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Interim Report for January-March 2012

Neste Oil's Interim Report for January-March 2012

- **First-quarter comparable operating profit was EUR 76 million (Q1/2011: 43 million), partly due to improved performance at Renewable Fuels**
- **Strong gasoline market supported refining margins**

First quarter in brief:

- Comparable operating profit was EUR 76 million (Q1/2011: EUR 43 million)
- IFRS operating profit was EUR 188 million (Q1/2011: EUR 171 million)
- Total refining margin was USD 9.07/bbl (Q1/2011: USD 8.92/bbl)
- Net cash from operations was EUR -353 million (Q1/2011: EUR 58 million)
- Investments totaled EUR 48 million (Q1/2011: EUR 120 million)
- Leverage ratio was 49.3% (Q1/2011: 42.5%)

President & CEO Matti Lievonen:

"The strong gasoline market supported refining margins during the first quarter. Crude oil price increased, and the price differential between lighter and heavier crude oil was volatile, and widened towards the end of the quarter. As our refineries at Porvoo and Naantali operated smoothly, we were able to record a good result at Oil Products.

We continued making positive progress at Renewable Fuels, which improved its comparable operating profit by EUR 13 million from the previous quarter. Sales volumes rose as projected, and we sold 305.000 tons of NExBTL in the first quarter. Legislative work to open up new markets has proceeded and we shipped our first cargo to the US, marking an important milestone. Our renewable diesel production units have operated well, and I am very pleased that our Singapore refinery has also received US EPA certification as a producer of biofuels that can count against the US biofuel mandates.

Refining margins for advanced refiners are expected to remain relatively strong in the near future. Scheduled decoking maintenance on diesel production line 4 at Porvoo has been completed, and the major maintenance turnaround in Naantali is on-going. NExBTL sales volumes are expected to develop positively, but the renewable diesel margin is currently depressed due to the narrow price spread between vegetable oils, and the low FAME biodiesel margin. Although a proportion of sales margin has been hedged, the second-quarter comparable operating profit at Renewable Fuels is expected to be lower than in the first quarter, if the challenging margin situation continues.

We maintain our previous guidance that Neste Oil's full-year comparable operating profit is expected to improve significantly compared to 2011, assuming that Neste Oil's reference refining margin remains at last year's level and that quarterly sales volumes of renewable diesel are similar to or above those seen during the last quarter of 2011."

News conference and conference call

A press conference in Finnish on the first-quarter results will be held today, 26 April 2012, at 11:30 a.m. EET at the company's headquarters, Keilaranta 21, Espoo. www.nesteoil.com will feature English versions of the presentation materials. A conference call in English for investors and analysts will be held 26 April 2012, at 3 p.m. Finland / 1 p.m. London / 8 a.m. New York. The call-in numbers are as follows: Europe: +44 (0) 20 7136 2054, US: +1212 444 0895, using access code 9244155. The conference call can be followed at company's web site. An instant replay of the call will be available until 2 May 2012 at +44 (0) 20 7111 1244 for Europe and +1 347 366 9565 for the US, using access code 9244155#.

NESTE OIL FINANCIAL STATEMENTS, 1 JANUARY – 31 MARCH 2012

Quarterly figures are unaudited; full-year figures are audited.
Figures in parentheses refer to the corresponding period for 2011, unless otherwise stated.

Neste Oil has updated the method used to calculate its comparable operating profit to provide a better reflection of operational performance in its Oil Products business, by switching from a monthly average pricing method to a daily based pricing method when adjusting calculated inventory gains and losses. Comparative figures in 2011 financial statements have been reclassified.

KEY FIGURES

EUR million (unless otherwise noted)

	1-3/12	1-3/11	10-12/11	2011
Revenue	4,454	3,472	4,169	15,420
EBITDA	271	244	68	588
Depreciation, amortization, and impairments	83	73	90	315
Operating profit	188	171	-22	273
Comparable operating profit *	76	43	20	178
Profit before income tax	166	160	-49	206
Net profit	121	118	-22	160
Comparable net profit **	34	20	6	68
Earnings per share, EUR	0.47	0.46	-0.09	0.62
Investments	48	120	86	364
Net cash from operating activities	-353	58	394	197

	31 Mar 2012	31 Mar 2011	31 Dec 2011
Total equity	2,516	2,554	2,467
Interest-bearing net debt	2,442	1,886	2,080
Capital employed	5,052	4,603	4,850
Return on capital employed pre-tax (ROCE), %	15.2	15.0	5.9
Return on average capital employed after tax (ROACE)***, %	3.0	3.6	2.6
Return on equity (ROE), %	19.4	18.9	6.6
Equity per share, EUR	9.77	9.93	9.58
Cash flow per share, EUR	-1.38	0.23	0.77
Equity-to-assets ratio, %	33.5	37.5	34.0
Leverage (net debt to capital), %	49.3	42.5	45.7
Gearing, %	97.1	73.9	84.3

* Comparable operating profit is calculated by excluding inventory gains/losses, capital gains/losses, and unrealized changes in the fair value of oil and freight derivative contracts from the reported operating profit. Inventory gains/losses include changes in the fair value of all trading inventories.

** Comparable profit for the period is calculated by excluding inventory gains/losses, gains/losses from sale of shares and non-financial assets and unrealized change in fair value of oil and freight derivative contracts net of tax, less non-controlling interests.

*** Rolling 12 months

The Group's first-quarter results in 2012

Neste Oil's revenue increased to EUR 4,454 million in the first quarter from EUR 3,472 million reported for the same period in 2011. This increase resulted from higher oil prices and the growth of the Renewable Fuels business. The Group's comparable operating profit came in at EUR 76 million. Comparable operating profit for the corresponding period in 2011 was EUR 43 million. Renewable Fuels recorded a significantly higher comparable operating profit year-on-year, and the Oil Retail and Others segments also improved. Oil Products, however, posted a slightly lower result than in the first quarter 2011.

Oil Products' first-quarter comparable operating result was EUR 77 million (83 million), Renewable Fuels' EUR -2 million (-36 million), and Oil Retail's EUR 15 million (12 million). The comparable operating profit of the Others segment totaled EUR -10 million (-16 million). Associated companies and joint ventures result accounted for EUR -6 million (-10 million) of the comparable operating result booked in the Others segment.

The Group's IFRS operating profit was EUR 188 million (171 million), which was impacted by inventory gains totaling EUR 64 million (141 million) and a capital gain totaling EUR 45 million (1 million). Pre-tax profit was EUR 166 million (160 million), profit for the period EUR 121 million (118 million), and earnings per share EUR 0.47 (0.46).

Given the capital-intensive nature of its business, Neste Oil uses return on average capital employed after tax (ROACE) as its primary financial target. ROACE figures are based on comparable results. As of the end of March, the rolling twelve-month ROACE was 3.0% (2011 financial year: 2.6%).

	1-3/12	1-3/11	10-12/11	2011
COMPARABLE OPERATING PROFIT	76	43	20	178
- inventory gains/losses	64	141	-62	79
- changes in the fair value of open oil derivatives	3	-14	9	5
- capital gains/losses	45	1	11	11
OPERATING PROFIT	188	171	-22	273

Cash flow, investments, and financing

Neste Oil Group's net cash from operating activities totaled EUR -353 million (58 million) in the first quarter. The year-on-year difference is attributable to changes in working capital mainly due to higher oil prices, preparations for turnarounds in Naantali and Porvoo, and expansion in the Renewable Fuels business.

Investments totaled EUR 48 million (120 million) during the first quarter. Oil Products' capital expenditure totaled EUR 24 million (19 million), while Renewable Fuels invested EUR 15 million (96 million), Oil Retail EUR 4 million (4 million), and Others EUR 5 million (1 million).

Neste Oil issued a EUR 250 million bond issue on March 21. The 5-year bond carries a coupon of 4.00%. The bond offering was clearly oversubscribed and the bonds were allocated to more than 100 investors. The bonds will be listed on the Helsinki Stock Exchange.

Interest-bearing net debt was EUR 2,442 million as of the end of March, compared to EUR 2,080 million at the end of 2011. Net financial expenses in the first quarter were EUR 22 million (11 million). The average interest rate of borrowings at the end of March was 3.3% and the average maturity 3.8 years.

The equity-to-assets ratio was 33.5% (31 Dec 2011: 34.0%), the leverage ratio 49.3% (31 Dec 2011: 45.7%), and the gearing ratio 97.1% (31 Dec 2011: 84.3%).

The Group's cash and cash equivalents and committed, unutilized credit facilities amounted to EUR 1,483 million as of the end of March (31 Dec 2011: 1,629 million). There are no financial covenants in current loan agreements.

In accordance with its updated hedging policy, Neste Oil has hedged the majority of its net foreign currency exposure for the next 12 months, mainly using forward contracts and currency options. The most important hedged currency is the US dollar.

Main events during the reporting period

On January 12, Neste Oil announced that it's NExBTL renewable aviation fuel would be used for the first time to power an intercontinental flight when Lufthansa flew a regular scheduled service from Frankfurt to Washington D.C. using the fuel. According to Lufthansa using biofuel on the flight reduced airborne CO_2 emissions by as much as 38 tons, equivalent to the CO_2 released by six flights between Frankfurt and Berlin.

On January 20, Neste Oil announced that the competition authorities in the US and Canada had approved the sale of Neste Oil's 50% holding in an iso-octane production plant in Edmonton, Canada to Canadian-based Keyera Corporation and that the sale had been confirmed. The sale generated a EUR 45 million capital gain, which had a EUR 30 million positive impact to IFRS profit for the period.

On March 14, Neste Oil announced that it had virtually quadrupled its use of certified raw materials in producing renewable fuel. 49% of the raw materials used by Neste Oil in 2011 to produce its renewable fuel was certified. This was an increase of 28 percentage points on the figure for 2010 and nearly quadruple in terms of tonnage. Neste Oil aims to increase its usage of certified raw materials a further 10 percentage points on the 2011 figure during 2012.

On March 21, Neste Oil announced that it had issued a EUR 250 million bond issue.

Strategy implementation

As Neste Oil's major investment program in renewable diesel and premium-quality base oil production was completed in 2011, the company continued to implement its cleaner traffic strategy by opening new markets and ramping up sales for the output from its new plants. In line with its vision, Neste Oil will focus on partnerships and offering customers value-added solutions rather than simply individual products. Five Value Creation programs were launched in 2011 to support this shift in focus and the company's overall strategy. The programs have defined targets and their progress will be measured continuously. Strategy implementation has progressed well.

Market overview

Crude oil prices moved up during the first quarter of 2012 and Brent Dated rose from around USD 110 to USD 125/bbl. The main drivers behind this development were the early year rally in the equity markets after fears about a Greek default receded, and concern grew regarding a deepening crisis between Iran and the West. Overall crude oil prices were driven more by supply worries than positive demand expectations. Brent Dated averaged around USD 118/bbl during the first quarter.

The price differential between heavier and lighter crude oil was very volatile during the quarter. The year started at a level of USD -2/bbl but narrowed to zero around mid-quarter, driven by tight European crude oil supply. The refinery maintenance season in Europe and Russia reduced demand for Urals crude, however, and saw the differential widen again, and the quarter ended around USD -3.5/bbl level.

Refining margins in North-West Europe strengthened during the first quarter after the very weak margins seen in December. The stronger market was mainly driven by shutdowns and capacity closure announcements in the USA and Europe, where the single largest closure was the bankruptcy of Petroplus. Lower margins were typical around the middle of the quarter, while higher margins were characteristic of earlier and later in the quarter. The tight gasoline market, resulting from capacity closures, contributed to improved gasoline margins, whereas middle distillate margins narrowed hand-in-hand with weak end-product demand and the end of the winter heating season. Fuel oil margins weakened over the quarter, despite rising crude oil prices. Strong Asian bunker demand, together with Japanese energy consumption, supported fuel oil margins in the early part of the quarter, but weaker demand and higher crude oil price pushed the margin down again later.

2011 ended with a favorable renewable diesel margin, as the price differential between rapeseed oil and crude palm oil had widened above the long-term average, palm oil prices were relatively stable, and biodiesel margins were reasonable, supported by good winter grade premiums.

During the first quarter of 2012 speculations about a poor soybean crop in South America and reduced supply estimates had a significant spill-over effect on crude palm oil, which is a substitute for soybean oil. As typical when the supply-demand balance in vegetable oils tightens, the palm oil price discount compared to other oils reduced. As a result, the price spread between palm oil and rapeseed oil narrowed significantly and went below 100 $/t by the end of the first quarter.

Margins for conventional biodiesel dropped significantly during the first quarter as utilization rates at biodiesel plants had been too high compared to demand. As inventories rose, producers were forced to start selling biodiesel at a discount. As a result, biodiesel margins were negative by the end of the first quarter and some producers shut down capacity.

Due to these reasons, renewable diesel margins came under extensive pressure during the first quarter.

Key drivers

	1-3/12	1-3/11	10-12/11	2011	Apr 12*	Apr 11
Reference refining margin, USD/bbl	5.14	4.46	4.09	4.37	9.3	4.54
Neste Oil total refining margin, USD/bbl	9.07	8.92	6.97	8.48	n.a.	n.a.
Urals-Brent price differential, USD/bbl	-1.23	-2.87	-0.29	-1.71	-3.2	-3.90
NWE Gasoline margin, USD/bbl	10.15	5.88	3.31	7.41	19.6	8.80
NWE Diesel margin, USD/bbl	17.84	17.86	21.75	18.12	18.6	16.30
NWE Heavy fuel oil margin, USD/bbl	-11.03	-17.98	-11.64	-15.96	-12.5	-22.90
Brent Dated crude oil, USD/bbl	118.49	104.97	109.31	111.27	119.8	123.24
USD/EUR, market rate	1.32	1.37	1.35	1.40	1.31	1.44
USD/EUR, hedged	1.37	1.34	1.38	1.35	n.a.	n.a.
Crude freights, WS points (TD7)	95.00	102.00	111.00	104.00	95.7	105.00

***** Up to April 24, 2012

Production and sales

Production

Neste Oil's production in the first quarter totaled 4.3 million tons (3.7 million), of which NExBTL renewable diesel accounted for 0.4 million tons (0.1 million).

Neste Oil's production, by plant (1,000 t)

	1-3/12	1-3/11	10-12/11	2011
Porvoo refinery	3,284	2,949	3,177	11,962
Naantali refinery	584	566	537	2,264
NExBTL refineries	415	122	229	675
Bahrain VHVI plant (Neste Oil's share)	44	-	45	45
Beringen polyalfaolefin plant	-	8	8	43
Edmonton iso-octane plant (Neste Oil's share)	8	48	49	191

The Porvoo refinery operated at an average capacity utilization rate of 94% (90%) during the first quarter, while the Naantali refinery ran at an average rate of 81% (86%) due to market constraints and preparations for the major maintenance shutdown to be carried out in April-May. The proportion of Russian Export Blend in total refinery input at Porvoo and Naantali averaged 67% (68%). Refinery production costs at Porvoo and Naantali totaled USD 4.1/bbl (4.0) in the quarter.

All Neste Oil's renewable diesel production units operated well during the first quarter.

Sales

Sales were higher than in the corresponding quarter of 2011 but were lower than the exceptionally high volumes seen in the last quarter of 2011, which was reflected in domestic diesel sales in particular.

Neste Oil's sales from in-house production, by product category (1,000 t)

	1-3/12	%	1-3/11	%	10-12/11	%	2011	%
Motor gasoline	1,064	*27*	944	*26*	1,064	*25*	4,143	*27*
Gasoline components	19	*1*	60	*2*	52	*1*	209	*2*
Diesel fuel	1,441	*36*	1,517	*42*	1,650	*40*	6,007	*39*
Jet fuel	156	*4*	165	*5*	180	*4*	763	*5*
Base oils	88	*2*	87	*2*	76	*2*	332	*2*
Heating oil	98	*2*	60	*2*	67	*2*	199	*1*
Heavy fuel oil	263	*7*	232	*6*	293	*7*	1,007	*7*
LPG	113	*3*	106	*3*	136	*3*	361	*2*
NExBTL renewable diesel	305	*8*	87	*2*	274	*7*	628	*4*
Other products	414	*10*	397	*10*	388	*9*	1,636	*11*
TOTAL	3,961	*100*	3,655	*100*	4,179	*100*	15,284	*100*

Neste Oil's sales from in-house production, by market area (1,000 t)

	1-3/12	%	1-3/11	%	10-12/11	%	2011	%
Finland	1,906	*48*	2,016	*55*	2,083	*50*	7,893	*52*
Other Nordic countries	672	*17*	597	*16*	623	*15*	2,618	*17*
Other Europe	868	*22*	670	*19*	947	*22*	2,988	*20*
USA & Canada	401	*10*	328	*9*	496	*12*	1,591	*10*
Other countries	114	*3*	44	*1*	30	*1*	194	*1*
TOTAL	3,961	*100*	3,655	*100*	4,179	*100*	15,284	*100*

SEGMENT REVIEWS

Neste Oil's businesses are grouped into four reporting segments: Oil Products, Renewable Fuels, Oil Retail, and Others.

Oil Products

	1-3/12	1-3/11	10-12/11	2011
Revenue, MEUR	3,544	2,870	3,377	12,644
Comparable EBITDA, MEUR	125	130	76	463
Comparable operating profit, MEUR	77	83	27	271
IFRS operating profit, MEUR	195	178	3	373
Total refining margin, USD/bbl	9.07	8.92	6.97	8.48
Net assets, MEUR	2,558	2,323	2,228	2,228
Comparable return on net assets*, %	10.9	9.3	-	11.4

* rolling 12 months

Oil Products' first-quarter comparable operating profit totaled EUR 77 million, compared to EUR 83 million in the first quarter of 2011. This slight reduction was largely the result of a different sales mix, weaker base oil margins, although these started recovering towards the end of the quarter, and a challenging tanker freight market. Neste Oil's total refining margin totaled USD 9.07/bbl during the first quarter, which compares to USD 8.92/bbl in the first quarter of 2011.

Renewable Fuels

	1-3/12	1-3/11	10-12/11	2011
Revenue, MEUR	466	193	399	1,026
Comparable EBITDA, MEUR	22	-21	14	-85
Comparable operating profit, MEUR	-2	-36	-15	-163
IFRS operating profit, MEUR	-8	-4	-32	-170
Net assets, MEUR	2,122	1,826	1,963	1,963
Comparable return on net assets*, %	-6.6	-5.7	-	-8.7

* rolling 12 months

Renewable Fuels' comparable operating profit was EUR -2 million during the first quarter, compared to EUR -36 million in the first quarter in 2011. This significant improvement resulted from higher sales volumes and production capacity utilization rates, which led to lower unit costs. Renewable diesel margins came under pressure, although a proportion of sales had been hedged earlier.

Oil Retail

	1-3/12	1-3/11	10-12/11	2011
Revenue, MEUR	1,190	1,021	1,112	4,298
Comparable EBITDA, MEUR	23	20	17	89
Comparable operating profit, MEUR	15	12	9	57
IFRS operating profit, MEUR	15	12	9	58
Net assets, MEUR	344	326	326	326
Comparable return on net assets*, %	18.2	21.0	-	17.6
Total sales volume**, 1,000 m3	1,014	978	1,015	3,982
- gasoline station sales, 1,000 m3	291	290	313	1,279
- diesel station sales, 1,000 m3	370	355	380	1,479
- heating oil, 1,000 m3	179	190	176	654
- heavy fuel oil, 1,000 m3	82	75	68	263

* rolling 12 months
** includes both station and terminal sales

Oil Retail's comparable operating profit was EUR 15 million during the first quarter, compared to EUR 12 million in the same period in 2011. This good performance resulted from stronger markets in North-West Russia and Baltic countries.

Shares, share trading, and ownership

Neste Oil's shares are traded on NASDAQ OMX Helsinki Ltd. The share price closed the quarter at EUR 9.24, up by 18.3% compared to the end of 2011. At its highest during the quarter, the share price reached EUR 10.14, while at its lowest the price stood at EUR 7.86. Market capitalization was EUR 2.4 billion as of 31 March 2012. An average of 1.2 million shares were traded daily, representing 0.5% of the company's shares.

Neste Oil's share capital registered with the Company Register as of 31 March 2012 totaled EUR 40 million, and the total number of shares outstanding is 256,403,686. The company does not hold any of its own shares, and the Board of Directors has no authorization to buy back company shares or issue convertible bonds, share options, or new shares.

As of the end of March, the Finnish State owned 50.1% (50.1%) of outstanding shares, foreign institutions 17.9% (19.4%), Finnish institutions 18.0% (16.8%), and Finnish households 14.0% (13.7%).

Annual General Meeting

Neste Oil's Annual General Meeting (AGM) was held on 28 March 2012 in Helsinki. The AGM adopted the company's financial statements and consolidated financial statements for 2011 and discharged the Supervisory Board, the Board of Directors, and President & CEO from liability for 2011. The AGM also approved the Board of Directors' proposal regarding the distribution of the company's profit for 2011. A dividend of EUR 0.35 per share was paid on 11 April 2012.

In accordance with the proposal made by the AGM Nomination Board, the AGM confirmed the membership of the Board of Directors at seven members, and the following were re-elected to serve until the end of the next AGM: Mr Michiel Boersma, Mr Jorma Eloranta, Ms Maija-Liisa Friman, Ms Nina Linander, Ms Laura Raitio, Mr Hannu Ryöppönen, and Mr Markku Tapio. Mr Eloranta was elected as Chairman and Ms Friman as Vice Chairman. The AGM decided to keep the remuneration paid to the Board members unchanged.

Convening after the Annual General Meeting, the Board of Directors elected the members of its two Committees. Jorma Eloranta was elected Chairman and Maija-Liisa Friman, and Markku Tapio as members of the Personnel and Remuneration Committee. Nina Linander was elected Chairman and Michiel Boersma, Laura Raitio, and Hannu Ryöppönen as members of the Audit Committee.

In accordance with a proposal by the Board of Directors, Ernst & Young Oy, Authorized Public Accountants, were appointed as the company's Auditor, with Authorized Public Accountant Anna-Maija Simola as Senior Auditor, until the end of the next AGM. Payment for their services will be made in accordance with their invoice.

Following a proposal by the Prime Minister's Office, representing the Finnish State, the AGM decided to establish an AGM Nomination Board to prepare proposals covering the members of the Board of Directors and their remuneration for consideration by the next AGM. The Nomination Board comprises representatives of the Company's three largest shareholders and shall also include, as an expert member, the Chairman of the Board. The right to appoint the shareholder representatives on this Nomination Board will lie with the three shareholders holding the largest number of votes associated with all the company's shares on 1 November preceding the AGM. The Chairman of the Board of Directors will be responsible for convening the Nomination Board, and the Nomination Board's members will appoint a Chairman from among themselves. The Nomination Board will present their proposal to the Board of Directors by 1 February prior to the AGM at the latest.

Personnel

Neste Oil employed an average of 4,881 (4,858) employees in the first quarter, of which 1,407 (1,430) were based outside Finland. As of the end of March, the company had 4,919 employees (4,855), of which 1,416 (1,423) were located outside Finland.

Health, safety, and the environment

The main indicator for safety performance used by Neste Oil – total recordable injury frequency (TRIF, number of cases per million hours worked) for all work done for the company, combining the company's own personnel and contractors – stood at 3.5 (4.1) at the end of March 2012. The target for 2012 as a whole is below 2.0.

Work to develop safety performance continues across the Group. The SAFE project, part of the Value Creation Program, was launched and is progressing well. The main focus during the first half of 2012 will be on self-assessments, which will be carried out across the Group. The training program on work carried out at high elevations has continued this year, and safety preparations for the Naantali turnaround also took place.

In January 2012, Neste Oil was selected for inclusion in the Global 100 list of the world's most sustainable companies for the sixth consecutive year. The company was ranked 19th, compared to the 20th in 2011. The Global 100 list is based on an expert analysis of 3,500 listed companies from different sectors around the world. Companies selected for inclusion in the list are considered the best in their fields in respect of their performance against various sustainability indicators.

In February 2012, Neste Oil was again ranked among the world's top performers in terms of its forest footprint reporting and transparency in the Forest Footprint Disclosure (FFD) 2011 Report. Neste Oil was named the second-best company in the oil & gas sector in the latest FFD report after two years as the best. The FFD project is an international initiative designed to evaluate how aware companies are of their forest footprint and the methods they use to reduce the size of their footprint. A total of 357 international companies were requested to disclose information in areas such as risk assessment and sustainable supply chain management for the FFD Report. The results were then assessed by a jury of supply and forest conservation experts.

Potential short-term and long-term risks

The oil market has been and is expected to continue to be very volatile. Oil refiners are exposed to a variety of political and economic trends and events, as well as natural phenomena that affect the short- and long-term supply of and demand for the products that they produce and sell.

Uncertainty continues to be focused on the development of the world economy, which is likely to have a material impact on the demand for petroleum products generally and diesel fuel in particular.

Sudden and unplanned outages at Neste Oil's production units or facilities continue to represent a short-term operational risk.

Rapid and large changes in feedstock and product prices may lead to significant inventory gains or losses, or changes in working capital, and may have a material impact on the company's IFRS operating profit and net cash from operations.

The implementation of biofuel legislation in the EU and other key market areas may influence the speed at which the demand for these fuels develops. Risks also include any problems or delays in capturing the anticipated benefits from the company's renewable diesel investments. Over the longer term, failure to protect Neste Oil's proprietary technology or the introduction and implementation of competing fuel technologies or hybrid and electric engines may have a negative impact on the company's results. Renewable fuels margins can be volatile in various markets due to rapidly changing feedstock and product prices and thus affect the profitability of the Renewable Fuels business.

Over the longer term, access to funding and rising capital costs, as well as challenges in procuring and developing new competitive and reasonably priced raw materials, may impact the company's results.

The key market drivers for Neste Oil's financial performance are refining margins, the price differential between Russian Export Blend (REB) and Brent crude, the USD/EUR exchange rate, and the price differentials between different vegetable oils.

For more detailed information on Neste Oil's risks and risk management, please refer to the company's Annual Report and Financial Statements.

Outlook

The market expects that margins for advanced refiners, such as Neste Oil, will be higher in the second quarter than in 2011 and remain roughly at 2011 levels for the remainder of the year. Diesel is projected to be the strongest part of the barrel going forward, and the second-quarter gasoline margins are expected to stay higher than in 2011. Demand for base oil has remained healthy, and margins are expected to continue recovering. Approximately 30% of Neste Oil's volume in 2012 is hedged at a USD 4.7 /bbl reference margin level, assuming an Urals-Brent differential of USD -1.0/bbl.

Neste Oil expects to see good productivity and higher production volumes at its Porvoo refinery in 2012. Two scheduled maintenance outages during the second quarter will impact sales volumes and profit. Diesel production line 4 at Porvoo refinery was off-line for four weeks due to planned coke removal, and a six-week major turnaround is currently taking place at the Naantali refinery. In addition, further decoking maintenance of diesel production line 4 is expected before the next winter period.

Oil Products' full-year comparable operating profit is expected to improve compared to 2011, assuming that Neste Oil's reference refining margin remains at last year's level.

The ramp-up of the Renewable Fuels business will continue in 2012. The US market has now been opened and Neste Oil has already made its first sale there. Sales volumes of renewable diesel will grow clearly from first-quarter level during the second quarter. Although renewable diesel volumes are growing and a proportion of sales is hedged, second-quarter operating profit at Renewable Fuels will be lower compared to the first quarter if margins stay depressed.

Oil Retail's full-year comparable operating profit is expected to be at least equal to that seen in 2011.

In line with previous estimates the Group's fixed costs are expected to be approx. EUR 640 million, and the Group's investments are expected to be approx. EUR 350 million in 2012.

Neste Oil maintains its previous guidance and expects its full-year comparable operating profit to improve significantly compared to 2011, assuming that Neste Oil's reference refining margin remains at last year's level and that quarterly sales volumes of renewable diesel are similar to or above those seen during the last quarter of 2011.

Reporting date for the company's second-quarter 2012 results

Neste Oil will publish its second-quarter results on 2 August 2012 at approximately 9:00 a.m. EET.

Espoo, 25 April 2012

Neste Oil Corporation
Board of Directors

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The preceding information contains, or may be deemed to contain, "forward-looking statements". These statements relate to future events or our future financial performance, including, but not limited to, strategic plans, potential growth, planned operational changes, expected capital expenditures, future cash sources and requirements, liquidity and cost savings that involve known and unknown risks, uncertainties, and other factors that may cause Neste Oil Corporation's or its businesses' actual results, levels of activity, performance or achievements to be materially different from those expressed or implied by any forward-looking statements. In some cases, such forward-looking statements can be identified by terminology such as "may," "will," "could," "would," "should," "expect," "plan," "anticipate," "intend," "believe," "estimate," "predict," "potential," or "continue," or the negative of those terms or other comparable terminology. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Future results may vary from the results expressed in, or implied by, the forward-looking statements, possibly to a material degree. All forward-looking statements made in this report are based on information presently available to management and Neste Oil Corporation assumes no obligation to update any forward-looking statements. Nothing in this report constitutes investment advice and this report shall not constitute an offer to sell or the solicitation of an offer to buy any securities or otherwise to engage in any investment activity.

CONSOLIDATED INCOME STATEMENT

MEUR	Note	1-3/2012	1-3/2011	1-12/2011	Last 12 months
Revenue	3	**4,454**	3,472	15,420	16,402
Other income		**60**	8	36	88
Share of profit (loss) of associates and joint ventures		**-5**	-2	26	23
Materials and services		**-3,956**	-3,008	-13,962	-14,910
Employee benefit costs		**-87**	-75	-316	-328
Depreciation, amortization and impairments	3	**-83**	-73	-315	-325
Other expenses		**-195**	-151	-616	-660
Operating profit		**188**	171	273	290
Financial income and expenses					
Financial income		**1**	1	4	4
Financial expenses		**-22**	-12	-72	-82
Exchange rate and fair value gains and losses		**-1**	0	1	0
Total financial income and expenses		**-22**	-11	-67	-78
Profit before income taxes		**166**	160	206	212
Income tax expense		**-45**	-42	-46	-49
Profit for the period		**121**	118	160	163
Profit attributable to:					
Owners of the parent		**120**	118	158	160
Non-controlling interests		**1**	0	2	3
		121	118	160	163
Earnings per share from profit attributable to the owners of the parent basic and diluted (in euro per share)		**0.47**	0.46	0.62	0.63

STATEMENT OF COMPREHENSIVE INCOME

MEUR	1-3/2012	1-3/2011	1-12/2011	Last 12 months
Profit for the period	**121**	118	160	163
Other comprehensive income for the period, net of tax:				
Translation differences	**5**	-6	-1	10
Cash flow hedges				
recorded in equity	**27**	20	-10	-3
transferred to income statement	**-14**	-4	-19	-29
Net investment hedges	**0**	0	-1	-1
Hedging reserves in associates and joint ventures	**0**	0	1	1
Other comprehensive income for the period, net of tax	**18**	10	-30	-22
Total comprehensive income for the period	**139**	128	130	141
Total comprehensive income attributable to:				
Owners of the parent	**138**	128	128	138
Non-controlling interests	**1**	0	2	3
	139	128	130	141

CONSOLIDATED BALANCE SHEET

MEUR	Note	31 March 2012	31 March 2011	31 Dec 2011
ASSETS				
Non-current assets				
Intangible assets	5	**56**	42	55
Property, plant and equipment	5	**3,939**	4,017	3,968
Investments in associates and joint ventures		**235**	213	239
Non-current receivables		**6**	11	16
Pension assets		**0**	0	0
Deferred tax assets		**35**	35	50
Derivative financial instruments	6	**25**	4	19
Available-for-sale financial assets		**4**	4	4
Total non-current assets		**4,300**	4,326	4,351
Current assets				
Inventories		**1,814**	1,247	1,457
Trade and other receivables		**1,190**	1,014	1,045
Derivative financial instruments	6	**128**	70	59
Cash and cash equivalents		**94**	162	304
Total current assets		**3,226**	2,493	2,865
Assets classified as held for sale [1)]		**-**	-	56
Total assets		**7,526**	6,819	7,272
EQUITY				
Capital and reserves attributable to the owners of the parent				
Share capital		**40**	40	40
Other equity	2	**2,461**	2,502	2,413
Total		**2,501**	2,542	2,453
Non-controlling interest		**15**	12	14
Total equity		**2,516**	2,554	2,467
LIABILITIES				
Non-current liabilities				
Interest-bearing liabilities		**2,012**	1,806	1,891
Deferred tax liabilities		**316**	350	331
Provisions		**23**	21	22
Pension liabilities		**47**	47	46
Derivative financial instruments	6	**17**	18	12
Other non-current liabilities		**10**	1	9
Total non-current liabilities		**2,425**	2,243	2,311
Current liabilities				
Interest-bearing liabilities		**524**	244	493
Current tax liabilities		**52**	79	26
Derivative financial instruments	6	**128**	58	88
Trade and other payables		**1,881**	1,641	1,872
Total current liabilities		**2,585**	2,022	2,479
Liabilities related to assets held for sale [1)]		**-**	-	15
Total liabilities		**5,010**	4,265	4,805
Total equity and liabilities		**7,526**	6,819	7,272

[1)] The assets and liabilities held for sale relate to district Neste Oil's 50% holding in an iso-octane plant in Edmonton, Canada. In December 2011 Neste Oil signed an agreement to divest the whole asset. Furthermore, Neste Oil announced to sell the associated product and feedstock inventories at closing. The transaction was closed on January 19, 2012.

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

	Attributable to owners of the parent						
MEUR	Share capital	Reserve fund	Fair value and other reserves	Translation differences	Retained earnings	Non-controlling interests	Total equity
Total equity at 1 January 2011	40	13	6	-6	2,361	12	2,426
Dividend paid							-
Share-based compensation							-
Transfer from retained earnings		2			-2		0
Total comprehensive income for the period			16	-6	118	0	128
Total equity at 31 March 2011	40	15	22	-12	2,477	12	2,554

MEUR	Share capital	Reserve fund	Fair value and other reserves	Translation differences	Retained earnings	Non-controlling interests	Total equity
Total equity at 1 January 2012	**40**	**15**	**-23**	**-7**	**2,428**	**14**	**2,467**
Dividend paid					**-90**	**0**	**-90**
Share-based compensation					**0**		**0**
Transfer from retained earnings		**2**			**-2**		**0**
Total comprehensive income for the period			**13**	**5**	**120**	**1**	**139**
Total equity at 31 March 2012	**40**	**17**	**-10**	**-2**	**2,456**	**15**	**2,516**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

MEUR	1-3/2012	1-3/2011	1-12/2011
Cash flow from operating activities			
Profit before taxes	**166**	160	206
Adjustments, total	**65**	109	344
Change in working capital	**-533**	-194	-222
Cash generated from operations	**-302**	75	328
Finance cost, net	**-38**	-12	-44
Income taxes paid	**-13**	-5	-87
Net cash generated from operating activities	**-353**	58	197
Capital expenditure	**-48**	-120	-364
Acquisition of shares in subsidiaries	**-**	-	-
Acquisition of associates and joint ventures	**-**	-	-
Acquisition of other shares	**0**	0	0
Proceeds from sales of shares in subsidiaries	**-**	-	2
Proceeds from sales of fixed assets	**74**	2	22
Change in other investments	**-35**	-39	-25
Cash flow before financing activities	**-362**	-99	-168
Net change in loans and other financing activities	**152**	-118	180
Dividends paid to the owners of the parent	**-**	-	-90
Dividends paid to non-controlling interests	**-**	-	-
Net increase (+)/decrease (-) in cash and cash equivalents	**-210**	-217	-78

KEY FINANCIAL INDICATORS

	31 March 2012	31 March 2011	31 Dec 2011	Last 12 months
Capital employed, MEUR	**5,052**	4,603	4,850	5,052
Interest-bearing net debt, MEUR	**2,442**	1,886	2,080	-
Capital expenditure and investment in shares, MEUR	**48**	120	364	292
Return on average capital employed, after tax, ROACE %	**-**	-	2.6	3.0
Return on capital employed, pre-tax, ROCE %	**15.2**	15.0	5.9	6.1
Return on equity, %	**19.4**	18.9	6.6	6.5
Equity per share, EUR	**9.77**	9.93	9.58	-
Cash flow per share, EUR	**-1.38**	0.23	0.77	-0.84
Equity-to-assets ratio, %	**33.5**	37.5	34.0	-
Leverage ratio, %	**49.3**	42.5	45.7	-
Gearing, %	**97.1**	73.9	84.3	-
Average number of shares	**255,918,686**	255,918,686	255,918,686	255,918,686
Number of shares at the end of the period	**255,918,686**	255,918,686	255,918,686	255,918,686
Average number of personnel	**4,881**	4,858	4,926	-

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by EU. The accounting policies adopted are consistent with those of the Group's annual financial statements for the year ended 31 December 2011, with the exception of the following changes due to the adoption of the new and revised IFRS standards and IFRIC interpretations.

The Group applies the following interpretations or amendments as of 1 January 2012:
- IFRS 7 (amendment) Financial Instruments: Disclosure - Enhance Derecognition Disclosure Requirements
- Annual improvements 2011.

The above mentioned amendments do not have a material impact on the reported income statement, balance sheet or notes.

2. TREASURY SHARES

In 2007 Neste Oil entered into an agreement with a third party service provider concerning the administration of the share-based management share performance arrangement for key management personnel. As part of the agreement, the service provider purchased a total of 500,000 Neste Oil shares in February 2007 in order to hedge part of Neste Oil's cash flow risk in relation to the possible future payment of the rewards, which will take place partly in Neste Oil shares and partly in cash during 2013. Despite the legal form of the hedging arrangement, it has been accounted for as if the share purchases had been conducted directly by Neste Oil, as required by IFRS 2, Share based payments and SIC-12, Consolidation - Special purpose entities.

The consolidated balance sheet and the consolidated changes in total equity reflect the substance of the arrangement with a deduction amounting to EUR 12 million in equity. This amount represents the consideration paid for the shares by the third party service provider. As at 31 March 2012 there were 485,000 shares accounted for as treasury shares.

3. SEGMENT INFORMATION

Neste Oil's operations are grouped into four reporting segments: Oil Products, Renewable Fuels, Oil Retail and Others.
Others segment consists of Group administration, shared service functions, Research and Technology, Neste Jacobs and Nynas AB.

REVENUE				Last 12
MEUR	**1-3/2012**	1-3/2011	1-12/2011	months
Oil Products	**3,544**	2,870	12,644	13,318
Renewable Fuels	**466**	193	1,026	1,299
Oil Retail	**1,190**	1,021	4,298	4,467
Others	**52**	44	191	199
Eliminations	**-798**	-656	-2,739	-2,881
Total	**4,454**	3,472	15,420	16,402

OPERATING PROFIT				Last 12
MEUR	**1-3/2012**	1-3/2011	1-12/2011	months
Oil Products	**195**	178	373	390
Renewable Fuels	**-8**	-4	-170	-174
Oil Retail	**15**	12	58	61
Others	**-10**	-15	8	13
Eliminations	**-4**	0	4	0
Total	**188**	171	273	290

COMPARABLE OPERATING PROFIT				Last 12
MEUR	**1-3/2012**	1-3/2011	1-12/2011	months
Oil Products	**77**	83	271	265
Renewable Fuels	**-2**	-36	-163	-129
Oil Retail	**15**	12	57	60
Others	**-10**	-16	9	15
Eliminations	**-4**	0	4	0
Total	**76**	43	178	211

DEPRECIATION, AMORTIZATION AND IMPAIRMENTS				Last 12
MEUR	**1-3/2012**	1-3/2011	1-12/2011	months
Oil Products	**48**	47	192	193
Renewable Fuels	**24**	15	78	87
Oil Retail	**8**	8	32	32
Others	**3**	3	13	13
Total	**83**	73	315	325

CAPITAL EXPENDITURE AND INVESTMENTS IN SHARES				Last 12
MEUR	**1-3/2012**	1-3/2011	1-12/2011	months
Oil Products	**24**	19	131	136
Renewable Fuels	**15**	96	190	109
Oil Retail	**4**	4	34	34
Others	**5**	1	9	13
Total	**48**	120	364	292

TOTAL ASSETS	**31 March**	31 March	31 Dec
MEUR	**2012**	2011	2011
Oil Products	**4,097**	3,814	3,889
Renewable Fuels	**2,349**	1,923	2,167
Oil Retail	**674**	614	649
Others	**419**	386	395
Unallocated assets	**308**	344	478
Eliminations	**-321**	-262	-306
Total	**7,526**	6,819	7,272

NET ASSETS MEUR	31 March 2012	31 March 2011	31 Dec 2011
Oil Products	**2,558**	2,323	2,228
Renewable Fuels	**2,122**	1,826	1,963
Oil Retail	**344**	326	326
Others	**200**	288	315
Eliminations	**-7**	-9	-3
Total	**5,217**	4,754	4,829

RETURN ON NET ASSETS, %	31 March 2012	31 March 2011	31 Dec 2011	Last 12 months
Oil Products	**32.6**	31.1	15.7	16.1
Renewable Fuels	**-1.6**	-0.9	-9.0	-8.9
Oil Retail	**17.9**	15.0	17.9	18.5

COMPARABLE RETURN ON NET ASSETS, %	31 March 2012	31 March 2011	31 Dec 2011	Last 12 months
Oil Products	**12.9**	14.5	11.4	10.9
Renewable Fuels	**-0.4**	-8.2	-8.7	-6.6
Oil Retail	**17.9**	15.0	17.6	18.2

QUARTERLY SEGMENT INFORMATION

QUARTERLY REVENUE MEUR	1-3/2012	10-12/2011	7-9/2011	4-6/2011	1-3/2011
Oil Products	**3,544**	3,377	3,327	3,070	2,870
Renewable Fuels	**466**	399	290	144	193
Oil Retail	**1,190**	1,112	1,107	1,058	1,021
Others	**52**	56	44	47	44
Eliminations	**-798**	-775	-663	-645	-656
Total	**4,454**	4,169	4,105	3,674	3,472

QUARTERLY OPERATING PROFIT MEUR	1-3/2012	10-12/2011	7-9/2011	4-6/2011	1-3/2011
Oil Products	**195**	3	56	136	178
Renewable Fuels	**-8**	-32	-81	-53	-4
Oil Retail	**15**	9	24	13	12
Others	**-10**	1	15	7	-15
Eliminations	**-4**	-3	1	6	0
Total	**188**	-22	15	109	171

QUARTERLY COMPARABLE OPERATING PROFIT MEUR	1-3/2012	10-12/2011	7-9/2011	4-6/2011	1-3/2011
Oil Products	**77**	27	86	75	83
Renewable Fuels	**-2**	-15	-57	-55	-36
Oil Retail	**15**	9	23	13	12
Others	**-10**	2	15	8	-16
Eliminations	**-4**	-3	1	6	0
Total	**76**	20	68	47	43

QUARTERLY DEPRECIATION, AMORTIZATION AND IMPAIRMENTS MEUR	1-3/2012	10-12/2011	7-9/2011	4-6/2011	1-3/2011
Oil Products	**48**	49	48	48	47
Renewable Fuels	**24**	29	18	16	15
Oil Retail	**8**	8	8	8	8
Others	**3**	4	2	4	3
Total	**83**	90	76	76	73

QUARTERLY CAPITAL EXPENDITURE AND INVESTMENTS IN SHARES MEUR	1-3/2012	10-12/2011	7-9/2011	4-6/2011	1-3/2011
Oil Products	**24**	48	32	32	19
Renewable Fuels	**15**	19	25	50	96
Oil Retail	**4**	16	8	6	4
Others	**5**	3	2	3	1
Total	**48**	86	67	91	120

Neste Oil has updated the method used to calculate its comparable operating profit to provide a better reflection of operational performance in its Oil Products business, by switching from a monthly average pricing method to a daily based pricing method when adjusting calculated inventory gains and losses. Comparative figures in 2011 financial statements have been reclassified.

4. DISPOSED JOINTLY CONTROLLED ASSETS

On January 19, 2012 Neste Oil sold its 50% holding in an iso-octane production plant in Edmonton, Canada to Canadian-based Keyera Corporation.
A capital gain amounting to EUR 45 million resulting from the transaction has been included in the consolidated financial statements.

ASSETS AND LIABILITIES OF NESTE OIL'S 50% HOLDING IN ISO-OCTANE PRODUCTION PLANT

MEUR	19 January 2012
Property, plant and equipment	28
Shares in subsidiaries and associates	-
Inventories	27
Trade and other receivables	3
Cash and cash equivalents	0
Total assets	58
Trade and other payables	9
Total liabilities	9
Sold net assets	49
Gain on disposal	45
Total consideration	94
Cash consideration received	94
Cash and cash equivalents disposed of	-
Cash inflow arising from disposal	94

5. CHANGES IN INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT AND CAPITAL COMMITMENTS

CHANGES IN INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT MEUR	**31 March 2012**	31 March 2011	31 Dec 2011
Opening balance	**4,023**	4,022	4,022
Depreciation, amortization and impairments	**-83**	-73	-315
Capital expenditure	**48**	120	364
Disposals	**0**	-2	-13
Classified as asset held for sale	**-**	-	-28
Translation differences	**7**	-8	-7
Closing balance	**3,995**	4,059	4,023

CAPITAL COMMITMENTS MEUR	**31 March 2012**	31 March 2011	31 Dec 2011
Commitments to purchase property, plant and equipment	**20**	45	24
Total	**20**	45	24

6. DERIVATIVE FINANCIAL INSTRUMENTS

Interest rate and currency derivative contracts and share forward contracts MEUR	**31 March 2012** **Nominal value**	**31 March 2012** **Net fair value**	31 March 2011 Nominal value	31 March 2011 Net fair value	31 Dec 2011 Nominal value	31 Dec 2011 Net fair value
Interest rate swaps	**921**	**7**	721	-14	772	6
Forward foreign exchange contracts	**1,759**	**0**	1,034	33	1,413	-41
Currency options						
Purchased	**185**	**-4**	65	2	206	-5
Written	**178**	**3**	62	2	193	-3

Commodity derivative contracts	**Volume million bbl**	**Net fair value Meur**	Volume million bbl	Net fair value Meur	Volume million bbl	Net fair value Meur
Sales contracts	**65**	**-74**	31	-39	46	0
Purchase contracts	**46**	**76**	22	14	34	21
Purchased options	**1**	**-2**	1	-1	1	0
Written options	**1**	**2**	1	1	1	0

Commodity derivative contracts include oil, freight and palmoil derivative contracts.

The fair values of derivative financial instruments subject to public trading are based on market prices as of the balance sheet date. The fair values of other derivative financial instruments are based on the present value of cash flows resulting from the contracts, and, in respect of options, on evaluation models. The amounts also include unsettled closed positions. Derivative financial instruments are mainly used to manage the Group's currency, interest rate and price risk.

7. RELATED PARTY TRANSACTIONS

The group has a related party relationship with its subsidiaries, associates, joint ventures and with the members of the Board of Directors, the President and CEO and other members of the Neste Executive Board (key management persons), close members of the families of the mentioned key management persons and entities controlled or jointly controlled by the mentioned key management persons or close members of those persons' families.

Transactions carried out with associates and joint ventures	**1-3/2012**	1-3/2011	1-12/2011
Sales of goods and services	**13**	4	116
Purchases of goods and services	**12**	15	72
Receivables	**8**	6	7
Financial income and expenses	**0**	0	0
Liabilities	**17**	2	16

8. CONTINGENT LIABILITIES

MEUR	**31 March 2012**	31 March 2011	31 Dec 2011
Contingent liabilities			
On own behalf for commitments			
Real estate mortgages	**26**	26	26
Pledged assets	**2**	2	2
Other contingent liabilities	**25**	23	31
Total	**53**	51	59
On behalf of associates and joint ventures			
Guarantees	**2**	3	2
Total	**2**	3	2
On behalf of others			
Guarantees	**1**	15	1
Other contingent liabilities	**2**	-	2
Total	**3**	15	3
Total	**58**	69	64

MEUR	**31 March 2012**	31 March 2011	31 Dec 2011
Operating lease liabilities			
Due within one year	**66**	69	74
Due between one and five years	**132**	149	142
Due later than five years	**78**	97	80
Total	**276**	315	296

The Group's operating lease commitments primarily relate to time charter vessels, land and office space.

Other contingent liabilities

Neste Oil Corporation has a collective contingent liability with Fortum Heat and Gas Oy of the demerged Fortum Oil and Gas Oy's liabilities based on the Finnish Companies Act's Chapter 17 Paragraph 16.6.

Calculation of key financial indicators

Calculation of key financial indicators			
Operating profit	=		Operating profit includes the revenue from the sale of goods and services, other income such as gain from sale of shares or non-financial assets, share of profit (loss) of associates and joint ventures, less losses from sale of shares or non-financial assets, as well as expenses related to production, marketing and selling activities, administration, depreciation, amortization, and impairment charges. Realized and unrealized gains or losses on oil and freight derivative contracts together with realized gains and losses from foreign currency and oil derivative contracts hedging cash flows of commercial sales and purchases that have been recycled in the income statement, are also included in operating profit.
Comparable operating profit	=		Operating profit -/+ inventory gains/losses -/+ gains/losses from sale of shares and non-financial assets - unrealized change in fair value of oil and freight derivative contracts. Inventory gains/losses include the change in fair value of all trading inventories.
Return on equity, (ROE)%	=	100 x	Profit before taxes - taxes / Total equity average
Return on capital employed, pre-tax (ROCE) %	=	100 x	Profit before taxes + interest and other financial expenses / Capital employed average
Return on average capital employed, after-tax (ROACE) %	=	100 x	Profit for the period (adjusted for inventory gains/losses, gains/losses from sale of shares and non-financial assets and unrealized gains/losses on oil and freight derivative contracts, net of tax) + non-controlling interests + interest expenses and other financial expenses related to interest-bearing liabilities (net of tax) / Capital employed average
Capital employed	=		Total assets - interest-free liabilities - deferred tax liabilities - provisions
Interest-bearing net debt	=		Interest-bearing liabilities - cash and cash equivalents
Leverage ratio, %	=	100 x	Interest-bearing net debt / Interest bearing net debt + total equity
Gearing, %	=	100 x	Interest-bearing net debt / Total equity
Equity-to-assets ratio, %	=	100 x	Total equity / Total assets - advances received
Return on net assets, %	=	100 x	Segment operating profit / Average segment net assets
Comparable return on net assets, %	=	100 x	Segment comparable operating profit / Average segment net assets
Segment net assets	=		Property, plant and equipment, intangible assets, investment in associates and joint ventures including shareholder loans, pension assets, inventories and interest-free receivables and liabilities allocated to the business segment, provisions and pension liabilities
Research and development expenditure	=		Research and development expenditure comprise of the expenses of the Research & Technology unit serving all business areas of the Group, as well as research and technology expenses incurred in business areas, which are included in the consolidated income statement. Depreciation and amortization are included in the figure. The expenses are presented as gross, before deducting grants received.

Calculation of share-related indicators

Earnings per share (EPS)	=		Profit for the period attributable to the equity holders of the company / Adjusted average number of shares during the period
Equity per share	=		Shareholder's equity attributable to the equity holders of the company / Adjusted average number of shares at the end of the period
Cash flow per share	=		Net cash generated from operating activities / Adjusted average number of shares during the period
Price / earnings ratio (P/E)	=		Share price at the end of the period / Earnings per share
Dividend payout ratio, %	=	100 x	Dividend per share / Earnings per share
Dividend yield, %	=	100 x	Dividend per share / Share price at the end of the period
Average share price	=		Amount traded in euros during the period / Number of shares traded during the period
Market capitalization at the end of the period	=		Number of shares at the end of the period x share price at the end of the period
Trading volume	=		Number of shares traded during the period, and number of shares traded during the period in relation to the weighted average number of shares during the period

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