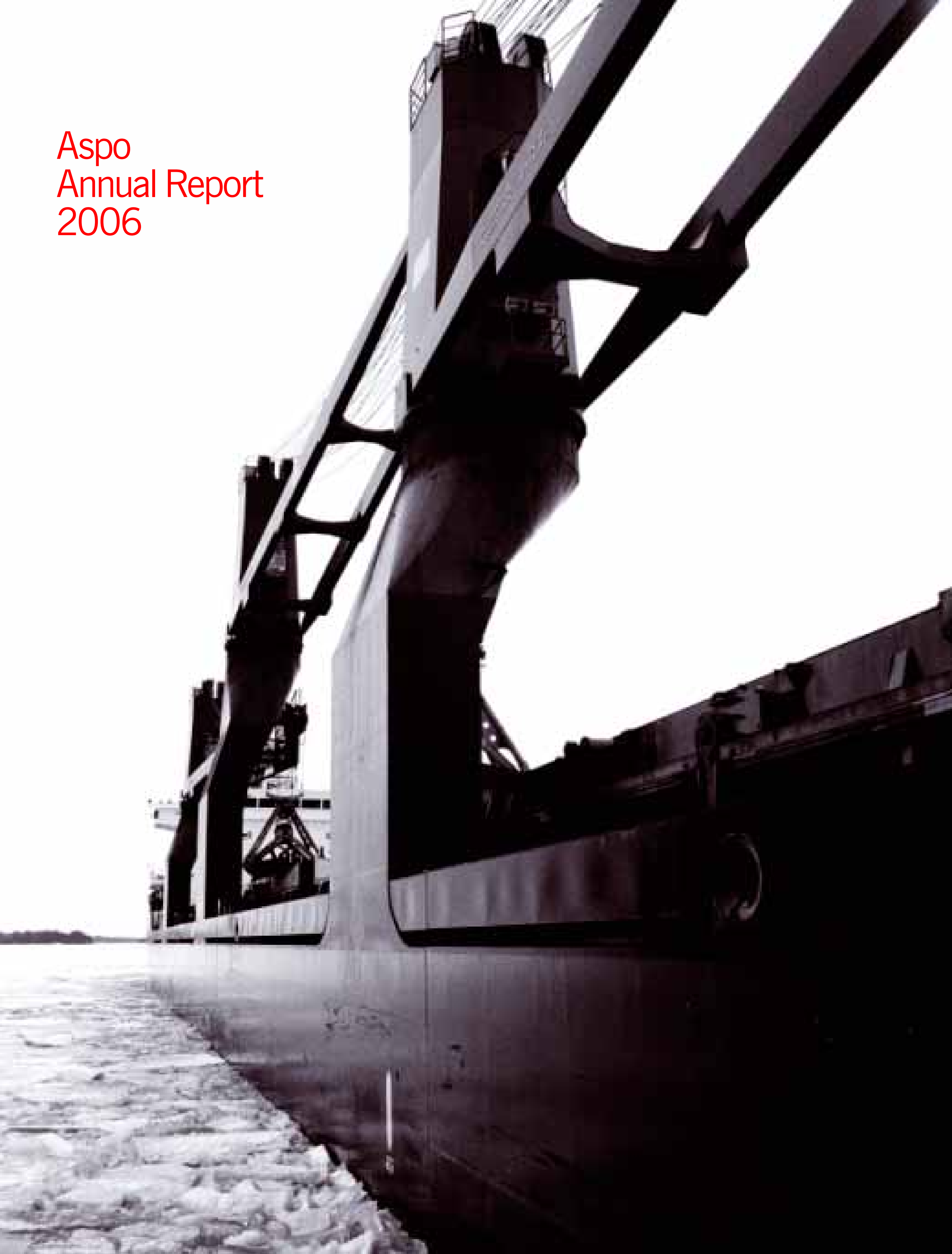
Aspo Annual Report 2006



Aspo Annual Report 2006

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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.

Aspo's customer relations are long-term partnerships based on solid trust. We have concentrated our operations around the Baltic Sea area.

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

provides automation systems and maintenance services for service stations.

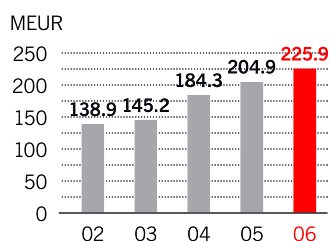
Key Figures

	2006	2005	Change, %
Net Sales, MEUR	225.9	204.9	10.2
Operating Profit after Depreciation, MEUR	12.8	17.3	–26.0
Share of Net Sales, %	5.7	8.4	
Profit before Taxes, MEUR	11.1	15.8	
Share of Net Sales, %	4.9	7.7	
Earnings / Share, EUR	0.32	0.45	
Earnings / Share, EUR (adjusted)	0.31	0.43	
Equity / Share, EUR	2.26	2.30	
Equity Ratio, %	45.2	47.2	
Gearing, %	35.7	23.6	
Personnel, December 31	694	681	

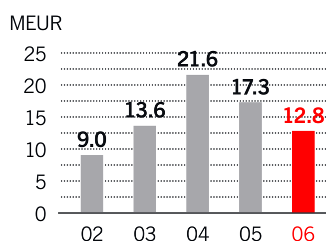
Aspo's Financial Objectives:

- Operating profit as a percentage of net sales closer to 10% than 5%
- Approximately 10–15% annual net sales growth
- Return on investment and on equity more than 20% on average
- Distribute approximately half of the year's profit in dividends

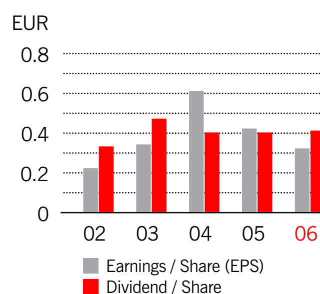
Net Sales



Operating Profit



Earnings and Dividend / Share



Our vision is to increase Aspo's value and competence over the long term, from one generation to the next.

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 are 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 partnerships 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 service 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. The Baltic Sea also serves as a major import and export channel for Russia and other East European countries.

As a diversified company we have a good overview of the evolving business environment. 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 one 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. Our key strengths include product and product processing know-how and expert service.

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 require reliable deliveries all year round and utilize Just-In-Time (JIT) delivery principles based on pinpoint scheduling. Just-In-Time requires a great deal of flexibility and reliability from the shipping company. Customer relationships strengthened over many years, a good reputation, and a sufficiently large and interchangeable fleet provide a clear 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 service station chains by providing reliable, cost-effective automation solutions. These chains require dependable suppliers with state-of-the-art automation systems and equipment and, most importantly, maintenance services that ensure uninterrupted operations. With its extensive maintenance services and technologically advanced systems, Aspo Systems can provide service stations with a reliable total service.

Shipping Division's increased expenses forced Aspo to revise its earnings forecast downwards. In the second half, performance returned to normal and Aspo is positioned to perform well this year.

Despite a favorable general market situation, 2006 produced many unhappy surprises for the Shipping and Systems Divisions. As a result, Aspo's earnings last year were disappointing. We have every reason to believe this was an exceptional year, and we intend to regain our normal level of performance without delay.

Chemicals was the star last year, as it was able to produce an excellent result in a highly competitive market. Prices showed a steady increase, and the demand for the unit's products was strong. The organizational changes made in the Eastern markets and the measures taken to enhance logistical efficiency also contributed to the strong performance.

For Chemicals, the year saw a breakthrough in the Eastern markets. In the third quarter international units generated a better operating profit than Finnish operations for the first time. I believe this milestone will affect the dynamics in the Chemicals Division: It is easier to set out to conquer new markets when you have a proven track record. It is now evident that the future of Chemicals lies in the rapidly growing Eastern markets.

The Chemicals Division will continue to strive for powerful sales growth and, as a result, rising net earnings. With the margins in the industry gradually declining, the only way to succeed is to generate powerful growth in net sales. Being bigger also bolsters the Chemicals Division's market position. A larger clientele and a more extensive product portfolio will likewise boost competitiveness.

For Shipping, 2006 was a challenging year. We knew that emissions trading would stir up the energy markets, but due to unforeseen weather conditions and other factors the markets were in a deeper turmoil than was expected. Even though the demand for energy coal was up, there were availability problems that caused us to lose some coal shipments. Furthermore, the shipping line's expenses grew. For example, fuel prices rose more sharply than we anticipated, which affected our profitability. The shipping line's operational efficiency declined as a consequence of all of these factors.

Although it was a difficult year for Shipping, the Division put in an excellent final spurt. At the year-end, earnings had already returned to the targeted level. Another positive element was that its fleet modernization program was very successful. The timing for acquiring the vessels from India was excellent, ensuring a competitive price. We were also able to exploit the increase in prices for used tonnage and sell the Ms Arkadia at a very good price.

Shipping has the prerequisites for success in 2007. As a result of our vessel divestiture, we will have to serve our customers with a slightly smaller capacity, which will require more efficient operations. We will also pay attention to cost management and cost-cutting. Given the current positive market conditions, we are well positioned to succeed this year. As the most capital-intensive of Aspo's businesses, the Shipping Division also has the most pressure to generate earnings and cash flow. In that respect, it is clearly the Group's business engine.

For the Systems Division's Autotank, 2006 was a year of great expectations and some disappointments. New orders associated with the chip card introduction had already been secured, but due to industry consolidation all investments were frozen. Fortunately we were able to react quickly and managed to match costs to demand. After a challenging start, the second half of the year went well.

Mergers and acquisitions in the service station industry simplified the market situation and investments are back on track again. In addition to technology investments, we expect to see demand for makeovers and harmonization projects pick up.

Autotank is now trimmed for a great performance. If it fails to strike now and live up to expectations, we will have to reconsider the unit's position. Autotank's earnings in the final quarter are promising. The unit has every opportunity to improve its profitability considerably from last year.

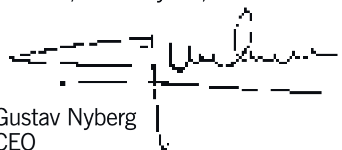
Aspo's Baltic Sea strategy has demonstrated its rationale. The Baltic Sea is clearly a gateway to new growth markets, which continue to be increasingly important for all of our business areas. Sustained success in the Eastern markets also requires careful risk management. We feel Aspo has succeeded very well in this area.

The structural changes implemented at Aspo in the past few years have permanently reduced the impact of foreign exchange rates on the company's performance. However, oil prices will continue to be a key factor. Oil prices affect several things: The business of Autotank's clientele, the Shipping Division's fuel costs and the price of coal, as well as the market price of chemicals. A relatively stable price level would be the most favorable trend from Aspo's perspective.

Aspo's new personnel fund got off to a good start. It reflects Aspo's operational diversity: A bonus tied to overall performance works better than the previous, business-specific system. Similarly, the incentive system for key personnel tied to share performance, which closed at the end of last year, was successful: It enhanced key personnel's commitment and was rewarding.

Measures were taken in all business areas in 2006 that will provide us with good opportunities to succeed this year. I would like to thank our motivated personnel, our customers, other interest groups, and the almost 5,000 Aspo shareholders. We have started the year 2007 in high spirits and extremely hungry for success.

Helsinki, February 20, 2007



Gustav Nyberg
CEO
gustav.nyberg@aspo.fi

Aspokem's International Units Outperform Finnish Counterparts

Interim Report October 26, 2006

For the first time, Aspokem's international units' operating earnings were higher than in Finland, suggesting the company's focus has permanently shifted to the Eastern markets.

Over the past few years, Aspokem has made strong progress in Russia, Ukraine and the Baltic countries. All of these areas performed well in 2006.

The Industrial Chemicals unit in Russia generated Aspokem's best performance last year. The Plastics and Automotive Chemicals sectors also saw strong growth in Russia.

"The basic level of demand in Russia is strong, and we have been able to recruit good people. They know the local markets and have identified new business opportunities for us. Also, the share of legitimate trade in Russia has increased as the authorities have clamped down on illegal imports and other misconduct. This has been a great help to companies like ours that run a legitimate business," says **Jari Ranne**, President of Aspokem.

Aspokem has a staff of 27 in Russia, most of whom work in St. Petersburg. The company has a large warehouse in St. Petersburg where the majority of products are shipped directly from Europe. In the warehouse, bulk products are dispensed into small containers or barrels and distributed to customers. In practice, all the operations existing in Finland are already running in Russia.

"The volume of goods passing through the warehouse in St. Petersburg represents almost half of the volume of goods transported through the Rauma terminal. The biggest difference is the lack of tanks. We are looking for a location for a larger terminal somewhere between St. Petersburg and Moscow, which would allow us to trade in considerably larger volumes."

Focus on More Complex Products

Chemicals distribution is an industry that features fierce competition in Russia, too, and margins are largely the same as they are in Western countries. However, operations are much more profitable as fixed costs remain significantly lower. In some product groups illegal import continues to play a big role, and ethical companies are unable to compete in these areas.

The growth of the Russian markets benefits practically all industries using chemicals; for instance, the boom of the construction industry serves as a growth engine for the paint industry. Russia makes some basic chemicals and plastics locally, but the more complex products are imported. This higher end product segment is where Aspokem operates. But from time to time there is a good market for basic products, too.

"Chemical plants require scheduled maintenance, and they have to be shut down for the duration of the maintenance operation. When the local product is not available, the raw material is purchased at Western prices. We have very skilled salespeople who can anticipate and tap into these opportunities, allowing us to sell large quantities quickly," Ranne explains.

The Ukrainian markets follow the development that has already taken place in Russia, with a slight lag. The market area of 50 million people offers enormous potential. Ranne anticipates that in 2007, Aspokem will generate larger net sales in Ukraine than in Estonia, and that it will approach the net sales of the biggest Baltic market, namely Latvia.

Some strategic changes have been implemented in the Baltic operations that also contributed to the excellent performance of the international units. Automotive chemicals production has been partially outsourced, and the focus in raw materials was shifted from high-volume products to more technical products with higher margins. As a result, the Baltic business generates higher earnings with lower volumes.

Aspokem's business focus is being shifted to the Eastern markets, as indicated by the company's new unit that concentrates on identifying new business opportunities. The unit's personnel include one Polish, one Ukrainian and one Chinese specialist.

"The unit can, for example, find suitable customers for our existing principals' products that were previously not included in our offerings. But our highest expectations relate to a business model where our customers send us signals concerning a product supplied by another distributor. This type of feedback is generally offered on products with quality problems or very little competition. This feedback offers us a starting point to start looking for alternative raw material manufacturers for the customers."

The new business model has already generated new business. For example, some raw materials identified on the basis of customer feedback are being imported to Russia from China. In this model, seamless cooperation between salespeople and the new unit is essential. Communication has to be fast and open.

Aiming to Become a Bigger Player

Aspokem aims to increase its net sales to well over EUR 100 million in three years. To reach this objective, Aspokem is seeking organic growth as well as expansion through acquisitions. In April 2006, Aspokem acquired Sealco, a company importing automotive chemicals and products.

"The acquisition provided new opportunities in the Eastern markets, too. We have established relations with new principals that offer products with major growth potential in Russia and Ukraine. We are interested in items such as car makeover products that are in extremely high demand," Ranne says.

The chemicals industry is going through a major structural change. A number of raw material manufacturers are being sold and many have been acquired by investment banks, which suggests that corporate restructuring in the industry will continue. For a distributor such as Aspokem, this underlines the importance of healthy and open relationships. From Aspokem's perspective, investment banks make good owners for raw material manufacturers as they rarely have an existing distributor network.

The new European REACH regulation on chemicals is a much-debated issue in the chemicals industry. Many of the practical applications of the regulations remain unresolved. These include the distribution of costs resulting from the testing of chemicals. Furthermore, the regulations do not take a concrete position on products in which the chemicals in question have been used. The practical impact of REACH on Aspokem and the entire industry will only become apparent over the next few years.

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

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, Plastic Raw Materials and Automotive Chemicals. In addition to Finland, the Division has operations in Russia, Ukraine, Estonia, Latvia, Lithuania and Sweden. Finland accounts for approximately 60% 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 2006

Earnings in 2006 saw a clear improvement from the previous year. In Russia, demand picked up and legal trade significantly increased its share in the country's markets. Furthermore, Aspokem was able to generate entirely new business in Russia. Other earnings factors included structural changes implemented in the Baltic countries, and the fact that business in Ukraine began to generate earnings. In Finland, however, total demand showed only modest growth and competition intensified. The company's financial performance in Sweden fell short of expectations.

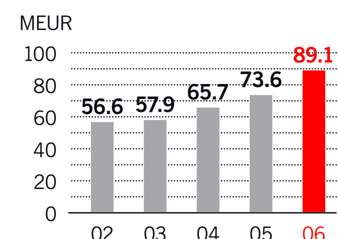
Key Earnings Factors

The prices of raw materials change very quickly, which underlines the importance of accurately timed purchases. About a fifth of the purchases are made in US dollars, which means the weakening of the dollar improves the Division's earnings. The impact of weather accounts for no more than a quarter of Automotive Chemicals earnings. In terms of demand, the optimal winter is mild and muddy.

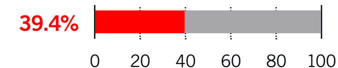
In the EU countries, the new European chemical legislation REACH may, at worst, result in the chemicals industry relocating its operations outside the EU area. Aspokem expects the biggest growth in the next few years to take place in the major Eastern European countries such as Russia and Ukraine.

Aspo Chemicals

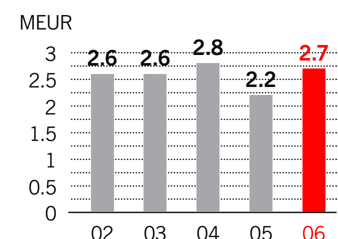
Net Sales



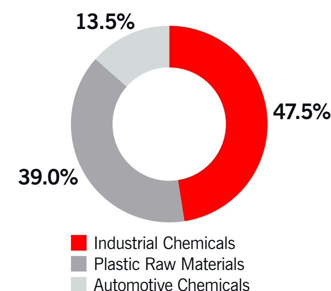
Share in Group Net Sales



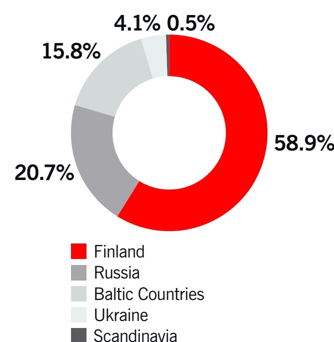
Operating Profit

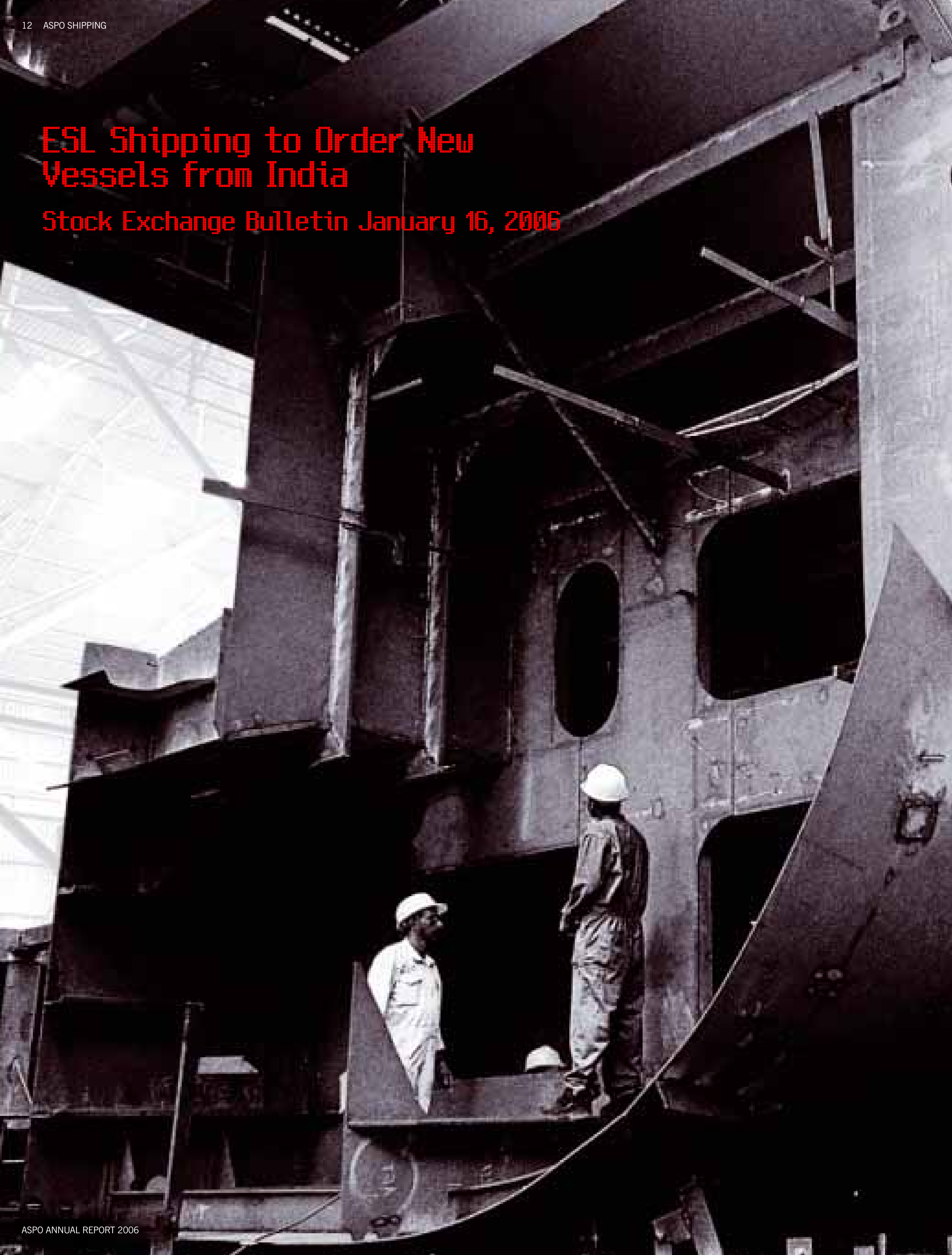


Net Sales Distribution



Net Sales Distribution by Country





ESL Shipping to Order New Vessels from India

Stock Exchange Bulletin January 16, 2006

Last year ESL Shipping made a major investment in two new ice-strengthened dry cargo vessels. These vessels will further enhance the efficiency of the company's fleet.

Correct timing of acquisitions and divestitures is a key element in ESL Shipping's strategy. Shipbuilding takes time and the order processes are lengthy, which means the shipping company must have a strong vision of customers' prospects.

"We are in a service business. Customer needs determine the type and size of the vessels in our fleet," says **Markus Karjalainen**, President of ESL Shipping.

The vessels ordered from India will be commissioned in 2008 and 2009. The decision-making process preceding an order takes time, and is based on future capacity requirements. These needs determine the specifications of the vessel; after that, the next step is to find a builder and negotiate the details of the order. Considering that the vessel is typically in service for 20 to 30 years, the investment decision requires a great deal of foresight.

"Close partnerships are vital when planning and timing vessel orders. We must have an accurate understanding of the direction our customers' and their customers' business environment is taking. This requires a high degree of trust and confidence, as well as an open dialogue between partners."

Close partnerships also help the fleet operate efficiently. Planning the fleet's operations requires matching a number of different needs – for instance, the schedules should have some room for flexibility and fine-tuning when necessary. Therefore, it's important to have good personal relationships, not only with customers but also with shippers and key people in ports.

A State-of-the-Art Fleet

When ordered at the beginning of 2006, the two vessels cost approximately EUR 50 million. Shipyards have enjoyed a continued upward trend, which means the price of a similar order would be considerably higher today. Since the prices of used vessels are also high at the moment, ESL Shipping decided to divest the second oldest vessel in its fleet, the Ms Arkadia built in 1983. The deal was closed in January 2007 and generated a gain of EUR 10 million.

The divestiture of the Arkadia will reduce transport capacity somewhat, but with efficient operations the impact on cargo volumes should be relatively small. The fleet is operating at full capacity at the moment. This is not an obstacle for growth as new vessels can be acquired quickly if necessary, even before the arrival of the first vessel ordered from India. There is no need to buy or own the vessels, as transport capacity can be chartered in various ways.

"Our fleet is in very efficient use, and the Ms Credo, which was commissioned in the spring, has further enhanced its versatility. The commissioning of the new vessels will further boost our efficiency," Karjalainen says.

The Ms Credo and the new vessels are so-called Eira class ships. Ms Eira was commissioned in 2001 and has proved its performance in terms of size and technology in demanding winter conditions as well. All vessels in the Eira-class are 20,000-dwt bulk carriers equipped with on-deck cranes and are built to the highest Finnish ice class. They have been specifically designed for the cargo volumes typically carried by ESL Shipping and the shipping line's preferred ports.

"What makes this business profitable is effective two-way traffic. We have to minimize the time vessels sail without cargo. Consequently, it's important that we have replacement vessels that allow us to plan the fleet operations with maximum flexibility."

It is not unusual in this business for plans to change quickly for a variety of reasons beyond the shipping company's control. Weather conditions and congestion in harbors change shipping schedules, which means an interchangeable fleet makes it easier to design an effective transport schedule.

The Booming Baltic Sea Region

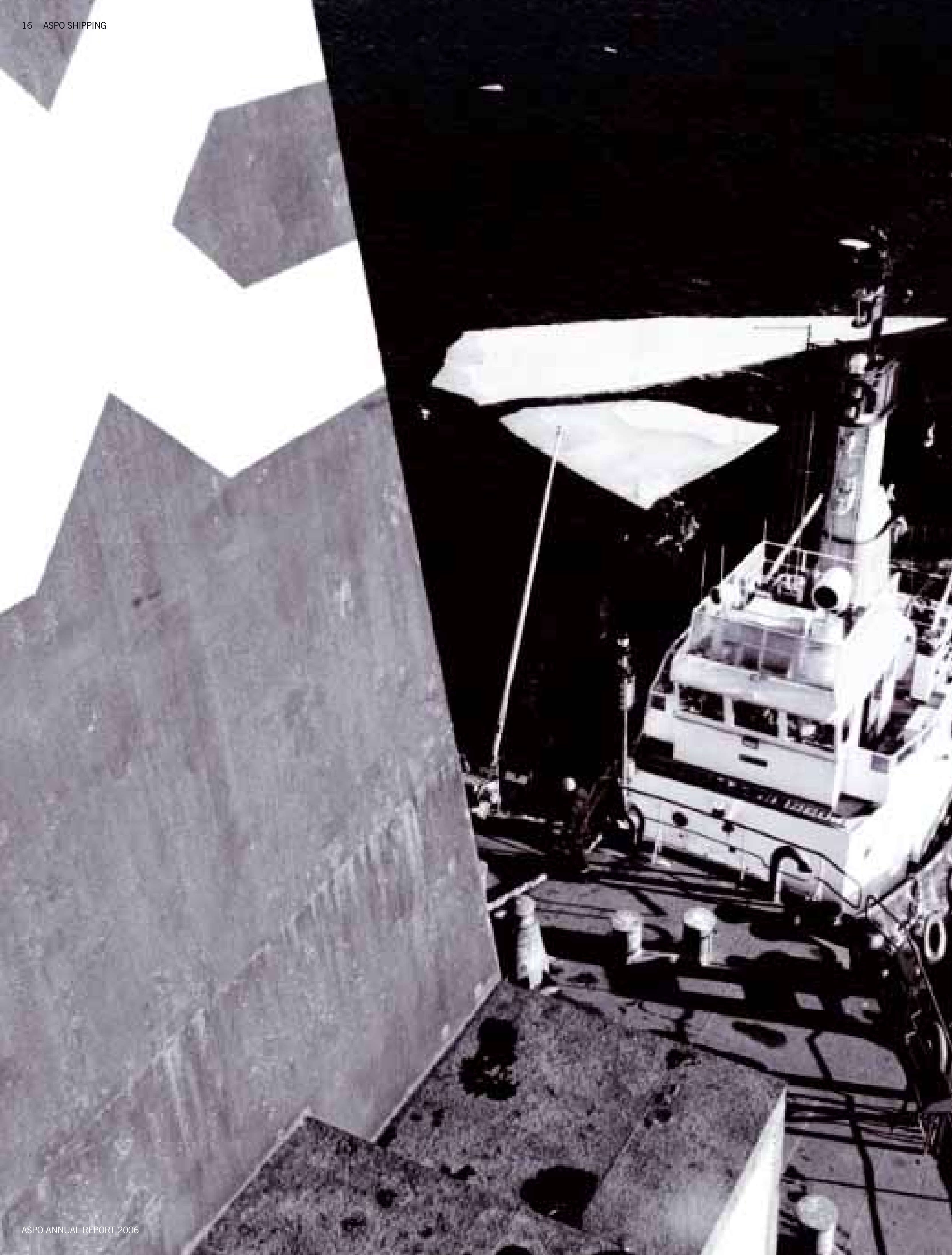
The Baltic Sea, ESL Shipping's home market, is one of the fastest growing transport markets in the world. Transport to Russia serves as the growth engine. While there is a lot of potential in the transport sector, the bottlenecks in ports and on railways hold back growth.

Furthermore, Russian transport primarily works in just one direction: industrial goods and consumer goods are imported into the country, and raw materials are exported, but the same vessels do not carry the cargo. This is why ESL Shipping's close proximity produces a clear advantage.

"We have established good relationships in Russia, and we know how things work there. As the country's sizeable markets continue to develop, these relationships may become all the more valuable," Karjalainen points out.

ESL Shipping carries large amounts of energy coal from Russia. The fluctuations in demand for coal have become more difficult to anticipate. The price fluctuation range has grown and the price cycles have accelerated. Several factors affect the price of coal, including changes in oil prices, emission rights, taxation and weather conditions.

The steel industry offers more stability in terms of transport. The volume of transport serving the steel industry in the Gulf of Bothnia is growing. The company's Eira class vessels will play a major role in sea transport for the steel industry by the end of the decade, particularly once the Raahe port is deepened.



ESL Shipping is the leading dry bulk sea transport company operating on the Baltic Sea.

The Division's strengths include its customer relationships built on long-term trust: Important raw material deliveries make ESL Shipping an integral part of its customers' logistics chain.

ESL Shipping's operating range covers the entire Baltic Sea region. The shipping company's self-discharging vessels are designed specifically to operate in the demanding Baltic conditions. The ice-strengthened and shallow draft ships are able to enter safely even the shallowest ports fully loaded. All vessels are also equipped with forward thrusters and on-deck cranes. This reduces the ships' dependence on port handling services. In addition, the vessels can also load and unload rapidly at sea.

The company ships concentrate on transporting iron ore and pellets (32% of all cargo), energy coal (36.8%), coking coal (10.9%) and limestone (10.3%). More detailed information regarding the fleet is available at www.eslshipping.fi.

Customers and Added Value

ESL Shipping's customers include the steel and chemical industries as well as energy producers. The company derives its competitive advantage from a sufficiently large modern fleet comprising various-sized vessels, which enables flexible and efficient operations. Apart from two time-chartered vessels, all ships sail under the Finnish flag and have a Finnish crew.

Fiscal 2006

2006 was a year of challenges for ESL Shipping. Despite the increase in net sales, earnings took a significant downward turn from the previous year. Irregular deliveries of coal to main ports required continuous changes in ship schedules. In addition, performance in the first half was hampered by dockings, instability in the freight markets, and a dramatic increase in the price of vessel fuel. In the second half, strong winds complicated operations. Shipping capacity was increased in the spring with the commissioning of the Ms Credo. On September 1, 2006, Captain Markus Karjalainen assumed the position of ESL Shipping's President.

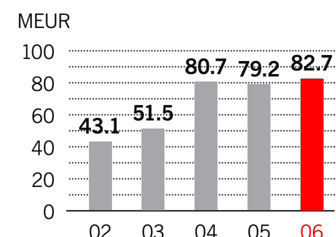
Key Earnings Factors

The Baltic Sea is a stable market: there's stability in raw material demand and in long-term customer relationships. Changes in ocean freights affect this market with a lag and on a smaller scale. Of all the products that ESL Shipping transports, the volumes of energy coal vary the most. However, the delicate balance between the production and consumption of electricity is expected to keep consumption at the current level at minimum. Despite hedging, changes in vessel fuel prices are significant in terms of ESL Shipping's financial performance: A change of one euro in the fuel price annually has an earnings impact of approximately EUR 40,000. Exchange rate fluctuations have a smaller impact on earnings.

Aspo Shipping

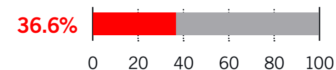
Net Sales

MEUR



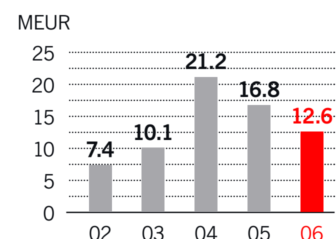
Share in Group Net Sales

36.6%

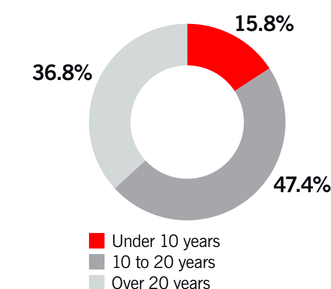


Operating Profit

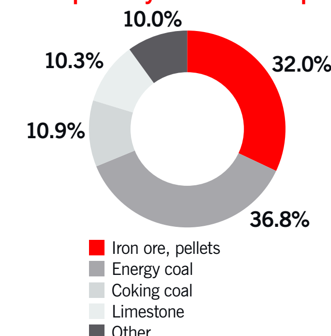
MEUR

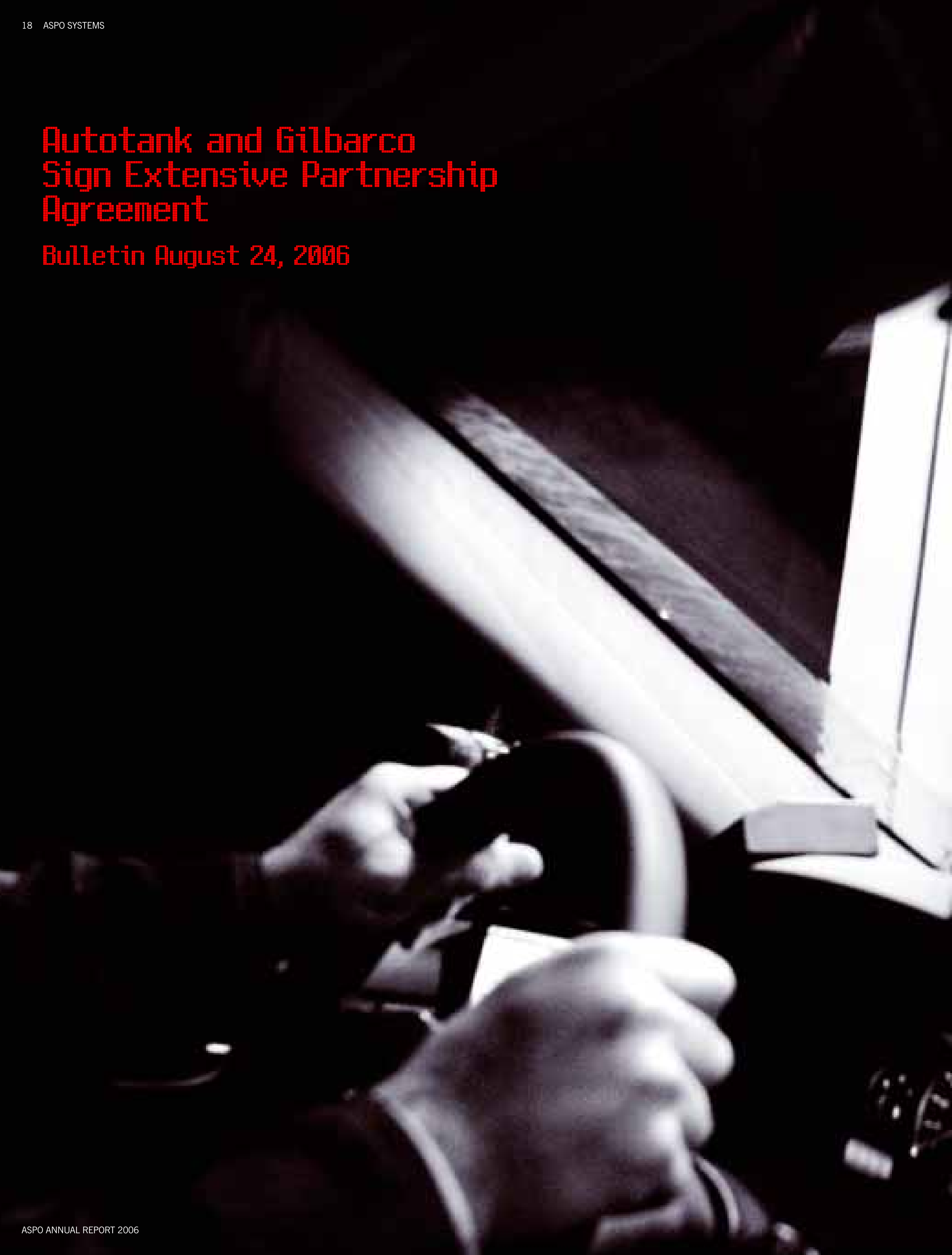


Ship Age Distribution



Transports by Product Group





Autotank and Gilbarco Sign Extensive Partnership Agreement

Bulletin August 24, 2006

In line with its business strategy, Autotank shifted its operational focus last year more clearly to service station maintenance.

One of the key drivers of the strategy is the extensive cooperation with Gilbarco Veeder-Root, one of the biggest equipment manufacturers in the industry.

Autotank and Gilbarco are joining forces in the production and marketing of fuel dispensing equipment. The cooperation will make the service station forecourt equipment development, manufacture and marketing more cost-efficient.

What the cooperation means in practice is that Gilbarco's new dispensing equipment will include a model that has been customized to meet the needs of Autotank's customers and the special requirements of the arctic climate. The equipment is compatible with the payment systems developed by Autotank. Autotank will also be responsible for equipment installation, warranty servicing, maintenance and spare parts. With the introduction of the new models, Autotank will gradually transfer its already outsourced production operations to Gilbarco's production plant in Germany.

"The fuel dispenser primarily serves as a platform for the payment terminal. The production volumes should be very high in order to make operations cost-effective. We would have been too small a player in that segment by ourselves. Now we can focus more sharply on the product development work involving payment systems and on improving our maintenance services," says Autotank's President **Peter Hutton**.

The payment terminals deploying new RFID technology ordered by Esso Iceland at the end of last year represent the cutting-edge development in payment systems. It was the first deal in the Nordic countries involving this new technology. RFID is a safe and easy payment method. To fuel the car, you simply show the RFID tag – no PIN code is required. The dispensers also feature a large color display, which provides an opportunity to inform customers of the oil company's special offers or, for example, the weather conditions.

Another area providing new growth potential is the automatic payment terminals that operate car wash equipment. An agreement has been made to deliver one thousand car wash payment terminals to Statoil.

"The payment systems industry is cyclical. We are constantly making small adjustments, but every now and then more exhaustive reforms are required, such as the switchover to the euro or the introduction of the EMV chip card. The schedule for chip card deployment has been further delayed; in practice, the majority of the alterations will be carried out over the next two to three years."

Most stations are broadband-connected. The Smartnet control system developed by Autotank provides flexible control over the various functions at the service station, such as payment transactions and wetstock monitoring. The system also enables remote diagnostics for servicing and maintenance.

"In the end, every service station is an automated station. Oil companies want to obtain more detailed information on what happens at the station, they want to make sure logistics, payment transactions and maintenance needs are managed centrally and cost-effectively. And we provide the necessary equipment, systems and services," Hutton explains.

Focusing on Services

Autotank wants to gain a significant market position as a supplier of systems and equipment. But since performance in these business areas is highly cyclical, Autotank has deliberately focused more sharply on services. Services now account for approximately two-thirds of Autotank's net sales. However, over the next three years the EMV deliveries are likely to increase the relative share of systems and equipment sales.

"Services represent our bread-and-butter business: they have to offer sufficient and steady revenue. Services comprise three business areas, each showing good growth potential: forecourt equipment and management systems maintenance, installation projects and property management. The majority of our net sales comes from maintenance, but project work is also showing growth," Hutton points out.

Autotank has fixed long-term maintenance contracts with major service station chains in Finland, Sweden and Norway. Size is a significant competitive element; if you are a big player, you can ensure cost-effective service logistics.

The selected strategy places Autotank in a key position in terms of uninterrupted operations at service stations. This is becoming more important, as an increasingly large part of sales depends on smoothly running fuel dispensing operations. If there are problems with fuel supply, sales in the store and restaurant of a major outlet will suffer. That is why more emphasis will be placed on maintenance.

Effective maintenance provides opportunities for a range of installation projects. The installation projects follow the general investment trends in the business. Typical projects include installation of hardware and station makeover projects.

Remote diagnostics with Smartnet provides growth potential in property management. It allows you to see when service work is required, such as snow removal or collecting cash from the payment terminals. In this area, another alternative is to work in closer cooperation with major property management companies.

Investments in the East Gaining Momentum

In 2006 the service station market in Finland saw some significant mergers and acquisitions. According to Hutton, industry consolidation is a positive development from Autotank's perspective. In the short term it increases the demand for makeovers and system changes. In the longer term large companies buy larger system packages and more extensive maintenance solutions. This improves efficiency for both Autotank and its oil company customers.

While the Nordic countries represent Autotank's home market, Russia offers the greatest growth potential. The operations of the joint venture established in St. Petersburg at the end of 2005 are moving ahead at full speed.

Russia is showing steady growth in payment terminal sales. The majority of the equipment is cash-operated terminals, and oil companies also have their own prepaid cards. Once Russia develops a uniform and consistent bank card system, sales of payment terminals may pick up quite dramatically.

"Russia, the Baltic countries and Poland are the most lucrative markets for Autotank at the moment. Our efforts to develop maintenance services in Russia involve starting up a joint venture with our business partners that will operate under the Autotank brand," Hutton says.

There is a lot of potential in Poland too, but the increase in investment volumes has been disappointing. The markets appear to be waiting for a major foreign player to set the wheels in motion.

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

The Division's strength is an overall service package for 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 generate 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. Operations are planned with consumer needs in mind. Autotank runs a "Fuel, Pay & Go" concept, which stands for quick, easy and safe fueling services 24/7. Autotank's products and services help ensure that customer service stations are always in good working order. This service is provided to unmanned stations, large retail stations, and traditional service stations alike. This business concept has allowed Autotank to take a leading market position in its sector.

Fiscal 2006

Thanks to good sales of maintenance services and dispensers, earnings in 2006 improved considerably. Sales of automated payment systems fell below targets due to delays in the investments required by the introduction of the chip cards. The 2006 performance was taxed by the rationalization program associated with the Malte acquisition, which caused heavy non-recurring costs in Sweden. Meanwhile in Norway, earnings had already begun to pick up thanks to the acquisition.

Polish and Baltic operations showed a profit. In Russia, new products were introduced to the markets in the final quarter, and business is expected to start generating earnings in 2007. In August 2006, the company signed a partnership agreement with Gilbarco Veeder-Root. This agreement will ensure effective development and production of dispensers and partly also payment terminals.

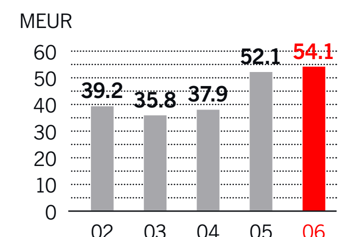
Key Earnings Factors

The winter months of the first half of the year affect performance in the form of more sluggish demand for maintenance and installation projects. The majority of Autotank's net sales is generated outside the euro zone while costs are primarily euro-based, which means that the strengthening of the euro tends to weaken earnings to some extent. However, the biggest earnings factor for 2007 and beyond will be the progress made in chip card reform: All payment terminals must be replaced by 2010.

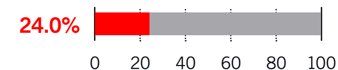
Aspo Systems

Net Sales

MEUR

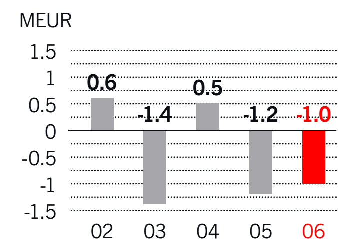


Share in Group Net Sales



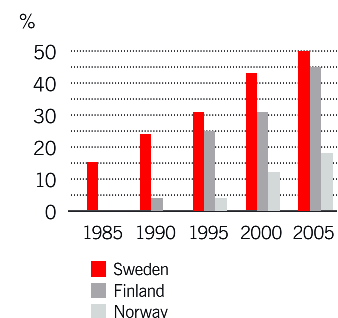
Operating Profit

MEUR

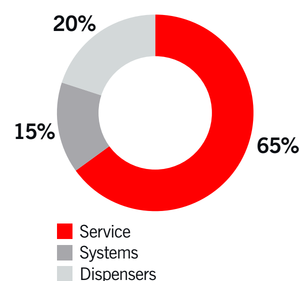


Proportion of Unmanned Stations of All Service Stations

%



Net Sales Distribution



Aspo's long-term vision is to increase the company value and level of competence. Other value-adding elements include the company's human resources and a solid environmental reputation.

At the end of 2006, the Aspo Group employed 694 (681 at the end of 2005) people and an average of 693 (688) during the year. The average number of office staff was 312 (307) and non-office workers 381 (381). At the year-end, the parent company employed 9 (9) office staff.

Of the Aspo Group's total personnel 60% work in Finland, 28% in other Nordic countries, 5% in the Baltic countries, and 7% in Russia. Men represented 82% and women 18% of personnel. Employees with permanent employment contracts accounted for 98% of total personnel.

Aspo makes every effort to promote the professional growth and development of its employees and to create a motivating working environment. Management is based on open communication, which supports commitment and understanding of company goals and objectives, and which encourages personnel to strive for a better performance. Key human resource management tools include regular performance reviews. Every level of the organization invests in training and professional skills development.

In 2005, Aspo set up a personnel fund for motivational purposes. It covers all employees working for the Aspo Group's Finnish subsidiaries. The goal is for the personnel of international units to be able to join the fund as well.

A portion of Aspo Group earnings is placed in the personnel fund as a bonus. The amount of the bonus depends on Aspo's performance and profitability. The idea is to use the majority of the bonuses placed in the fund to buy Aspo shares. The objective is for personnel to become a key owner.

Continued Improvement in Environmental Matters

The key principle in Aspo's environmental policy is ongoing operational improvement. Aspo has also undertaken to comply with the International Chamber of Commerce Business Charter to ensure sustainable development.

Measures taken to predict and prevent harmful effects on the environment include environmental impact assessment, product life cycle analysis, and risk assessment. We want to address critical environmental issues beyond the minimum requirements of laws and regulations. The voluntary soil testing carried out by Aspo Chemicals at its Rauma terminal is one example of Aspo's proactive environmental work.

For **Aspo Chemicals**' principals, a solid environmental reputation is a necessary prerequisite for doing business. Some of the principals are not satisfied with just certification, but want to personally audit the distributor's quality and environmental systems.

Aspo Chemicals strives for zero accidents on all operational levels in environmental, health and safety affairs. In the past eleven years, there have been no major accidents.

Aspo Chemicals is also involved in a version of the Responsible Care program that concentrates on the chemicals trade. One element of the program is commitment to the continued voluntary improvement of environmental, health and safety affairs. Aspo Chemicals has also been awarded the ISO 9001 quality certificate.

Aspo Chemicals monitors the emissions of volatile organic compounds (VOC) and the amount of chemical packages and hazardous waste. The VOC emissions from the Rauma terminal have decreased from eight tons in the late 1990s to five tons.

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 operation of ships, and for pollution prevention. The certificate involves annual audits. All vessels have also been certified for compliance with the requirements of the ISM Code.

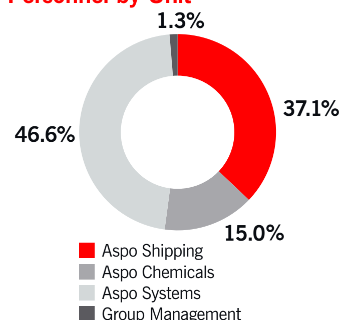
Another safety-boosting element is that all vessels are ice-strengthened. What's more, personnel are familiar with the ports, channels and conditions of the Baltic Sea. Apart from two time-chartered vessels, all ships sail under the Finnish flag and have Finnish crews.

In response to a barge accident Aspo Shipping experienced in 2004, a program aiming at boosting safety and security was introduced.

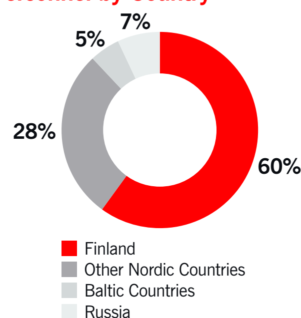
For **Aspo Systems**, environmental considerations represent a key value that guides product development and maintenance services planning. Service station safety is an important corporate image factor for major international oil companies, which is why there are stringent demands on service station equipment and systems. As a result, the latest technology in the field is being exploited in the manufacture of each piece of equipment.

Aspo Systems assumes responsibility for the critical technologies employed at service stations over its entire lifecycle. 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.

Personnel by Unit



Personnel by Country



Aspo Board of Directors Authorized the Sale of Ms Arkadia

December 21, 2006

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, a 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 2006, 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 2006, the Board of Directors held 13 meetings, five of which were teleconferences. All Board members were present in each meeting.

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 Ltd and Kaleva Mutual Insurance Company

Holdings and Fees

Shareholdings in Aspo on December 31, 2006: 1,000,000 or 3.84% of the total number of shares

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

Fees in 2006: EUR 27,600

Matti Arteva

born 1945, Vice-Chairman, independent member of the Board
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

Board member: Komas Oy, Constructor Finland Oy and Europress Group Oy

Holdings and Fees

Shareholdings in Aspo on December 31, 2006: 216,924 or 0.83% 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 2006: 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 on December 31, 2006: 4,000 or 0.02% of the total number of shares; Fundum Oy 161,000 or 0.62% of the total number of shares

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

Fees in 2006: 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: ESL Shipping Ltd

Holdings and Fees

Shareholdings in Aspo on December 31, 2006: 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 system

Fees in 2006: 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

Chairman of the Board: Amanda Capital Plc

Member of the Board: Exel Oyj

Holdings and Fees

Shareholdings in Aspo on December 31, 2006: 794,850 (Berling Capital Oy) or 3.05% of the total number of shares

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

Fees in 2006: EUR 15,600

Executive Board

Gustav Nyberg

born 1956
M.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 Ltd and Autotank Ltd

Member of the Board: Foundation for Economic Education

Holdings

Shareholdings in Aspo on December 31, 2006: 736,085 or 2.83% of the total number of shares

Dick Blomqvist

born 1949
M. 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 on December 31, 2006: 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 on December 31, 2006: 16,250 or 0.06% of the total number of shares

Board Membership Fees

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

The 2006 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 2006, Aspo Plc Board members were paid a total of EUR 90,000 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 (50), M.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 2006, the CEO was paid a total of EUR 640,973 in salary, bonuses and fringe benefits. Bonuses accounted for EUR 460,517 and fringe benefits for EUR 18,480.

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.

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 2006 elected PricewaterhouseCoopers Oy as company auditor. Jouko Malinen, M.Sc. (Econ.), Authorized Public Accountant, has been the principal auditor. In 2006, PricewaterhouseCoopers companies in Finland and abroad were paid a total of EUR 222,375 in audit fees for the audit of Aspo Group companies. Other services purchased amounted to EUR 69,350.

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.

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 Presidents 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. Public insiders' 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 2006 Releases

Stock Exchange Bulletins

January 13, 2006 Aspo Board approves management incentive program

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.

January 16, 2006 Aspo's ESL Shipping to order two new vessels from India

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).

March 7, 2006 Aspo Group financial performance for 2005

Aspo Group's net sales amounted to EUR 204.9 million (EUR 184.3 million). Operating profit amounted to EUR 16.2 million (EUR 21.6 million) and the profit before taxes was EUR 14.7 million (EUR 19.7 million). Earnings per share totaled EUR 0.42 (EUR 0.61). The proposed dividend is EUR 0.40 per share (EUR 0.40).

March 7, 2006 Aspo Board's proposals to the Annual Shareholders' Meeting

Aspo Plc Board will propose the following to the Annual Shareholders' Meeting to be held on April 4, 2006: 1. Authorizing the Board of Directors to decide on the acquisition of company-held shares 2. Authorizing the Board of Directors to decide on the disposal of company-held shares 3. Dividend proposal

March 13, 2006 Invitation to the Aspo Annual Shareholders' Meeting

The shareholders of Aspo Plc are invited to attend the Annual Shareholders' Meeting to be held on Tuesday, April 4, 2006 at 2:00 p.m.

March 24, 2006 Aspo Annual Report 2005

Aspo's Annual Report has been published in Finnish, English and Swedish.

April 4, 2006 Decisions of the Aspo Annual Shareholders' Meeting

The Annual Shareholders' Meeting of Aspo Plc on April 4, 2006, approved the parent and consolidated financial statements and discharged the Board members and the CEO from liability. The shareholders approved the payment of a dividend totaling EUR 0.40 per share. 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, 2006 Aspo Interim Report January 1–March 31, 2006

The net sales of the Aspo Group totaled EUR 49.0 million (EUR 44.5 million). The operating profit for the period was EUR 1.8 million (EUR 2.7 million) and the profit before taxes EUR 1.5 million (EUR 2.4 million). Earnings per share were EUR 0.04 (EUR 0.07).

May 4, 2006 Increase in Aspo's share capital

An increase in the share capital of Aspo Plc totaling EUR 1,125.60 was registered today. The increase resulted from the exercising of subscription rights on 1,680 shares from the convertible capital notes issued in 2004.

May 17, 2006 Disposal of company-held shares

Based on the authorization of the Annual Shareholders' Meeting, the Board of Directors of Aspo Plc has today decided to sell 7,700 of the company's own shares to certain key employees in accordance with the company's management incentive program.

June 14, 2006 Change of leadership at ESL Shipping

Mr. Markus Karjalainen, Captain, has been appointed new president of ESL Shipping Oy, a subsidiary of Aspo Plc, effective September 1, 2006. He succeeds Eerik Yrjölä, who resigns from the service of ESL Shipping at his own request.

July 12, 2006 Aspo revises its earnings forecast for 2006

Aspo's comparable operating profit for the January to June period fell short of last year's corresponding performance. According to current estimates, the Group is unlikely to exceed its 2005 operating earnings this year. However, the Group's net sales are expected to continue growing as forecasted.

August 24, 2006 Action plan for Aspo Systems Division

Aspo's Board of Directors has approved an action plan for the Systems Division, which failed to meet its earnings targets in the first half of the year. The aim of the plan is to improve efficiency, cut the costs of the Autotank Group and ensure positive earnings development. The planned actions concern Autotank's operations in Finland and Sweden.

August 24, 2006 Aspo Interim Report January 1–june 30, 2006

The net sales of the Aspo Group in January-June totaled EUR 102.5 million (EUR 94.9 million). The operating profit for the period was EUR 4.0 million (EUR 7.7 million) and the profit before taxes was EUR 3.1 million (EUR 7.1 million). Earnings per share were EUR 0.09 (EUR 0.21).

August 31, 2006 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.

September 22, 2006 Aspo's ESL Shipping sells newbuilding to SEB Leasing

ESL Shipping Oy, a subsidiary of Aspo Plc, has signed an agreement with SEB Leasing Oy concerning one of the two vessels currently being built by ABG Shipyard Ltd in India. Under the agreement, ESL Shipping will assume responsibility for the supervision of the building works on behalf of SEB Leasing. At the same time, the company and SEB leasing entered into a bareboat charter agreement under which ESL Shipping will lease the vessel for ten years. The agreement is worth about EUR 25 million.

October 24, 2006 Action plan for Aspo Systems Division

Aspo Systems Division has completed the statutory negotiations, as required under the Act on Co-Operation Within Undertakings, conducted as part of the action plan launched in August. In order to streamline the Autotank Group, certain operations will be discontinued and others will be merged.

October 26, 2006 Aspo Interim Report January 1– September 30, 2006

The net sales of the Aspo Group in January–September totaled EUR 159.5 million (EUR 146.0 million). The operating profit for the period was EUR 7.5 million (EUR 12.3 million). The profit before taxes was EUR 6.1 million (EUR 11.2 million). Earnings per share totaled EUR 0.18 (EUR 0.33).

November 6, 2006 Increase in Aspo's share capital

An increase in the share capital of Aspo Plc totaling EUR 168,840.00 was registered today. The increase resulted from the exercising of subscription rights on 252,000 shares from the convertible capital notes issued in 2004.

December 1, 2006 Aspo financial information in 2007

The Aspo Group Annual Accounts Bulletin for 2006 will be released on Tuesday, February 13, 2007. The Annual Report will be published latest in week 12. Aspo will publish three Interim Reports in 2007.

December 21, 2006 Aspo's ESL Shipping to sell the Ms Arkadia

The Board of Directors of Aspo Plc has today authorized the company's management to prepare the sale of Ms Arkadia, owned by ESL Shipping Oy, a subsidiary of Aspo Plc. Arkadia's value has been entirely written off, and the sale will therefore bring in a significant profit. The sale is likely to be realized in the first half of 2007.

December 22, 2006 Increase in Aspo's share capital

An increase in the share capital of Aspo Plc totaling EUR 67,203.36 was registered today. The increase resulted from the exercising of subscription rights on 100,800 shares from the convertible capital notes issued in 2004.

Other releases:

April 4, 2006 Aspokem acquires Sealco operations

Aspokem Ltd, an Aspo Group company, has acquired the operations of the Nummela-based Sealco Oy. Sealco imports automotive and industrial chemicals and products. In 2005, Sealco's net sales totaled approximately three million euros. Sealco has a strong position as an importer of anti-corrosive agents for automotive applications.

May 5, 2006 ESL Shipping's newbuilding commissioned

Ms Credo, the latest newbuilding in the fleet of ESL Shipping was commissioned in late March. On May 4, Ms Credo arrived on her maiden voyage in Tallinn Muuga to discharge her steel cargo. Credo was built in China.

August 24, 2006 Autotank and Gilbarco Veeder-Root to deepen co-operation

Autotank Group, from which the Aspo Systems Division is comprised, and Gilbarco Veeder-Root have concluded an agreement of a comprehensive co-operation in the marketing and production of fuel dispensing equipment. The companies are joining forces to develop and manufacture a range of products adapted to the Nordic market, where there ís a need for robust performance in sub-zero temperatures, coupled with global cost efficiencies and forecourt marketing capability.

Report of the Board of Directors

Operational Overview

In early 2006, the prevailing favorable market conditions were expected to persist, foreshadowing growth for all of Aspo's three divisions. The ongoing globalization of operations resulted in an expected strong sales growth, especially in Russia and Ukraine. Meanwhile in the Nordic and Baltic countries there was moderate or no growth in net sales. The Group's total net sales continued to show double-digit growth.

The high price of crude oil had both positive and negative impacts on operations: Although the prices of chemicals rose, fuel costs in sea transport increased significantly. In the fuel distribution business, the high price of oil resulted in new fuel mixtures flowing into the markets. Emissions trading and the dry summer caused rapid changes in the demand for sea transports, which undermined productivity. The Group's operational profitability was disappointing despite improvements towards the year-end. During the year, exceptionally large investments were made in new tonnage and operational efficiency, and one acquisition was carried out.

Aspo Chemicals

Petrochemical prices varied much less than a year ago. Furthermore, product availability was good and there were no problems with material flows. In Finland and Scandinavia, sales performance was modest and profitability was disappointing. In the Baltic countries, the organizational changes implemented last year and the decision to place the handling of liquid chemicals in Latvia produced results: profitability improved even though net sales showed fairly modest growth. In Russia and Ukraine net sales remained on a strong growth track and profits were up.

Fiscal 2006 marked the first time that total earnings from foreign operations exceeded domestic earnings. Net sales of the Chemicals Division were up and profitability picked up slightly.

In April, the Division acquired the operations of the Finnish Sealco Oy, which specializes mainly in automotive anti-corrosion products. The deal creates synergies for the Division's Automotive Chemicals unit since it expands Sealco's business and product range.

Aspo Shipping

In early 2006, the demand for sea transports on the Baltic Sea was weaker than usual. Due to the EU emissions trading system, energy companies reduced the use of coal. At the same time, the commissioning of the Shipping Division's newest vessel increased shipping capacity. Some of the capacity had to be sold on spot markets.

During the course of the year, global markets picked up and the dry summer caused a spike in the demand for energy coal in the Baltic Sea region. Higher costs and continued availability problems in shipping ports taxed operational earnings compared with the previous year. The Shipping Division recorded moderate sales growth.

Transports for the steel industry, which represented roughly 53% (60%) of the total transport volume, continued at a steady pace throughout the year. Transports for the energy industry picked up towards the year-end and accounted for some 37% (34%) of the shipping company's total transport volume of 14.6 million tons (13.9). Although operational profitability improved in the second half, earnings fell short of last year and were unsatisfactory.

At the beginning of the year, an important decision in view of the future was made to order two new Eira-class vessels. The vessels, to be built in India, will raise the number of the company's Eira-class vessels to four. The vessels are scheduled for completion in 2008 and 2009. The effect of the total investment on cash flow was cut in half to approximately EUR 25 million, because one of the newbuildings was resold to SEB Leasing Oy. As the prices of used vessels began to rise sharply towards the year-end, a decision was made to sell one of the oldest vessels in the fleet, the Ms Arkadia built in 1983. The sale of the vessel was part of the company's fleet modernization strategy.

Aspo Systems

Higher than average activity continued in the service station markets, boosting the Systems Division's net sales. Towards the year-end, the market featured several mergers and acquisitions. Customer investments in equipment and maintenance services were, for the most part, carried out as planned, but orders linked to the new chip card technology were postponed partly because of lack of components and partly owing to the type approval schedules for new products.

An action plan to streamline and rationalize operations was implemented in the second half. It is expected to produce annual savings of EUR 1.5 million starting 2007. The approximately EUR 0.7 million non-recurring costs of the program hampered the Division's performance. Without non-recurring costs, the comparable earnings picked up from the previous year.

The Systems Division signed an extensive agreement with the international Gilbarco Veeder-Root organization covering fuel dispensing equipment for service stations and a number of other products, as well as their maintenance.

The operations of a joint venture in St. Petersburg that makes payment terminals for the Russian markets proceeded as planned. An IT investment designed to improve the efficiency of maintenance and servicing was completed at the end of the year.

Net Sales

The Aspo Group's net sales were up by EUR 21.0 million (10.2%) to EUR 225.9 million. The Group's direct exports combined with the net sales of foreign subsidiaries totaled EUR 88.5 million (76.5).

The net sales of the Chemicals Division increased by 21.1% to EUR 89.1 million (73.6), with Russia and Ukraine generating the strongest growth. The net sales of the Shipping Division were up by 4.4% to EUR 82.7 million (79.2). Meanwhile the Systems Division saw an increase of 3.8% in its net sales, totaling EUR 54.1 million (52.1).

Earnings

The Aspo Group posted an operating profit of EUR 12.8 million (17.3) for the fiscal year.

The Chemicals Division's operating profit rose by EUR 0.5 million to EUR 2.7 million (2.2). More than half of the operating profit was generated by international subsidiaries. The operating profit of the Shipping Division fell to EUR 12.6 million (17.9). The Systems Division saw earnings growth of EUR 0.2 million but it recorded an operating loss of EUR 1.0 million (-1.2).

The Group's depreciation grew by a million euro to EUR 9.3 million. Chemicals Division depreciation amounted to EUR 0.5 million, the Shipping Division's to EUR 8.4 million, and the Systems Division's to EUR 0.4 million.

The Group's net financial expenses totaled 0.8% of net sales or EUR 1.8 million (1.5).

Earnings before taxes amounted to EUR 11.1 million (15.8). Earnings for the fiscal year totaled EUR 8.2 million (10.8). The Group's direct taxes and the change in deferred tax liabilities amounted to EUR 2.8 million (3.9).

Aspo has adjusted its accounting policies for tangible assets with regard to dockage costs. The reference data for 2005 has been adjusted accordingly.

Investments

The Group's investments during the year totaled EUR 10.2 million (5.8). The majority of the investments involved advances on the vessel acquisitions and the business acquisition.

Net Sales by Division

	2006 MEUR	2005 MEUR	Change MEUR	Change %
Chemicals	**89.1**	73.6	15.5	21.1
Shipping	**82.7**	79.2	3.5	4.4
Systems	**54.1**	52.1	2.0	3.8
Total Net Sales	**225.9**	204.9	21.0	10.2

Operating Profit by Division

	2006 MEUR	2005 MEUR	Change MEUR	Change %
Chemicals	**2.7**	2.2	0.5	22.7
Shipping	**12.6**	17.9	-5.3	-29.6
Systems	**-1.0**	-1.2	0.2	16.7
Other operations	**-1.5**	-1.6	0.1	6.3
Total Operating Profit	**12.8**	17.3	-4.5	-26.0

Investments by Division

	2006 MEUR	2005 MEUR
Chemicals	**1.3**	0.4
Shipping	**7.3**	0.6
Systems	**1.4**	4.7
Other operations	**0.2**	0.1
Total Investments	**10.2**	5.8

Financing

The Group's liquidity was good throughout the year with liquid funds standing at EUR 9.1 million (12.5) on the balance sheet date. Interest-bearing liabilities in the consolidated balance sheet totaled EUR 29.9 million (26.3) on the balance sheet date while interest-free liabilities amounted to EUR 31.9 million (26.7).

The Aspo Group's net gearing was 35.7% (23.6%), the return on equity was 14.1% (19.9 %), and the equity ratio adjusted for deferred tax liabilities was 45.2% (47.2%).

Risks and Risk Management

Risk management is a 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 surveyed, 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. Liability risks are covered with appropriate insurance.

Business Risks

The most important business risks in terms of probability and impact have to do with operations and especially customer loyalty, adequacy of equipment, the protection of margins and retaining key personnel. Consequently, for Aspo, risk management does not involve just securing sufficient insurance coverage, but it is an essential part of daily operations and is included in day-to-day processes.

Aspo Chemicals

The earnings of Aspo Chemicals are particularly sensitive to fluctuations in raw material prices. Other essential business risks with a potential impact on operations include mergers and acquisitions between raw material suppliers, reorganization of distribution channels, and changes in the chemical industry and legislation.

Aspo Shipping

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

Aspo Systems

For Aspo Systems, changes in the competitive environment or customer purchasing behavior and the loss of key customers are risks that have been systematically addressed by building close partnerships with customers and by expanding the market area.

Financial Risks

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

Interest Rate Risks

Aspo uses interest rate options and interest rate swaps to hedge the interest rate of Aspo Shipping's long-term loans.

Credit Risks

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

Exchange Rate Risks

Aspo Group's hedging measures include forwards and intra-Group currency transactions. Approximately a third of ESL Shipping's invoicing is currently in US dollars, and about a fifth of Aspokem's purchases are priced in dollars.

Personnel

At the year-end, Aspo Group employed 694 (681) personnel and an average of 693 (688) during the year. Office staff represented 312 (307) and non-office workers 381 (381) of the total. The parent company employed 9 (9) office staff at the year-end and 9 (9) on average during the year.

Average Personnel by Division

	2006	2005
Chemicals		
Office staff	90	82
Non-office workers	14	9
	104	91
Shipping		
Office staff	30	30
Crew members	227	231
	257	261
Systems		
Office staff	183	186
Non-office workers	140	141
	323	327
Group Management	9	9
Total	693	688

Of Aspo Group personnel, 60% (63%) work in Finland, 28% (28%) in other Nordic countries, 5% (5%) in the Baltic countries, and 7% (4%) in Russia. Men represented 82% (83%) and women 18% (17%) of total personnel. In the Aspo Group, 98% (98%) of employment contracts were full-time. During the year, 47 (38) new employment contracts were signed. Total wages and salaries paid to personnel in 2006 amounted to EUR 26,493,996 (25,480,462).

Rewards and Incentives

The Aspo Group has introduced a profit-sharing scheme and a personnel fund, which at this point cover all Aspo Group personnel working in Finnish subsidiaries.

Part of the Group's earnings is placed in the personnel fund as a profit bonus. The objective is for the fund to use the majority of the profit bonuses to acquire Aspo Plc shares. The long-term objective is to make the personnel one of the company's key shareholder groups.

In January 2006, Aspo Plc's Board of Directors decided to introduce a new share price linked incentive scheme for key personnel, in which any bonus is based on the performance of the company's share in the next three years. The scheme covers approximately 30 Aspo Group executives and key employees. Each of them purchased an agreed number of Aspo shares in May. The bonus, which is linked to the share price performance, will be paid out in cash when the scheme matures in 2009.

Research and Development

The Aspo Group's research and development activities are organized according to the nature of each Division. In the Chemicals and Shipping Divisions R&D is mainly focused on the development of operations, methods and production technology without a dedicated organization, which is why these development investments are recorded under normal operating expenses without an itemized breakdown.

The Autotank Group representing the Systems Division invests heavily in R&D with a special focus on the development of new payment solutions. In Finland and Sweden, a total of 20 (28) people have participated in research and development. During fiscal 2006, investments amounted to EUR 1.1 million (1.1), accounting for 2.1% (2.1) 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 being sustainable development. The Aspo Group has also undertaken to comply with the International Chamber of Commerce Business Charter to ensure sustainable development.

Aspo Chemicals

Aspo Chemicals strives for zero accidents on all operational levels in environmental, health and safety affairs. In the past eleven years, there have been no major 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 the 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 operation of ships and for pollution prevention. The certificate involves annual audits. All vessels have also been certified for compliance with the requirements of the ISM Code. During the year, the fleet switched over to low-sulfur fuels.

Aspo Systems

For Aspo Systems, environmental considerations represent 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.

Shares

Aspo Plc has one share series. Each share entitles its holder to one vote at the Annual Shareholders' Meeting. The company share is quoted on the Helsinki Stock Exchange OMX list under medium-sized companies and under the GICS classification 'Industrials'.

During 2006, a total of 6,043,932 Aspo Plc shares were traded on the Helsinki Stock Exchange with a value of EUR 41.9 million, or 23.2 percent of the shares changed owners. The shares reached a high during the period of EUR 8.62 and a low of EUR 5.75. The average price was EUR 6.96 and the closing price EUR 6.80. The market value of the share capital at the year-end, less treasury shares, was 174.7 million.

On December 31, 2006, Aspo Plc's registered share capital was EUR 17,451,695.37 divided into 26,047,803 shares, of which the company held 358,250 shares or 1.38% of the share capital.

At Aspo Plc's Annual Shareholders' Meeting held on April 4, 2006, the Board of Directors was authorized to repurchase a maximum of 400,000 company shares and to dispose of a maximum of 765,950 repurchased shares. The authorizations are valid for one year from the decision of the Shareholders' Meeting.

Under the authorization granted at the Shareholders' Meeting the Board of Directors decided on May 17, 2006 to dispose of 7,700 company shares within the context of an incentive scheme targeted at key personnel. The disposal price of the shares was the fair value at the point of disposal based on public trading. During the year, the Board of Directors did not exercise its authorization to repurchase company shares.

Convertible Capital Notes

Aspo Plc has issued Convertible Capital Notes worth EUR 17,645,000. The period for the notes is from June 4, 2004 to June 4, 2009. The notes will be repaid in a single installment on June 4, 2009 provided that the repayment conditions specified in chapter 5 of the Companies Act and in the terms and conditions of the Convertible Capital Notes are met. The notes carry a fixed 5% interest rate.

The terms and conditions of the Convertible Capital Notes state that as of January 2, 2005, Aspo is entitled to early repayment of the principal in its entirety at a rate of hundred (100) percent, plus the interest accumulated by the payment date. If the loan is not repaid on the due date, interest will be paid on the unpaid principal totaling two (2) percentage points above the confirmed annual interest rate.

The capital notes can be converted into Aspo stock. Each EUR 500 note entitles the holder to convert the note into 84 Aspo Plc shares. The conversion rate is EUR 5.95.

During the year, the convertible capital notes were used to subscribe for 364,560 shares, and the share capital was correspondingly raised by EUR 243,922.56.

Management and Auditors

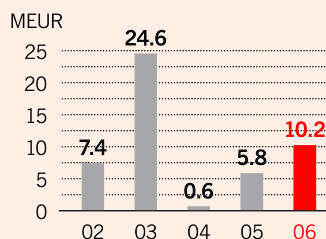
At Aspo Plc's Annual Shareholders' Meeting held on April 4, 2006, Mr. Matti Arteva, Mr. Kari Haavisto, Mr. Esa Karppinen, Mr. Roberto Lencioni, and Mr. Kari Stadigh were re-elected to the Board for a term of one year. Kari Stadigh has served as the Chairman and Matti Arteva as Vice-Chairman of the Board.

In 2006, the Board met 13 times, five of which were teleconferences. All Board members were present at each meeting.

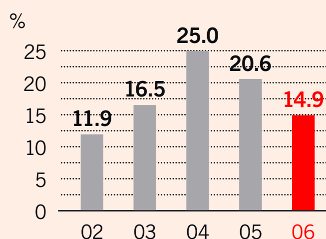
Since October 1999, Gustav Nyberg has been the CEO of the company.

The company auditor is PricewaterhouseCoopers Oy, an authorized public accountant firm with Jouko Malinen as the auditor in charge.

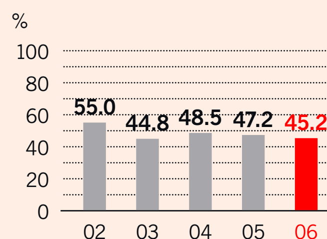
Investments



Return on Investment (ROI)



Equity Ratio



Post-Fiscal Events

At the beginning of 2007, ESL Shipping Ltd's second oldest vessel, the Ms Arkadia, built in 1983, was sold in accordance with a decision made earlier. The vessel had been written off in full, which means the deal will result in a EUR 10 million gain before taxes. The gain will be recognized in the second quarter. The vessel will be handed over to the buyer as agreed by the end of April.

Prospects for 2007

The prospects for all Aspo's Divisions for 2007 appear positive at the moment. The Group is expected to further increase its net sales, and earnings are expected to improve over the previous year.

The Group's international units account for the majority of Aspo's growth and for an increasingly large part of its consolidated net sales. In terms of financial performance, the countries with the greatest potential are those with a geographic or logistical connection to the Baltic Sea area. Growth opportunities for the next few years in this area appear promising.

Aspo Chemicals

The dramatic price fluctuations experienced in the international chemicals markets in the past few years appear to be continuing. Manufacturers are heavily cutting the production capacity for low-profit products. As demand exceeds supply, prices tend to rise quickly. There's growing uncertainty regarding the price of crude oil. A major long-term price reduction is not, however, on the horizon.

In 2006, the Chemicals Division came close to its best ever performance, largely thanks to strong market conditions in the East. The positive trend is expected to continue. The Division is expected to generate growing net sales, although the growth is likely to slow down from the 20% level exceeded last year. The Chemicals Division's objective is to outperform market growth. According to our current estimate, Chemicals will perform well this year, too.

The biggest risks affecting the Chemicals Division have to do with the potential negative impact of the European Union's chemical legislation (REACH). In the worst-case scenario, the legislation would restrict the manufacture and use of chemicals in the European Union. Other risks include political and financial instability in Russia and Ukraine.

Aspo Shipping

The year-end was very dynamic on international bulk freight markets, but the situation is expected to normalize during this year. However, global trends are not expected to have a significant impact on market conditions in the Baltic Sea region. The demand for energy coal transport is expected to stabilize while demand for steel industry shipments is likely to pick up from last year.

The transport capacity of the Shipping Division will decline somewhat after the handover of the Ms Arkadia in spring 2007. The new vessel commissioned last year has now been fully integrated with the fleet, and the shipping company is expected to improve its operational efficiency this year. The Shipping Division is well positioned to boost earnings provided it does not experience the same availability problems as it did last year. No major changes are expected in terms of net sales.

Foreign exchange risks associated with Shipping Division's business have been hedged primarily using forwards. The risks related to fuel price fluctuation have been hedged using bunker clauses in customer contracts.

Aspo Systems

Dynamic market conditions in fuel distribution are expected to persist in 2007. Supporting this view are technology investments as well as the increasing distribution of new fuel mixtures and the consolidation of the industry.

Equipment orders associated with chip card introduction are already in the order book, which suggests that technology investments will be launched in 2007. The new all-Nordic product generation completed last year as well as organizational streamlining and rationalization will provide a solid foundation for improved efficiency.

The Systems Division's objective is to increase its net sales moderately. The Division is expected to generate a profitable performance on the year.

Proposal of the Board for the Distribution of Earnings

The parent company's distributable earnings totaled EUR 17,018,304.86 with the fiscal year's earnings totaling EUR 13,980,574.96. The company's registered share capital on December 31, 2006 was 26,047,803 shares, of which the company held 358,250.

The Board proposes that the company's earnings be distributed as follows: A dividend of EUR 0.41 per share to be paid out on 25,689,553 shares, totaling EUR 10,532,716.73 and EUR 6,485,588.13 to be held in shareholders' equity.

Helsinki, February 13, 2007
Aspo Plc
Board of Directors

Consolidated Income Statement

1 000 EUR	Note	2006	2005
Net Sales	1	**225 897**	204 896
Change in the inventory of finished goods and work in progress +/-		**3 100**	-841
Other operating income	3	**778**	1 118
Share of associated companies' profit or loss		**123**	-1
Materials and services	6	**-124 680**	-101 303
Personnel costs	4	**-32 985**	-32 351
Depreciation	5	**-9 333**	-8 666
Other operating expenses	6	**-50 076**	-45 587
Operating Profit		**12 824**	17 264
Financial income and expenses	7	**-1 762**	-1 504
Profit Before Taxes		**11 062**	15 760
Income taxes from operational activities	8	**-2 843**	-4 171
Net Profit for the Period		**8 219**	11 589
Profit to parent company shareholders		**8 174**	11 524
Minority interest		**46**	65
Earnings per share to parent company shareholders:			
Earnings per share, EUR	9	**0.32**	0.45
Earnings per share (diluted), EUR	9	**0.31**	0.43

Consolidated Balance Sheet

Assets

1 000 EUR	Note	2006	2005
Non-Current Assets			
Intangible assets	10	1 170	490
Goodwill	11	8 212	7 243
Tangible assets	12	54 445	55 289
Investments held for trading	13	160	858
Long-term receivables	14	217	174
Shares in associated companies	15	1 368	1 236
Deferred tax receivables	16	2 092	1 630
Total Non-Current Assets		67 663	66 919
Current Assets			
Inventories	17	17 674	15 357
Accounts receivable and other receivables	18	34 055	28 363
Income tax receivables		867	275
Cash and cash equivalents	19	9 123	12 545
Total Current Assets		61 719	56 540
Total Assets		129 382	123 459

Shareholders' Equity and Liabilities

1 000 EUR	Note	2006	2005
Shareholders' Equity			
Share capital	20	17 452	17 208
Premium fund	20	2 459	518
Repurchased shares	20	-1 828	-1 861
Revaluation fund and other funds	20	-42	320
Retained earnings	20	31 622	30 246
Net profit for the period	20	8 174	11 524
Equity portion of the convertible bond	20	220	220
Total shareholders' equity belonging to shareholders		58 056	58 175
Minority interest		113	85
Total Shareholders' Equity		58 169	58 260
Long-Term Liabilities			
Long-term provisions		248	99
Deferred taxes	16	8 375	9 535
Long-term interest-bearing liabilities	21	19 531	23 189
Long-term interest-free liabilities	22	71	215
Pension liabilities	23	482	925
Total Long-Term Liabilities		28 707	33 963
Short-Term Liabilities			
Short-term provisions	24	319	95
Short-term interest-bearing liabilities	21	10 360	3 115
Short-term interest-free liabilities	22	31 245	27 572
Income tax liabilities		583	454
Total Short-Term Liabilities		42 507	31 236
Total Shareholders' Equity and Liabilities		129 382	123 459

Consolidated Cash Flow Statement

1 000 EUR	2006	2005
Operational Cash Flow		
Operating profit	12 824	17 264
Adjustments to operating profit 1)	6 826	8 990
Change in working capital 2)	-641	2 122
Interest paid	-3 198	-2 432
Interest received	969	683
Dividends received	12	37
Taxes paid	-4 492	-4 626
Operational Cash Flow	12 300	22 038
Cash Flow from Investments		
Investments in tangible and intangible assets	-5 018	-2 758
Advance payments for vessels	-5 183	
Gains on the sale of tangible and intangible assets	62	95
Gains on the sale of other investments	918	
Subsidiaries acquired		-3 205
Associated companies acquired	-12	-449
Cash Flow from Investments	-9 233	-6 317
Cash Flow from Financing		
Repurchase of shares		-858
Disposal of shares	53	
Change in long-term receivables	-74	-8
Repayments of short-term loans	-750	-472
Repayments of long-term loans	-3 508	-3 870
New short-term loans	8 000	
Profit distribution to minorities	-82	-67
Dividends paid	-10 127	-10 102
Cash Flow from Financing	-6 488	-15 376
Change in Liquid Funds	-3 422	344
Liquid funds Jan. 1	12 545	12 201
Liquid Funds at the Year End	9 123	12 545

Notes to the consolidated cash flow statement	2006	2005
1) Adjustments to operating profit		
Depreciation and write-downs	9 333	8 561
Gains from the disposal of fixed assets and investments	-613	-1 683
Accrued personnel costs	-1 771	2 112
Share of affiliate profit or loss	-123	
Total	6 826	8 990
2) Change in working capital		
Inventories	-2 316	602
Short-term receivables	-5 702	-701
Short-term interest-free liabilities	7 387	2 624
Other changes	-10	-403
Total	-641	2 122

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 January 1, 2006	**17 208**	**518**	**320**	**220**	**-1 861**	**44**	**41 726**	**58 175**	**85**	**58 260**
Translation differences						50			-6	
Investments held for trading										
Amount carried to income statement			-432							
Share of deferred taxes			112							
Net profit for the period							8 174		46	
Increase in hedging reserve				-57						
Share of deferred taxes				15						
Dividend payment							-10 127		-82	
Sale of repurchased shares		15			33					
Conversion of convertible bond to shares	244	1 926								
Change in minority interests							-71		71	
Shareholders' Equity on December 31, 2006	**17 452**	**2 459**		**178**	**-1 828**	**94**	**39 702**	**58 056**	**113**	**58 170**
Shareholders' Equity on January 1, 2005	**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	
	17 208	518	320	220	-1 861	44	40 912	57 361	85	57 446
IAS 8 compliant change in accounting principles							814			
Shareholders' Equity on December 31, 2005	**17 208**	**518**	**320**	**220**	**-1 861**	**44**	**41 726**	**58 175**	**85**	**58 260**

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 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.

The Aspo Plc Board of Directors has approved the financial statements for issue on February 13, 2007.

Accounting Principles

Basis of Presentation

The consolidated financial statements have been drawn up in line with International Financial Reporting Standards (IFRS) approved in the EU, applying the standards and interpretations valid on December 31, 2006.

All the figures in these financial statements are in EUR thousands and they are based on original acquisition costs if not otherwise stated in the Accounting Principles.

As of January 1, 2006, the Group has adopted renewed standards:

– IAS 19, Employee Benefits amendment. The adoption of the amended standards affects only the notes to the consolidated financial statements as the Group has not amended its actuarial profit and loss recording principles.

The following standards or interpretations have no impact on the Aspo Group:

– The IAS 21, Amendment on the Effects of Changes in Foreign Exchange Rates that allows the treatment of intra-Group loans between affiliated companies as part of the Group's net investment in a foreign entity that are not expected to be repaid. During fiscal 2005 and 2006, the Aspo Group has not had any intra-Group loans between affiliated companies that are treated as net investments.
– IAS 39 (amendment) on Financial Instruments: Recognition and Measurement. The amendment concerns the definition of anticipated intra-Group business transactions in foreign currencies as hedge targets in the consolidated financial statements. Hedge-related accounting has not been applied in Aspo's intra-Group business transactions in the 2005 and 2006 fiscal periods.
– IAS 39 (amendment), Recognition and Measurement – Fair Value Option
– IFRS 1 (amendment), First-time adoption of International Financial Reporting Standards
– IFRS 4 (amendment), Insurance Contracts – Financial Guarantee Contracts and Credit Insurance
– IFRS 6 (amendment), Exploration for and Evaluation of Mineral Resources
– IFRIC 4, Determining whether an Arrangement contains a Lease
IFRIC 4 clarifies how arrangements that do not take the legal form of a lease should nevertheless be accounted for as IAS 17, Leases.
– IFRIC 5, Rights to Interests Arising from Decommissioning, Restoration and Environmental Funds
– IFRIC 6, Liabilities Arising from Participating in certain Markets – Waste Electrical and Electronic Equipment markets
– IFRIC 7, Applying the Restatement Approach under IAS 29, Financial Reporting in Hyperinflationary Economies
– IFRIC 8, Scope of IFRS 2
– IFRIC 9, Reassessment of Embedded Derivatives

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 fulfill 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.

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 associated with operations have been recorded under other operating income or expenses. Exchange gains and losses are recognized in the income statement as financial gains and losses.

Foreign Subsidiaries

Figures for the performance and financial position of the Group's units are measured in the main currency of the unit's business environment (operational currency). The consolidated financial statements are presented in euros, the parent company's operational and reporting currency. 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.

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 at least annually using the Goodwilll impairment test based on fair market value (see Goodwill impairment test on page 53).

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 mainly as expenses at the time of occurrence. However, 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 equaling 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 other leases (operational leasing) 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.

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. In accordance with its terms and conditions, the scheme ended in November 2006. The scheme covered 15 Aspo Plc and subsidiary executives and key employees chosen by the Board of Directors. The bonus, which was tied to the share price performance, was paid in December 2006 to the persons included in the scheme. The bonus has been recognized in the income statement as expenditure during the period in which the benefit was generated.

Share-Based Incentive Scheme 2006

In January 2006 the Board of Directors decided to set up a share-based Incentive Scheme based on the share price performance for approximately 30 Aspo Plc and subsidiary executives and key employees selected by the Board of Directors. Costs arising from the scheme are measured at fair value 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. The expenditure determined on the granting date is based on a Group estimate as to the number of options rights existing at the end of the period in which the benefit was generated. The Group will update the estimate on the final amount of options on each closing date. Arrangements paid in cash will be recognized at fair market value in the financial statements, and changes in the debt's fair value are recognized in the income statement.

Treasury Shares

The acquisition cost of Aspo Plc's own shares is recorded as a reduction of shareholder's equity.

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.

A provision for restructuring is recognized when the Group has prepared a detailed restructuring plan and restructuring has either commenced or the plan has been announced publicly.

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. 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.

Accounts Receivable

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

Financial Assets and Liabilities

Classification, measurement of financial assets and liabilities and recognition of derivatives have been performed in accordance with IAS 32 (Financial Instruments: Disclosure and Presentation) and IAS 39 (Financial Instruments: Recognition and Measurement).

Financial assets are derecognized when the Group has lost the contractual right to cash flows or when it 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 classified 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. The classification takes place upon initial recognition.

Loans and other receivables 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.

"Held-to-maturity investments" are valued at their allocated acquisition cost and are included in long-term investments. During the fiscal period, the Group had no held-to-maturity financial assets or liabilities.

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.

The fair value of convertible bonds has been determined on the basis of the market rate of interest of an equivalent loan at the point of issue of the convertible bond. Share in debt is included in periodic acquisition cost until it is amortized completely by converting the loan into stock. The remainder of the money received, the share of equity, less associated taxes, has been recorded under equity.

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

Derivatives are originally booked at their fair value on the day the Group becomes a contracting party, and are later assessed at their fair value. For the most part Aspo does not apply IFRS-compliant hedge accounting. 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.

Aspo has applied hedge accounting to protect predicted foreign currency cash flow in the acquisition of fixed assets. The change in the fair value of the effective share of derivatives that meet the criteria for hedge accounting is recorded directly in the hedge fund included in the fair value reserve under equity. Profits and losses recorded under equity are transferred to the acquisition cost of the asset in question during the fiscal period the hedged item is capitalized.

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 in 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 carrying amount is higher than its recoverable amount.

Central Factors Used when Calculating the Use Value of Systems Division:

1. **Sales margin** – The previous years' realized sales margins have served as a basis, and they have been adjusted to better correspond to the near-future cost structure and prevailing competitive situation. According to the forecast, the shares of different product groups/sectors of total sales will change in the future for the benefit of more profitable product groups when, as a whole, a slight increase is expected in the sales margin.

2. **Fixed costs** – As a result of several cost-savings programs, fixed costs are at a moderate level, and their proportion to the net sales is estimated to remain relatively stable or even to decrease in the future.

3. **Market share** – Defined on the basis of the previous years' realized market share. Market share is not expected to essentially change in the coming years, considering continuous product development, close cooperation with a global equipment manufacturer and the anticipated tightening of competition.

4. **Discount rate** – Defined with the help of a weighted average cost of capital that reflects the total cost of equity and liabilities.

More on the management's forecasts and the related uncertainties are explained in the sections "Prospects for 2007" and "Risk Management" in the Report of the Board of Directors.

Application of New or Amended IFRS Standards and IFRIC Interpretations

The Group will adopt the following new IASB standards and interpretations effective 2007–2009.

- IAS 1 (amendment), Presentation of Financial Statements
- IFRS 7, Financial Instruments: Disclosures (2007)
- IFRIC 10, Interim Financial Reporting and Impairment
- IFRIC 11, IFRS 2 – Group and Treasury Shares (2007)
- IFRIC 12, Service Concession Arrangements (2008)
- IFRS 8, Operating Segments (2009)

The Group estimates that the adoption of these standards and interpretations in 2007 will primarily influence only the notes to the financial statements.

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

2006

1 000 EUR	Chemicals	Shipping	Systems	Other	Elim.	Group
Sales outside the Group	89 127	82 665	54 105			225 897
Intra-Group sales						
Net sales	89 127	82 665	54 105			225 897
Operating profit	2 729	12 624	-957	-1 573		12 824
Net financial expenses						-1 762
Profit before taxes						11 062
Income taxes						-2 843
Net profit for the period						**8 219**
Depreciation on tangible assets	378	8 324	365	22		9 089
Depreciation on intangible assets	74	67	38	47		226
Segment's assets	28 057	58 611	28 336	712		115 716
Shares in associated companies		1 368				1 368
Non-allocated funds						12 299
Total funds						**129 382**
Segment's liabilities	11 245	7 818	11 538	1 196		31 798
Non-allocated liabilities						39 416
Total liabilities						**71 213**
Investments	1 314	7 355	1 365	167		**10 201**

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.

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	17 869	-1 255	-1 571		17 264
Net financial expenses						-1 504
Profit before taxes						15 760
Income taxes						-4 171
Net profit for the period						**11 589**
Depreciation on tangible assets	366	7 529	510	23		8 428
Depreciation on intangible assets	102	55	65	16		238
Segment's assets	22 416	58 623	25 236	899		107 174
Shares in associated companies		1 236				1 236
Non-allocated funds						15 049
Total funds						**123 459**
Segment's liabilities	8 271	7 467	10 159	801		26 698
Non-allocated liabilities						38 501
Total liabilities						**65 199**
Investments	375	1 726	4 735	103		**6 940**

1.2. Geographic Segments

	Net Sales		Investments		Assets	
1 000 EUR	**2006**	**2005**	**2006**	**2005**	**2006**	**2005**
Finland	**137 357**	128 357	**8 893**	2 151	**83 209**	81 506
Nordic countries	**47 795**	47 327	**984**	4 627	**21 074**	18 737
Baltic countries	**15 625**	16 659	**72**	39	**5 966**	4 926
Russia and others	**25 120**	12 552	**253**	123	**6 834**	3 242
Total	**225 897**	204 896	**10 201**	6 940	**117 083**	108 410

2. Acquired and Discontinued Operations and Divestments

In April 2006, Aspokem Ltd acquired the business operations of Sealco Oy, which resulted in a substantial growth in the clientele and range of products of the Automotive Chemicals unit. The total purchase price was approximately EUR 1.4 million. The effect of the purchase price on cash flow was about EUR 1.4 million. The figures of Sealco operations have been consolidated as of the beginning of April, 2006. The Group net sales would not have changed significantly even if Sealco had been consolidated at the beginning of the year. The EUR 0.9 million goodwill of the acquired business operations was influenced by the market position of anti-corrosion products, client relationships and the chance to exploit distribution channels.

1 000 EUR	Fair Values Recorded in Combination	Book Value Before Combination
Tangible fixed assets	84	84
Intangible assets	5	5
Inventories	473	473
Total assets	**563**	**563**
Total liabilities	**-50**	**-50**
Net assets	513	513
Acquisition cost	1 400	1 400
Goodwill	888	888
Purchase price paid in cash	1 400	
Cash flow effect	**1 400**	

3. Other Operating Income

Other operating income

1 000 EUR	2006	2005
Total gains from the sale of fixed assets	620	84
Total rents and related remuneration	32	17
Disposal of the Aspo Building purchase option		850
Other income	127	167
Total other income	**778**	1 118

4. Employee Benefits and Personnel Information

Aspo Group employed 694 personnel at the year-end (681) and an average of 693 during the year (688). The average number of office personnel during the year was 312 (307) and of non-office workers 381 (381). The parent company personnel at the year-end totaled 9 (9) and averaged at 9 (9). All of these were office personnel.

1 000 EUR	2006	2005
Wages and salaries	26 139	24 716
Pension costs, contribution plans	2 656	2 420
Pension costs, defined benefit plans	-438	33
Option arrangements paid for in cash	355	764
Other indirect personnel costs	4 273	4 417
Total	32 985	32 351

Information regarding the employee benefits of senior management is given in the Inner Circle section.

Personnel by division at the end of period

	2006	2005
Chemicals	109	90
Shipping	257	255
Systems	319	327
Aspo Plc	9	9
Total	694	681

Personnel by geographic area at the end of period

	2006	2005
Finland	418	425
Nordic countries	191	193
Baltic countries	35	33
Russia and others	50	30
Total	694	681

5. Depreciation

1 000 EUR	2006	2005
Intangible assets	226	238
Buildings	202	221
Vessels	8 307	7 497
Machinery and equipment	581	711
Depreciation on land and water, finance lease	17	
Total	9 333	8 666

6. Operating Expenses

Materials and services

1 000 EUR	2006	2005
Purchases during the period		
Chemicals	79 209	61 840
Shipping	14 807	9 823
Systems	19 294	19 829
Total	113 310	91 492
Change in inventories	267	693
Outsourced services		
Chemicals	1 761	1 860
Systems	9 342	7 258
Total	11 103	9 118
Total materials and services	124 680	101 303

Items above operating profit include exchange rate losses in the amount of EUR 63,000 in 2006 and gains of EUR 257,000 in 2005.

Other operating expenses

1 000 EUR	2006	2005
Rents	4 007	3 815
Chemicals	2 458	1 976
Shipping	36 007	32 185
Systems	6 317	5 958
Non-allocated costs	1 352	1 268
Foreign exchange losses	-71	386
Loss on disposal of non-current assets	7	
Total	50 076	45 587

Product development costs

1 000 EUR	2006	2005
Systems	1 135	1 119
% of net sales	2.1	2.1

7. Financial Income and Expenses

1 000 EUR	2006	2005
Dividend income	12	37
Financial income	270	365
Interest rate derivatives	89	
Foreign exchange gains	597	318
Total financial income	969	720
Financial expenses	-1 786	-1 581
Interest rate derivatives	19	-59
Foreign exchange losses	-964	-584
Total financial expenses	-2 730	-2 224
Total financial income and expenses	-1 762	-1 504

8. Income Taxes

Income statement taxes

1 000 EUR	2006	2005
Taxes for the fiscal year	-3 968	-4 984
Change in deferred taxes and tax receivables	1 130	813
Taxes from previous fiscal years	-5	
Total	-2 843	-4 171

Reconciliation of tax expenses in the income statement and taxes calculated using the parent company's tax rate (26%).

1 000 EUR	2006	2005
Profit before taxes	11 062	15 760
Taxes calculated using the parent company's tax rate	-2 876	-4 098
Impact of foreign subsidiary tax rates	121	94
Taxes from previous fiscal years	-5	
Change in deferred tax receivables brought forward	-123	-66
Other items	40	-101
Income statement taxes	-2 843	-4 171
Effective tax rate	26%	26%

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.

1 000 EUR	2006	2005
Profit before taxes and minority interest	11 062	15 760
– Income taxes on ordinary activities	-2 843	-4 171
– Minority interest	-46	-65
Total	8 174	11 524
Average number of shares during the fiscal period (in 1,000)	25 368	25 391
Earnings per share, EUR	0.32	0.45
Profit before taxes and minority interest	11 062	15 760
– Income taxes on ordinary activities	-2 843	-4 171
– Minority interest	-46	-65
Interest on convertible bond (adjusted with tax impact)	646	704
Total	8 820	12 228
Average number of shares during the fiscal period adjusted for dilution of convertible bond (in 1,000)	28 332	28 720
Diluted earnings per share, EUR	0.31	0.43

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. Advance payments are mainly connected with the operational management system of the Autotank Group.

Intangible assets 2006

1 000 EUR	Intangible Rights	Other Intangible Assets	Advance Payments	Total
Acquisition cost January 1	1 188	463	48	1 699
Translation difference		1		1
Increases	165	2	1 126	1 293
Increases, acquisition	5			5
Decreases	-4	-18	-665	-687
Transfers between items		11	268	279
Acquisition cost December 31	**1 354**	**459**	**777**	**2 591**
Accumulated depreciation January 1	-841	-369		-1 210
Translation difference		-1		-1
Accumulated depreciation from decreases and transfers	4	12		16
Depreciation during the period	-189	-38		-226
Accumulated depreciation December 31	**-1 026**	**-395**		**-1 421**
Book value December 31	**328**	**64**	**777**	**1 170**

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 December 31	**-841**	**-369**		**-1 210**
Book value December 31	**347**	**94**	**48**	**490**

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. Goodwill is divided into the segments as follows: Chemicals EUR 0.9 million, Shipping EUR 0.6 million and Systems EUR 6.5 million.

Future cash flows from impairment calculations are based on the four-year economic plans approved by the Group Management. Estimates regarding cash flow in subsequent years are cautious with 1% 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 the Systems Division's future cash flow at the operating profit level were 10% lower than the figures now used in estimates, the fair value of net assets would be EUR 3.4 million less, but there would be no need to make any write-downs of goodwill. Accordingly, if the Weighted Average Cost of Capital (WACC) were to increase by 10%, the net assets fair value would be EUR 3.0 million less but, nevertheless, higher than the book value, which means there would be no need for a write-down.

Goodwill

1 000 EUR	2006	2005
Acquisition cost January 1	7 243	3 095
Acquisition		4 181
Decreases	911	
Translation difference	58	-33
Acquisition cost December 31	8 212	7 243

12. Tangible Assets

Tangible assets 2006

1 000 EUR	Land	Buildings	Machinery and Equipment	Vessels	Other Tangible Assets	Work in Progress and Advance Payments	Total
Acquisition cost January 1	223	4 298	8 096	143 895	508	60	157 080
Translation difference			65				65
Increases		15	643	2 076	55	5 718	8 507
Increases, acquisition			90				90
Decreases		-14	-221			-51	-286
Transfers between items			-270	49	15	-9	-214
Acquisition cost December 31	**223**	**4 300**	**8 401**	**146 021**	**578**	**5 719**	**165 242**
Accumulated depreciation January 1		-1 749	-6 560	-93 150	-332		-101 791
Translation difference			-51				-51
Depreciation	-17						-17
Accumulated depreciation from decreases and transfers			156		-2		155
Depreciation during the period		-202	-541	-8 307	-42		-9 092
Accumulated depreciation December 31	**-17**	**-1 950**	**-6 997**	**-101 457**	**-375**		**-110 796**
Book value December 31	**207**	**2 349**	**1 404**	**44 563**	**203**	**5 719**	**54 445**

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	144 022	510	62	156 099
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**	**143 895**	**508**	**60**	**157 080**
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	-7 497	-31		-8 428
Accumulated depreciation December 31		**-1 749**	**-6 560**	**-93 150**	**-332**		**-101 791**
Book value December 31	**223**	**2 550**	**1 535**	**50 745**	**176**	**60**	**55 289**

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 2011.

2006

1 000 EUR	Land	Buildings	Total
Acquisition cost January 1	162	1 789	1 951
Depreciation	-17		-17
Acquisition cost December 31	**145**	**1 789**	**1 934**
Accumulated depreciation January 1		-172	-172
Depreciation during the period		-81	-81
Accumulated depreciation December 31		**-253**	**-253**
Book value December 31	**145**	**1 536**	**1 681**

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**

13. Investments Held for Trading

Investments held for trading 2006

1 000 EUR	Quoted	Others	Total
Acquisition cost January 1	698	160	858
Decreases	-698		-698
Acquisition cost December 31		**160**	**160**
Book value December 31		**160**	**160**

Investments held for trading 2005

1 000 EUR	Quoted	Others	Total
Acquisition cost January 1	266	160	426
Revaluation to fair value fund	432		432
Acquisition cost December 31	**698**	**160**	**858**
Book value December 31	**698**	**160**	**858**

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	2006	2005
Long-term loan receivables	109	143
Long-term derivatives, interest rate option	108	31
Total long-term accounts receivable and other receivables	**217**	174

15. Affiliate Companies

ESL Shipping Ltd has a 35% holding of affiliate company Credo AB. Goodwill is not included in the book value. The unlisted Credo AB's registered office is in Donsö, Sweden. The company's net sales during the fiscal period were EUR 2.9 million, assets EUR 25.1 million, liabilities EUR 21.2 million and net profit for the period EUR 1.1 million.

Shares in associated companies

1 000 EUR	2006	2005
Acquisition cost January 1	1 238	789
Increases	118	449
Decreases	-106	
Acquisition cost December 31	**1 250**	1 238
Share of associated companies' profit or loss	122	-1
Transfers between items	-4	-1
Equity adjustments December 31	**118**	-2
Book value December 31	**1 368**	1 236

16. Deferred Taxes

Deferred tax receivables

1 000 EUR	2006	2005
Unused tax losses	1 944	1 080
Changes in warranty provisions		51
Other temporary differences	148	499
Total	2 092	1 630

Deferred taxes

1 000 EUR	2006	2005
Depreciation in excess of plan	8 150	9 016
Fair value fund		112
Capitalization of the dockage	115	286
Convertible bond	74	92
Inventories, forwards, leasing, docking	36	28
Total	8 375	9 535

Change in deferred taxes and tax receivables during the period

1 000 EUR	2006	2005
Deferred tax receivables January 1	1 630	967
Items recorded in the income statement		
Pension liabilities	-114	9
Measurement of derivatives	-44	191
Warranty provision	-51	
Unused tax losses	499	
Other temporary differences	171	340
Receivables acquired with business acquisitions		123
Deferred tax receivables December 31	2 092	1 630

1 000 EUR	2006	2005
Deferred taxes January 1	9 535	9 770
Items recorded in the income statement		
Inventories, forwards, leasing	9	-18
Transaction costs of the convertible bond	-19	
Depreciation in excess of plan	-866	-542
Capitalization of the dockage	-171	286
Items recorded in shareholders' equity	-112	38
Deferred taxes December 31	8 375	9 535

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	2006	2005
Materials and supplies	3 947	4 055
Work in progress	1	876
Finished goods	13 257	10 273
Other inventories	469	153
Total	17 674	15 357

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 carrying amount 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	2006	2005
Accounts receivable	26 691	23 325
Refund from the Ministry of Transport and Communications	2 470	2 470
Derivative contracts	128	164
Advance payments	3 238	692
VAT receivable	424	696
Duties receivable	8	107
Other deferred receivables	1 097	909
Total	34 055	28 363

19. Cash and Cash Equivalents

The average interest rate for commercial paper on December 31, 2006 was 2.9%.

Cash and cash equivalents

1 000 EUR	2006	2005
Commercial paper	5 007	4 200
Bank accounts	4 115	8 345
Total	9 123	12 545

20. Shareholders' Equity

Shares and Share Capital

On December 31, 2006 Aspo Plc had 26,047,803 shares and its share capital totaled EUR 17.5 million.

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.

Share capital and premium fund

1 000 EUR	In 1,000	Share Capital	Premium Fund	Repurchased Shares	Total
January 1, 2006	**25 317**	**17 208**	**518**	**-1 861**	**17 726**
Conversion of convertible bond to shares in 2006	365	244	1 926		2 170
Sale of repurchased shares in May 2006	8		15	33	15
December 31, 2006	**25 690**	**17 452**	**2 459**	**-1 828**	**19 910**
Own shares held by the company	358				
Total number of shares	**26 048**				
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 in 2005	31	21	164		185
Shares repurchased in 2005	-129			-858	-858
December 31, 2005	**25 317**	**17 208**	**518**	**-1 861**	**17 726**
Own shares held by the company	366				
Total number of shares	**25 683**				

Revaluation fund and other funds

1 000 EUR	2006	2005
Cash flow hedge fund	-42	
Revaluation fund for investments held for trading		320

Voluntary provisions

1 000 EUR	2006	2005
Accumulated depreciation in excess of plan	31 346	34 678
Deferred taxes on excess depreciation	-8 150	-9 016
Total	**23 196**	25 661

Equity portion of convertible bond

1 000 EUR	2006	2005
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 bonds total EUR 17,645,000. 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 84 Aspo shares. The conversion rate of the share is EUR 5.95.

Long-term liabilities

1 000 EUR	2006	2005
Loans	1 765	3 166
Financial leasing liabilities	1 598	1 748
Convertible bond	16 167	18 261
Pension loans		13
Total	19 531	23 189

Short-term liabilities

1 000 EUR	2006	2005
Loans	10 264	3 080
Financial leasing liabilities	82	20
Pension loans	14	15
Total	10 360	3 115

Repayment schedule for long-term liabilities

1 000 EUR	2008	2009	2010	2011	Total
Loans	1 613	54	50	49	1 765
Financial leasing liabilities	91	91	91	1 325	1 598
Convertible bond		16 167			16 167
Total	1 703	16 312	141	1 374	19 531

Financial leasing liabilities

Minimum leasing payments

1 000 EUR	2006	2005
No more than one year	116	142
1–2 years	149	29
2–3 years	145	
3–4 years	145	
4–5 years	145	
More than 5 years	19	
Future financial expenses	-233	-8
Total	486	162

Current value of minimum leasing payments

1 000 EUR	2006	2005
No more than one year	83	91
1–5 years	274	20
Total	**356**	111

Operating leasing liabilities

1 000 EUR	2006	2005
No more than one year	722	704
1–2 years	1 810	1 284
Total	**2 532**	1 988

22. Interest-Free Liabilities

Long-term liabilities

1 000 EUR	2006	2005
Share-based incentive system	71	
Interest rate options		20
Other		196
Total	**71**	215

Short-term liabilities

1 000 EUR	2006	2005
Accounts payable	16 566	13 790
Advances received	776	523
Rents	730	917
Salaries and social contributions	5 249	4 807
Employer contributions	1 428	1 249
Accrued interest	1 036	641
Value added tax liability	1 504	1 640
Share-based incentive system		1 429
Despatch provisions	481	377
Missing purchase invoices and settlements	1 883	696
Other short-term deferred liabilities	1 591	1 502
Total	**31 245**	27 572

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.

Pension liabilities in the balance sheet

1 000 EUR	2006	2005
Current value of funded liabilities	1 281	1 983
Fair value of funds	-843	-976
Non-recorded actuarial gains and losses	44	-82
Total	482	925

Reconciliation of pension liabilities in the balance sheet

1 000 EUR	2006	2005
Net liability at the beginning of fiscal year	925	719
Translation difference	-5	
Subsidiary acquisitions		173
Pension liabilities in the income statement	-438	33
Net liability at the end of fiscal year	482	925

Pension liabilities in the income statement

1 000 EUR	2006	2005
Contribution plans	2 656	2 420
Defined benefit plans	-438	33
Total	2 218	2 453

The actuarial assumptions used

%	2006	2005
Discount interest rate		
Finland	5.25	4.50
Norway	5.00	5.00
Expected return on the funds		
Finland	5.25	4.50
Norway	6.00	6.00
Assumed future pay increases		
Finland	3.50	3.50
Norway	3.00	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 mainly comprise the Group's product warranties. Guarantee reserves mainly comprise the Group's product guarantees, other provisions are connected with lease reserves.

Long-term provisions

1 000 EUR	Warranty and Other Provisions 2006	2005
Provisions January 1	99	179
Translation difference	3	-2
Increase in provisions	218	12
Transfer to short-term provisions	-71	-90
Provisions December 31	**248**	99

Short-term provisions

1 000 EUR	Warranty and Other Provisions 2006	2005	Provision for Environmental Obligations 2006	2005
Provisions January 1	95	149		238
Increase in provisions	278	95		
Used provisions	-55	-149		-6
Reversals of unused provisions				-232
Provisions December 31	**319**	95		

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.

1 000 EUR	Nominal Value 2006	Net Fair Value 2006	Nominal Value 2005	Net Fair Value 2005
Currency derivatives				
Currency forwards	-1 955	-57	2 173	-23
Interest rate derivatives				
Interest rate swaps	7 915	-35	7 915	-16
Interest rate options purchased	27 655	-488	27 655	-573
Interest rate options sold	27 655	228	27 655	223
Total		-352		-389

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' credit rating, which will help obtain sufficient funding for the subsidiaries' intended business activities.

Collateral for own debt

1 000 EUR	2006	2005
Mortgages given	26 864	5 382
Bank guarantees	10 251	870
Other contingent liabilities		
Other leasing liabilities		
Within one year	862	1 029
More than a year and no more than five years	2 039	2 109
Bareboat contract		
Within one year	1 896	1 703
More than a year and no more than five years	6 762	7 491
More than five years		960
Total	48 673	19 544

28. Inner Circle

In January 2006 the Board of Directors decided to set up a share-based Incentive Scheme based on the share price performance for approximately 30 Aspo Plc and subsidiary executives and key employees selected by the Board of Directors. Each purchased an agreed number of Aspo shares in May 2006. A condition connected to the bonus is that the person owns the shares during the whole period the system is effective, that is, until August 2009.

The system is based on granting share units to key persons. A share unit is a benefit to be defined in July 2009. A share unit's value will be the trade weighted average quotation of the Aspo share between January 1, 2009, and June 30, 2009, less the trade weighted average quotation of the Aspo share in May 2006 (EUR 6.89). To the difference thus calculated, will be added the dividends per share distributed between May 1, 2006, and June 30, 2009. However, the value of a share unit will not be more than EUR 10 / share unit. The bonus will be paid in cash between August and December 2009, provided that the employment relationship is still effective and the person owns the Aspo shares purchased. A further condition for receiving the value of the share units is that the person uses 20% of the gross income to purchase Aspo shares.

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

Group companies

Company	Country	Ownership, %
Aspo Plc, parent company	Finland	
Suhi-Suomalainen Hiili Oy	Finland	100
Autotank Ltd	Finland	100
Aspokem Ltd	Finland	100
ESL Shipping Ltd	Finland	100
Oy Troili Ab	Finland	100
Oy Bomanship Ab	Finland	100
O.Y. Näppärä	Finland	100
Aspokem Eesti AS	Estonia	100
Aspokem Latvia SIA	Latvia	100
UAB Aspokemlit	Lithuania	100
OOO Aspokem	Russia	100
LLC Aspokem Ukraine	Ukraine	100
Aspokem AB	Sweden	100
Autotank OÜ	Estonia	100
Autotank SIA	Latvia	100
UAB Autotank	Lithuania	100
Autotank Holding AB	Sweden	100
Autotank Products AB	Sweden	100
Autotank AB	Sweden	100
Autotank Halmstad AB	Sweden	100
Autotank Skellefteå AB	Sweden	100
Autotank AS	Norway	100
Autotank Sp.zo.o.	Poland	55
OOO Autotank	Russia	51

Management benefits

Salaries and benefits

1 000 EUR	2006	2005
Executives, salaries	567	566
Executives, bonuses	23	156
Executives, incentive	666	
Board members	186	179
Total	1 442	901

Key Figures

	IFRS 2006	IFRS 2005	IFRS 2004	FAS 2003	FAS 2002
Net Sales, MEUR	**225.9**	204.9	184.3	145.2	138.9
Operating Profit, MEUR	**12.8**	17.3	21.6	13.6	9.0
% of net sales	**5.7**	8.4	11.7	9.3	6.5
Profit before taxes, MEUR	**11.1**	15.8	19.7	4.8	15.6
% of net sales	**4.9**	7.7	10.7	3.3	11.3
Return on investments, % (ROI)	**14.9**	20.6	25.0	16.5	11.9
Return on Equity, % (ROE)	**14.1**	19.9	27.4	14.5	9.5
Equity ratio, %	**45.2**	47.2	48.5	44.8	55.0
Equity ratio net of tax liabilities, %	**51.7**	54.9	56.8	52.7	64.9
Gearing, %	**35.7**	23.6	25.6	22.2	9.2
Gross investments in fixed assets, MEUR	**10.2**	5.8	0.6	24.6	7.4
% of net sales	**4.5**	2.8	0.3	17.0	5.3
Personnel, December 31	**694**	681	566	536	538
Personnel, average	**693**	688	569	538	525
Share-Related Key Figures *					
Earnings per share (EPS), EUR	**0.32**	0.45	0.61	0.34	0.22
Diluted earnings per share, EUR	**0.31**	0.43	0.58		
Shareholders' equity per share, EUR	**2.26**	2.30	2.25	2.18	2.47
Nominal dividend per share, EUR (Board's proposal)	**0.41**	0.40	0.40	0.47	0.33
Adjusted dividend per share, EUR	**0.41**	0.40	0.40	0.47	0.33
Dividend / earnings, %	**128.9**	87.9	65.3	138.3	147.9
Effective dividend yield, %	**6.0**	5.8	7.8	10.8	11.2
Price – earnings ratio (P/E)	**21.1**	15.2	8.4	12.9	13.5
Diluted price – earnings ratio (P/E)	**21.8**	16.2	8.8		
Share price performance					
Average price, EUR	**6.96**	6.64	4.83	3.35	2.74
Low, EUR	**5.75**	5.05	3.57	2.87	2.05
High, EUR	**8.62**	7.83	5.45	4.67	3.09
Average price on the closing day, EUR	**6.80**	6.90	5.10	4.34	2.98
Market value of total shares outstanding, Dec. 31, MEUR	**177.1**	177.2	130.8	111.2	76.4
Market value of shares, less own shares, Dec. 31, MEUR	**174.7**	174.7	129.6	111.3	76.4
Share turnover, 1,000 shares	**6 044**	7 598	3 245	1 531	708
Share turnover, %	**23.2**	29.6	37.9	17.9	8.3
Total share trading, 1,000 EUR	**41 934**	71 909	46 997	15 391	5 828
Total number of shares on December 31, 1,000 shares	**26 048**	25 683	25 653	25 653	25 653
Outstanding	**25 690**	25 317	25 415	25 653	25 653
Outstanding, average	**25 368**	25 391	25 415	25 653	25 653
Diluted average number of shares	**28 332**	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 Income Statement

1 000 EUR	Note	2006	2005
Other operating income	1.1	**1 450**	1 627
Personnel costs	1.2	**-1 022**	-1 285
Depreciation and write-down	1.3	**-69**	-39
Other operating expenses	1.4	**-2 021**	-1 872
Operating Loss		**-1 662**	-1 569
Financial income and expenses	1.5	**3 499**	-496
Profit / Loss Before Extraordinary Items		**1 837**	-2 065
Extraordinary items	1.6	**15 732**	19 670
Profit Before Appropriations and Taxes		**17 569**	17 605
Appropriations	1.7	**13**	6
Direct taxes	1.8	**-3 601**	-4 593
Net Profit for the Period		**13 981**	13 017

Parent Company's Balance Sheet

Assets

1 000 EUR	Note	2006	2005
Fixed Assets	2.1		
Intangible assets	2.1	116	102
Tangible assets	2.1	147	111
Long-term investments	2.2	14 706	14 971
Total Fixed Assets		14 969	15 185
Current Assets			
Long-term receivables	2.3	1 584	84
Short-term receivables	2.3	46 243	30 405
Short-term investments	2.4	4 400	4 200
Cash and bank deposits		153	3 336
Total Current Assets		52 380	38 025
Total Assets		67 349	53 210

Liabilities

1 000 EUR	Note	2006	2005
Shareholders' Equity	2.5		
Share capital	2.5	17 452	17 208
Premium fund	2.5	2 459	518
Retained earnings	2.5	3 038	115
Profit for the period	2.5	13 981	13 017
Total Shareholders' Equity		36 929	30 857
Accumulated Appropriations	2.6	10	23
Mandatory Provisions	2.7	18	815
Liabilities			
Long-term liabilities, Capital loan	2.8	17 645	19 815
Short-term liabilities	2.9	12 747	1 700
Total Liabilities		30 392	21 515
Total Shareholders' Equity and Liabilities		67 349	53 210

Parent Company's Cash Flow Statement

1 000 EUR	2006	2005
Operational Cash Flow		
Operating loss	-1 662	-1 569
Adjustments to operating loss	-1 152	316
Change in working capital	11	-229
Interest paid	-1 501	-1 417
Interest received	1 466	875
Dividends received	8	37
Taxes paid	-4 339	-4 278
Operational Cash Flow	-7 168	-6 266
Cash Flow from Investments		
Investments in tangible and intangible assets	-167	-103
Gains from the disposal of other investments	812	
Capital loan to Autotank Ltd	-1 500	
Cash Flow from Investments	-855	-103
Cash Flow from Financing		
Sale of repurchased shares	53	
Repurchase of shares		-858
Change in short-term receivables	3 875	-21 807
Change in short-term liabilities	11 240	-31 329
Group contribution received		69 622
Dividends paid	-10 127	-10 057
Cash Flow from Financing	5 041	5 570
Change in Liquid Funds	-2 982	-799
Liquid funds on January 1	7 536	8 334
Liquid Funds on December 31	4 720	7 536

Notes to the Parent Company's Financial Statements

1.1 Other Operating Income

Other operating income

1 000 EUR	2006	2005
Gains on the sale of fixed assets	546	
Other Group operating income	480	360
Rental income and related remuneration	414	413
Other operating income	10	854
Total	1 450	1 627

1.2 Notes on Personnel and Board Members

Personnel costs

1 000 EUR	2006	2005
Salaries and wages	536	603
Share-based incentive scheme	18	278
Profit bonus paid to personnel fund	1	2
Pension costs	305	226
Other personnel costs	162	176
Total	1 022	1 285

Management salaries and benefits

1 000 EUR	2006	2005
CEO's salary	180	194
CEO's bonuses	461	96
Board members	90	86
CEO and Board Members, total	731	376

1.3 Depreciation and Write-Down

Depreciation and write-down

1 000 EUR	2006	2005
Depreciation of tangible and intangible assets	69	39

1.4 Other Operating Expenses

Other operating expenses

1 000 EUR	2006	2005
Rent	648	589
Other expenses	1 374	1 282
Total	2 021	1 872

1.5 Financial Income and Expenses

Financial income and expenses

1 000 EUR	2006	2005
Dividend income		
From Group companies	3 510	
From outside the Group	8	37
Income from long-term investments	3 518	37
Other interest and financial income		
From Group companies	1 135	591
From others	332	284
Total interest and financial income	1 466	875
Interest and other financial expenses		
To Group companies	89	216
To others	1 397	1 193
Total interest and other financial expenses	1 486	1 408
Total financial income and expenses	3 499	-496

1.6 Extraordinary Items

Extraordinary items

1 000 EUR	2006	2005
Income		
Group contribution, Aspokem Ltd	430	1 670
Group contribution, ESL Shipping Ltd	15 280	18 000
Group contribution, Suhi – Suomalainen Hiili Oy	22	
Total extraordinary items	15 732	19 670

1.7 Appropriations

Appropriations

1 000 EUR	2006	2005
Excess depreciation	13	6

1.8 Direct Taxes

Direct taxes

1 000 EUR	2006	2005
Taxes from previous fiscal period	5	
Income taxes on extraordinary items	4 090	5 114
Income taxes on ordinary activities	-494	-521
Total	3 601	4 593

2.1 Tangible and Intangible Assets

Tangible and intangible assets

1 000 EUR	Intangible Rights	Advance Payments	Total Intangible	Land	Buildings	Machinery and Equipment	Other Tangible Assets	Total Tangible
Acquisition cost January 1	265	48	313	1	467	381	125	974
Increases	110		110			57		57
Decreases		-48	-48					
Acquisition cost December 31	**375**		**375**	**1**	**467**	**438**	**125**	**1 031**
Accum. depreciation January 1	-211		-211		-465	-346	-52	-863
Depreciation for the fiscal year	-47		-47			-22		-22
Accum. depreciation Dec. 31	**-258**		**-258**		**-465**	**-368**	**-52**	**-884**
Book value December 31	**116**		**116**	**1**	**2**	**71**	**73**	**147**

2.2 Investments

Investments

1 000 EUR	Subsidiary Shares	Other Shares	Total
Acquisition cost January 1	14 548	424	14 972
Decreases		-266	-266
Acquisition cost December 31	**14 548**	**158**	**14 706**
Book value December 31	**14 548**	**158**	**14 706**

2.3 Receivables

Long-term receivables

1 000 EUR	2006	2005
Loan receivables	84	84
From Group companies		
Capital loan, Autotank Ltd	1 500	
Total long-term receivables	1 584	84

Short-term receivables

1 000 EUR	2006	2005
From Group companies		
Dividend claim	3 510	
Group contribution receivable	15 732	
Loan receivables	26 163	30 070
	45 405	30 070
Deferred receivables*)	838	335
Total short-term receivables	46 243	30 405

*) Main item		
Tax receivable	769	316

2.4 Short-Term Investments

Short-term investments

1 000 EUR	2006	2005
Replacement	4 400	4 200
Book value	4 400	4 200

2.5 Shareholders' Equity

The parent company has a capital loan of EUR 17,645,000. The loan principal can only be repaid at maturity if the restricted equity and other non-distributable items as shown on the latest confirmed balance sheet of both the Company and the Group 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 Article 7 of 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. A fixed annual interest of 5% will be paid on the loan principal.

Shareholders' equity

1 000 EUR	2006	2005
Share capital January 1	17 208	17 101
Conversions	244	21
Increase in share capital		86
Share capital December 31	**17 452**	17 208
Premium fund January 1	518	439
Conversions	1 926	164
Gain from the sale of repurchased shares	15	-86
Premium fund December 31	**2 459**	518
Retained earnings January 1	13 132	11 054
Dividend distribution	-10 127	-10 081
Sale of repurchased shares	33	-858
Retained earnings December 31	**3 038**	115
Net profit for the year	**13 981**	13 017
Total shareholders' equity	**36 929**	30 857

2.6 Accumulated Appropriations

Accumulated appropriations

1 000 EUR	2006	2005
Accumulated depreciation in excess of plan and voluntary provisions December 31	10	23

2.7 Mandatory Provisions

Mandatory provisions

1 000 EUR	2006	2005
Share-based incentive scheme	18	815

2.8 Long-Term Liabilities

Long-term liabilities

1 000 EUR	2006	2005
Capital loan, Group	1 050	1 050
Capital loan	18 765	18 950
Conversions	-2 170	-185
Total long-term liabilities	17 645	19 815

2.9 Short-Term Liabilities

Short-term liabilities

1 000 EUR	2006	2005
Loans from financial institutions	8 000	
Unpaid dividend 2001–2005	8	7
Accounts payable	110	99
Employer contributions	376	28
Deferred payables *)	684	667
Total	9 179	801
Debts to Group companies		
Loans	3 536	866
Deferred payables	33	33
Total	3 569	899
Total short-term liabilities	12 747	1 700
*) Main items		
Accrued interest	536	551
Annual vacation and other salary allocations	105	99

3. Other Notes

Unpaid lease payments

1 000 EUR	2006	2005
Payable in the next fiscal year	81	89
Payable later	195	235
Total leasing liabilities	276	324

Guarantees on behalf of Group companies

1 000 EUR	2006	2005
Duty guarantee	505	505
Pension loans	14	28
Total	518	533

Liabilities

1 000 EUR	2006	2005
Leasing liabilities	2 675	2 571
Bareboat contract	8 659	12 191
Total	11 333	14 762
Derivative contracts, sales	379	2 173
Derivative contracts, purchases	-2 335	

Shares and Shareholders

Share Capital

On December 31, 2006, the registered share capital of Aspo Plc was EUR 17,451,695.37, consisting of 26,047,803 shares. During the fiscal year, Aspo convertible capital notes were used to subscribe a total of 364,560 shares, and the share capital was correspondingly raised by EUR 243,922.56. The company's own shareholding was 358,250 shares, accounting for 1.38% of Aspo Plc's stock.

Shares

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

Dividend

Aspo Plc has an active, cash flow based dividend 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 0.41 per share be paid for fiscal 2006, representing 128.9% of the Group´s earnings.

Major Shareholders on December 31, 2006

	Number of Shares	Share of Stock and Voting Rights %	Less Own Shares %
Nyberg H.B.	3 252 000	12.48	12.66
Mutual Employee Pension Insurance Co. Varma	1 493 000	5.73	5.81
Vehmas A.E.	1 360 920	5.22	5.30
Vehmas Tapio	1 181 838	4.54	4.60
Stadigh Kari	1 000 000	3.84	3.89
Vehmas Liisa	999 090	3.84	3.89
Berling Capital Oy	794 850	3.05	3.09
Nyberg Gustav	736 085	2.83	2.87
Estlander Henrik	667 752	2.56	2.60
Aktia Capital Investment Fund	340 000	1.31	1.32
10 major shareholders, total	11 825 535	45.40	46.03
Nominee registrations	340 245	1.30	
Other shares	13 523 773	51.92	
Total shares outstanding	**25 689 553**	**98.62**	
Own shares	358 250	1.38	
Total shares	**26 047 803**	**100.0**	

Authorizations

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

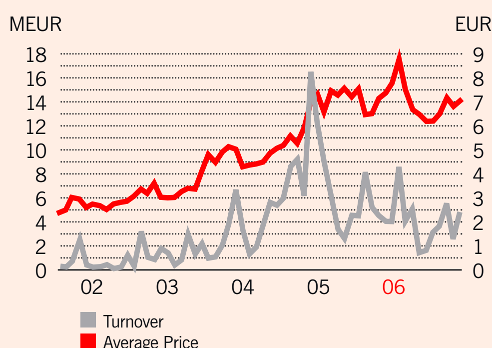
The Annual Shareholders' Meeting 2006 authorized the Board of Directors to use distributable profit funds to repurchase a maximum of 400,000 company shares irrespective of the shareholders' holdings. The shares will be purchased through public trading organized by the Helsinki Stock Exchange at the going price. The share 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 765,950 repurchased shares in one or more lots in a deviation from the shareholders' preemptive rights.

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

Share Price Performance

Share Trading and Average Prices



The Board has used its authorization to dispose of shares during the fiscal period. In its meeting on May 17, 2006, the Board decided to transfer 7,700 treasury shares to the company's key personnel under an incentive scheme. The transfer price for the shares was the fair market value at time of transfer based on public trading. The Board did not exercise the authorization to repurchase shares during the fiscal period.

Share Trading and Share Price Development

During 2006, a total of 6,043,932 Aspo Plc shares were traded on the Helsinki Stock Exchange with a value of EUR 41.9 million, or 23.2 percent of the shares changed owners. The shares reached a high during the period of EUR 8.62 and a low of EUR 5.75. The average price was EUR 6.96 and the closing price EUR 6.80. 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, less treasury shares, 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 2006 the number of shareholders totaled 4,967. Of these 98.7% represented direct shareholding and 1.3% nominee registrations. A total of 0.9% of the shares were held by foreign entities. On December 31, 2006, the ten largest shareholders owned 45.4% 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.

Distribution of Ownership on December 31, 2006

By Number of Shares

Number of Shares	Number of Owners	Share of Owners %	Total Shares	Share of Stock %	Less Own Shares
1–100	377	7.59	27 531	0.11	0.11
101–500	1 486	29.92	464 160	1.78	1.81
501–1 000	1 162	23.40	938 948	3.61	3.65
1 001–5 000	1 527	30.74	3 384 111	12.99	13.17
5 001–10 000	219	4.41	1 533 340	5.89	5.97
10 001–50 000	150	3.02	2 813 877	10.80	10.95
50 001–100 000	17	0.34	1 260 975	4.84	4.91
100 001–500 000	20	0.40	3 776 612	15.87	14.70
500 001–	9	0.18	11 485 535	44.09	44.71
Total in joint accounts			4 464	0.02	0.02
Total	**4 967**	**100.0**	**26 047 803**	**100.0**	**100.0**

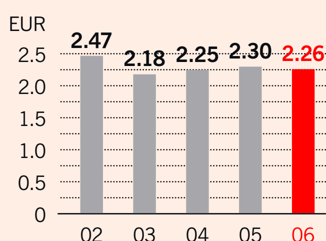
By Owner Groups

%	Ownership	Shares
1. Households	91.4	69.8
2. Companies	6.1	13.8
3. Financial and insurance institutions	0.5	4.1
4. Non-profit organizations	1.5	4.5
5. Public organizations	0.1	6.8
6. Non-domestic	0.4	0.9

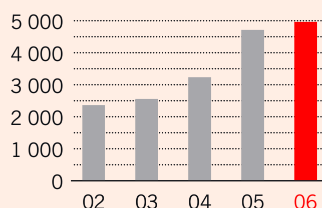
Share Ownership by the CEO and the Board of Directors

The total number of shares held by the CEO and the members of the Board of Directors of Aspo Plc with their related parties on December 31, 2006 was 2,922,147, which represents 11.4% of the shares and voting rights outstanding.

Equity / Share



Number of Shareholders



Proposal of the Board for the Distribution of Earnings

The parent company's distributable earnings totaled EUR 17,018,304.86 with the fiscal year's earnings totaling EUR 13,980,574.96.

On December 31, 2006, the number of registered shares was 26,047,803, of which the company held 358,250.

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

– A dividend of EUR 0.41 / share to be paid out on 25,689,553 shares	10,532,716.73 €
– To be held in the retained earnings account	6,485,588.13 €
	17,018,304.86 €

Helsinki, February 13, 2007

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 1.1.–31.12.2006. The Board of Directors and the CEO have prepared the consolidated financial statements, prepared 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 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 1, 2007

PricewaterhouseCoopers Oy
Authorized Public Accountants

Jouko Malinen
Authorized Public Accountant

Information for Shareholders

Basic Share Information

Listed on: Helsinki Stock Exchange
Industry sector: Industrials
Trading code: ASU1V
ISIN code: FI0009008072

Annual Shareholders' Meeting

The Aspo Plc Annual Shareholders' Meeting will be held in the Stock Exchange Building at Fabianinkatu 14, 00100 Helsinki on Thursday, March 29, 2007 at 12 a.m.

The record date for the Annual Shareholders' Meeting is March 19, 2007. Shareholders should register for the meeting no later than on March 26, 2007, by 4 p.m. at the latest, 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.

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

Dividend Payments

Aspo's dividend policy is to distribute approximately half of its annual earnings in dividends. The Board of Directors will propose to the shareholders at the Annual Shareholders' Meeting that a dividend of EUR 0.41 per share be paid for 2006.

Ex-dividend date March 30, 2007
Dividend record date April 3, 2007
Dividend payment date April 12, 2007

Financial Reporting in 2007

Financial Statements Bulletin
February 13, 2007
Annual Report 2006
Week 12
Interim Report January–March
April 26, 2007
Interim Report January–June
August 23, 2007
Interim Report January–September
October 25, 2007

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 Investor Relations

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

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

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