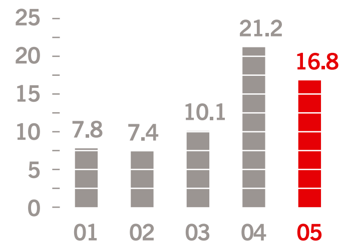
The Baltic Sea is a stable market area with a continuous need for raw materials and a business culture that favors long-term customer relationships. The repercussions of changes in ocean freights influence the Baltic Sea market with a delay and on a smaller scale – freights in the Baltic Sea typically fluctuate by about a third of ocean freights. Emissions trading will keep the consumption of energy coal at its current level, although in extremely cold winters the demand for coal will rise. Although the strengthening of the dollar will slightly improve the earnings performance, the influence of currency rates on ESL Shipping's financial performance is generally declining.

Aspo Shipping

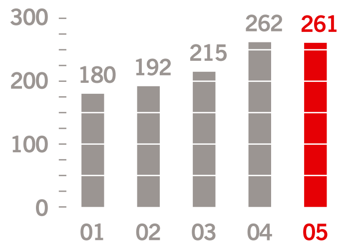
Net Sales, MEUR



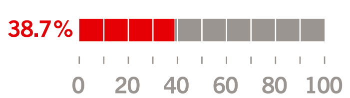
Operating Profit, MEUR



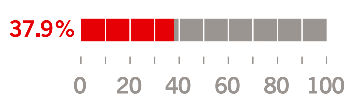
Average Personnel



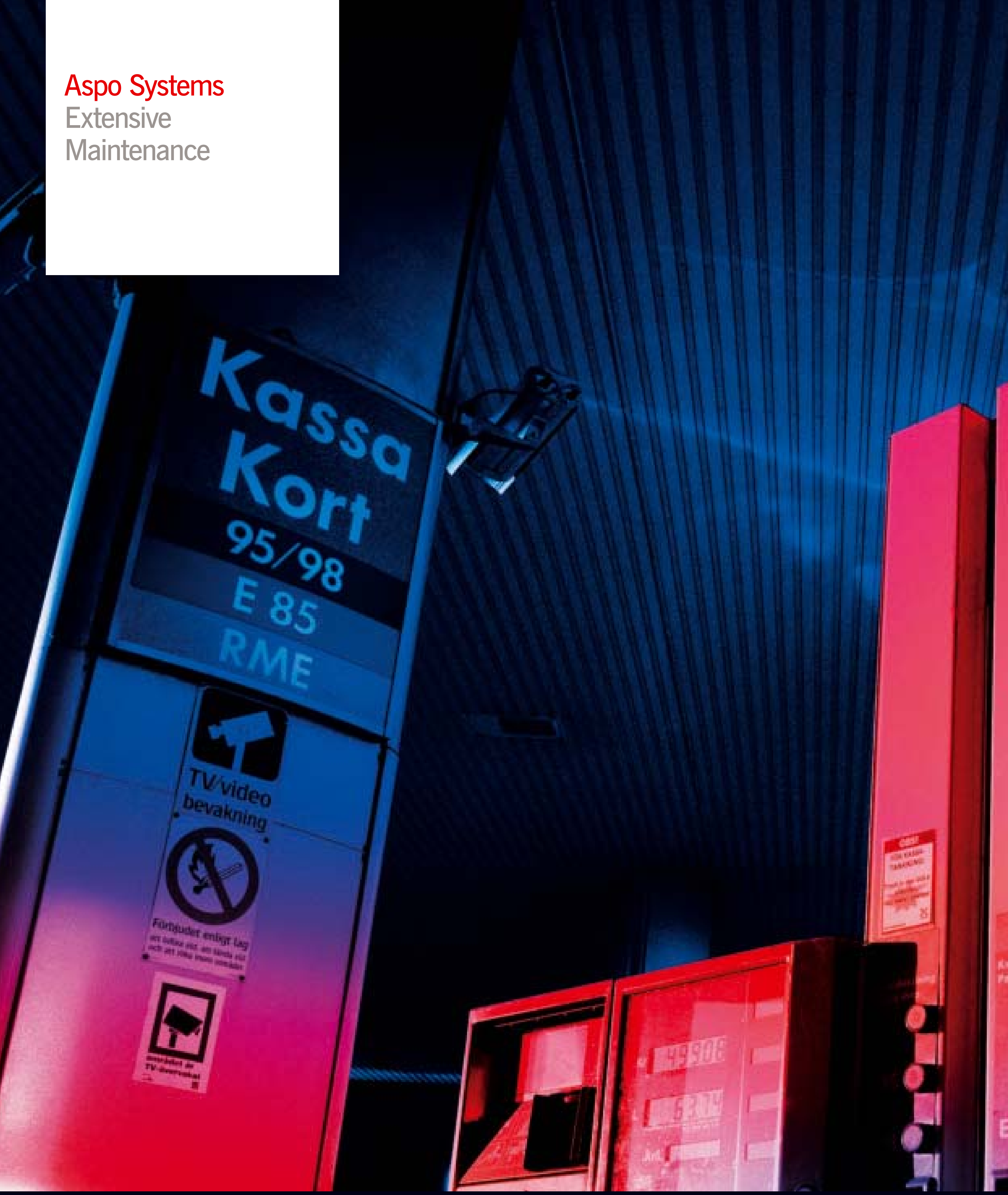
Share in Group Net Sales



Share in Group Personnel



Aspo Systems
Extensive
Maintenance



08:42 Stig Olander makes between two and eight service calls daily. All service engineers can quickly access the call list on their computers, which makes maintenance logistics very efficient.

From station to station. Autotank is responsible for the maintenance of Sweden's largest service station chains. As a major player, its maintenance logistics produce a significant competitive advantage.

08:00

Stig Olander sits in the Autotank office in Bromma, Stockholm, sipping coffee. He is participating in the daily meeting where six of Autotank's service engineers make a call list for today's service calls. Requests for maintenance interventions are stored in a large database updated both remotely and manually via the call center.

Olander's first call is at a Statoil station in Älta, southeast of Stockholm. The service request submitted by the station reports that the drive belt of one of the dispensers is screeching, causing a shut-down of the dispenser.

Autotank and Statoil, Sweden's largest petrol retailer, have a comprehensive service agreement covering everything from online monitoring of the station's operations to automatic response to problems, without a separate work order.

Glenn Larsson, Autotank's Service Manager, says that the current trend is towards longer, three- to five-year service agreements. "Close cooperation requires mutual trust, which takes time to build," he explains.

Hearing this makes Olander smile, as he's been involved in building close relationships with service station staff in Stockholm since 1969. Even the most recent Autotank new-comer has been working at his current job for four years. In practice, each Autotank service engineer in Stockholm knows every service station in town.

Maintenance services became Autotank's largest business area in early 2005 when the company acquired the Malte Group's Swedish and Norwegian maintenance operations. Scale is a significant competitive advantage. Being a major player allows Autotank to send a service engineer to where he is needed quickly and cost-effectively.

Olander replenishes the spare parts stock he carries in his car and hits the road.

09:28

The equipment at the Älta service station is older than the average – the faulty pumps were manufactured in the early 1990s. Olander unscrews the protective cover and finds the fault. The screeching comes from a faulty pump, and in addition, the electric motor of another pump is out of order.

"This is a bigger problem and requires a repeat call, electric motors are not included in my regular spare part stock," Olander points out.

Olander records the faults detected during this call and the required action on a call sheet on his computer and prints out a receipt for the customer.

While doing that, he is also updating the call database using a high-speed data connection.

"All service engineers have direct access to the database, which enables optimal maintenance logistics. If there is a new call request somewhere nearby, I can take care of that since I'm in the vicinity."

The computer says that a service request has been submitted by a nearby Statoil station in Nynäsvägen: One of the nozzles leaks. Olander takes the job.

10:32

The Nynäsvägen station is one of the busiest service stations in Sweden. There is a steady flow of cars to the retail outlet-type service station, which is open 24 hours a day.

Reliable fuel distribution is extremely important to this type of service station. An increasingly large part of its sales comes from other services, such as the convenience store and the restaurant. These sales also depend on reliable fuel supply. There is a lot to lose, which is why stations now invest more in maintenance than they used to. This fuels the growth of maintenance operations.

The leaking nozzle belongs to the E85, or ethanol, dispensing unit. Olander replaces the damaged nozzle and tests the new one to ensure that there are no problems.

"I always carry a range of nozzles for different fuel types. Usually I replace the broken part and take it away to be repaired. It's more efficient than repairing it on the spot."

Problems with nozzles are the most typical reason for a service call. Nozzles get damaged when drivers drive off with the nozzle still attached to their fuel tank.

A number of Swedish service stations have already introduced ethanol to their fuel range. As ethanol and biogas dispensing stations are gaining popularity, the amount of conversion work at the service stations has also increased. There is another investment wave coming with the EMV chip card upgrade.

12:55

Olander stops by at an unmanned station owned by the OKQ8 chain to check the outdoor payment terminal. One of the typical problems with these terminals is that the card reader is dirty.

Cash-operated dispensers are gradually disappearing from Swedish service stations. The introduction of new notes in Sweden did, however, keep Autotank busy as all the note readers in the payment terminals had to be updated to identify the new notes.

The OKQ8 dispensers feature cutting-edge color displays that show commercials during the fueling operation. Color displays are one way for the service station chains to differentiate their offering and to build their brands.

In this case there is something wrong with the terminal's receipt printer. Olander removes the jam and makes sure there is enough receipt paper. Olander makes between two and eight service calls a day, on the average.

Olander's telephone rings and prior to answering he walks away from the fuel dispensing area as required by the station's and Autotank's safety regulations. Safety is the key operational guideline for Autotank. Service engineers are required to obtain a special service permit and customers regularly review Autotank's operations. Major oil companies have very strict safety programs, not least because impeccably operating service stations are an essential brand-building element.

14:35

At the Autotank office, Olander takes the faulty nozzle to the repair shop. Now the spare parts management system contains the information that Olander's car needs a new ethanol nozzle. The system is used to monitor the spare parts status throughout Autotank, and it automatically orders new spare parts when needed.

Information technology plays an increasingly important role in the remote control of service stations. The SmartNet system Autotank introduced in fall 2005 is an Internet-based control system for oil companies and individual service stations, and it includes features such as camera monitoring in stations, payment solutions, wet stock information and credit card payment handling systems. Software updates can also be done over the network. The system can be operated with a mobile phone and SMS messages can be used to change prices and receive alarms.

Although Autotank boasts a very strong market position in the Nordic countries, its biggest growth expectations are in the East. In October 2005 Autotank expanded its activities in Russia and set up a joint venture in St. Petersburg. With the number of distribution points growing robustly, Russian payment automation markets are expected to follow suite. Tapping into this growth requires a stronger market presence.

22:20

After an hour's work Olander has fixed an automatic verification system at a station near Örebro. Olander, who is the on-call service man this week, took this service request at around seven in the evening, and after completing the call he will finally drive home, ending yet another interesting day.

11:06 Eero Huli checks the dispensers to be delivered to the OKQ8 chain. Autotank's office in Bromma provides maintenance services and also features a large product development unit.

18:26 Sales in the convenience store and restaurant at outlet-type service stations depend on the reliability of fuel distribution, which is why stations now invest more in maintenance than they used to.

The service behind the service station. Autotank is the leading Nordic provider of automation systems and maintenance services for service stations.

The Division's strength is an overall service package offered to service station chains that includes customized systems as well as efficient maintenance operations.

Autotank has operations in the Nordic and Baltic countries, Poland and Russia. Autotank's product portfolio includes outdoor payment terminals with an online verification feature, site controllers, point of sale systems, dispensers, wet stock management systems as well as a wide range of installation and maintenance services. Maintenance services represent two thirds of Autotank's net sales. Sweden and Norway account for 70% of net sales.

Customers and Added Value

Autotank's customers are both international and local fuel retailers. Integrated payment and site control systems enable oil companies to offer 24-hour petrol distribution in combination with automated supply chain logistics and online market pricing. Effective maintenance services guarantee trouble-free operations around the clock, thus improving the customer satisfaction.

Fiscal 2005

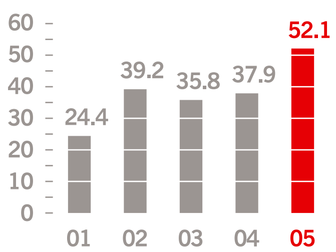
The integration costs associated with the Malte deal and the product development required for EMV payment systems taxed our financial performance in 2005. With the Malte deal Autotank identified itself more clearly as a maintenance and service company. The combination of products and services we offer accommodates the client's need to reduce the number of partners and acquire more comprehensive service packages. The upcoming EMV modernization will entail either the replacement or upgrade of most payment terminals. In 2005, a new Windows-based control system for unmanned stations was developed as well as an improved dispenser solution.

Key Earnings Factors

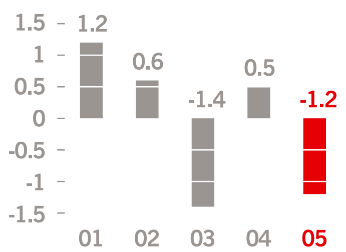
While the winter months generate weaker demand in equipment sales and installation services, the second half of the year generates more brisk business for Autotank. Stable cash flow from maintenance services generally offsets fluctuations in equipment sales. A large part of Autotank's net sales is generated outside the euro zone, which means that the strengthening of the euro dampens earnings performance. Currency rates are, however, losing their significance.

Aspo Systems

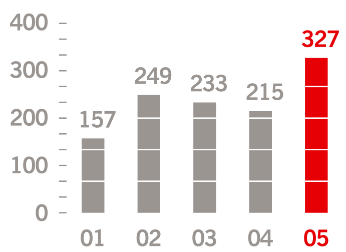
Net Sales, MEUR



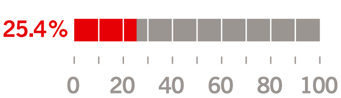
Operating Profit, MEUR



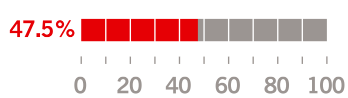
Average Personnel



Share in Group Net Sales



Share in Group Personnel



Putting words into action. Personnel initiatives represent one of the tools Aspo uses to create a motivating and supportive working atmosphere. For Environmental Manager Elina Korpilo, the opportunity to telework significantly boosted her motivation.

08:00

Elina Korpilo, Aspokem's Environmental and Quality Manager, switches on her computer at her home office in the Finnish town of Vantaa. She came up with the idea of teleworking at a personnel initiative committee meeting.

"I presented the initiative in the fall of 2004 and within a few months I started teleworking at home. Things have progressed quickly and smoothly."

On Mondays Korpilo works at Aspokem's office, on other days her office window overlooks a rural landscape with gently rolling fields. For Korpilo, teleworking saves almost two hours of daily travel time.

Personnel initiatives are one of the tools Aspo uses to create a motivating and encouraging work atmosphere. Other management efforts are also designed to enhance commitment and to encourage personnel to strive for better performance.

"Teleworking has boosted my motivation considerably, and it makes a very positive impact on my wellbeing at work," says Korpilo, who joined Aspo in 1990.

A personnel fund was set up in Aspo in 2005 for motivational purposes. It covers all 420 people working for the Aspo Group's Finnish subsidiaries. The goal is for the personnel of foreign subsidiaries to be able to join the fund as well.

In the future, part of Aspo's profits will be placed in the personnel fund as a profit reward. The amount of the profit reward depends on Aspo's sales and earnings performance. The idea is to use the majority of the profit rewards placed in the fund for buying Aspo shares with the objective of making personnel a key shareholder group.

11:20

Korpilo is updating a user safety data sheet for isopropanol. Less than 300 of the chemicals Aspo distributes are classified as hazardous. With these materials a user safety data sheet is provided to the product users and a road transport instruction card for those responsible for transportation.

"The user safety data sheet has 16 sections. In addition to the product's physical and chemical properties it contains first aid instructions and measures in case of fire or accidental discharge. For a new product, we prepare a bulletin immediately; our goal is to issue a safety data sheet within 15 working days. The sheets for existing products are updated at least every five years," Korpilo says.

In practice the authorities have issued such strict regulations concerning the handling and transportation of chemicals that compliance with these regulations will ensure that risks are under control. Aspo, however, has a long tradition of managing critical environmental issues beyond the minimum requirements of statutes and regulations.

"Our objective is to reach a zero accident level when it comes to environmental, health and safety issues. Aspokem hasn't had a single major accident in the past ten years, " Korpilo points out.

14:48

Korpilo keeps track of the list of regulations and the Official Journal of the European Union to ensure that Aspo's quality system is up to speed on future legislative changes. This is because at Aspokem, environmental, health and safety issues are part of quality management. The quality system is about to undergo re-certification.

The quality system takes into account every possible factor related to the storage, handling and transportation of chemicals. Korpilo also collects unofficial feedback from customers and consumers as well as any remarks on Aspokem's products presented in different media. These "weak signals" also say something about the risk situations the company should be prepared for.

Aspokem participates in a number of voluntary projects designed to study and restrict the risks of various chemicals.

"In automotive chemicals, for example, we are involved in a methanol project launched by the Finnish Institute of Occupational Health that looks into the effects of windscreen cleaners on human health."

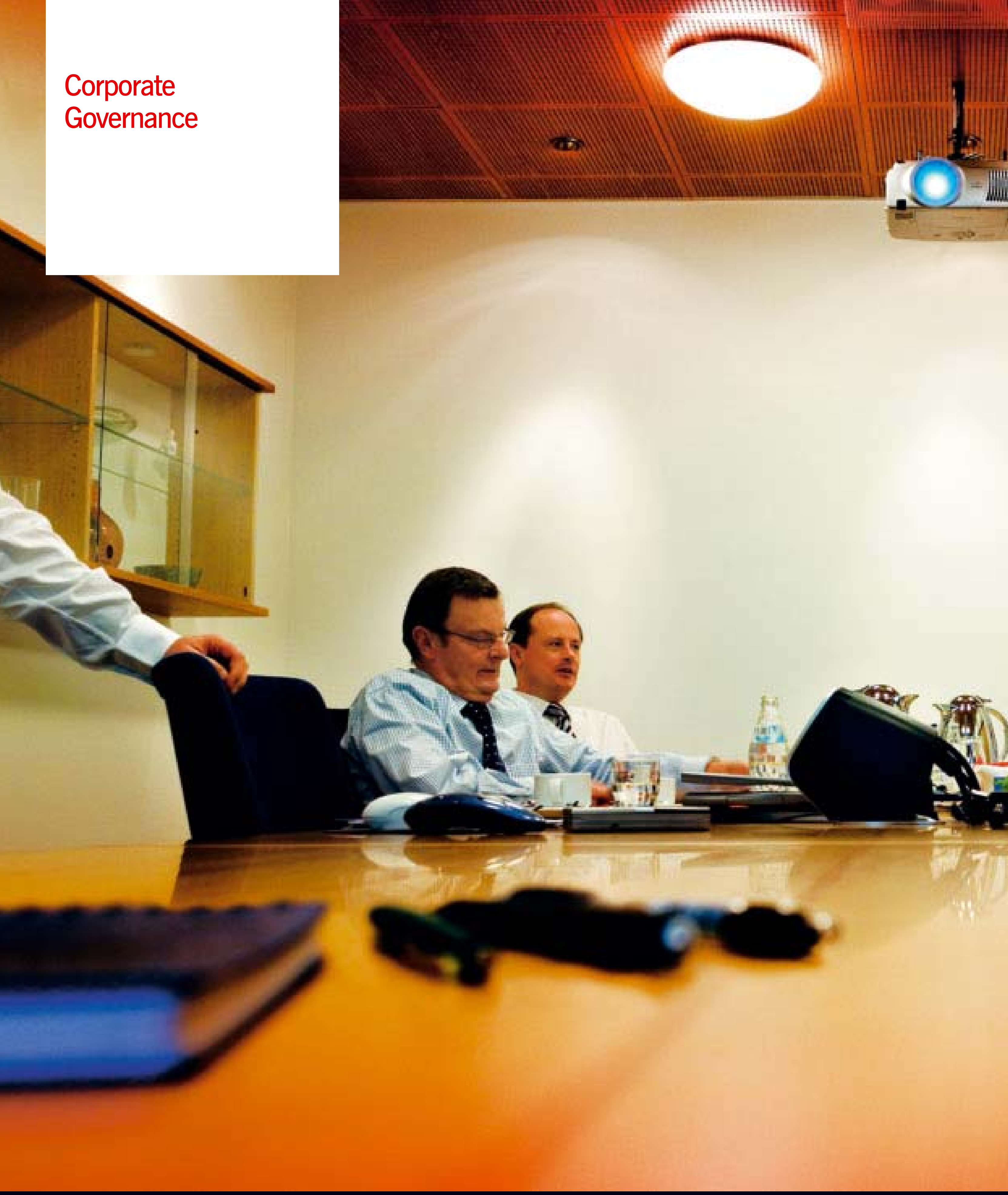
Korpilo also pays close attention to near misses, situations that could have resulted in major health problems or environmental damage. The reasons for these near misses are analyzed, and people learn from their mistakes. If necessary, the safety regulations are amended to ensure that a dangerous occurrence will never take place.

Further information on the environmental policy and certifications of Aspokem, ESL Shipping and Autotank in the Environment section in the Financial Statements.

17:12

At Aspo, critical environmental issues are managed well beyond the minimum requirements of laws and regulations. Elina Korpilo from Aspokem has helped ensure that no major accidents have occurred in the past ten years.

Corporate Governance



10:56 Aspo's Board of Directors has decided that approximately half of the year's profit will be paid out in dividends. At the beginning of 2006, the total shareholding of the Board members represented 8.5 per cent of the company's shares. From right, Matti Arteva, Kari Stadigh, Esa Karppinen, Roberto Lencioni and Kari Haavisto.

Corporate Governance

Aspo Plc's decision-making and administration are based on the Finnish Companies Act and the company's Articles of Association. Aspo Plc's shares are listed on the Helsinki Stock Exchange, and the company follows the rules and regulations for listed companies issued by the Helsinki Stock Exchange. Aspo also complies with the Corporate Governance Recommendation for listed companies issued by the Helsinki Stock Exchange with the exception that the Board of Directors has not deemed it necessary to set up committees; instead, the entire Board participates in the preparation of matters.

Group Structure

Aspo Group's parent company Aspo Plc is a Finnish public company domiciled in Helsinki. The highest authority for the management and operations in the Aspo Group is held by the statutory bodies of Aspo Plc, which are the Annual Shareholders' Meeting, the Board of Directors and the Chief Executive Officer.

It is the task of Aspo Plc to own and control assets, control the operations of subsidiaries 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.

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.

Annual Shareholders' Meeting

The Annual Shareholders' Meeting is called by the Board of Directors and it is held, as a rule, once a year.

Notice of the Annual Shareholders' Meeting shall be published in national newspapers not earlier than two (2) months and not later than seventeen (17) days prior to the meeting. In addition, the notice and the Board of Directors' proposals to the Annual Shareholders' Meeting will be published in a stock exchange bulletin and posted on the company's website.

A shareholder is entitled to bring matters pertaining to the company for discussion at the Annual Shareholders' Meeting if he or she makes this request to the Board in writing and in sufficient time to have the matter included in the Notice to the Annual Shareholders' Meeting.

At the Annual Shareholders' Meeting, the financial statements are approved, decision is made regarding the distribution of earnings, and the members of the Board and the auditor are elected. Any decisions made at the meeting will be disclosed in a stock exchange bulletin after the meeting.

Board of Directors

According to the Articles of Association, the Board of Directors of Aspo Plc is to comprise not less than four and not more than eight members. The number of members of the Board 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. In the Annual Shareholders' Meeting of 2005, five Board members were elected. The members' term of office ends at the end of the Annual Shareholders' Meeting following the election.

More than half of the members present, including either the chairman or the vice-chairman of the Board, constitute a quorum.

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

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

The Board will perform an annual self-assessment of its activity and working methods.

In 2005, the Board of Directors held 12 meetings, four of which were teleconferences. All Board members were present in each meeting.

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

The 2005 Annual Shareholders' Meeting approved the chairman's monthly fee of EUR 2,300 and EUR 1,300 for other members. Board members with a full-time position in an Aspo Group company are not paid a fee. Travel expenses will be reimbursed in accordance with Aspo's general travel guidelines.

In 2005, Aspo Plc Board members were paid a total of EUR 86,100 in fees.

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 development of the company's business and for operational management in accordance with the instructions of the Board of Directors.

The terms and conditions of employment are written into an executive employment contract. Gustav Nyberg (49), B.Sc (Econ.), eMBA, has served as Aspo's Chief Executive Officer since October 1999. The CEO is assisted by the company's Executive Board consisting of the CEO, CFO Dick Blomqvist and Project Manager Pekka Piiroinen.

In 2005, the CEO was paid a total of EUR 273,442 in salary, bonuses and fringe benefits. Bonuses accounted for EUR 96,290 and fringe benefits for EUR 16,580.

The CEO's retirement age is 60 years and the full pension is 60% of the retirement salary.

The period of notice applied to the CEO's term of employment is six months. If the company terminates the employment contract, the CEO is entitled to salary for the notice period and a severance payment corresponding to 18 months' salary.

Board Members

Kari Stadigh

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

Chairman of the Board since 2000,
Member of the Board since 1999

Key work 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

Key positions of trust

Chairman of the Board: Alma Media Corporation, If Skadeförsäkring Holding AB (publ), Sampo Life Insurance Company Limited and Kaleva Mutual Insurance Company

Holdings and fees

Shareholdings in Aspo Plc on December 31, 2005: 1,000,000 or 3.89% of the total number of shares

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

Fees in 2005: EUR 27,600

Matti Arteva

born 1945, Vice-Chairman
Engineer

Vice-Chairman of the Board since 2000,
Member of the Board since 1999

Key work experience

Senior Adviser, Rautaruukki Oyj, 2005
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

Key positions of trust

Steel Group member: The Association of Finnish Technical Traders and Technology Industries of Finland
Delegate: Helsinki Chamber of Commerce

Holdings and fees

Shareholdings in Aspo Plc on December 31, 2005: 216,924 or 0.84% of the total number of shares

Aspo's convertible capital loan: EUR 50,000

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

Fees in 2005: EUR 15,600

Kari Haavisto

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

Member of the Board since 1999

Key work experience

Chief Financial Officer, Metsäliitto Group, 1992–2003
Executive Vice President, Metsä-Serla, 1987–1992
Management positions, Nokia, 1976–1987

Key positions of trust

Member of the Board: Exel Oyj and Evli Bank Plc

Holdings and fees

Shareholdings in Aspo Plc on December 31, 2005: 4,000 or 0.02% of the total number of shares; Fundum Oy 161,000 or 0.63% of the total number of shares

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

Fees in 2005: EUR 15,600

Roberto Lencioni

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

Member of the Board since 1999

Key work experience

Management positions, Oy Baltic Protection Alandia Ab, 1990–2002
Managing Director, Oy Baltic Insurance Brokers Ab, 1994–2001
Sales Manager, Aspocomp Oy, 1988–1990
Group Lawyer, Aspo Group, 1986–1987

Key positions of trust

Vice-Chairman of the Board: Aspokem Ltd, ESL Shipping Oy and Autotank Ltd
Member of the Board: Aspocomp Group Oyj

Holdings and fees

Shareholdings in Aspo Plc on December 31, 2005: 9,288 or 0.04% of the total number of shares

Aspo's convertible capital loan: EUR 155,000

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

Fees in 2005: EUR 15,600

Esa Karppinen

born 1952, independent member of the Board
LL.B.
President and CEO, Berling Capital Oy, 1986–

Member of the Board since 2005

Key work experience

Vice President and CFO, Oy Expaco Ab, 1983–1986

Key positions of trust

Member of the Board: Exel Oyj

Holdings and fees

Shareholdings in Aspo Plc on December 31, 2005: 794,850 (Berling Capital Oy) or 3.09% of the total number of shares

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

Fees in 2005: EUR 11,700

Executive Board

Gustav Nyberg

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

Key work experience

Management positions, Elfa International Ab, 1985–1995 and Finnboard, 1979–1984

Key positions of trust

Chairman of the Board: Aspokem Ltd, ESL Shipping Oy and Autotank Ltd
Vice-Chairman of the Board: Aspocomp Group Oyj
Member of the Board: Foundation for Economic Education

Holdings

Shareholdings in Aspo Plc on December 31, 2005: 668,885 or 2.6% of the total number of shares

Aspo's convertible capital loan: EUR 400,000

Dick Blomqvist

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

Key work experience

Group Controller, Aspo Plc, 1994–1999
Finance Director, Aspo Plc, 1990–1994
Finance Manager, Aspo Electronics, 1985–1990
Chief Accountant, A Ahlström Osakeyhtiö, 1975–1985

Key positions of trust

Member of the Economic Committee: Association of Finnish Technical Traders

Holdings

Shareholdings in Aspo Plc on December 31, 2005: 21,420 or 0.08% of the total number of shares

Aspo's convertible capital loan: EUR 100,000

Pekka Piiroinen

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

Key work experience

Management Consultant, Manager, KPMG Consulting Oy Ab, 1995–2001
Strategic Planning Analyst, AT&T Microelectronics, USA, 1991

Holdings

Shareholdings in Aspo Plc on December 31, 2005: 15,000 or 0.06% of the total number of shares

Management Incentive System

Aspo Plc's Board of Directors has approved a share performance based management incentive system, in which any bonus paid is based on the yield of the company share. Aspo does not have a separate stock option program.

Auditors

According to the Articles of Association, the Annual Shareholders' Meeting elects an auditor approved by the Central Chamber of Commerce. The elected auditor is also responsible for internal audits, where applicable. The auditor's term of office ends at the end of the Annual Shareholders' Meeting following the election.

The auditor elected at the Annual 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. Members of the Board will also receive interim auditing reports.

The Annual Shareholders' Meeting of 2005 elected PricewaterhouseCoopers Oy as company auditor. Jouko Malinen, M.Sc. (Econ.), Authorized Public Accountant, has been the principal auditor. In 2005, PricewaterhouseCoopers companies in Finland and abroad were paid a total of EUR 173,928 in audit fees for the audit of Aspo Group companies. Other services purchased amounted to EUR 77,196.

Internal Control, Internal Audit and Risk Management

The Group has the reporting systems required for internal control. An operative reporting system that covers the whole Group is used to monthly monitor whether the objectives are met. In addition to actual and comparison figures, it provides up-to-date forecasts. The reports are provided to the Board of Directors monthly.

Internal auditing is part of the Group's financial management. The controller of each Group company is responsible for ensuring compliance with legislation and the Group's policies and procedures. They report to the CFO. The CFO reports the findings of the internal audit to the CEO and the Board of Directors.

When necessary, the internal audit can be enhanced with externally purchased services.

Insiders February 28, 2006

Name	Basis	Number of Shares	%	CCL 1)
Kari Stadigh	Chairman of the Board, Aspo Plc	1 000 000	3.89	
Matti Arteva	Vice-Chairman of the Board, Aspo Plc	216 924	0.84	50
Kari Haavisto	Member of the Board, Aspo Plc	4 000	0.02	
Kari Haavisto / Fundum Oy		161 000	0.63	
Roberto Lencioni	Member of the Board, Aspo Plc	9 288	0.04	155
Esa Karppinen	Member of the Board, Aspo Plc			
Berling Capital Oy		794 850	3.09	
Gustav Nyberg	CEO, Aspo Plc	668 885	2.60	400
Alexander Nyberg		3 000	0.01	20
Dick Blomqvist	CFO, Aspo Plc	21 420	0.08	100
Asta Nurmi	Executive Secretary, Aspo Plc	5 202	0.02	
Pekka Piiroinen	Project Manager, Aspo Plc	15 000	0.06	
Hilkka Jokiniemi	Secretary, Aspo Plc	–	–	
Jari Ranne	CEO, Aspokem Ltd	15 000	0.06	15
Kari Tiiri	Deputy CEO, Aspokem Ltd	17 040	0.07	
Eerik Yrjölä	CEO, ESL Shipping Oy	9 000	0.04	
Tom Blomberg	Deputy CEO, ESL Shipping Oy	9 000	0.04	
Peter Hutton	CEO, Autotank Ltd	15 000	0.06	
Jouko Malinen	Chartered Accountant, PricewaterhouseCoopers Oy	–	–	
Total		**2 964 609**	**11.55**	

1) Aspo's convertible capital loan 2004, EUR 1,000

Risk management is part of the Aspo Group's control system, the objective of which is to identify, analyze and contain any operational threats and risks. Any required action is determined on the basis of risk identification, classification and systematic assessment.

Risks have been classified into different categories based on the probability and impact of exposure. This classification offers guidelines for prioritizing risk management action and creates a consistent approach for risk assessment within the entire Group.

Significant, major and moderate risks represent ordinary business risk at the Aspo Group level. The operational management is responsible for risk management in accordance with their specified areas of responsibility. Management is responsible for determining and implementing sufficient measures and for supervising the implementation as a part of ordinary operational management.

For certain risks, the risk management principles and key contents are defined in Group level policies and instructions. Liability risks are covered by the appropriate insurance policies. Risk management is coordinated by Aspo Plc's CFO, who reports to the CEO.

Insider Regulations

Aspo Plc follows the insider guidelines issued by the Helsinki Stock Exchange. Aspo Plc's public insiders based on their position include the members of the Board, the CEO and the auditors. In addition, Aspo Plc's permanent insiders include members of the Executive Board, the Managing Directors and Vice Presidents of subsidiaries, and certain other persons separately named by the Board of Directors. The company also maintains registers of project-specific insiders.

Permanent insiders are not allowed to trade in securities issued by the company in the 14 days preceding the publication of an interim report or financial statements.

The Group's CFO is in charge of the management and supervision of insider issues. Insider holdings and any changes therein are disclosed on the company website at www.aspo.fi. Aspo Plc's insider register is maintained by the Finnish Central Securities Depository.

Summary of 2005 Releases

Stock Exchange Bulletins

January 19 Aspo's Autotank Grows Significantly Through Acquisition

Aspo's Autotank Group is significantly expanding its service station maintenance service activities with the acquisition of the Malte Group's Swedish and Norwegian maintenance operations.

February 9 Aspo Chemicals Grows Through Acquisition

Aspokem, a subsidiary of Aspo Plc, will acquire the Norwegian Pemco's plastics and chemicals operations in Latvia, Lithuania, Ukraine and Belorus. Furthermore, the majority of the stock of Pemco Specialities AB operating in Sweden is to be transferred to Aspokem. The total net sales of the transferred business totaled EUR 8 million in 2004 and the financial performance was profitable.

February 9 Aspo Group Financial Performance For 2004

Aspo Group's net sales were up by 27.1% to EUR 184.5 million (EUR 145.2 million). Operating earnings amounted to EUR 20.9 million (EUR 13.6 million) and the profit after financial items was EUR 19.2 million (EUR 12.5 million). Earnings per share totaled EUR 1.77 (EUR 1.01). The proposed dividend is EUR 1.19 per share.

February 9 Aspo Board's Proposals To The Annual Shareholders' Meeting

Aspo Plc's Board of Directors will propose the following to the Annual Shareholders' Meeting to be held on March 31, 2005: 1. Board of Directors' proposal regarding share split, a bonus issue and the amendment of section 4 of the Articles of Association 2. Authorization to the Board of Directors to decide on the repurchase of shares 3. Authorization to the Board of Directors to decide on the disposal of company shares and 4. Dividend payment.

February 9 Kaupthing Bank Oyj Takes Over The LP Market Making For Aspo's Share

Kaupthing Bank Sverige AB has informed Aspo Plc that the rights and obligations involved in Aspo Plc's share liquidity providing agreement will be transferred to Kaupthing Bank Oyj.

February 10 The Acquisition Of Aspo's Autotank Approved By The Norwegian Competition Authorities

The Norwegian competition authorities have approved the acquisition made by Aspo's subsidiary Autotank on January 19, 2005 that involves the transfer of the Malte Group's maintenance activities in Sweden and Norway to the Autotank Group.

March 8 Invitation To The Aspo Annual Shareholders' Meeting

The shareholders of Aspo Plc are invited to attend the Annual Shareholders' Meeting to be held on Thursday, March 31, 2005 at 4.00 p.m.

March 31 Decisions Of The Aspo Annual Shareholders' Meeting

The Annual Shareholders' Meeting of Aspo Plc on March 31, 2005, approved the parent and consolidated financial statements and discharged the Board members and the CEO from liability.

April 4 Timetable For The Split Of Aspo Shares

The decisions made at the Annual Shareholders' Meeting of Aspo Plc concerning a split of the shares and the increase in share capital through a bonus issue should be registered on April 6, 2005.

April 6 Decisions Of The Aspo Pcl Annual Shareholders' Meeting Registered

The decisions made at the Aspo Plc Annual Shareholders' Meeting on March 31, 2005 concerning a stock split, an increase in share capital through a bonus issue, an amendment of section 4 of the Articles of Association as well as the authorization of the Board of Directors to decide on the disposal of company-held shares have been registered today.

April 20 Personnel Fund Established At Aspo

The Aspo Group personnel have established a personnel fund. The operation will start in 2005. All Aspo Group employees, approximately 420 people, working in domestic Group companies will become members of the fund at the first stage. Decisions on including the foreign subsidiaries in the personnel fund will be prepared during 2005. A profit-related payment scheme, in accordance with the Act on Personnel Funds, will be implemented in the Aspo Group pursuant to which a proportion of the Aspo Group's profit will be paid to the personnel fund as a profit-related payment.

April 27 Aspo's Comparative IFRS Data For Fiscal 2004

Aspo Plc will publish its first financial statements compiled in accordance with International Financial Reporting Standards (IFRS) for the year ending on December 31, 2005. The bulletin shows the opening IFRS balance sheet as of the transition date January 1, 2004 together with the reconciliation of shareholders' equity. Comparative IFRS data is presented for the consolidated income statement and balance sheet for the fiscal year 2004 and for the first quarter 2004.

April 28 Aspo Interim Report January 1 – March 31, 2005

The net sales of the Aspo Group totaled EUR 44.5 million (EUR 41.9 million). The operating profit for the period was EUR 2.2 million (EUR 4.0 million including EUR 1.5 million in non-recurring items) and the profit before taxes and minority interest EUR 1.9 million (EUR 3.8 million). Earnings per share were EUR 0.17 (EUR 0.35).

May 11 Aspo To Purchase Its Own Shares

The Board of Directors of Aspo Plc has decided to acquire a maximum of 300,000 of the Company's own shares through public trading on the Helsinki Stock Exchange at publicly quoted market price at the time of acquisition. The shares will be acquired in accordance with the authorization given to the Board at the Annual Shareholders' Meeting on March 31, 2005.

June 30 Aspo Chemicals Bid For Pemco Operations Withdrawn

Aspokem Ltd, a subsidiary of Aspo Plc, withdrew its bid to acquire operations owned by the Norwegian Pemco. In February 2005 the parties announced a preliminary deal. During the due diligence phase issues emerged which brought into question whether the potential risks related to the acquisition were proportionate to its relative scope and earnings potential.

August 22 Aspo's Comparative IFRS Data For January–June And January–September, 2004

This bulletin shows Aspo's comparative IFRS data for January–June and January–September 2004.

August 24 Aspo Interim Report January 1 – June 30, 2005

The net sales of the Aspo Group totaled EUR 94.9 million (EUR 88.1 million). The operating profit for the period was EUR 6.6 million (EUR 9.1 million) and the profit before taxes and minority holdings was EUR 6.0 million (EUR 8.4 million). Earnings per share were EUR 0.17 (EUR 0.29).

August 30 Increase In Aspo's Share Capital

An increase in the share capital of Aspo Plc totaling EUR 12,381.60 was registered today. The increase resulted from the exercising of subscription rights on 18,480 shares from the convertible capital notes issued in 2004.

October 18 Aspo Issues Profit Warning

Aspo's January–September earnings performance will fall short of the comparable 2004 result and the company is adjusting its forecast for the year as a whole. According to current estimates the Group's operating profit could fall more than 10% below last year's comparable earnings.

October 27 Aspo Interim Report January 1 – September 30, 2005

The net sales of the Aspo Group totaled EUR 146.0 million (EUR 132.9 million). The operating profit for the period was EUR 11.0 million (EUR 14.9 million). The profit before taxes and minority interest was EUR 9.9 million (EUR 13.9 million). Earnings per share totaled EUR 0.29 (EUR 0.44).

November 2 Increase In Aspo's Share Capital

An increase in the share capital of Aspo Plc totaling EUR 1,688.40 was registered today. The increase resulted from the exercising of subscription rights on 2,520 shares from the convertible capital notes issued in 2004.

November 22 Aspo Financial Information In 2006

The Aspo Group Annual Accounts Bulletin for 2005 will be released on Tuesday, March 7, 2006. The Annual Report will be published in week 12. Aspo will publish three Interim Reports in 2006.

December 28 Increase In Aspo's Share Capital

An increase in the share capital of Aspo Plc totaling EUR 6,753.60 was registered today. The increase resulted from the exercising of subscription rights on 10,080 shares from the convertible capital notes issued in 2004.

Other releases

October 4 Aspo's Autotank Establishes Russian Joint Venture

Aspo's Autotank is expanding into Russia. Autotank has founded a joint venture in Russia called OOO Autotank. The company is headquartered in St. Petersburg.

October 12 Aspokem Establishes Subsidiary In Sweden

Aspokem, a subsidiary of Aspo Plc, has established a subsidiary in Sweden. Aspokem AB will initially market plastic raw materials and later industrial chemicals and automotive chemicals in bulk.

Information for Shareholders

Basic Share Information

Listed on: Helsinki Stock Exchange, Main List
Trading code: ASU1V
Industry sector: Industrials
Trading lot: 50 shares

Annual Shareholders' Meeting

The Aspo Plc Annual Shareholders' Meeting will be held at the Pörssi restaurant at Fabianinkatu 14, 00100 Helsinki on Tuesday, April 4, 2006 at 2 p.m.

The record date of the Annual Shareholders' Meeting is March 24, 2006. Shareholders should register for the meeting by no later than 4 p.m. on March 30, 2006. Shareholders can register by telephone at +358 9 7595 368, by fax at +358 9 7595 301, by e-mail to hilkka.jokiniemi@aspo.fi or by letter to Aspo Plc, P.O. Box 17, FIN-00581 Helsinki, Finland.

In connection with the registration, shareholders are requested to notify the company of any proxies authorized to exercise their voting rights. Proxies, if any, should be posted in advance to the above address.

Dividend Payments

Aspo's dividend policy is to distribute approximately half of the year's earnings in dividends. The Board of Directors will propose at the Annual Shareholders' Meeting that a dividend of EUR 0.40 per share be paid for 2005.

Ex-dividend date	April 5, 2006
Dividend record date	April 7, 2006
Dividend payment date	April 18, 2006

Financial Reporting in 2006

Financial Statements Bulletin	March 7, 2006
Annual Report for 2005	Week 12
Interim Report January–March	April 27, 2006
Interim Report January–June	August 24, 2006
Interim Report January–September	October 26, 2006

Aspo's website at www.aspo.fi offers a wide range of investor information. The company's annual reports, interim reports and stock exchange releases are also available on the website in Finnish and in English. Aspo's printed annual report will be published in Finnish, Swedish and English. Reports can also be ordered by phone +358 9 7595 361, by fax +358 9 7595 301 or by e-mail from asta.nurmi@aspo.fi.

Material will be sent to shareholders to the address shown in the shareholder register maintained by the Finnish Central Securities Depository. Address changes should be notified to the manager of the shareholders' own book-entry account.

Aspo Plc's Investor Relations

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

Gustav Nyberg, CEO
Tel. +358 9 7595 256
gustav.nyberg@aspo.fi

Dick Blomqvist, CFO
Tel. +358 9 7595 300
dick.blomqvist@aspo.fi

Aspo will not organize meetings with investors and the Group's representatives will not comment on the financial performance in the period between the end of the fiscal period and the publication of the results for the period in question.

ASPO

Aspo Plc
Lautatarhankatu 8 B, P.O.Box 17
FI-00581 Helsinki, Finland
Tel. +358 9 75 951
Fax +358 9 759 5301
www.aspo.fi

Aspo
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Aspo Financial Statement 2005

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Aspo provides logistical support services for industry. We serve companies in the processing and energy sectors, both of which require extensive specialist knowledge and logistical competence.

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.

Key Figures

	2005	2004	Change, %
Net Sales, MEUR	204.9	184.3	11.2
Operating Profit after Depreciation, MEUR	16.2	21.6	-25.0
Share of Net Sales, %	7.9	11.7	
Profit before Taxes and Minority Interest, MEUR	14.7	19.7	
Share of Net Sales, %	7.2	10.7	
Earnings / Share, EUR	0.42	0.61	
Earnings / Share, EUR (adjusted)	0.40	0.58	
Equity / Share, EUR	2.23	2.25	
Equity Ratio, %	46.9	48.5	
Return on Investment, % (ROI)	19.4	25.0	
Return on Equity, % (ROE)	18.8	27.4	
Personnel, December 31	681	566	

Aspo's Financial Objectives:

- Operating profit as percentage of net sales closer to ten than five.
- Approximately 10–15% annual net sales growth.
- Return on investment and on equity more than 20% on average.
- To distribute approximately half of the year's profit in dividends.

Report of the Board of Directors

Operational Overview

In early 2005, global economic trends were expected to impact the Baltic Sea area to an increasing extent. During the course of the year, the upturn in shipping markets did start gradually slowing towards normal long-term levels. Record-high crude prices drove up fuel prices and caused exceptionally dramatic fluctuations in the prices of chemicals. Meanwhile the sustained low interest rate level in Europe and the enlargement of the European Union had a positive impact on the economic growth of the Baltic Sea area.

Other challenges for Aspo Group's divisions in addition to the general market environment included acquisitions and investments. The Group's net sales saw double-digit growth. On the whole, operational profitability remained satisfactory but fell short of the previous year's record-high level.

Group Structure

In the beginning of 2005 the Systems Division was strengthened by incorporating the Swedish and Norwegian maintenance operations of the Malte Group. During the year, the Systems Division also set up OOO Autotank, a joint venture in Russia that makes payment automation systems.

The Chemicals Division also sought expansion in the Scandinavian market through acquisition. After withdrawing from the Pemco deal, Chemicals began to pursue its growth strategy by establishing a Swedish subsidiary, Aspokem AB.

Aspo Chemicals

The availability of several petrochemicals varied and prices fluctuated dramatically on several occasions in 2005. As a result, accurate timing in purchases had a heavier than normal impact on financial performance.

The Chemicals Division was able to increase its net sales in Finland and in the neighboring markets. The performance of foreign units varied – net sales were down in Estonia and Lithuania but showed growth in Latvia, Russia and especially in Ukraine.

Owing to steep price fluctuations the performance of Chemicals Division weakened in Finland and in foreign units. During the year, operational efficiency rose in the Baltic countries. Product responsibility was focused to cover the entire area and processing activities were relocated to Latvia. This arrangement also enabled the establishment of a liquid chemical storage facility serving the entire Baltic area.

Aspo Shipping

The general demand for shipping capacity was good throughout the year. The decrease in international freight rates did, however, affect the spot prices on the Baltic Sea to some extent. In addition, the mild weather and the new EU emissions trading system significantly cut down the use of energy coal around the Baltic Sea, causing the demand for energy industry shipments to decline.

Cargo transport volumes in the Shipping Division fell to some 14 million tons from the previous year's record level of 16 million tons. The steel industry comprised approximately 60% (52%) of the total transport volume, the energy industry 34% (43%) and other industries 6% (5%). Net sales remained practically on the previous year's level.

Because of oil price trends, the price of bunker was also clearly higher than a year earlier, which undermined earnings somewhat towards the year-end.

The newbuilding project of our affiliate Credo AB involving a major vessel investment that will be crucial for future operations progressed according to plans in China. The new vessel will be commissioned in the Baltic Sea in the first half of this year, increasing the shipping line's annual transport capacity by about 10 percent.

Aspo Systems

The investment boom that began in the maintenance business in 2004 continued in 2005. There were several factors contributing to the upturn. The general increase in fuel prices improved client profitability, investments continued across the Baltic Sea area, especially in unmanned automated stations, and the chip card upgrade that is underway in the trade sector was also launched in the service station business, boosting equipment and software modernization investments.

The net sales of the Systems Division saw strong growth, which could be largely attributed to the business acquired from Malte in early 2005. Elimination of overlapping activities and consolidation produced considerable non-recurring expenses of approximately one million euros per annum. Operational expenses were higher than expected, which resulted in a loss after a positive bottom line in the previous year.

Net Sales

The Aspo Group's net sales grew by EUR 20.6 million (11.2%) to EUR 204.9 million. The Group's direct exports combined with international unit net sales totaled EUR 76.5 million (EUR 55.8 million).

The net sales of the Chemicals Division were up by 12.0% to EUR 73.6 million (EUR 65.7 million). The Shipping Division's net sales decreased by 1.9% to EUR 79.2 million (EUR 80.7 million) while the Systems Division's net sales rose by 37.5% to EUR 52.1 million (EUR 37.9 million).

Net Sales by Division

	2005 MEUR	2004 MEUR	Change MEUR	Change %
Chemicals	**73.6**	65.7	7.9	12.0
Shipping	**79.2**	80.7	-1.5	-1.9
Systems	**52.1**	37.9	14.2	37.5
Total Net Sales	**204.9**	184.3	20.6	11.2

Earnings

The Aspo Group recorded an operating profit of EUR 16.2 million (EUR 21.6 million including a non-recurring item of EUR 1.6 million).

The operating profit of the Chemicals Division declined by EUR 0.6 million to EUR 2.2 million (EUR 2.8 million). Approximately one third of the operating profit was generated by international subsidiaries. The Shipping Division's operating profit fell to EUR 16.8 million (EUR 21.2 million). The Systems Division's earnings dropped by EUR 1.7 million, resulting in a loss of EUR 1.2 million (EUR 0.5 million).

The Group's depreciation expenses decreased by EUR 0.2 million and amounted to EUR 8.3 million. The Chemicals Division's depreciation expenses totaled EUR 0.5 million while depreciation in the Shipping Division was EUR 7.2 million and in the Systems Division EUR 0.6 million.

The Group's net financial expenses were 0.7% of net sales or EUR 1.5 million (EUR 1.9 million).

Profit before taxes and minority interests were EUR 14.7 million (EUR 19.7 million). Earnings for the period totaled EUR 10.8 million (EUR 14.4 million). The Group's direct taxes and the change in deferred tax liabilities amounted to EUR 3.9 million (EUR 4.2 million).

Investments

The Group's investments during the year totaled EUR 5.8 million (EUR 0.6 million). The most significant investment was the acquisition of the Malte Group's maintenance activities for the Systems Division.

Investments by Division

	2005 MEUR	2004 MEUR
Chemicals	**0.4**	0.3
Shipping	**0.6**	0.1
Systems	**4.7**	0.2
Other operations	**0.1**	
Total Investments	**5.8**	0.6

Operating Profit by Division

	2005 MEUR	2004 MEUR	Change MEUR	Change %
Chemicals	**2.2**	2.8	-0.6	-21.4
Shipping	**16.8**	21.2	-4.4	-20.8
Systems	**-1.2**	0.5	-1.7	-340.0
Other operations	**-1.6**	-2.9	1.3	-44.8
Total Operating Profit	**16.2**	21.6	-5.4	-25.0

Financing

The Group's liquidity was good throughout the year with liquid funds standing at EUR 12.5 million on the balance sheet date (EUR 12.2 million). Interest-bearing liabilities in the consolidated balance sheet totaled EUR 26.3 million on the balance sheet date (EUR 26.9 million) while interest-free liabilities amounted to EUR 38.6 million (EUR 34.3 million).

The Aspo Group's net gearing was 24.0% (25.6%). The equity ratio adjusted for deferred tax liabilities was 46.9% (48.5%).

Personnel

At the year-end, the Aspo Group employed 681 (566) personnel and an average of 688 (569) during the year. Office staff represented 307 (264) and non-office workers 381 (305) of the total.

The parent company's office staff totaled 9 (8) at the end of the year and averaged at 9 (8) during the year.

Average Personnel by Division

	2005	2004
Chemicals		
Office workers	**82**	75
Non-office workers	**9**	9
	91	84
Shipping		
Office workers	**30**	27
Crew members	**231**	235
	261	262
Systems		
Office workers	**186**	154
Non-office workers	**141**	61
	327	215
Group Management	**9**	8
Total	**688**	569

The Group's personnel breakdown was as follows: 63% work in Finland, 28% in other Nordic countries, 5% in the Baltic countries, and 4% in Russia. Men represented 83% and women 17% of the total number of employees. In the Aspo Group, 98% of employment contracts were full-time contracts. During the year, 38 new employment contracts were signed.

Personnel Fund

During the year, the Aspo Group introduced a profit-related pay scheme and a personnel fund, which at this point covers all Aspo Group personnel working in Finnish units. The possibilities for the staff of international subsidiaries to join the fund are being explored.

Part of the Group's earnings will be placed in the personnel fund as a profit bonus. The objective is that the fund uses the majority of its profit bonuses to purchase Aspo Plc shares. The long-term objective is to make the personnel one of the company's key shareholder groups.

Research and Development

The Aspo Group's research and development activity is organized according to the nature of each Division. In the Chemicals and Shipping Division 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 with a special focus on the development of new payment solutions. In Finland and Sweden, a total of 28 people have participated in product development. During fiscal 2005, R&D investments totaled some EUR 1.1 million (EUR 1.8 million), representing 2.1% (4.7%) of the Autotank Group's net sales.

Environment

The Aspo Group's ordinary activities do not cause any significant harm to the environment. Group companies follow Aspo's environmental policy in their environmental affairs management, the key principle of which is the continued improvement of operations. The Aspo Group has also undertaken to comply with the International Chamber of Commerce Business Charter to ensure sustainable development.

Aspo Chemicals

On all operational levels, Aspo Chemicals strives for zero accidents in environmental, health and safety affairs. In the past ten years, there have been no accidents. Aspo Chemicals is also involved in a version of the Responsible Care program that concentrates on chemicals trade. One element of the program is commitment to continued voluntary improvement of environmental, health and safety affairs. Aspo Chemicals has also been awarded the ISO 9001 quality certificate.

Aspo Shipping

The operations of Aspo Shipping have been certified in accordance with the requirements of the International Safety Management (ISM) Code of the International Maritime Organization IMO. The purpose of the ISM Code is to provide an international standard for the safe management and operation of ships and for pollution prevention. The certificate involves annual audits. All vessels have also been certified to meet the requirements specified in the ISM Code.

Aspo Systems

For Aspo Systems, environmental consideration is a key value that guides product development and maintenance services planning. Because there are stringent demands on service station equipment and systems, the latest technology in the field is being exploited in the manufacture of each piece of equipment. Aspo Systems' services include environmentally friendly high technology products, remote diagnostics to enable leakage alarms, and a preventive maintenance service that reduces service disruptions and the risk of accidents.

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.

Risks are mapped, classified and assessed systematically and decisions on necessary measures are then taken. 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.

Business Risks

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.

Aspo Chemicals

The earnings of Aspo Chemicals are particularly sensitive to fluctuations in raw material prices. 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.

Aspo Shipping

The main business risks for Aspo Shipping are 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 successfully.

Aspo Systems

For Aspo Systems, changes in competitive conditions or customer purchasing behavior and the loss of key customers are risks that we have systematically tried to reduce by building close partnerships with customers and by expanding our market area.

Post-Fiscal Events

The Board of Aspo Plc has approved a new management shareholding program where the potential gain is based on the three-year yield on the company's share. The program encompasses about 30 Aspo Group management and key personnel.

ESL Shipping Oy, a subsidiary of Aspo Plc, has secured a contract to order two new ice-strengthened dry cargo vessels from the Indian ABG Shipyard Ltd. Expanding ESL Shipping's so-called Eira class, the vessels will be approximately 18,800 dwt bulk carriers equipped with on-deck cranes, and they will be designed to meet the highest Finnish ice class (1A Super) standard. The vessels are destined for operation in the Baltic Sea and will be commissioned in 2008 and 2009. The total value of the investment is around EUR 50 million.

Board of Directors and Auditors

At the Annual Shareholders' Meeting of Aspo Plc held on March 31, 2005, the appointments of Kari Stadigh, Matti Arteva, Kari Haavisto and Roberto Lencioni to the Board for a one-year term were approved. Esa Karppinen was appointed as a new member. Kari Stadigh has acted as the chairman and Matti Arteva as the vice-chairman.

The public auditing firm of PricewaterhouseCoopers Oy has acted as the Group's auditor. Jouko Malinen, Authorized Public Accountant, has been the auditor in charge.

Prospects for 2006

In recent years, the operations of the Aspo Group have become more diversified and more international. More than one third of net sales and the bulk of its growth are generated outside Finland. The Divisions' investments and expansion into new territories have been aimed at tapping into the growth of our neighboring markets in the East.

Aspo's prospects for 2006 are good. We expect continued revenue growth and are well positioned to see an improvement in our operating earnings.

Aspo Chemicals

Dramatic price fluctuations are expected to continue in the international chemicals markets. Very moderate organic growth is expected in Finland and in the neighboring markets alike. Meanwhile sustained strong growth is predicted for the Russian and Ukrainian markets. The price of oil is likely to stay fairly high and the average price of petrochemicals is expected to rise slightly from the previous year.

The Chemicals Division's objective is to outperform market growth. According to our current estimates, the Division should be able to improve its profitability from the previous year.

The biggest risks involved in the operations of the Chemicals Division have to do with the potential negative impacts of the European Union's revised chemicals legislation (REACH). In the worst case scenario, the production and use of chemicals in the European Union would be restricted. Other major risks include the political and economic instability in Russia and Ukraine.

Aspo Shipping

No major changes are expected in the market environment of the Shipping Division. We expect the demand in the energy sector to remain below the long-term average. In terms of energy coal transport, 2005 was a fairly typical year, but cold winters and a shortage of hydropower could temporarily increase the demand for shipments in the future.

With the commissioning of the new Credo on the Baltic Sea in the first half of the year, the company's annual shipping capacity will grow by approximately ten percent. Increased capacity is also expected to boost the Division's net sales. The integration of new tonnage into the fleet usually takes about a year; therefore the average profitability may weaken at first.

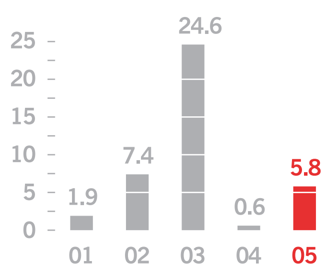
The currency risks associated with the shipping business have been hedged primarily with forward exchange agreements. The risks related to fuel price fluctuation have been hedged using bunker clauses included in customer contracts.

Aspo Systems

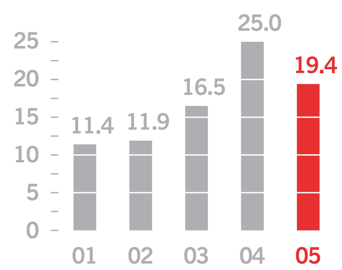
The Systems Division's market conditions are expected to remain better than average in 2006. Even though the client base has both the need and the opportunity to make investments, we expect organic growth to be moderate in this sector.

The Division's objective is to increase its net sales moderately and to focus on improving its profitability markedly from the previous year. Measures taken to enhance the efficiency of maintenance operations include sizeable investments in information technology. Owing to the investment scheme and the general business cycle, we expect the first half to show a loss.

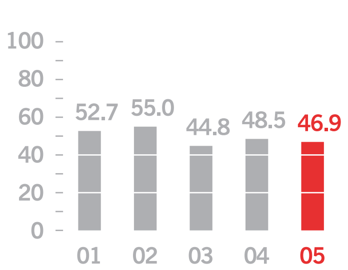
Investments, MEUR



Return on Investment, % (ROI)



Equity Ratio, %



Financial Statement, IFRS
Consolidated Income Statement

1 000 EUR	Note	2005	2004
Net Sales	1	**204 896**	184 280
Change in the inventory of finished goods and work in progress +/-		**-841**	2 407
Other operating income	3	**1 118**	2 062
Share of associated companies' profit or loss		**-1**	
Materials and services	6	**-102 761**	-89 374
Personnel costs	4	**-32 351**	-25 988
Depreciation	5	**-8 308**	-8 488
Other operating expenses	6	**-45 587**	-43 310
Operating Profit		**16 164**	21 589
Financial income and expenses	7	**-1 504**	-1 863
Profit Before Taxes		**14 660**	19 725
Income taxes from operational activities	8	**-3 885**	-4 186
Back-taxes			-1 134
Net Profit for the Period		**10 775**	14 405
Profit to parent company shareholders		**10 710**	14 315
Minority interest		**65**	90
Earnings per share to parent company shareholders:			
Earnings per share, EUR	9	**0.42**	0.61
Earnings per share (diluted), EUR	9	**0.40**	0.58

Consolidated Balance Sheet

1 000 EUR	Note	2005	2004
Assets			
Non-Current Assets			
Intangible assets	10	**490**	389
Goodwill	11	**7 243**	3 095
Tangible assets	12	**54 189**	61 422
Investments held for trading	13	**858**	712
Long-term receivables	14	**174**	240
Shares in associated companies	15	**1 236**	789
Deferred tax receivables	16	**1 630**	967
Total non-current assets		**65 819**	67 614
Current Assets			
Inventories	17	**15 357**	14 047
Accounts receivable and other receivables	18	**28 363**	23 951
Income tax receivables		**275**	699
Cash and cash equivalents	19	**12 545**	12 201
Total current assets		**56 540**	50 897
Total Assets		**122 359**	118 511
Shareholders' Equity and Liabilities			
Shareholders' Equity			
Share capital	20	**17 208**	17 101
Premium fund	20	**518**	439
Repurchased shares	20	**-1 861**	-1 003
Revaluation fund and other funds	20	**320**	212
Retained earnings	20	**30 246**	25 947
Net profit for the period	20	**10 710**	14 315
Equity portion of the convertible bond	20	**220**	220
Total shareholders' equity belonging to shareholders		**57 361**	57 232
Minority interest		**85**	98
Total shareholders' equity		**57 446**	57 330
Long-term Liabilities			
Long-term provisions		**99**	179
Deferred taxes	16	**9 249**	9 770
Long-term interest-bearing liabilities	21	**23 189**	25 141
Long-term interest-free liabilities	22	**215**	721
Pension liabilities	23	**925**	719
Total long-term liabilities		**33 677**	36 532
Short-term Liabilities			
Short-term provisions	24	**95**	388
Short-term interest-bearing liabilities	21	**3 115**	1 718
Short-term interest-free liabilities	22	**27 572**	21 829
Income tax liabilities		**454**	714
Total short-term liabilities		**31 236**	24 649
Total Shareholders' Equity and Liabilities		**122 359**	118 511

Consolidated Cash Flow Statement

1 000 EUR	2005	2004
Operational Cash Flow		
Operating profit	**16 164**	21 589
Adjustments to operating profit 1)	**8 990**	8 831
Change in working capital 2)	**2 122**	-5 440
Interest paid	**-2 432**	-1 467
Interest received	**683**	555
Dividends received	**37**	97
Taxes paid	**-4 626**	-8 285
Back-taxes paid for 1994		-8 834
Operational Cash Flow	**20 937**	7 046
Cash Flow from Investments		
Investments in tangible and intangible assets	**-1 658**	-595
Gains from the disposal of tangible and intangible assets	**95**	4 296
Gains from the disposal of other investments		700
Subsidiaries acquired	**-3 205**	-15
Subsidiaries sold		427
Associated companies acquired	**-449**	-50
Cash Flow from Investments	**-5 217**	4 764
Cash Flow from Financing		
Share repurchase	**-858**	-1 003
Change in long-term receivables	**-8**	385
Repayments of short-term loans	**-472**	-2 565
Repayments of long-term loans	**-3 870**	-21 167
Withdrawal of long-term loans		19 200
Profit distribution to minorities	**-67**	-62
Dividends paid	**-10 102**	-12 005
Cash Flow from Financing	**-15 376**	-17 217
Change in Liquid Funds	**344**	-5 408
Liquid funds Jan. 1	**12 201**	17 608
Liquid Funds at the Year-end	**12 545**	12 201

Notes to the consolidated cash flow statement

1) Adjustments to operating profit		
Depreciation and write-downs	**8 308**	8 402
Gains from the disposal of fixed assets and investments	**-84**	-1 683
Accrued personnel costs	**764**	2 112
Share of affiliate profit or loss	**1**	
Total	**8 990**	8 831
2) Change in working capital		
Inventories	**602**	-1 940
Short-term receivables	**-701**	-4 925
Short-term interest-free liabilities	**2 624**	1 473
Other changes	**-404**	-48
Total	**2 122**	-5 440

Statement of Changes in Shareholders' Equity

Shareholders' Equity Belonging to Parent Company Shareholders

1 000 EUR	Share Capital	Premium Fund	Fair Value Fund	Other Funds	Repur-chased Shares	Trans-lation Difference	Retained Earnings	Total	Minority Interest	Total Share-holders' Equity
Shareholders' Equity on December 31, 2003	17 101	439		25		-77	38 513	56 002	220	56 222
Impact of IFRS adoption			144			77	-447			
Adjusted Shareholders' Equity on January 1, 2004	17 101	439	144	25			38 066	55 776	220	55 996
Translation differences						-20				
Investments held for trading										
Change resulting from measurement at fair value			83							
Share of deferred taxes			-15							
Net profit for the period							14 315		28	
Other net income recorded directly in shareholders' equity				-25			-128			
Dividend payment							-11 971		-15	
Share repurchase					-1 003					
Equity portion of the convertible bond				220						
Change in minority interests									-133	
Shareholders' Equity on December 31, 2004	**17 101**	**439**	**212**	**220**	**-1 003**	**-20**	**40 283**	**57 232**	**98**	**57 330**
Translation differences						64			-2	
Investments held for trading										
Change resulting from measurement at fair value			146							
Share of deferred taxes			-38							
Net profit for the period							10 710		65	
Increase in share capital	86	-86								
Dividend payment							-10 081		-66	
Share repurchase					-858					
Conversion of convertible bond to shares	21	164								
Change in minority interests									-11	
Shareholders' Equity on December 31, 2005	**17 208**	**518**	**320**	**220**	**-1 861**	**44**	**40 912**	**57 361**	**85**	**57 446**

Notes to the Consolidated Financial Statements

Basic Information

Aspo Plc is a Finnish public corporation domiciled in Helsinki. Aspo Plc's shares are listed on the Helsinki Stock Exchange.

Aspo provides logistical support services for industrial customers in the energy and process industry sectors. The Group operates in three Divisions: Aspo Chemicals, Aspo Shipping and Aspo Systems. We have concentrated our operations around the Baltic Sea.

On January 1, 2005 Aspo adopted the International Financial Reporting Standards (IFRS) approved for use in the European Union in the preparation of its consolidated financial statements, and applied the IFRS 1 transition standard to the transition. The transition date was January 1, 2004. The comparative data for 2004 has been adjusted to comply with the IFRS standards. Financial statement information is presented in thousand euros and it is based on the original transaction cost unless otherwise stated in the accounting principles.

The Group has not applied those standards and interpretations that have been published but are not mandatory in terms of compliance.

Accounting Principles

Principles of Consolidation

The consolidated financial statements include the parent company Aspo Plc and all of its subsidiaries. Subsidiaries mean companies in which the parent company owns, directly or indirectly, more than 50% of the voting rights or in which the parent company otherwise exercises control. Associated companies in which the Group has 20 to 50% of the voting rights and at least a 20% holding or in which it otherwise exercises significant control have been consolidated using the equity method. If the Group's share of the associated company's losses exceeds the carrying amount, losses in excess of the carrying amount will not be consolidated unless the Group has undertaken to fulfil the associated companies' obligations. Unrealized profits between the Group and an associated company have been eliminated in accordance with the Group's ownership.

Subsidiaries acquired during the year have been consolidated from the time Aspo gained control. Divested operations are included up to the time Aspo surrendered control. Acquired subsidiaries have been consolidated using the acquisition cost method, which involves measuring the acquired company's assets and liabilities at fair value at the time of acquisition. The goodwill acquisition cost is the amount by which the subsidiary acquisition cost exceeds the net fair value of the acquired identifiable assets, liabilities and conditional liabilities. As allowed by the IFRS 1, acquisitions made before the adoption of IFRS have not been adjusted to comply with IFRS principles; instead, they remain at the FAS compliant values.

For acquisitions preceding the IFRS adoption date, the acquisition cost has been matched against the acquired subsidiary's fixed assets where applicable. The remaining portion of acquisition cost represents the Group's goodwill which has been amortized according to plan during the estimated economic life. In the IFRS, goodwill is not amortized; instead, it is tested annually for impairment.

Intra-Group business transactions, receivables, liabilities and intra-Group profit distribution have been eliminated in the consolidation.

Distribution of the fiscal year's profit between the parent company shareholders and minorities is shown in the income statement. Minority interest is presented as a separate item under the Group's shareholders' equity.

Foreign Currency Items and Their Measurement

Business transactions in foreign currencies are recorded at the exchange rates of the transaction date. Foreign currency receivables and liabilities open at the end of the fiscal year have been measured using the closing rates on balance sheet date. Foreign exchange gains and losses related to business operations have been recognized as sales or purchases adjustment items. Aspo does not apply hedge accounting in accordance with IAS 39. Changes in the values of currency derivatives have been recorded under other operating income or expenses. In the consolidated financial statements, the income statements of foreign subsidiaries have been translated into euros using the average rate of the fiscal year. Balance sheet items have been translated into euros using the closing rates. Translation differences have been shown as a separate item under shareholders' equity.

Aspo has applied the IFRS 1 transition rule and reset the translation differences accumulated by the transition day to zero. This means that the translation differences arising from the translation of foreign subsidiaries' financial statements to euros have been included in retained earnings.

Segment Reporting

The business divisions represent primary segments and geographic areas represent secondary segments. The products and services of each business segment involve different risks and profitability elements. Business segments are based on the Group's internal organizational structure and its financial reporting. Secondary segments are key market areas in which the risks and profitability related to products and services differ from the risks and profitability inherent in the financial environment of other geographic segments.

Sales are shown according to the customer's geographic location while assets and investments are shown according to their own geographic location.

Inter-segment transactions are carried out at market prices.

Tangible Assets

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

Buildings and structures	15–30 years
Vessels	16–20 years
Pushers	8–10 years
Machinery and equipment	3–8 years
Piping	5–20 years
Other tangible assets	5–40 years

Land and water is not depreciated. Tangible assets are measured at the fair value at the time of acquisition.

A previously recorded write-down on tangible assets will be reversed if the estimates used to determine recoverable amount change. The post-reversal value may not, however, exceed the value the asset had before write-down in previous years.

Goodwill and Other Intangible Assets

The acquired subsidiaries have been consolidated using the acquisition cost method. The acquisition cost is matched against assets and liabilities based on their fair value at the time of acquisition. The remaining part of the acquisition cost is goodwill. Goodwill is not amortized; instead, its fair value is tested for impairment (see Goodwill impairment test on page 13).

Other intangible assets are measured at original acquisition cost and depreciated on a straight-line basis during their economic life. Other intangible assets include software and software licenses.

Research and Development Costs

Research and development costs are recognized as expenses at the time of occurrence. Development costs arising from the design of new products are capitalized in the balance sheet as intangible assets from the point when the product is technically and commercially feasible. Capitalized research and development costs will be depreciated over their economic life.

Inventories

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

Leasing Agreements

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

Fixed asset leasing agreement in which the material part of risks and benefits inherent in ownership remain with the lessor are classified as operating leases, the rents of which are recorded as expenses in equal amounts over the leasing period.

Employee Benefits

The Group's pension arrangements representing defined benefit plans comply with the local legislation and practices of the country in question. Defined benefit plans are financed through payments to pension insurance companies or pension insurance funds based on actuarial pension liability calculations. The Group's payments towards contribution plans are recorded as expenses in the relevant fiscal year.

In defined benefit plans, the pension liability is calculated by subtracting the fair value on balance sheet date of funds included in the plan from the current value on balance sheet date of future pension contributions, adjusted with the non-recorded actuarial gains or losses. Pension costs are recognized as expenses in the income statement and the costs are allocated over the employees' service time based on annual actuarial calculations. Pension liabilities involved in the defined benefit plan are determined using the projected unit credit method.

Aspo has applied the exception permitted in IFRS 1 and recorded all actuarial gains and losses accrued from defined benefit plans under shareholders' equity on the IFRS transition date. Actuarial gains and losses generated thereafter have been recorded in the income statement over the average remaining service time of the personnel in so far as they exceed the higher of the following: 10% of the pension liability or 10% of the fair value of funds.

Share-Based Payments

In December 2002, the Board of Directors of Aspo Plc decided to introduce a management incentive scheme tied to the share price development. This scheme covers Aspo Plc's and its subsidiaries' management and key personnel named by Aspo's Board of Directors, totalling 15 people. Each person acquired the agreed number of Aspo Plc shares in January 2003. In order to receive any bonus, the person must own the shares during the entire validity of the scheme, until December 2006.

The bonus is tied to the share price development and will be paid in cash upon the termination of the scheme. Costs arising from the scheme are measured at fair value at the time of reporting and expensed in equal installments in the income statement over the incentive earning period. Fair value is determined on the basis of the Black-Scholes model.

Provisions

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

Environmental provisions are recorded when the Group has an obligation under environmental legislation or the Group's environmental responsibility principles that involves the decommissioning of a production plant, environmental rehabilitation and restoration, or relocating equipment.

Income Taxes

The Group's taxes include taxes based on the Group companies' profit or loss for the fiscal year, adjustment of taxes from previous fiscal years, and change in deferred taxes. Income taxes have been recorded in accordance with the tax rate of each country and deferred taxes in accordance with the Finnish tax rate. Deferred tax liabilities or receivables are calculated from the temporary differences between accounting and taxation in accordance with the tax rate in force on the balance sheet date or the estimated tax payment date. Elements resulting in temporary differences include defined benefit pension plans, provisions, depreciation differences and confirmed losses. Temporary differences between confirmed losses and other temporary differences are recognized as deferred tax receivables if it is likely that they can be used in the future. Share of associated companies' profits or losses shown in the income statement have been calculated from net profit or loss, and they include the impact of taxes.

Income Recognition Principles

Revenue from the sale of products is recognized when the material risks and benefits associated with the ownership of the goods have been transferred to the buyer. Revenue from services is recognized once the services have been performed.

Income and costs from long-term projects are recognized as revenue and expenses based on the percentage of completion when the outcome of the project can be reliably assessed. Percentage of completion is determined as the share of costs of the work completed by the time of review of the project's estimated total costs. When it is likely that the project will generate losses, losses will be expensed immediately. During the fiscal year, Aspo had no long-term projects under way.

Financial Assets and Liabilities

Financial assets and liabilities have been classified and measured and financial instruments have been recognized in the opening balance on January 1, 2004 in accordance with IAS 32 (Financial Instruments: Disclosure and Presentation) and IAS 39 (Financial Instruments: Recognition and Measurement). Aspo has not exercised the exemption offered to companies adopting IFRS, which states that comparison data on financial instruments for 2004 need not be adjusted.

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

Aspo's equity-based convertible capital loan has been divided into a loan portion and an equity portion. To calculate the share of equity, capital and interest measured at current value was subtracted from the cash received. The market interest for a corresponding non-convertible bond was used for calculation purposes. The transaction costs of the bond have been amortized using the effective interest rate method.

Financial Assets

Financial assets have been grouped into loans and other receivables, investments held to maturity, financial assets available for sale, and financial assets recognized at fair value through profit or loss.

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

Financial assets available for sale and financial assets and liabilities measured at fair value through profit or loss are measured at fair value using quoted market prices and rates or an imputed current value. Unlisted shares for which fair value cannot be reliably determined are recorded at acquisition cost less impairment. Changes in the fair value of financial assets available for sale are recorded in the fair value fund under shareholders' equity taking the tax impact into account. When such an asset is sold, otherwise realized or it has generated an impairment loss, the accumulated changes in fair value are moved from shareholders' equity to profit or loss. Acquisitions and disposals of financial assets available for sale are recorded on the settlement date.

Investments in shares, interest securities and convertible bonds have been classified as financial assets available for sale.

During the fiscal year, the Group had no financial assets or liabilities held to maturity or those recorded at fair value through profit or loss.

Financial Liabilities

Financial liabilities are recorded on the settlement date and recognized in the balance sheet at acquisition cost less transaction costs. Interest is allocated in the income statement on the loan maturity using the effective interest method.

Cash and Cash Equivalents

Cash includes cash funds, bank deposits and other highly liquid short-term (no more than three months) investments. Bank overdrafts have been presented under other short-term liabilities

Derivatives

Aspo does not apply IFRS-compliant hedge accounting. All derivatives have been recorded at fair value on the settlement date and measured at fair value. Changes in fair value are recorded through profit or loss. Changes in the fair value of derivatives associated with financial items have been recorded in financial income and expenses. Changes in the fair value of other derivatives have been recorded under other operating income and expenses. Fair value is determined on the basis of quoted market prices and rates, the discounting of cash flows and option measurement models.

The fair value of currency derivatives is calculated by discounting the predicted cash flows from agreements according to the interest rates of sold currencies and by converting the discounted cash flows using the exchange rate of the balance sheet date to calculate the difference between the discounted values. Fair values of interest rate options are determined with generally used option measurement models.

Estimates

When preparing financial statements in compliance with the international financial reporting standards, assumptions and estimates have to be made that affect the assets and liabilities on the balance sheet at the time of preparation, the reporting of conditional assets and liabilities and the income and expenses during the fiscal year. Estimates have been used e.g. to determine the amount of items reported in the financial statements, to determine goodwill and the useful life of tangible and intangible assets. Since the estimates are based on the best current assessments of the management, the final figures may deviate from those used in the financial statements.

Goodwill Impairment Test

The Group tests the balance sheet value of goodwill annually or more often if there are any indications of potential impairment. The goodwill impairment loss is not reversed under any circumstances. Goodwill has been allocated to cash flow generating units the identification of which depends on which business unit's management monitors goodwill in their internal reporting. The unit's recoverable amount is calculated using value in use calculations. Cash flow based value in use is determined by calculating the discounted current value of predicted cash flows. The discount rate used in the calculations is based on the weighted average cost of the capital tied to the Group's business operations that is applied to the currency area in which the cash flow generating unit is considered to be located (business area). The weighted average cost of capital reflects the Group's average long-term financial structure.

An impairment loss is recognized immediately in the income statement if the asset's book value is higher than its recoverable amount.

Application of New or Amended IFRS Standards and IFRIC Interpretations

In 2006, the Group will adopt the following amended standards and interpretations published by IASB in 2004:

- Amendment to IAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions
- Amendment to IAS 39: Measurement at Fair Value
- IAS 39 and IFRS 4 (Amendment): Financial Guarantee
- IAS 19 (Amendment): Employee Benefits
- IAS 21 (Amendment): Net Investment in a Foreign Operation
- IFRIC 4: Determining Whether an Arrangement Contains a Lease.

The Group estimates that the adoption of the amended standards will not have any material effect on the Group's future financial statements.

The following new standards and interpretations taking effect in 2006 will not have an effect on the Group's financial statements:

- IFRS 1 (Amended): First-time Adoption of International Financial Reporting Standards and IFRS 6 (Amended): Exploration for and Evaluation of Mineral Assets
- IFRS 6: Exploration for and Evaluation of Mineral Assets
- IFRIC 5: Rights to Interests Arising from Decommissioning, Restoration and Environmental Rehabilitation Funds
- IFRIC 6: Liabilities Arising from Participating in a Specific Market – Waste Electrical and Electronic Equipment
- IFRIC 7: Applying the Restatement Approach under IAS 29 Financial Reporting in Hyperinflationary Economies
- IFRIC 8: Scope of IFRS 2

In 2007, the Group will adopt the following standard published by IASB:

- IFRS 7: Financial Instruments: Disclosures, and a Complementary Amendment of IAS 1.

The Group is currently studying the impacts of the standard and the changes it will entail.

1. Net Sales and Segment Information

Aspo's primary reporting segments include the business segments, namely Aspo Chemicals, Aspo Shipping and Aspo Systems. Other operations mainly involve Group administration costs. Secondary reporting covers geographic segments based on key market areas. Net sales are shown according to the customer's geographic location while assets and investments are shown according to their own geographic location.

1.1. Business Segments

2005 1 000 EUR	Chemicals	Shipping	Systems	Other	Elim.	Group
Sales outside the Group	73 583	79 167	52 146			204 896
Intra-Group sales	7 490	431	3 976		-11 897	
Net sales	81 073	79 598	56 121		-11 897	204 896
Operating profit	2 221	16 769	-1 255	-1 571		16 164
Net financial expenses						-1 504
Profit before taxes						14 660
Income taxes						-3 885
Net profit for the period						**10 775**
Depreciation on tangible assets	366	7 171	510	23		8 070
Depreciation on intangible assets	102	55	65	16		238
Segment's assets	22 416	57 523	25 236	4 667		109 842
Shares in associated companies		1 236				1 236
Non-allocated funds						11 281
Total funds						**122 359**
Segment's liabilities	8 268	7 420	10 292	264		26 244
Non-allocated liabilities						38 669
Total liabilities						**64 913**
Working capital	26 436	6 286	21 158	153		54 033
Fixed assets	1 760	51 726	9 280	1 250		64 015
Capital tied to business operations	**28 196**	**58 011**	**30 439**	**1 402**		**118 048**
Investments	375	626	4 735	103		5 839

The segment's assets and liabilities are items that the segment uses in its business operations or that can be reasonably allocated to the segments.

Non-allocated items include taxes and financial items and Group items. Investments consist of increases in tangible assets, intangible assets and goodwill used in more than one fiscal year.

2004 1 000 EUR	Chemicals	Shipping	Systems	Other	Elim.	Group
Sales outside the Group	65 686	80 676	37 919			184 280
Intra-Group sales	7 668	687	2 668		-11 023	
Net sales	73 353	81 363	40 588		-11 023	184 280
Operating profit	2 767	21 194	441	-2 611	-202	21 589
Net financial expenses	-114	-381	-177	-1 191		-1 863
Profit before taxes						19 725
Income taxes						-4 186
Back-taxes						-1 134
Net profit for the period						**14 405**
Depreciation on tangible assets	390	7 255	425	75		8 145
Depreciation on intangible assets	63	48	213	19		343
Segment's assets	22 388	65 979	14 132	8 609	-162	110 947
Non-allocated funds						7 564
Total funds						**118 511**
Segment's liabilities	9 113	6 783	5 810	845		22 551
Non-allocated liabilities						38 630
Total liabilities						**61 181**
Working capital	27 041	6 466	12 124	84		45 716
Fixed assets	1 861	58 699	4 643	1 203		66 407
Capital tied to business operations	**28 903**	**65 166**	**16 767**	**1 287**		**112 122**
Investments	305	140	191	24		660

1.2. Geographic Segments

	Net Sales		Investments		Assets	
1 000 EUR	**2005**	**2004**	**2005**	**2004**	**2005**	**2004**
Finland	**128 357**	129 180	**1 051**	436	**84 173**	95 078
Nordic countries	**47 327**	29 066	**4 627**	34	**18 737**	6 645
Baltic countries	**16 659**	18 358	**39**	99	**4 926**	7 467
Russia and others	**12 552**	7 677	**123**	92	**3 242**	1 757
Total	**204 896**	184 280	**5 839**	660	**111 078**	110 947

2. Acquired and Discontinued Operations and Divestments

The Autotank Group, which effectively forms the Aspo Systems Division, expanded its service station maintenance activities significantly by acquiring the Scandinavian Malte Group's Swedish and Norwegian maintenance business in January 2005. The total sale price was approximately EUR 4.5 million. The impact of the sale price on cash flow was approximately EUR 3.2 million. The figures of the Malte Group have been consolidated as of the beginning of fiscal 2005.

1 000 EUR	Fair Values Recorded in Combination	Book Value Before Combination
Tangible fixed assets	705	956
Intangible assets	38	187
Inventories	1 818	3 224
Accounts receivable	4 945	4 634
Cash and cash equivalents	118	118
Total assets	**7 624**	9 118
Pension liabilities	-109	
Interest-bearing liabilities	-1 508	-1 508
Other liabilities	-5 439	-5 439
Total liabilities	**-7 056**	-6 947
Net assets	**568**	2 171
Acquisition cost	4 730	
Goodwill	4 162	4 162
Sale price paid in cash	3 227	
Cash flow effect	**3 227**	

3. Other Income

In 2004, Aspo Shipping's other operating income included a non-recurring item of EUR 1.6 million.

Other operating income 1 000 EUR	2005	2004
Total gains from the sale of fixed assets	**84**	1 683
Total rents and related remuneration	**17**	89
Disposal of the Aspo building purchase option	**850**	
Other income	**167**	291
Total other income	**1 118**	2 062

4. Employee Benefits and Personnel Information

Aspo Group employed 681 personnel at the year-end (566) and an average of 688 during the year (569).

The average number of office personnel during the year was 307 (264) and of non-office workers 381 (305). The parent company personnel at the year-end totaled 9 (8) and averaged at 9 (8).
All of these were office personnel.

Information regarding the employee benefits of senior management is given in the Related Parties section.

1 000 EUR	2005	2004
Wages and salaries	**24 853**	19 674
Pension costs, contribution plans	**2 420**	2 308
Pension costs, defined benefit plans	**33**	74
Option arrangements paid for in cash	**764**	390
Other indirect personnel costs	**4 280**	3 543
Total	**32 351**	25 988

Personnel by division at the year-end	2005	2004
Chemicals	**90**	86
Shipping	**255**	261
Systems	**327**	211
Aspo Plc	**9**	8
Total	**681**	566

Personnel breakdown by geographical area at the year-end	2005	2004
Finland	**425**	424
Nordic countries	**193**	86
Baltic countries	**33**	37
Russia and others	**30**	19
Total	**681**	566

5. Depreciation

1 000 EUR	2005	2004
Intangible assets	**238**	343
Buildings	**221**	266
Vessels	**7 139**	7 216
Machinery and equipment	**711**	664
Total	**8 308**	8 488

6. Operating Expenses

Materials and services

1 000 EUR	2005	2004
Purchases during the period		
Chemicals	**61 840**	54 995
Shipping	**11 282**	9 194
Systems	**19 829**	17 402
Total	**92 950**	81 591
Change in inventories	**693**	506
External services		
Chemicals	**1 860**	3 912
Systems	**7 258**	3 409
Other		-44
Total	**9 118**	7 277
Total materials and services	**102 761**	89 374

Items above operating profit include exchange rate gains in the amount of EUR 257,000 in 2005 and losses of EUR 264,000 in 2004.

Other operating expenses

1 000 EUR	2005	2004
Rents	**3 815**	2 502
Chemicals	**1 976**	1 687
Shipping	**32 185**	33 491
Systems	**5 958**	4 026
Non-allocated costs	**1 268**	1 400
Foreign exchange losses	**386**	203
Total	**45 587**	43 310

Other expenses include product development costs.

Product development costs

1 000 EUR	2005	2004
Systems	**1 119**	1 847
% of net sales	**2.1**	4.7

7. Financial Income and Expenses

1 000 EUR	2005	2004
Dividend income	**37**	137
Financial income	**365**	311
Interest rate derivatives		78
Foreign exchange gains	**318**	244
Total financial income	**720**	770
Financial expenses	**-1 581**	-1 777
Interest rate derivatives	**-59**	-251
Write-downs on shares		-349
Foreign exchange losses	**-584**	-256
Total financial expenses	**-2 224**	-2 633
Total financial income and expenses	**-1 504**	-1 863

8. Income Taxes

Taxes in the income statement

1 000 EUR	**2005**	**2004**
Taxes for the fiscal period	**-4 984**	-4 334
Change in deferred taxes and tax receivables	**1 099**	14
Taxes from previous fiscal periods		150
Back-taxes		-1 134
Others		-16
Total	**-3 885**	-5 320

Reconciliation of tax expenses in the income statement and taxes calculated using the parent company's tax rate (2005: 26%, 2004: 29%)

1 000 EUR	**2005**	**2004**
Profit before taxes	**14 660**	19 725
Back-taxes		-1 134
		18 591
Taxes calculated using the parent company's tax rate	**-3 812**	-5 392
Impact of foreign subsidiaries' tax rates	**94**	-236
Taxes from previous fiscal periods		150
The impact of change in tax rate on deferred taxes		1 100
Change in deferred tax receivables formed in previous years	**-66**	-358
Other items	**-101**	549
Taxes in the Income Statement	**-3 885**	-5 320

9. Earnings Per Share

Earnings per share are calculated by dividing the profit or loss for the year by the weighted average number of shares outstanding during the fiscal year. When calculating the diluted earnings per share, the average number of shares was adjusted with the dilutive effect of the equity-based convertible bond.

In accordance with the decision of Aspo Plc's Annual Shareholders' Meeting, the company share was split in April 2005. The split is explained in more detail in the Shareholders' Equity section under Shares and Share Capital. The share split has been taken into account in the comparison figures for the calculation of per-share indicators.

1 000 EUR	**2005**	**2004**
Profit before taxes and minority interest	**14 660**	19 725
- Income taxes on operational activities	**-3 885**	-4 186
- Minority interest	**-65**	-90
Total	**10 710**	15 449
Average number of shares during the fiscal period (in 1,000)	**25 391**	25 415
Earnings per share, EUR	**0.42**	0.61
Profit before taxes and minority interest	**14 660**	19 725
- Income taxes on ordinary activities	**-3 885**	-4 186
- Minority interest	**-65**	-90
Interest on convertible bond (adjusted with tax impact)	**704**	414
Total	**11 414**	15 864
Average number of shares during the fiscal period adjusted for dilution of convertible bond (in 1,000)	**28 720**	27 375
Diluted earnings per share, EUR	**0.40**	0.58

10. Intangible Assets

Intangible assets mainly include computer software and their licenses; these are depreciated on a straight-line basis in five years. The refurbishment costs of premises have been recorded under other intangible assets.

Intangible Assets 2005

1 000 EUR	Intangible Rights	Other Intangible Assets	Advance Payments	Total
Acquisition cost January 1	1 356	373	88	1 817
Translation difference		29		29
Increases	255	62	48	365
Decreases	-478	-1	-33	-512
Transfers between items	55		-55	
Acquisition cost December 31	**1 188**	**463**	**48**	**1 699**
Accumulated depreciation January 1	-1 120	-308		-1 429
Translation difference		-22		-22
Accumulated depreciation from decreases and transfers	478	1		479
Depreciation during the period	-198	-39		-238
Accumulated depreciation Dec. 31	**-841**	**-369**		**-1 210**
Book value December 31	**347**	**94**	**48**	**490**

Intangible Assets 2004

1 000 EUR	Intangible Rights	Other Intangible Assets	Advance Payments	Total
Acquisition cost January 1	1 550	358		1 907
Increases	37	16	88	141
Decreases	-214	-1		-214
Transfers between items	-16			-16
Acquisition cost December 31	**1 356**	**373**	**88**	**1 817**
Accumulated depreciation January 1	-1 016	-273		-1 289
Accumulated depreciation from decreases and transfers	204	1		204
Depreciation during the period	-308	-36		-343
Accumulated depreciation Dec. 31	**-1 120**	**-308**		**-1 429**
Book value December 31	**236**	**65**	**88**	**389**

11. Goodwill

Goodwill has been allocated to cash flow generating units by country or by business unit on the basis of the unit's location and depending on the status of goodwill monitoring in internal reporting.

Future cash flows from impairment calculations are based on the three-year economic plans approved by the Group Management. Estimates regarding cash flow in subsequent years are cautious with one per cent growth as default. No write-down was made for the fiscal year as the measures taken and decided on are believed to have a positive impact on financial performance.

If future cash flows were 10 per cent smaller on the operating profit level than the figures currently used for estimates, goodwill would have to be revised downwards by EUR 2.96 million. Similarly, if the weighted average capital cost rose by 10 per cent, goodwill would have to be written down by EUR 2.87 million.

Goodwill

1 000 EUR	2005	2004
Acquisition cost January 1	**3 095**	3 242
Subsidiary acquisition	**4 181**	
Decreases		-147
Translation difference	**-33**	
Acquisition cost December 31	**7 243**	3 095

12. Tangible Assets

Tangible Assets 2005

1 000 EUR	Land	Buildings	Machinery and Equipment	Vessels	Other Tangible Assets	Work in Progress and Advance Payments	Total
Acquisition cost January 1	223	5 193	6 087	142 564	510	62	154 640
Translation difference			-19		-9		-28
Increases			1 240	110	28	8	1 385
Decreases		-3	-391		-3		-397
Transfers between items		-892	1 178	-237	-18	-10	21
Acquisition cost December 31	**223**	**4 298**	**8 096**	**142 437**	**508**	**60**	**155 622**
Accumulated depreciation January 1		-2 433	-4 801	-85 653	-331		-93 218
Translation difference			22				22
Accumulated depreciation from decreases and transfers		904	-1 101		30		-167
Depreciation during the period		-221	-680	-7 139	-31		-8 070
Accumulated depreciation December 31		**-1 749**	**-6 560**	**-92 792**	**-332**		**-101 433**
Book value December 31	**223**	**2 550**	**1 535**	**49 644**	**176**	**60**	**54 189**

Tangible Assets 2004

1 000 EUR	Land	Buildings	Machinery and Equipment	Vessels	Other Tangible Assets	Work in Progress and Advance Payments	Total
Acquisition cost January 1	1 208	6 777	5 999	146 374	911		161 269
Increases			345		22	62	430
Decreases	-913	-448	-257	-3 810	-425		-5 854
Transfers between items	-71	-1 135			2		-1 205
Acquisition cost December 31	**223**	**5 193**	**6 087**	**142 564**	**510**	**62**	**154 640**
Accumulated depreciation January 1		-3 216	-4 232	-79 552	-553		-87 554
Accumulated depreciation from decreases and transfers		1 050	58	1 114	259		2 481
Depreciation during the period		-266	-627	-7 216	-37		-8 146
Accumulated depreciation December 31		**-2 433**	**-4 801**	**-85 653**	**-331**		**-93 218**
Book value December 31	**223**	**2 761**	**1 287**	**56 910**	**179**	**62**	**61 422**

Financial Leasing Arrangements

Tangible assets include a building and land area located in Tampere that have been leased with a financial leasing agreement. The depreciation schedule for the building is the same as the validity of the leasing agreement. Land area is not depreciated. The leasing agreement terminates in February 2006.

2005 1 000 EUR	Land	Buildings	Total
Acquisition cost January 1	162	1 789	1 951
Acquisition cost December 31	**162**	**1 789**	**1 951**
Accumulated depreciation January 1		-86	-86
Depreciation during the period		-86	-86
Accumulated depreciation December 31		**-172**	**-172**
Book value December 31	**162**	**1 617**	**1 779**

2004 1 000 EUR	Land	Buildings	Total
Acquisition cost January 1	162	1 789	1 951
Acquisition cost December 31	**162**	**1 789**	**1 951**
Accumulated depreciation January 1			
Depreciation during the period		-86	-86
Accumulated depreciation December 31		**-86**	**-86**
Book value December 31	**162**	**1 703**	**1 865**

13. Investments Held for Trading

Investments held for trading 2005 1 000 EUR	Quoted	Others	Total
Acquisition cost January 1	286	426	712
Revaluation to fair value fund	146		146
Acquisition cost December 31	**432**	**426**	**858**
Book value December 31	**432**	**426**	**858**

Investments held for trading 2004 1 000 EUR	Quoted	Others	Total
Acquisition cost January 1	202	427	629
Revaluation to fair value fund	84		84
Transfers between items		-1	-1
Acquisition cost December 31	**286**	**426**	**712**
Book value December 31	**286**	**426**	**712**

14. Long-term Accounts Receivable and Other Receivables

Long-term loan receivables include a loan granted by Aspo to Vatro, which will be repaid in 2017 in accordance with the legislation concerning the State Housing Board.

Other Items Included in Long-Term Receivables 1 000 EUR	2005	2004
Long-term loan receivables	**143**	152
Long-term derivatives, interest rate option	**31**	88
Total long-term accounts receivable and other receivables	**174**	240

15. Associated Companies

ESL Shipping Oy, an Aspo Group company, established an associated company Credo AB in which it has a 35-per cent holding. The associated company acted as the contractor for a vessel that will be commissioned in March 2006, at the earliest.

Shares in Associated Companies 1 000 EUR	2005	2004
Acquisition cost January 1	**789**	739
Increases	**449**	50
Acquisition cost December 31	**1 238**	789
Share of associated companies' profit or loss	**-1**	
Transfers between items	**-1**	
Equity adjustments December 31	**-2**	
Book value December 31	**1 236**	789

16. Deferred Taxes

Deferred tax receivables

1 000 EUR	2005	2004
Unused tax losses	**1 080**	538
Changes in warranty provisions	**51**	147
Other temporary differences	**499**	281
Total	**1 630**	967

Deferred tax liabilities

1 000 EUR	2005	2004
Depreciation in excess of plan	**9 016**	9 558
Fair value fund	**112**	74
Convertible bond	**92**	92
Inventories, forwards, leasing	**28**	46
Total	**9 249**	9 770

Changes in deferred taxes

1 000 EUR	2005	2004
Deferred tax receivables January 1	**967**	644
Items recorded in the income statement		
Pension liabilities	**9**	187
Measurement of derivatives	**191**	94
Other temporary differences	**340**	42
Receivables acquired with business acquisitions	**123**	
Deferred tax receivables December 31	**1 630**	967

1 000 EUR	2005	2004
Deferred tax liabilities January 1	**9 770**	10 509
Items recorded in the income statement		
Inventories, forwards, leasing	**-18**	46
Transaction costs of the convertible bond		92
Depreciation in excess of plan	**-542**	-951
Items recorded in shareholders' equity	**38**	74
Deferred tax liabilities December 31	**9 249**	9 770

17. Inventories

Work in progress includes costs of binding customer orders accumulated by the balance sheet date. The accumulated costs include direct labor and material costs and the relative proportion of indirect manufacturing and installation costs. Binding customer orders primarily involve orders for new equipment based on fixed contract prices.

Inventories **1 000 EUR**	**2005**	**2004**
Materials and supplies	**4 055**	2 909
Work in progress	**876**	1
Finished goods	**10 273**	10 980
Other inventories	**153**	157
Total	**15 357**	14 047

18. Accounts Receivable and Other Receivables

Accounts receivable are measured at their expected realizable value, which is their original invoicing value less the estimated impairment of the receivables. Accounts receivable will be written down if there is justifiable evidence suggesting that the Group will not receive all of its receivables under the original terms and conditions.

The book value is considered to be close to the fair value. Accounts receivable do not involve significant credit loss risks.

Interest-free accounts receivable and other receivables **1 000 EUR**	**2005**	**2004**
Accounts receivable	**23 325**	19 651
Refund from the Ministry of Transport and Communications	**2 470**	2 337
Derivative contracts	**164**	353
Advance payments	**692**	244
VAT receivable	**696**	648
Duties receivable	**107**	183
Other deferred receivables	**909**	534
Total	**28 363**	23 951

19. Cash and Cash Equivalents

The average interest rate for commercial paper on December 31, 2005 was 2.2%.

1 000 EUR	**2005**	**2004**
Commercial papers	**4 200**	6 500
Interest fund		1 000
	4 200	7 500
Bank accounts	**8 345**	4 701
Total	**12 545**	12 201

20. Shareholders' Equity

Shares and Share Capital

On December 31, 2005, Aspo Plc had 25,683,243 shares and its share capital totaled EUR 17.2 million.The nominal value of the share is EUR 0.67.

The shareholders' equity portion of Aspo's convertible bond has been presented under shareholders' equity. Company shares in Aspo's possession have been recorded as an element reducing shareholders' equity.

The Aspo share split decided by the Annual Shareholders' Meeting and the related bonus issue were implemented in April 2005.

Share Capital and Premium Fund 1 000 EUR	**In 1,000**	**Share Capital**	**Premium Fund**	**Repurchased Shares**	**Total**
January 1, 2004	8 551	17 101	439		17 541
Shares repurchased in May 2004	-24			-301	-301
Shares repurchased in June 2004	-55			-702	-702
December 31, 2004	**8 472**	**17 101**	**439**	**-1 003**	**16 538**
Own shares held by the company	79				
Total number of shares December 31, 2004	**8 551**				
January 1, 2005	8 472	17 101	439	-1 003	16 538
Share split in April 2005	16 943				
Increase in share capital May 31, 2005		86	-86		
Conversion of convertible bond to shares 2005	31	21	164		185
Shares repurchased in June 2005	-1			-7	-7
Shares repurchased in August 2005	-31			-217	-217
Shares repurchased in September 2005	-34			-238	-238
Shares repurchased in October 2005	-10			-66	-66
Shares repurchased in November 2005	-46			-293	-293
Shares repurchased in December 2005	-6			-36	-36
December 31, 2005	**25 317**	**17 208**	**518**	**-1 861**	**17 726**
Own shares held by the company	366				
Total number of shares December 31, 2005	**25 683**				

Revaluation fund and other funds 1 000 EUR	**2005**	**2004**
Revaluation fund for investments held for trading	**320**	212

Payable Dividends

The dividends paid by the Group are recorded for the period during which the shareholders approved their payment.

Distributable equity 1 000 EUR	**2005**	**2004**
Unrestricted equity	**28 320**	24 964
Translation difference	**66**	-20
Net profit for the period	**10 710**	14 315
Voluntary provisions in shareholders' equity	**-25 661**	-27 204
Distributable equity December 31	**13 434**	12 056

Voluntary provisions 1 000 EUR	**2005**	**2004**
Accumulated depreciation in excess of plan	**34 678**	36 762
Deferred taxes on excess depreciation	**-9 016**	-9 558
Total	**25 661**	27 204

Equity portion of convertible bond 1 000 EUR	**2005**	**2004**
Equity portion of convertible bond	**220**	220

21. Interest-bearing Liabilities

The balance sheet values of interest-bearing liabilities are not essentially different from their fair values. The equity-based convertible bond has a fixed 5% interest (loan period from June 4, 2004 to June 4, 2009) while other loans have an effective interest of 5.19%.

The Aspo Group's equity-based convertible bond totals EUR 18,765,000. The loan principal can only be repaid at maturity if the Group's restricted equity and other non-distributable items as shown on the latest confirmed balance sheet are fully covered.

The loan will be repaid in its entirety on June 4, 2009 provided that the repayment requirements specified in chapter 5 of the Companies Act and in the loan terms and conditions are met. According to the loan terms and conditions, Aspo will, as of January 2, 2005, be entitled to early repayment of the entire loan principal plus interest compounded by a factor of one hundred (100) percent up to the repayment date.

Each EUR 500 loan portion of Aspo's convertible bond entitles the holder to convert the loan portion into eighty-four (84) Aspo shares each with a counter value of EUR 0.67. The conversion rate of the share is five euro ninety-five cents (5.95).

Long-term liabilities

1 000 EUR	2005	2004
Loans	**3 166**	4 749
Financial leasing liabilities	**1 748**	1 768
Convertible bond	**18 261**	18 625
Pension loans	**13**	
Total	**23 189**	25 141

Short-term liabilities

1 000 EUR	2005	2004
Loans	**3 080**	1 626
Financial leasing liabilities	**20**	91
Pension loans	**15**	
Total	**3 115**	1 718

Repayment schedule for long-term liabilities

1 000 EUR	2007	2008	2009	Total
Loans	1 596	1 583		3 179
Financial leasing liabilities	1 748			1 748
Convertible bond			18 261	18 261
Total	**3 344**	**1 583**	**18 261**	**23 189**

Financial leasing liabilities

Minimum leasing payments

1 000 EUR	2005	2004
No more than one year	**142**	142
1–2 years	**29**	170
Future financial expenses	**-8**	-59
Total	**162**	253

Current value of minimum leasing payments

1 000 EUR	2005	2004
No more than one year	**91**	91
1–2 years	**20**	111
Total	**111**	203

22. Interest-free Liabilities

Long-term liabilities 1 000 EUR	2005	2004
Share-based incentive system		700
Interest rate options	**20**	22
Other	**196**	
Total	**215**	721

Short-term liabilities 1 000 EUR	2005	2004
Accounts payable	**13 790**	11 255
Advances received	**523**	284
Rents	**917**	613
Salaries and social contributions	**4 807**	4 826
Employer contributions	**1 249**	1 228
Accrued interest	**641**	1 400
Value added tax liability	**1 640**	2 023
Share-based incentive system	**1 429**	
Despatch provisions	**377**	
Missing purchase invoices and settlements	**696**	
Other short-term deferred liabilities	**1 502**	200
Total	**27 572**	21 829

23. Pension Obligations

In Group companies, pension schemes are arranged in compliance with local legislation and standard practices. For defined benefit plans, the pension to be paid, any disability compensation and benefits paid in conjunction with the termination of employment have been defined. In these arrangements, the pension benefits are generally based on the years of service and final salary. The majority of the Group's defined benefit plans arranged through funds are in Finland.

The Group's contributions for defined benefit plans placed in funds meet the requirements of each country's local authorities. The discount interest rate of the actuarial pension liability calculations is determined on the basis of the market interest rate.

Pension liabilities in the balance sheet 1 000 EUR	2005	2004
Current value of non-funded liabilities		85
Current value of funded liabilities	**1 983**	2 082
Fair value of funds	**-976**	-1 448
Non-recorded actuarial gains and losses	**-82**	
Total	**925**	719

Reconciliation of pension liabilities in the balance sheet	2005	2004
Net liability at the beginning of fiscal year	**719**	645
Subsidiary acquisitions	**173**	
Pension liabilities in the income statement	**33**	74
Net liability at the end of fiscal year	**925**	719

Pension liabilities in the income statement	2005	2004
Contribution plans	**2 420**	2 308
Defined benefit plans	**33**	74
Total	**2 453**	2 382

The actuarial assumptions used, %	2005	2004
Discount interest rate		
Finland	**4.50**	5.25
Norway	**5.00**	
Expected return on the funds		
Finland	**4.50**	5.25
Norway	**6.00**	
Assumed future pay increases		
Finland	**3.50**	3.50
Norway	**3.00**	
Inflation		
Finland	**2.00**	2.00

24. Provisions

The recorded provisions are based on best estimates at the time the accounts were closed. Warranty provisions are mainly associated with the Group's product warranties. Environmental provisions have to do with the cleaning of land area in Kotka.

Long-term provisions	**Warranty Provision**	
1 000 EUR	**2005**	**2004**
Provisions January 1	**179**	329
Translation differences	**-2**	
Increases in provisions	**12**	
Transfer to short-term provisions	**-90**	-149
Provisions December 31	**99**	179

Short-term provisions	**Warranty Provision**		**Provision for Environmental Obligations**	
1 000 EUR	**2005**	**2004**	**2005**	**2004**
Provisions January 1	**149**	149	**238**	249
Increases in provisions	**95**			
Used provisions	**-149**		**-6**	-11
Reversals of unused provisions			**-232**	
Provisions December 31	**95**	149		238

25. Risks and Risk Management

Financial Risks

The parent company is responsible for the Aspo Group's financing and financial risk management in accordance with the financial policy approved by the Board of Directors.

Currency Risks

In the Aspo Group, currency risks are controlled with hedging and intra-Group currency transactions. Approximately one third of Aspo Shipping's invoicing is currently in US dollars and roughly one fifth of Aspo Chemicals' purchases are priced in US dollars.

Financing and Liquidity Risk

To minimize financing and liquidity risks and to cover the estimated financing needs the Group has negotiated bilateral credit facilities of 1–2 years.

Interest Rate Risk

The impact of changes in interest rates on Aspo Shipping's interest-bearing liabilities represents an interest rate risk. The interest rate risk is contained by using interest rate swaps and interest rate options. Realized and open derivatives are recorded in their full fair value under financial items.

The interest on Aspo Shipping's long-term loan is hedged with interest rate options and swaps.

Credit Risk

The Group has an extensive customer base spread out over several market areas. Protection against credit risks include terms of payment based on advance payments and bank guarantees.

Information Technology

In order to ensure smooth and uninterrupted operations Aspo Group's key information systems and data connections are handled centrally in accordance with an IT policy approved within the Group. The IT policy takes into account the risks related to IT systems and structures, and risks involved in the availability and use of information.

26. Derivative Contracts

The available market prices and rates, the current value of future cash flows as well as option measurement models are used to calculate the fair value. Aspo does not apply hedge accounting in accordance with IAS 39.

1 000 EUR	Nominal Value 2005	Net Value 2005	Nominal Value 2004	Net Value 2004
Currency derivatives				
Currency forwards	**2 173**	**-23**	653	66
Interest rate derivatives				
Interest rate swaps	**7 915**	**-16**	7 915	-4
Interest rate options purchased	**27 655**	**-573**	27 655	-502
Interest rate options sold	**27 655**	**223**	27 655	199
Total		**-389**		-240

27. Commitments

As a part of their ordinary business activities, the Group and some of its subsidiaries sign different agreements under which financial or performance guarantees are offered to third parties on behalf of these subsidiaries. These agreements are signed primarily to support or improve the Group companies's credit rating, which will help obtain sufficient funding for the subsidiaries' intended business activities.

Collateral for own debt **1 000 EUR**	**2005**	**2004**
Mortgages given	**5 382**	6 728
Bank guarantees	**870**	870
Other contingent liabilities		
Other leasing liabilities		
Within one year	**1 029**	642
More than a year and no more than five years	**2 109**	919
Bareboat contract		
Within one year	**1 703**	1 622
More than a year and no more than five years	**7 491**	7 291
Over five years	**960**	2 863
Total	**19 544**	20 934

28. Related Parties

During the fiscal year, there were no business transactions with the associated company.

Group companies

Company	Country	Ownership %
Aspo Plc. parent company	Finland	
Suhi – Suomalainen Hiili Oy	Finland	100.00
Autotank Ltd	Finland	100.00
Aspokem Ltd	Finland	100.00
ESL Shipping Oy	Finland	100.00
Oy Troili Ab	Finland	100.00
Oy Bomanship Ab	Finland	100.00
O.Y. Näppärä	Finland	100.00
Aspokem Eesti AS	Estonia	100.00
Aspokem Latvia SIA	Latvia	100.00
UAB Aspokemlit	Lithuania	100.00
OOO Aspokem	Russia	100.00
LLC Aspokem Ukraine	Ukraine	100.00
Aspokem AB	Sweden	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	100.00
Autotank Service AB	Sweden	100.00
Autotank Halmstad AB	Sweden	100.00
Autotank Skellefteå AB	Sweden	100.00
Autotank AS	Norway	100.00
Autotank Sp.zo.o.	Poland	55.00
OOO Autotank	Russia	51.00

The Group has not granted any loans or guarantees to company management.

Management benefits

Salaries and benefits 1 000 EUR	2005	2004
Executives, salaries	**566**	626
Executives, bonuses	**156**	96
Board members	**179**	144
Total	**901**	866

Transition to IFRS Reporting

These are the Aspo Group's first financial statements prepared in compliance with the International Financial Reporting Standards (IFRS) for the fiscal year ended on December 31, 2005.

The most significant changes in the balance sheet and shareholders' equity resulting from the introduction of IFRS compared with the Finnish Accounting Standards (FAS) have to do with employee benefits, the measurement of shares, leasing agreements, and the amortization of goodwill.

Consolidated Income Statement

EUR million	FAS 1–12/2004	IFRS Adjustments	IFRS 1–12/2004
Net Sales	184.5	-0.2	184.3
Change in the inventory of finished goods and work in progress	2.4		2.4
Other operating income	1.8	0.2	2.1
Materials and services	-89.4		-89.4
Personnel costs	-26.0		-26.0
Depreciation and write-down	-8.8	0.3	-8.5
Other operating expenses	-43.6	0.3	-43.3
Operating Profit	**20.9**	**0.7**	**21.6**
Financial income and expenses	-1.7	-0.2	-1.9
Profit Before Taxes and Minority Interest	**19.2**	**0.5**	**19.7**
Income taxes on operational activities	-4.1		-4.2
Back-taxes	-1.1		-1.1
Net Profit for the Period	**13.9**	**0.5**	**14.4**
Profit to parent company shareholders	13.9	0.5	14.3
Minority interest	-0.1		-0.1

Statement of Changes in Shareholders' Equity

EUR million	Jan 1, 2004	Dec 31, 2004
Shareholders' equity of parent company shareholders, FAS	56.0	76.0
Minority interest	0.2	0.1
Shareholders' equity, FAS	**56.2**	**76.1**
Impact of transition to IFRS reporting		
Measurement at fair value	0.2	0.2
Employee benefits	-0.7	-0.6
Depreciation and amortization		0.4
Inventories	0.1	
Derivatives	0.1	-0.2
Capital loan		-18.6
Shareholders' equity, IFRS	**55.9**	**57.3**

Consolidated Balance Sheet December 31, 2004

EUR million	FAS Dec 31, 2004	IFRS Adjustments	IFRS Dec 31, 2004
Assets			
Non-current assets			
Intangible assets	0.4		0.4
Goodwill	2.7	0.4	3.1
Tangible assets	59.6	1.9	61.4
Investments held for trading		0.7	0.7
Long-term receivables	0.1	0.1	0.2
Long-term investments	1.2	-0.4	0.8
Deferred tax receivables	0.7	0.3	1.0
Total non-current assets	**64.7**	**2.9**	**67.6**
Current assets			
Inventories	13.9	0.1	14.0
Accounts receivable and other receivables	24.9	-0.2	24.7
Cash and cash equivalents	12.2		12.2
Total current assets	**51.0**	**-0.1**	**50.9**
Total Assets	**115.7**	**2.9**	**118.5**
Shareholders' Equity and Liabilities			
Shareholders' equity			
Share capital	17.1		17.1
Premium fund	0.4		0.4
Fair value fund and other funds		0.2	0.2
Retained earnings	25.4	-0.4	25.0
Net profit for the period	13.9	0.5	14.3
Capital loan	19.2	-19.0	0.2
Total majority shareholders' equity	76.0	-18.8	57.2
Minority interest	0.1		0.1
Total shareholders' equity	**76.1**	**-18.8**	**57.3**
Long-term liabilities			
Long-term provisions		0.2	0.2
Deferred taxes	9.6	0.2	9.8
Long-term interest-bearing liabilities	4.7	20.4	25.1
Long-term interest-free liabilities		0.7	0.7
Pension liabilities		0.7	0.7
Total long-term liabilities	**14.3**	**22.2**	**36.5**
Short-term liabilities			
Short-term provisions	0.6	-0.2	0.4
Short-term interest-bearing liabilities	1.6	0.1	1.7
Short-term interest-free liabilities	23.1	-0.5	22.6
Total short-term liabilities	**25.3**	**-0.6**	**24.7**
Total Shareholders' Equity and Liabilities	**115.7**	**2.8**	**118.5**

Shares and Shareholders

Share Capital

According to Aspo Plc's Articles of Association, the company's minimum share capital is EUR 8,729,178 and its maximum share capital is EUR 34,916,712 within which limits the share capital can be increased or decreased without amending the Articles of Association. On December 31, 2005, the registered share capital of Aspo Plc was EUR 17,207,772.81.

During the year, the company's share capital increased by a total of EUR 106,330.81. In connection with a stock split (split 1:3) the share capital was increased in April 2005 through a bonus issue of EUR 85,507.21 to produce an exact counter value for the share, EUR 0.67. The increase in share capital corresponding to the 31,080 shares subscribed during the year with Aspo's convertible bonds was EUR 20,823.60.

As a result of the conversion of convertible bonds, the company's share capital may increase by a maximum of EUR 2,240,000 and the number of shares by a maximum of 3,360,000 new shares. The shares subscribed with convertible bonds represent no more than 11.6% of the company's share capital and voting rights.

Shares

According to Aspo Plc's Articles of Association, the minimum number of shares is 5,000,000 and the maximum number is 53,000,000. At the end of December 2005, the number of shares was 25,683,243. The company's own shareholding was 365,950 shares, accounting for 1.42 per cent of Aspo Plc's stock.

Aspo Plc has a single share series. Each share entitles its holder to one vote at the Annual Shareholders' Meeting. The company shares have been traded on the Main List of the Helsinki Stock Exchange since October 1999. The company's GICS classification is Industrials. The trading code of the share is ASU1V and the trading lot is 50 shares.

Dividend

Aspo Plc has an active, cash flow based dividend policy, the goal of which is to distribute on average at least half of the company's annual earnings to shareholders.

The Board of Directors of Aspo Plc will propose at the Annual Shareholders' Meeting that a dividend of EUR 0.40 per share be paid for fiscal 2005, representing 94.6 % of the company's earnings.

Tax Value of the Share in Finland

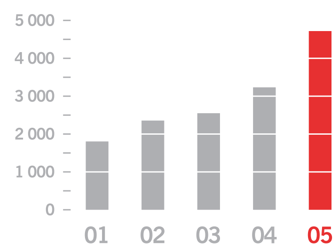
The official tax value for Aspo Plc share for 2005 taxation in Finland is EUR 4.45.

Authorizations

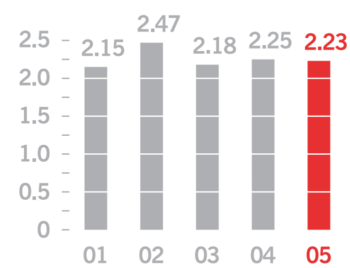
Authorization to Repurchase and Dispose of the Company's Own Shares

The 2005 Annual Shareholders' Meeting authorized the Board of Directors to use distributable profit funds to repurchase a maximum of 300,000 company shares irrespective of the shareholders' holdings. The shares will be purchased through public trading organized by the Helsinki Stock Exchange at the going price. The share

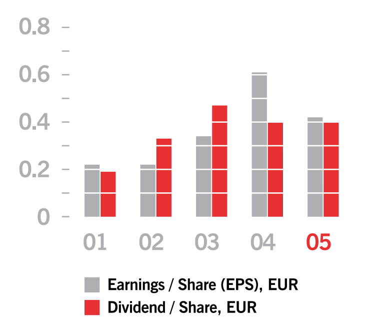
Number of Shareholders



Equity / Share, EUR



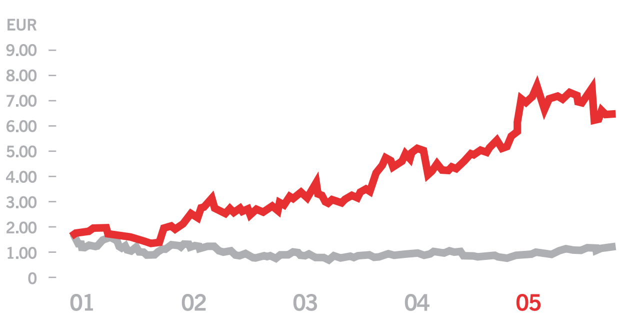
Earnings and Dividend / Share, EUR



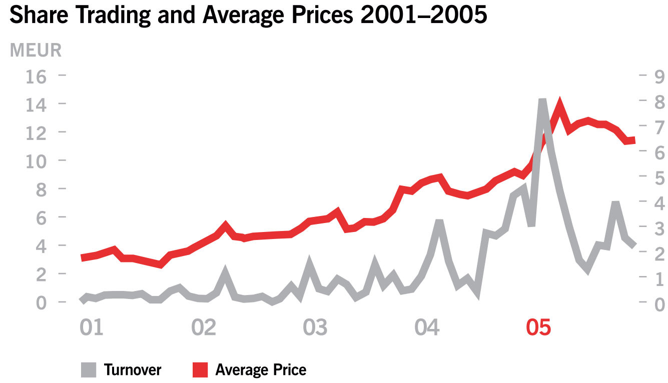
Repurchases of Aspo Plc Own Shares During the Fiscal Period

Time	Number	Nominal Value EUR 0,67 / Share	EUR / Share Average	EUR / Share Range
June 2005	1 000	670	6.70	6.70
August 2005	31 250	20 928	6.96	6.85 – 7.03
September 2005	34 450	23 082	6.91	6.86 – 6.95
October 2005	10 200	6 834	6.49	6.25 – 6.90
November 2005	46 350	31 055	6.33	6.21 – 6.41
December 2005	5 700	3 819	6.33	6.31 – 6.37

Share Price Performance 2001–2005



Share Trading and Average Prices 2001–2005



repurchase will reduce the amount of the company's distributable equity.

The shareholders further authorized the Board of Directors to decide on the disposal of a maximum of 537,000 repurchased shares in one or more lots in deviation from the shareholders' pre-emptive rights.

The shares will be purchased and disposed of mainly to finance any 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, 2005, the Board decided to repurchase a maximum of 300,000 shares through public trading on the Helsinki Stock Exchange. A total of 128,950 shares were repurchased during the fiscal period, which raised the number of shares held by the company to 365,950. The average purchase price of the shares was EUR 6.65.

Trading and Share Price Performance

During 2005, a total of 7,597,788 Aspo Plc shares were traded in the Helsinki Stock Exchange with a value of EUR 71.9 million, or 29.6 percent of the shares changed owners. The high during the period was EUR 7.83 and the low was EUR 5.05. The average price was EUR 6.64 and the closing price EUR 6.90. The company has a liquidity providing agreement regarding its share with Kaupthing Bank Oyj.

The market value of the share capital at the year-end, without stock held by the company, was EUR 174.7 million. For the latest trading information, please visit www.aspo.fi.

Share Ownership

Aspo's shares are included in the book-entry system maintained by the Finnish Central Securities Depository Ltd.

No major changes have occurred in Aspo Plc ownership. At the end of 2005 the number of shareholders totaled 4,747. Of these 98.7 percent represented direct shareholding and 1.3 percent nominee registrations. A total of 0.8 percent of the shares was held by foreign entities. On December 31, 2005, the ten largest shareholders owned 45.1 percent of the company's shares and voting rights. A list of major shareholders is shown with monthly updates on the company website at www.aspo.fi.

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 on December 31, 2005 was 2,854,947, which represents 11.1 percent of the shares and voting rights.

Major Shareholders on December 31, 2005	Number of Shares	Share of Stock and Voting Rights, %	Less Own Shares %
Nyberg H.B.	3 000 000	11.68	11.85
Mutual Employee Pension Insurance Co. Varma	1 478 000	5.75	5.84
Vehmas A.E.	1 360 920	5.30	5.38
Vehmas Tapio	1 181 838	4.60	4.67
Stadigh Kari	1 000 000	3.89	3.95
Vehmas Liisa	999 090	3.89	3.95
Berling Capital Oy	794 850	3.09	3.14
Nyberg Gustav	668 885	2.60	2.64
Estlander Henrik	667 752	2.60	2.64
Placeringsfonden Aktia Capital	438 000	1.71	1.73
10 major shareholders, total	**11 589 335**	**45.12**	**45.78**
Nominee registrations	337 047	1.32	
Own shares	365 950	1.42	
Other shares	13 390 911	52.14	
Total Shares	**25 683 243**	**100.0**	

Distribution of Ownership December 31, 2005

By Number of Shares

Number of Shares	Number of Owners	Share of Owners %	Total Shares	Share of Stock %	Less Own Shares %
1–100	301	6.34	21 932	0.08	0.09
101–500	1 400	29.49	436 028	1.70	1.72
501–1 000	1 153	24.29	911 469	3.55	3.60
1 001–5 000	1 461	30.78	3 181 203	12.38	12.56
5 001–10 000	228	4.80	1 577 427	6.14	6.23
10 001–50 000	160	3.37	2 962 682	11.54	11.70
50 001–100 000	16	0.34	1 227 070	4.78	4.85
100 001–500 000	19	0.40	4 209 633	16.39	15.18
500 001–	9	0.19	11 151 335	43.42	44.05
Total in joint accounts			4 464	0.02	0.02
Total	**4 747**	**100.0**	**25 683 243**	**100.0**	**100.0**

By Owner Groups	Ownership %	Shares %
1. Households	90.3	68.7
2. Companies	6.7	14.6
3. Financial and insurance institutions	0.6	5.0
4. Non-profit organizations	1.8	4.9
5. Public organizations	0.2	6.0
6. Non-domestic	0.4	0.8

Share Trading by Year

	Trading MEUR	Trading, No. of Shares	Average Price, EUR	Lowest EUR	Highest EUR
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
2005	71.9	7 597 788	6.64	5.05	7.83

Key Figures

	IFRS 2005	IFRS 2004	FAS 2003	FAS 2002	FAS 2001
Net sales, MEUR	**204.9**	184.3	145.2	138.9	123.1
Operating profit, MEUR	**16.2**	21.6	13.6	9.0	8.7
% of net sales	**7.9**	11.7	9.3	6.5	7.1
Profit before taxes, MEUR	**14.7**	19.7	4.8	15.6	0.8
% of net sales	**7.2**	10.7	3.3	11.3	0.7
Return on investment, % (ROI)	**19.4**	25.0	16.5	11.9	11.4
Return on equity, % (ROE)	**18.8**	27.4	14.5	9.5	9.4
Equity ratio, %	**46.9**	48.5	44.8	55.0	52.7
Equity ratio net of tax liabilities, %	**54.5**	56.8	52.7	64.9	62.9
Gearing. %	**24.0**	25.6	22.2	9.2	28.6
Gross investments in fixed assets, MEUR	**5.8**	0.6	24.6	7.4	1.9
% of net sales	**2.8**	0.3	17.0	5.3	1.5
Personnel, December 31	**681**	566	536	538	435
Personnel, average	**688**	569	538	525	412
Share-Related Key Figures *					
Earnings per share (EPS), EUR	**0.42**	0.61	0.34	0.22	0.22
Diluted earnings per share, EUR	**0.40**	0.58			
Shareholders’ equity per share, EUR	**2.23**	2.25	2.18	2.47	2.15
Nominal dividend per share, EUR (Board proposal)	**0.40**	0.40	0.47	0.33	0.19
Adjusted dividend per share, EUR	**0.40**	0.40	0.47	0.33	0.19
Dividend/earnings, %	**94.6**	65.3	138.3	147.9	86.3
Effective dividend yield, %	**5.8**	7.8	10.8	11.2	8.9
Price – earnings ratio (P/E)	**16.36**	8.4	12.9	13.5	9.7
Diluted price – earnings ratio (P/E)	**17.36**	8.8			
Share price performance					
Average price, EUR	**6.64**	4.83	3.35	2.74	1.82
Low, EUR	**5.05**	3.57	2.87	2.05	1.37
High, EUR	**7.83**	5.45	4.67	3.09	2.13
Average price on the closing day, EUR	**6.90**	5.10	4.34	2.98	2.10
Market value of total shares outstanding, December 31, MEUR	**177.2**	130.8	111.2	76.4	53.9
Market value of shares, less own shares, December 31, MEUR	**174.7**	129.6	111.3	76.4	53.9
Share turnover, 1,000 shares	**7 598**	3 245	1 531	708	966
Share turnover, %	**29.6**	37.9	17.9	8.3	11.0
Total share trading, 1,000 EUR	**71 909**	46 997	15 391	5 828	5 264
Total number of shares on December 31, 1,000 shares	**25 683**	25 653	25 653	25 653	26 310
Outstanding	**25 317**	25 415	25 653	25 653	25 653
Outstanding, average	**25 391**	25 415	25 653	25 653	25 743
Diluted average number of shares	**28 720**	27 375			

* Share-related key figures were calculated using the number of shares after the share split.

Calculation of Key Figures

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

Return on Equity, % (ROE)
Profit before taxes – taxes x 100 /
Shareholders' equity + Minority interest (average)

Equity Ratio, %
Shareholders' equity + Minority interest x 100 /
Balance sheet total – Advances received

Gearing, %
Interest-bearing liabilities – Liquid funds /
Shareholders' equity + Minority interest

Average number of personnel
Average of the number of personnel at the end of each month

Earnings per share (EPS), EUR
Profit before taxes – Income taxes on ordinary activities –
Minority interest / Average adjusted number of shares
during the fiscal year

Shareholder's equity per share, EUR
Shareholders' equity / Adjusted number of shares
on balance sheet date

Adjusted dividend per share, EUR
Dividend per share paid for the fiscal year / Share issue multiplier

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

Effective dividend yield, %
Adjusted dividend per share x 100 /
Average share price on closing day weighted with trading volume

Price/earnings ratio (P/E)
Adjusted average share price on closing day / Earnings per share

Market value of shares, EUR
Number of shares outside the Group x
Average share price on closing day weighted with trading volume

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

Parent Company's Financial Statement, FAS
Parent Company's Income Statement

1 000 EUR	Note	2005	2004
Other operating income	1.1	**1 627**	745
Personnel costs	1.2	**-1 285**	-1 871
Depreciation and write-down	1.3	**-39**	-78
Other operating expenses	1.4	**-1 872**	-2 519
Operating Loss		**-1 569**	-3 723
Financial income and expenses	1.5	**-496**	-1 189
Loss Before Extraordinary Items		**-2 065**	-4 912
Extraordinary items	1.6	**19 670**	20 660
Profit Before Appropriations and Taxes		**17 605**	15 748
Appropriations	1.7	**6**	-29
Direct taxes	1.8	**-4 593**	-4 879
Net Profit for the Period		**13 017**	10 840

Parent Company's Balance Sheet

1 000 EUR	Note	2005	2004
Assets			
Fixed Assets			
Intangible assets	2.1	**102**	22
Tangible assets	2.1	**111**	128
Long-term investments	2.2	**14 971**	14 971
Total fixed assets		**15 185**	15 121
Current Assets			
Long-term receivables	2.3	**84**	84
Short-term receivables	2.3	**30 405**	58 865
Short-term investments	2.4	**4 200**	7 500
Cash and bank deposits		**3 336**	834
Total current assets		**38 025**	67 284
Total Assets		**53 210**	82 405
Shareholders' Equity and Liabilities			
Shareholders' Equity			
Share capital	2.5	**17 208**	17 101
Premium fund	2.5	**518**	439
Retained earnings	2.5	**115**	213
Profit for the period	2.5	**13 017**	10 840
Capital loan	2.5	**19 815**	20 000
Total shareholders' equity		**50 672**	48 595
Accumulated Appropriations	2.6	**23**	29
Mandatory Provisions	2.7	**815**	775
Liabilities			
Short-term liabilities	2.8	**1 700**	33 007
Total liabilities		**1 700**	33 007
Total Shareholders' Equity and Liabilities		**53 210**	82 405

Parent Company's Cash Flow Statement

1 000 EUR	2005	2004
Operational Cash Flow		
Operating loss	**-1 569**	-3 723
Adjustments to operating loss	**316**	1 209
Change in working capital	**-229**	-72
Interest paid	**-1 417**	-850
Interest received	**875**	469
Dividends received	**37**	97
Back-taxes for 1994		-8 834
Taxes paid	**-4 278**	-8 137
Operational Cash Flow	**-6 266**	-19 839
Cash Flow from Investments		
Investments in tangible and intangible assets	**-103**	-24
Gains from the disposal of other investments		700
Subsidiaries sold		427
Cash Flow from Investments	**-103**	1 103
Cash Flow from Financing		
Repurchase of shares	**-858**	-1 003
Change in short-term receivables	**-21 807**	-2 063
Change in short-term liabilities	**-31 329**	7 141
Withdrawal of long-term loans		20 000
Group contributions paid	**69 622**	
Dividends paid	**-10 057**	-11 971
Cash Flow from Financing	**5 570**	12 104
Change in Liquid Funds	**-799**	-6 632
Liquid funds on January 1	**8 334**	14 966
Liquid Funds on December 31	**7 536**	8 334

1.1 Other Operating Income

Other operating income 1 000 EUR	2005	2004
Gains on the sale of fixed assets		20
Other Group operating income	**360**	647
Rental income and related remuneration	**413**	63
Other operating income	**854**	14
Total	**1 627**	745

1.2 Notes Regarding Personnel and Board Members

Personnel costs 1 000 EUR	2005	2004
Salaries and wages	**603**	1 256
Share-based incentive scheme	**278**	
Profit bonus paid to personnel fund	**2**	
Pension costs	**226**	405
Other personnel costs	**176**	210
Total	**1 285**	1 871

Management salaries and benefits 1 000 EUR	2005	2004
CEO's salary	**194**	165
CEO's bonus	**96**	73
Board members	**86**	69
CEO and Board members, total	**376**	308

1.3 Depreciation and Write-Down

Depreciation and write-down 1 000 EUR	2005	2004
Depreciation of tangible and intangible assets	**39**	78
Total	**39**	78

1.4 Other Operating Expenses

Other operating expenses 1 000 EUR	2005	2004
Rent	**589**	589
Other expenses	**1 282**	1 930
Total	**1 872**	2 519

1.5 Financial Income and Expenses

Financial income and expenses 1 000 EUR	2005	2004
Dividend income		
From outside the Group	**37**	97
Income from long-term investments	**37**	97
Other interest and financial income		
From Group companies	**591**	199
From others	**284**	301
Total interest and financial income	**875**	501
Interest and other financial expenses		
To Group companies	**216**	466
Write-down of shares		349
To others	**1 193**	971
Total interest and other financial expenses	**1 408**	1 786
Total financial income and expenses	**-496**	-1 189

1.6 Extraordinary Items

Extraordinary items 1 000 EUR	2005	2004
Income		
Group contribution, Aspokem Ltd	**1 670**	1 750
Group contribution, ESL Shipping Oy	**18 000**	20 020
Group contribution, Oy Troili Ab		11
Group contribution, Suhi – Suomalainen Hiili Oy		13
Total	**19 670**	21 794
Expenses		
Back-taxes with interest		1 134
Total extraordinary items	**19 670**	20 660

1.7 Appropriations

Appropriations 1 000 EUR	2005	2004
Excess depreciation	**6**	-29

1.8 Direct Taxes

Direct taxes 1 000 EUR	2005	2004
Income taxes on extraordinary items	**5 114**	6 320
Income taxes on ordinary activities	**-521**	-1 441
Total	**4 593**	4 879

2.1 Tangible and Intangible Assets

Tangible and Intangible Assets

1 000 EUR	Intangible Rights	Advance Payments	Total Intangibles	Land	Buildings	Machinery and Equipment	Other Tangible Assets	Total Tangible
Acquisition cost January 1	218		218	1	467	373	125	967
Increase	48	48	96			7		7
Acquisition cost Dec. 31	**265**	**48**	**313**	**1**	**467**	**381**	**125**	**974**
Accumulated depreciation January 1	-195		-195		-464	-323	-52	-839
Depreciation for the fiscal year	-16		-16			-23		-23
Accumulated depreciation December 31	**-211**		**-211**		**-465**	**-346**	**-52**	**-862**
Book value December 31	**54**	**48**	**102**	**1**	**2**	**35**	**73**	**111**

2.2 Investments

Investments 1 000 EUR	**Subsidiary Shares**	**Other Shares**	**Total**
Acquisition cost January 1	14 548	424	14 971
Acquisition cost December 31	**14 548**	**424**	**14 971**
Book value December 31	**14 548**	**424**	**14 971**

2.3 Receivables

Long-term receivables 1 000 EUR	**2005**	**2004**
Loan receivables	**84**	84
Total long-term receivables	**84**	84

Short-term receivables	**2005**	**2004**
From Group companies		
Group contributions receivable		49 952
Loan receivables	**30 070**	8 254
	30 070	58 206
Deferred receivables *)	**335**	659
Total short-term receivables	**30 405**	58 865
*) Main item		
Tax receivable	**316**	630

2.4 Short-Term Financial Assets

Short-term financial assets 1 000 EUR	2005	2004
Replacement	**4 200**	7 500
Book value	**4 200**	7 500

2.5 Shareholders' Equity

The parent company has a capital loan of EUR 19,815,000.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 are fully covered. The loan will be repaid in its entirety on June 4, 2009, assuming that the repayment provisions of the loan agreement and of Chapter 5 of the Companies Act 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.

Shareholders' equity 1 000 EUR	2005	2004
Share capital January 1	**17 101**	17 101
Conversions	**21**	
Increase in share capital	**86**	
Share capital December 31	**17 208**	17 101
Premium fund January 1	**439**	439
Conversions	**164**	
Increase in share capital	**-86**	
Share premium fund December 31	**518**	439
Retained earnings January 1	**11 054**	13 187
Dividend distribution	**-10 081**	-11 971
Repurchased shares	**-858**	-1 003
Retained earnings December 31	**115**	213
Net profit for the year	**13 017**	10 840
Capital loan, Group	**1 050**	800
Capital loan	**18 950**	19 200
Conversions	**-185**	
Total capital loan	**19 815**	20 000
Total shareholders' equity	**50 672**	48 595
Distributable unrestricted equity	**13 132**	11 054

2.6 Accumulated Appropriations

Accumulated appropriations 1 000 EUR	2005	2004
Accumulated depreciation in excess of plan and voluntary provisions December 31	**23**	29

2.7 Mandatory Provisions

Mandatory provisions 1 000 EUR	2005	2004
Share-based incentive scheme	**815**	537
Provision for expenses related to acquisitions or divestitures		238
Total mandatory provisions	**815**	775

2.8 Short-Term Liabilities

Short-term liabilities **1 000 EUR**	**2005**	**2004**
Unpaid dividend 2000–2004	**24**	7
Accounts payable	**99**	82
Employer contributions	**28**	26
Deferred payables *)	**650**	1 034
Total	**777**	1 142
Debts to Group companies		
Loans	**866**	31 831
Deferred payables	**33**	28
Total	**899**	31 858
Total short-term liabilities	**1 700**	33 007
*) Main items		
Accrued interest	**551**	568
Annual vacation and other salary allocations	**99**	287

3. Other Notes

Unpaid lease payments **1 000 EUR**	**2005**	**2004**
Payable in the next fiscal year	**89**	60
Payable later	**235**	172
Total leasing liabilities	**324**	231

Guarantees on behalf of Group companies **1 000 EUR**	**2005**	**2004**
Duty guarantee	**505**	505
Pension loans	**28**	43
Total	**533**	547

Liabilities **1 000 EUR**	**2005**	**2004**
Leasing liabilities	**2 571**	2 645
Bareboat contract	**12 191**	13 805
Total	**14 762**	16 450

Derivative contracts **1 000 EUR**	**2 173**	653

Proposal of the Board on the Distribution of Profits

The Group's unrestricted shareholders' equity on the balance sheet is EUR 35,488,368.82, of which EUR 13,433,789.64 is distributable. The parent company's unrestricted shareholders' equity is EUR 13,131,592.93. On December 31, 2005 the number of registered shares was 25,683,243 of which the company held 365,950.

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

A dividend of EUR 0.40 / share to be paid out on 25,317,293 shares	10,126,917.20 €
To be held in the retained earnings account	3,004,675.73 €
	13,131,592.93 €

Helsinki, March 7, 2006

Kari Stadigh

Matti Arteva

Kari Haavisto

Esa Karppinen

Roberto Lencioni

Gustav Nyberg
CEO

Auditors' Report

To the Shareholders of Aspo Plc

We have audited the accounting records, the report of the Board of Directors, the financial statements and the administration of Aspo Plc for the period January 1 – December 31, 2005. The Board of Directors and the CEO have prepared the consolidated financial statements in accordance with International Financial Reporting Standards as adopted by the EU, as well as the report of the Board of Directors and the parent company's financial statements, prepared in accordance with prevailing regulations in Finland, containing the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements. Based on our audit, we express an opinion on the consolidated financial statements, as well as on the report of the Board of Directors, the parent company's financial statements and the administration.

We conducted our audit in accordance with Finnish Standards on Auditing. Those standards require that we perform the audit to obtain reasonable assurance about whether the report of the Board of Directors and the financial statements are free of material misstatement. An audit includes examining on a test basis evidence supporting the amounts and disclosures in the report of the Board of Directors and 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 the administration is to examine whether the members of the Board of Directors and the CEO of the parent company have complied with the rules of the Companies Act.

Consolidated Financial Statements

In our opinion the consolidated financial statements, prepared in accordance with International Financial Reporting Standards as adopted by the EU, give a true and fair view, as defined in those standards and in the Finnish Accounting Act, of the consolidated results of operations as well as of the financial position.

Parent Company's Financial Statements, Report of the Board of Directors and Administration

In our opinion the parent company's financial statements have been prepared in accordance with the Finnish Accounting Act and other applicable Finnish rules and regulations. The parent company's financial statements give a true and fair view of the parent company's result of operations and of the financial position.

In our opinion the report of the Board of Directors has been prepared in accordance with the Finnish Accounting Act and other applicable Finnish rules and regulations. The report of the Board of Directors is consistent with the consolidated financial statements and the parent company's financial statements and gives a true and fair view, as defined in the Finnish Accounting Act, of the result of operations and of the financial position.

The consolidated financial statements and the parent company's 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 disposal of distributable funds is in compliance with the Companies Act.

Helsinki, March 9, 2006

PricewaterhouseCoopers Oy
Authorized Public Accountants

Jouko Malinen
Authorized Public Accountant

Information for Shareholders

Basic Share Information

Listed on: Helsinki Stock Exchange, Main List
Trading code: ASU1V
Industry sector: Industrials
Trading lot: 50 shares

Annual Shareholders' Meeting

The Aspo Plc Annual Shareholders' Meeting will be held at the Pörssi restaurant at Fabianinkatu 14, 00100 Helsinki on Tuesday, April 4, 2006 at 2 p.m.

The record date of the Annual Shareholders' Meeting is March 24, 2006. Shareholders should register for the meeting by no later than 4 p.m. on March 30, 2006. Shareholders can register by telephone at +358 9 7595 368, by fax at +358 9 7595 301, by e-mail to hilkka.jokiniemi@aspo.fi or by letter to Aspo Plc, P.O.Box 17, FI-00581 Helsinki, Finland.

In connection with the registration, shareholders are requested to notify the company of any proxies authorized to exercise their voting rights. Proxies, if any, should be posted in advance to the above address.

Dividend Payments

Aspo's dividend policy is to distribute approximately half of the year's earnings in dividends. The Board of Directors will propose at the Annual Shareholders' Meeting that a dividend of EUR 0.40 per share be paid for 2005.

Ex-dividend date	April 5, 2006
Dividend record date	April 7, 2006
Dividend payment date	April 18, 2006

Financial Reporting in 2006

Financial Statements Bulletin	March 7, 2006
Annual Report for 2005	Week 12
Interim Report January–March	April 27, 2006
Interim Report January–June	August 24, 2006
Interim Report January–September	October 26, 2006

Aspo's website at www.aspo.fi offers a wide range of investor information. The company's annual reports, interim reports and stock exchange releases are also available on the website in Finnish and in English. Aspo's printed annual report will be published in Finnish, Swedish and English. Reports can also be ordered by phone +358 9 7595 361, by fax +358 9 7595 301 or by e-mail from asta.nurmi@aspo.fi.

Material will be sent to shareholders to the address shown in the shareholder register maintained by the Finnish Central Securities Depository. Address changes should be notified to the manager of the shareholders' own book-entry account.

Aspo Plc's Investor Relations

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

Gustav Nyberg, CEO
Tel. +358 9 7595 256
gustav.nyberg@aspo.fi

Dick Blomqvist, CFO
Tel. +358 9 7595 300
dick.blomqvist@aspo.fi

Aspo will not organize meetings with investors and the Group's representatives will not comment on the financial performance in the period between the end of the fiscal period and the publication of the results for the period in question.

Aspo Plc
Lautatarhankatu 8 B, P.O.Box 17
FI-00581 Helsinki, Finland
Tel. +358 9 75 951
Fax +358 9 759 5301
www.aspo.fi