23 October 2014

Neste Oil Corporation
Interim Report
January-September 2014

Neste Oil's Interim Report for January-September 2014

Strong market development in the third quarter. Full-year guidance revised.

Third quarter in brief:

- Comparable operating profit totaled EUR 190 million (Q3/2013: EUR 217 million)
- Total refining margin was USD 10.94/bbl (Q3/2013: USD 8.61/bbl)
- Renewable Products' reference margin was USD 247/ton (Q3/2013: USD 453/ton)
- Renewable Products' additional margin was USD 174/ton (Q3/2013: USD 135/ton)
- Net cash from operations totaled EUR -144 million (Q3/2013: EUR 3 million)

January-September in brief:

- Comparable operating profit totaled EUR 329 million (1-9/2013: EUR 433 million)
- Return on average capital employed (ROACE) was 9.6% over the last 12 months (2013: 11.7%)
- Leverage ratio was 39.5% as of the end of September (31.12.2013: 30.0%)
- Comparable earnings per share: EUR 0.79 (1-9/2013: EUR 1.21)

President & CEO Matti Lievonen:

“While the general outlook for European refining remains challenging, the short-term market situation has clearly improved. Neste Oil has continued to implement internal improvement actions, and most of the targeted result improvements for this year have already materialized. This internal improvement, together with the stronger oil product market, largely compensated for the impact of the unscheduled production outage at the Porvoo refinery. The Group recorded a comparable operating profit of EUR 190 million during the third quarter, compared to EUR 217 million during the corresponding period last year.

Oil Products' reference refining margin increased during the third quarter as a result of a stronger-than-expected gasoline season and the wide price differential between Brent and Russian crude oil. Our reference margin averaged USD 5.8/bbl compared to USD 4.5/bbl in the third quarter of 2013. Oil Products' result was negatively impacted by an extensive production outage at the Porvoo refinery due to a damaged hydrogen unit. Less than half of the expected impact on our result materialized during the third quarter. Our additional margin averaged USD 5.2/bbl. Combined with the stronger reference margin, this enabled Oil Products to record a comparable operating profit of EUR 110 million, compared to EUR 67 million in the third quarter of 2013.

Renewable Products' market situation has improved, but margins remained significantly below the levels seen during the third quarter last year. Sales volumes totaled 516,000 tons, of which 27% were allocated to North America during the third quarter, compared to 52% in the corresponding period in 2013. Decisions on the US biofuel mandate and Blender's Tax Credit for 2014 are still pending. The profitability of the business was positively impacted by the general decline in feedstock prices, and waste and residues accounted for 59% of our total renewable inputs. Renewable diesel production achieved an average capacity utilization of 99%, although the Singapore NEXBTL refinery was shut down for a major turnaround at the end of August. Renewable Products recorded a comparable operating profit of EUR 52 million compared to EUR 120 million in the third quarter of 2013.

Oil Retail continued to perform seasonably well, achieving good margins in most markets. The segment generated a solid comparable operating profit of EUR 26 million, somewhat below the record-high EUR 29 million booked in the third quarter of 2013.

Based on the third quarter performance we have revised our guidance and now expect the Group's full-year comparable operating profit to be above EUR 400 million assuming that Neste Oil's reference refining margin will average at least USD 3.5/bbl during the months of November and December 2014. Previously the full-year comparable operating profit was expected to come in at under EUR 400 million.

After the reporting period on 7 October, we announced that we are planning to make major investments in Finland, integrate the operations of our Finnish refineries, and reduce personnel – reflecting our belief that we need to look at a broad range of solutions for improving our competitiveness and securing the foundation of our future operations and growth."

Neste Oil's Interim Report, 1 January - 30 September 2014

Quarterly figures are unaudited; full-year figures are audited.

Figures in parentheses refer to the corresponding period for 2013, unless otherwise stated.

Neste Oil adopted the new IFRS 11 Joint Arrangements standard on 1 January 2014. As a result, comparative figures for 2013 have been restated. This change did not have a material impact on figures, however.

As announced on 25 September 2014, Neste Oil has revised the method used to calculate its comparable operating profit and switched to using non-recurring items. Group and segment figures for 2013 have been restated according to the new calculation method.

Key Figures

EUR million (unless otherwise noted)

	7-9/14	7-9/13	4-6/14	1-9/14	1-9/13	2013
Revenue	3,982	4,630	4,248	11,883	12,858	17,469
EBITDA	135	329	152	422	688	955
Comparable EBITDA*	271	297	167	574	674	919
Depreciation, amortization, and impairments	82	80	83	245	241	323
Operating profit	53	249	69	177	447	632
Comparable operating profit *	190	217	85	329	433	596
Profit before income tax	25	233	47	110	394	561
Net profit	13	194	38	82	331	524
Comparable net profit **	123	167	50	203	309	485
Earnings per share, EUR	0.05	0.76	0.15	0.32	1.29	2.04
Comparable earnings per share**, EUR	0.48	0.65	0.20	0.79	1.21	1.89
Investments	107	42	97	247	142	214
Net cash from operating activities	-144	3	219	-103	210	839

	30 Sep 2014	30 Sep 2013	31 Dec 2013
Total equity	2,768	2,758	2,924
Interest-bearing net debt	1,804	1,822	1,252
Capital employed	4,748	4,672	4,682
Return on capital employed pre-tax (ROCE), annualized, %	4.8	12.7	13.4
Return on average capital employed after tax (ROACE)***, %	9.6	8.3	11.7
Return on equity (ROE), annualized, %	3.9	16.6	19.2
Equity per share, EUR	10.78	10.71	11.36
Cash flow per share****, EUR	-0.40	0.82	3.28
Leverage (net debt to capital), %	39.5	39.8	30.0
Gearing, %	65.2	66.1	42.8

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

** Comparable net profit for the period is calculated by excluding inventory gain/losses, non-recurring items, and unrealized changes in fair value of oil, freight and electricity derivative contracts, net of tax, less non-controlling interests. Comparable earnings per share are based on comparable net profit.

*** Last 12 months

**** Cumulative 1 January - 30 September or 1 January - 31 December

The Group's third-quarter 2014 results

Neste Oil's revenue in the third quarter totaled EUR 3,982 million (4,630 million). This decrease mainly resulted from lower sales volumes and lower overall market prices in Oil Products and Renewable Products. The Group's comparable operating profit came in at EUR 190 million. Comparable operating profit for the corresponding period in 2013 was EUR 217 million. Oil Products' result was positively impacted by both reference and additional refining margins, which were higher than in the third quarter of 2013; and was negatively impacted by an unscheduled production outage at the Porvoo refinery due to a damaged hydrogen unit. Renewable Products' comparable operating profit was significantly lower than that recorded in the third quarter of 2013, which was supported by very favorable market conditions at the time. Oil Retail's solid performance continued, as it recorded only a slightly lower comparable operating profit than in the corresponding period in 2013, which was record-high. The result of the Others segment improved compared to the third quarter of 2013.

Oil Products' third-quarter comparable operating profit was EUR 110 million (67 million), Renewable Products' EUR 52 million (120 million), and Oil Retail's EUR 26 million (29 million). The comparable operating profit of the Others segment totaled EUR 4 million (0 million).

The Group's IFRS operating profit was EUR 53 million (249 million) and reflected inventory losses mainly related to the decline in oil prices totaling EUR 169 million (gains of 26 million), changes in the fair value of open oil derivatives totaling EUR 38 million (7 million), and non-recurring items totaling EUR -5 million (-1 million) related to Nynas' restructuring charges in the third quarter 2014. Pre-tax profit was EUR 25 million (233 million), profit for the period EUR 13 million (194 million), and earnings per share EUR 0.05 (0.76).

The Group's January-September 2014 results

Neste Oil's revenue totaled EUR 11,883 million during the first nine months of the year compared to EUR 12,858 million during the same period last year. This decline mainly resulted from lower sales volumes and overall market prices in Oil Products and the disposal of the retail business in Poland. The Group's nine-month comparable operating profit totaled EUR 329 million compared to EUR 433 million in the first nine months of 2013. The main reason for this decline was the lower reference margins in both Oil Products and Renewable Products, which had a total negative impact of EUR 224 million year-on-year. Higher additional margins in Oil Products and Renewable Products had a positive impact of EUR 83 million on the Group's operating profit, and the Group's fixed costs were EUR 40 million lower than in the first nine months of 2013.

Oil Products' nine-month comparable operating profit was EUR 176 million (208 million), Renewable Products' EUR 98 million (179 million), and Oil Retail's EUR 61 million (62 million). The comparable operating profit of the Others segment totaled EUR -4 million (-20 million).

The Group's IFRS operating profit was EUR 177 million (447 million), which was impacted by inventory losses mainly related to the decline in oil prices totaling EUR 170 million (35 million), changes in the fair value of open oil derivatives totaling EUR 25 million (0 million), and non-recurring items totaling EUR -7 million (49 million). The pre-tax profit was EUR 110 million (394 million), profit for the period EUR 82 million (331 million), and earnings per share EUR 0.32 (1.29).

	7-9/14	7-9/13	4-6/14	1-9/14	1-9/13	2013
COMPARABLE OPERATING PROFIT	190	217	85	329	433	596
- inventory gains/losses	-169	26	2	-170	-35	-19
- changes in the fair value of open oil derivatives	38	7	-18	25	0	4
- non-recurring items	-5	-1	0	-7	49	51
- capital gains/losses	0	-1	0	-2	42	43
- insurance and other compensations	0	0	0	0	7	13
- others	-5	0	0	-5	0	-5
OPERATING PROFIT	53	249	69	177	447	632

Financial targets

Return on average capital employed after tax (ROACE) and leverage ratio are Neste Oil's key financial targets. ROACE figures are based on comparable results. The company's long-term ROACE target is 15% and the leverage ratio target is 25-50%.

	30 Sep 2014	30 Sep 2013	31 Dec 2013
Return on average capital employed after tax (ROACE)*, %	9.6	8.3	11.7
Leverage (net debt to capital), %	39.5	39.8	30.0

*Last 12 months

Cash flow, investments, and financing

Neste Oil Group’s net cash from operating activities totaled EUR -103 million (210 million) during the first nine months. The year-on-year difference is attributable to the lower EBITDA generated by the Group's businesses and change in working capital due to unscheduled maintenance outages. Cash flow before financing activities and taxes was EUR -295 million (194 million). Group net working capital days outstanding were 20.2 days (19.5 days) on a rolling 12-month basis at the end of the third quarter.

Cash-out investments totaled EUR 158 million (142 million) during January-September. Maintenance investments accounted for EUR 121 million (115 million) and productivity and strategic investments for EUR 37 million (27 million). Oil Products’ investments totaled EUR 124 million (95 million), with the largest single project being the isomerization unit under construction at Porvoo. Renewable Products' investments totaled EUR 15 million (15 million). Oil Retail's investments totaled EUR 14 million (19 million) and were mainly related to the station network. Investments in the Others segment totaled EUR 13 million (13 million) and were related to IT and business infrastructure.

Interest-bearing net debt was EUR 1,804 million as of the end of September, compared to EUR 1,252 million at the end of 2013. Net financial expenses for the first nine months were EUR 67 million (53 million). The average interest rate of borrowing at the end of September was 3.5% and the average maturity 2.9 years. The interest-bearing net debt/comparable EBITDA ratio was 2.2 (2.2) over the previous 12 months at the end of the third quarter.

The Group’s balance sheet remains strong. The equity-to-assets ratio was 39.8% (31 Dec. 2013: 41.6%), the leverage ratio 39.5% (31 Dec. 2013: 30.0%), and the gearing ratio 65.2% (31 Dec. 2013: 42.8%).

The Group's cash and cash equivalents and committed, unutilized credit facilities amounted to EUR 1,794 million as of the end of September (31 Dec. 2013: 2,156 million). There are no financial covenants in the Group's current loan agreements.

In accordance with its 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.

US dollar exchange rates

	7-9/14	7-9/13	4-6/14	1-9/14	1-9/13	2013
USD/EUR, market rate	1.33	1.32	1.37	1.35	1.32	1.33
USD/EUR, hedged	1.35	1.30	1.35	1.34	1.30	1.30

Segment reviews

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

Oil Products

Key financials

	7-9/14	7-9/13	4-6/14	1-9/14	1-9/13	2013
Revenue, MEUR	3,014	3,476	3,268	9,057	9,779	13,271
Comparable EBITDA, MEUR	158	113	82	319	345	460
Comparable operating profit, MEUR	110	67	33	176	208	275
IFRS operating profit, MEUR	11	104	46	70	193	286
Net assets, MEUR	2,496	2,527	2,278	2,496	2,527	2,163
Comparable return on net assets*, %	10.2	12.9	8.5	10.2	12.9	11.6

*Last 12 months

Key drivers

	7-9/14	7-9/13	4-6/14	1-9/14	1-9/13	2013
Reference refining margin, USD/bbl	5.75	4.49	4.21	4.44	5.49	4.81
Additional margin, USD/bbl	5.19	4.11	4.14	4.85	4.14	4.79
Total refining margin, USD/bbl	10.94	8.60	8.35	9.29	9.63	9.60
Urals-Brent price differential, USD/bbl	-1.79	-0.18	-2.18	-1.78	-0.88	-1.02
Urals' share of total refinery input, %	59	62	57	57	62	63

Oil Products' third-quarter comparable operating profit totaled EUR 110 million, compared to EUR 67 million in the third quarter of 2013. The operating profit was impacted by a stronger market, which was reflected in a USD 1.3/bbl higher reference margin year-on-year. This increase in the reference margin had a positive impact on operating profit of EUR 28 million. Neste Oil's additional margin reached USD 5.2/bbl (4.1) despite the unscheduled production outage caused by the damaged hydrogen unit at the Porvoo refinery. Less than half of the expected negative result impact of the hydrogen incident materialized during the third quarter. The improvement in additional margin mainly resulted from a favorable sales structure in the prevailing market, the wide price differential between Brent and Russian crude oil, and internal performance improvement actions. The stronger additional margin had a positive impact of EUR 18 million on the business' operating profit compared to the corresponding period last year. Sales volumes were 0.2 million tons or 4% lower than in the third quarter of 2013. The average utilization rate at the Porvoo refinery was 79% (95%) and was impacted by the hydrogen unit incident there. The Naantali refinery recorded an average utilization rate of 77%. The segment's fixed costs were EUR 4 million lower than in the third quarter of 2013, mainly as a result of the outsourcing of shipping operations and ongoing performance improvement initiatives. Base Oils' profit contribution and impact on additional margin improved from that recorded during the third quarter of 2013. Oil Products' comparable return on net assets was 10.2% (12.9%) at the end of September over the previous 12 months.

Crude oil prices came under pressure during the third quarter and fell below USD 100/bbl towards the end of the quarter. The main drivers for this decline were faster-than-expected supply growth in Libya and the US, together with weak overall physical demand. The price differential between Brent and Russian Export Blend (REB) crude averaged USD -1.8/bbl in the third quarter. High crude supply levels and low utilization rates at European refineries contributed to this reasonably wide differential during the quarter. The reference refining margin was boosted by a recovery in middle distillate margins, as imports from the US fell short of expectations. Gasoline margins were supported by the driving season and some gasoline production outages in the US. On average, middle distillates remained the strongest part of the barrel. Fuel oil cracks strengthened in line with falling crude oil prices. Neste Oil's reference margin averaged USD 5.8/bbl during the third quarter.

Oil Products' nine-month comparable operating profit was EUR 176 million (208 million). The reference refining margin during the first nine months was USD 1.1/bbl lower than during the corresponding period last year, which had a negative impact of EUR 55 million on the result. Neste Oil's additional margin increased by USD 0.7/bbl and contributed EUR 26 million year-on-year to compensate for the impact of the lower reference margin. The segment's fixed costs were EUR 17 million lower than in the first nine months of 2013. The strengthening of the EUR against the USD had a negative impact of EUR 19 million on the operating profit year-on-year.

Production

	7-9/14	7-9/13	4-6/14	1-9/14	1-9/13	2013
Porvoo refinery production, 1,000 ton	2,822	3,242	2,893	8,604	8,974	12,016
Porvoo refinery utilization rate, %	79	95	84	83	86	87
Naantali refinery production, 1,000 ton	588	583	552	1,577	1,670	2,147
Naantali refinery utilization rate, %	77	79	69	72	80	78
Refinery production costs, USD/bbl	4.5	4.1	5.1	4.8	4.8	4.8
Bahrain base oil plant production, 1,000 ton	29	29	41	96	104	151

Sales from in-house production, by product category (1,000 t)

	7-9/14	*%*	7-9/13	*%*	4-6/14	*%*	1-9/14	*%*	1-9/13	*%*	2013	*%*
Middle distillates*	1,497	*44*	1,671	*47*	1,560	*44*	4,610	*45*	4,910	*48*	6,729	*48*
Light distillates**	1,134	*33*	1,192	*33*	1,176	*34*	3,402	*34*	3,330	*32*	4,550	*32*
Heavy fuel oil	296	*9*	290	*8*	217	*6*	746	*7*	900	*9*	1,253	*9*
Base oils	123	*3*	115	*3*	212	*6*	447	*4*	349	*3*	436	*3*
Other products	385	*11*	318	*9*	340	*10*	967	*10*	850	*8*	1,121	*8*
TOTAL	3,436	*100*	3,587	*100*	3,504	*100*	10,172	*100*	10,339	*100*	14,088	*100*

* Diesel, jet fuel, heating oil
** Motor gasoline, gasoline components, LPG

Sales from in-house production, by market area (1,000 t)

	7-9/14	%	7-9/13	%	4-6/14	%	1-9/14	%	1-9/13	%	2013	%
Baltic Sea area*	2,392	*70*	2,273	*63*	1,990	*57*	6,721	*66*	6,732	*65*	9,035	*64*
Other Europe	697	*20*	949	*27*	851	*24*	2,258	*22*	2,517	*24*	3,933	*28*
North America	136	*4*	230	*6*	367	*10*	548	*5*	783	*8*	843	*6*
Other areas	210	*6*	133	*4*	296	*9*	645	*7*	307	*3*	276	*2*

*Finland, Sweden, Estonia, Latvia, Lithuania, Poland, Denmark

Renewable Products

Key financials

	7-9/14	7-9/13	4-6/14	1-9/14	1-9/13	2013
Revenue, MEUR	560	713	603	1,694	1,761	2,493
Comparable EBITDA, MEUR	75	144	54	169	253	371
Comparable operating profit, MEUR	52	120	31	98	179	273
IFRS operating profit, MEUR	20	116	2	54	159	252
Net assets, MEUR	1,764	1,770	1,777	1,764	1,770	1,768
Comparable return on net assets*, %	10.8	8.8	14.7	10.8	8.8	15.2

*Last 12 months

Key drivers

	7-9/14	7-9/13	4-6/14	1-9/14	1-9/13	2013
FAME - Palm oil price differential*, USD/ton	236	367	239	235	364	356
SME - Soybean oil price differential**, USD/ton	263	527	180	202	395	389
Reference margin, USD/ton	247	453	214	225	395	371
Additional margin, USD/ton	174	135	155	157	100	127
Biomass-based diesel (D4) RIN, USD/gal	0.53	0.94	0.56	0.56	0.83	0.65
Palm oil price***, USD/ton	683	717	785	759	760	768
Crude palm oil's share of total feedstock, %	41	42	34	38	48	48

* FAME seasonal vs. CPO BMD 3rd (Crude Palm Oil Bursa Malaysia Derivatives 3rd month futures price) + 70 $/t freight to ARA (Amsterdam-Rotterdam-Antwerp)
** SME US Gulf Coast vs. SBO CBOT 1st (Soybean Oil Chicago Board of Trade 1st month futures price)
*** CPO BMD 3rd

Renewable Products' comparable operating profit totaled EUR 52 million during the third quarter, compared to EUR 120 million in the third quarter of 2013. The result was impacted by a significantly lower reference margin, which had a negative impact of EUR 83 million on operating profit compared to the third quarter of 2013. This was partly compensated for by the stronger additional margin, which had a positive impact of EUR 16 million on the result. Sales volumes totaled 516,000 tons, a 3% decrease on the corresponding period last year. Approximately 73% (48%) of sales volumes went to Europe and Asia-Pacific during the third quarter of 2014 and 27% (52%) to North America. Renewable diesel production achieved an average capacity utilization of 99% (106%) during the quarter. Neste Oil’s NEXBTL refinery in Singapore was shut down for a major eight-week turnaround at the end of August. Feedstock mix optimization was successful and the proportion of waste and residue inputs, such as animal fat and palm fatty acid distillate (PFAD), was 59% on average. Neste Oil’s additional margin improved to USD 174/ton, and was clearly higher than in the third quarter of 2013. Renewable Products’ comparable return on net assets was 10.8% (8.8%) at the end of the third quarter based on the previous 12 months.

Crude palm oil (CPO) prices fell significantly during the third quarter and hit more than five-year lows in early September. The palm oil market was impacted by lower crude oil prices, a record US soybean crop, expectations of a mild El Nino weather phenomenon, and high Malaysian palm oil inventories. Prices began to move higher in September, however, after Malaysia cut export taxes to prevent a further buildup of inventory.

European Fatty Acid Methyl Ester (FAME) prices declined, but producers' margin improved as the FAME vs. rapeseed oil (RSO) price spread widened compared to the previous quarter. The rapeseed crop was very good, and the RSO vs. CPO price spread remained well below the historical average. FAME supply and demand were reasonably balanced.

US soybean oil (SBO) prices continued to be pressured as a result of the good soybean crop in South America and favorable US crop prospects. US soy methyl ester (SME) prices declined compared to the previous quarter, but the SME vs. SBO price spread widened significantly, despite ongoing uncertainty related to the US biofuel regulation. Final decisions on the renewable fuel mandate by the US Environmental Protection Agency (EPA) and on the reintroduction of the Blender's Tax Credit (BTC) by the US Congress are expected by the end of the year.

Renewable Products' nine-month comparable operating profit was EUR 98 million (179 million). The significantly lower reference margin during the first nine months had a negative impact of EUR 169 million on the segment's operating profit year-on-year. This was partly compensated for by the higher additional margin, which had a positive impact of EUR 57 million on the operating profit, and higher sales volume, which had a positive impact of EUR 38 million.

Production

	7-9/14	7-9/13	4-6/14	1-9/14	1-9/13	2013
NEXBTL, 1,000 ton	522	556	534	1,601	1,354	1,896
Other products, 1,000 ton	36	37	31	100	93	132
Utilization rate, %	99	106	102	103	87	91

Sales

	7-9/14	7-9/13	4-6/14	1-9/14	1-9/13	2013
NEXBTL, 1,000 ton	516	543	561	1,567	1,339	1,938
Share of sales volumes to Europe & APAC, %	73	48	66	71	59	56
Share of sales volumes to North America, %	27	52	34	29	41	44

Oil Retail

Key financials

	7-9/14	7-9/13	4-6/14	1-9/14	1-9/13	2013
Revenue, MEUR	1,153	1,174	1,076	3,248	3,412	4,532
Comparable EBITDA, MEUR	33	35	26	80	83	105
Comparable operating profit, MEUR	26	29	20	61	62	77
IFRS operating profit, MEUR	26	29	20	60	105	120
Net assets, MEUR	271	280	252	271	280	255
Comparable return on net assets*, %	28.8	21.0	30.1	28.8	21.0	26.4

*Last 12 months

Oil Retail's third-quarter comparable operating profit was EUR 26 million compared to EUR 29 million in the third quarter of 2013. Station network sales volumes grew in all markets, but direct sales volumes declined compared to the corresponding period last year. Overall, sales volumes had a positive impact of EUR 1 million on the operating profit year-on-year. Unit margins remained good, but were lower than the record levels seen in Finland and Northwest Russia last year. Lower margins had a negative impact of EUR 2 million on the segment's third-quarter comparable operating profit. Fixed costs and depreciations were some EUR 2 million higher year-on-year, mainly due to an ICT system investment. Oil Retail's comparable return on net assets was 28.8% (21.0%) at the end of the third quarter 2014 on a rolling 12-month basis.

Oil Retail's markets remain competitive. Traffic fuel demand is seasonally higher during the summer period. Demand for both gasoline and diesel is on a downward trend in Finland, while the markets in the Baltic countries and Northwest Russia are gradually growing.

Oil Retail's nine-month comparable operating profit was EUR 61 million (62 million). The weaker ruble had a negative impact of EUR 3 million on the result in Northwest Russia compared to the corresponding period last year. Higher overall sales volumes, better unit margins, and lower fixed costs largely compensated for the impact related to the ruble exchange rate during the first nine months of the year.

Sales volumes by main product categories, million liters

	7-9/14	7-9/13	4-6/14	1-9/14	1-9/13	2013
Gasoline station sales	313	308	295	858	874	1,151
Diesel station sales	395	376	379	1,134	1,115	1,491
Heating oil	153	164	135	437	471	635

Net sales by market area, MEUR

	7-9/14	7-9/13	4-6/14	1-9/14	1-9/13	2013
Finland	802	839	762	2,306	2,440	3,239
Northwest Russia	96	95	91	265	269	361
Baltic countries	255	235	220	674	683	900

Others

Key financials

	7-9/14	7-9/13	4-6/14	1-9/14	1-9/13	2013
Comparable operating profit, MEUR	4	0	2	-4	-20	-31
IFRS operating profit, MEUR	-1	0	2	-7	-12	-26

The Others segment consists of the engineering and technology solutions company Neste Jacobs, 60/40-owned by Neste Oil and Jacobs Engineering; Nynas, a joint venture 50/50-owned by Neste Oil and Petróleos de Venezuela; and common corporate costs. The comparable operating profit of the Others segment totaled EUR 4 million (0 million) in the third quarter. Nynas' performance showed a clear improvement compared to the corresponding period in 2013.

The nine-month comparable operating profit for the Others segment totaled EUR -4 million (-20 million); joint arrangements accounted for EUR 10 million (-1 million) of this figure.

Shares, share trading, and ownership

Neste Oil's shares are traded on NASDAQ OMX Helsinki Ltd. The share price closed the quarter at EUR 16.30, up by 14.4% compared to the end of the second quarter. At its highest during the quarter, the stock traded at EUR 16.30, while at its lowest the price stood at EUR 13.45. Market capitalization was EUR 4.2 billion as of 30 September 2014. An average of 0.7 million shares were traded daily, representing 0.3% of the company's shares.

Neste Oil's share capital registered with the Company Register as of 30 September 2014 totaled EUR 40 million, and the total number of shares outstanding was 256,403,686. As resolved by the AGM held on 3 April, 2014, the Board of Directors was authorized to purchase and/or take as security a maximum of 2,000,000 company shares using the company's unrestricted equity. At the end of September, Neste Oil held 1,000,000 treasury shares purchased under this authorization. The Board of Directors has no authorization to issue convertible bonds, share options, or new shares.

As of the end of September, the Finnish State owned 50.1% (50.1% at the end of the second quarter) of outstanding shares, foreign institutions 22.3% (20.5%), Finnish institutions 13.9% (15.1%), and Finnish households 13.7% (14.3%).

Personnel

Neste Oil employed an average of 5,056 (5,116) employees in the third quarter, of which 1,488 (1,447) were based outside Finland. As of the end of September, the company had 4,859 employees (5,045), of which 1,512 (1,444) were located outside Finland.

Health, safety, and the environment

Contractor safety is an important focus area in occupational safety development. Contractors encountered several safety incidents in August, and safety communication and training has been intensified. Cumulative occupational safety performance measured using Total Recordable Incident Frequency (TRIF, number of cases per million hours worked by both Neste Oil and contractor personnel) was 2.7 (4.2 in 2013) compared to the corporate target of 3.3 for 2014. Although the Process Safety Event Rate (PSER) was high in July, due to several refinery incidents, the third-quarter PSER was better than the corporate target of 3.0 for 2014. The cumulative PSER was 2.8 (3.0 in 2013).

Operational environmental emissions were in substantial compliance at all sites. Wastewater quality exceeded the permitted level at the Rotterdam refinery once, in July, but was only of a minor nature. No serious environmental incidents resulting to liability occurred at Neste Oil's refineries or other production facilities during the third quarter of 2014.

Implementation of Neste Oil's HVO Verification Scheme approved by the European Commission is in progress, and the first certificates under the scheme were granted by a third-party certification body in July 2014. Neste Oil has continued engaging with stakeholders in the palm oil sector – such as suppliers, International Sustainability & Carbon Certification (ISCC), and the Roundtable on Sustainable Palm Oil (RSPO) – to clarify certification procedures, particularly in workforce-related areas. Neste Oil has become a member of the RSPO taskforce for human rights; and has also joined the United Nations Global Compact, the world's largest corporate responsibility initiative.

Main events published during the reporting period

On 18 August, Neste Oil announced that its Porvoo refinery would see reduced production following damage to the site's hydrogen plant. Preliminary findings indicated that repairing the unit would take several weeks.

On 29 August, Neste Oil announced that it expected repair work on the damaged hydrogen unit at Porvoo would take until the end of October and that the incident was likely to have an impact totaling approximately EUR 60 million on the company's comparable operating profit. The improved oil products market was expected to contribute some EUR 30 million by way of compensating for this impact. Neste Oil revised its guidance, stating that it expected its comparable operating profit for 2014 to come in at under EUR 400 million.

On 8 September, Neste Oil announced that the company's Shareholders' Nomination Board had been appointed, with the following members: Eero Heliövaara, Director General of the Prime Minister's Office's Ownership Steering Department (Chair); Timo Ritakallio, Deputy CEO of Ilmarinen Mutual Pension Insurance Company; Reima Rytsölä, Chief Investment Officer of Varma Mutual Pension Insurance Company; and Jorma Eloranta, the Chair of Neste Oil's Board of Directors. The Nomination Board will forward its proposals for the AGM to the Board of Directors by 31 January 2015.

On 10 September, Neste Oil announced that it is to build a biopropane unit at its refinery in Rotterdam. The project will start immediately and the plan is to begin sales of biopropane at the end of 2016. The total value of the investment is approximately EUR 60 million. When the new unit is complete, biopropane production is expected to total 30,000-40,000 t/a.

On 11 September, Neste Oil held a Capital Markets Day in London and highlighted the company's goal of being the Baltic Sea downstream champion and growing in global renewable feedstock-based markets. Neste Oil is targeting a strong cash flow to facilitate investments in improving productivity and growth, reduce its debt, and ensure stable dividends. The aim of the Oil Products business area is to be the Baltic Sea champion in refining and increase its additional refining margin to at least USD 5/bbl. The Renewable Products business area is focused on feedstock flexibility, growing its productivity, and maximizing the value of its products. The goal is to increase renewable diesel capacity further to 2.6 million ton/a by 2017 and be able to use 100% waste and residue feedstock by 2017. Investors were also updated about plans to extend the NEXBTL product family into completely new applications outside traffic fuels. New NEXBTL applications are expected to develop into a significant business by the end of the decade. Neste Oil's financial targets and dividend policy remain unchanged.

Events after the reporting period

On 7 October, Neste Oil announced that it is to make major investments in Finland, integrate the operations of its Finnish refineries, and reduce personnel**.** Neste Oil is planning to initiate a major development program to rationalize its operations. Investments totaling approx. EUR 500 million are to be made in growth and optimizing production at the Porvoo and Naantali refineries in Finland. The plan is to closely integrate refinery operations at Porvoo and Naantali to achieve better operational and cost efficiency. Some operations will be shut down or outsourced. The impact of these changes, together with changes already implemented, are expected to reduce

Neste Oil's labor requirement by approx. 250 employees, primarily in Finland. Neste Oil has issued an invitation to personnel to take part in statutory employer-employee negotiations covering these changes and how they will affect employees. Neste Oil is also investigating the future of the electricity distribution system at the Porvoo refinery. One of the options being looked at is to sell the distribution network to an outside investor. The project to modernize energy generation at the Porvoo refinery has been modified and the plan now is to implement the power plant investment, valued at more than EUR 250 million, through a joint venture with Veolia and Borealis.

Potential 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. The political crisis in Ukraine has increased general uncertainty in the European energy market, but has not materially impacted oil and gas supply.

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, North America, and other key market areas may influence the speed at which the demand for these fuels develops. Over the longer term, failure to protect Neste Oil's proprietary technology or the introduction and implementation of competing technologies may have a negative impact on the company's results. Margins in the Renewable Products business can be volatile in various markets due to rapidly changing feedstock and product prices, and affect the profitability of the business as a result.

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, the price differentials between different vegetable oils, and biodiesel margins.

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

Outlook

Developments in the global economy have been reflected in the oil, renewable fuel, and renewable feedstock markets; and volatility in these markets is expected to continue. Global oil demand is anticipated to continue increasing, but growth estimates have generally been reduced to below 1 million bbl/d for 2014. This demand growth is expected to be exceeded by new refining capacity in Asia and the Middle East. This is expected to lead to continued high middle distillate imports into Europe from the Middle East and the US. Gasoline margins have been reasonably strong, but are expected to follow normal seasonality, which usually leads to lower margins in the winter period.

Vegetable oil price differentials are expected to vary, depending on crop outlooks, weather phenomena, and variations in demand for different feedstocks, but no fundamental changes in the drivers influencing long-term average feedstock price differentials are expected. Feedstock prices have been on a downward trend, but this may have bottomed out for the moment. Vegetable oil price differentials have remained narrower than the historical average.

Uncertainties regarding political decision-making in the US are likely to be reflected in the renewable fuel market. Examples of pending decisions include volume targets for biomass-based diesel and the possible reintroduction of the Blender's Tax Credit (BTC), which both impact the US market. Decisions on these important regulatory issues are expected to be taken during the fourth quarter of 2014. Reintroduction of the BTC would have a positive impact on Neste Oil's result, but is not included in the company’s current result guidance.

A major turnaround is currently under way at Neste Oil's NEXBTL refinery in Singapore, which is expected to be completed by the end of October. Repair work on the damaged hydrogen unit at the Porvoo refinery is expected to be completed by the end of October and will be followed by the start-up of the affected refinery units.

Based on the third quarter performance, Neste Oil has revised its guidance and now expects the Group's full-year comparable operating profit to be above EUR 400 million assuming that Neste Oil's reference refining margin will average at least USD 3.5/bbl during the months of November and December 2014. Previously the full-year comparable operating profit was expected to come in at under EUR 400 million. Neste Oil will continue to implement a series of performance improvement initiatives related to both variable and fixed costs aimed at improving the Group’s comparable operating profit by at least EUR 50 million in 2014, which will contribute to reaching the result level contained in the company’s guidance.

After the reporting period on 7 October, Neste Oil announced that it is planning to make major investments in Finland, integrate the operations of its Finnish refineries, and reduce personnel. The company intends looking at a broad range of solutions for improving its competitiveness and securing the foundation of its future operations and growth.

In 2015, the Group's investments are expected to total approx. EUR 450 million, including some EUR 100 million for a major turnaround at the Porvoo refinery, which is scheduled to start in April 2015 and is expected to last for approx. 8 weeks.

Reporting date for the company's fourth-quarter and full-year 2014 results

Neste Oil will publish its fourth-quarter and full-year results on 4 February 2015 at approximately 9:00 a.m. EET.

Espoo, 22 October 2014

Neste Oil Corporation
Board of Directors

Further information:

Matti Lievonen, President & CEO, tel. +358 10 458 11
Jyrki Mäki-Kala, CFO, tel. +358 10 458 4098
Investor Relations, tel. +358 10 458 5292

News conference and conference call

A press conference in Finnish on the third-quarter results will be held today, 23 October 2014, at 11:30 a.m. EET at the company's headquarters at 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 on 23 October 2014 at 3 p.m. Finland / 1 p.m. London / 8 a.m. New York. The call-in numbers are as follows: Finland: +358 (0)9 2310 1620, Europe: +44 (0)20 3427 1903, US: +1 646 254 3361, using access code 7563910. The conference call can be followed at the company's web site. An instant replay of the call will be available until 30 October 2014 at +358 (0)9 2310 1650 for Finland at +44 (0)20 3427 0598 for Europe and +1 347 366 9565 for the US, using access code 7563910#.

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.

Interim Financial Statements are unaudited, full year 2013 audited

FINANCIAL STATEMENT SUMMARY AND NOTES TO THE FINANCIAL STATEMENT

The figures in the tables are exact figures and consequently the sum of individual figures may deviate from the sum presented.

CONSOLIDATED INCOME STATEMENT

MEUR	Note	7-9/2014	7-9/2013*	1-9/2014	1-9/2013*	1-12/2013*	Last 12 months*
Revenue	3	**3,982**	4,630	**11,883**	12,858	17,469	16,494
Other income		**5**	4	**13**	67	79	25
Share of profit (loss) of joint arrangements		**4**	6	**7**	2	-9	-4
Materials and services		**-3,621**	-4,051	**-10,700**	-11,381	-15,427	-14,746
Employee benefit costs		**-73**	-82	**-245**	-263	-354	-336
Depreciation, amortization and impairments	3	**-82**	-80	**-245**	-241	-323	-327
Other expenses		**-162**	-178	**-536**	-595	-803	-744
Operating profit		**53**	249	**177**	447	632	362
Financial income and expenses							
Financial income		**1**	1	**3**	2	2	3
Financial expenses		**-20**	-20	**-60**	-60	-81	-81
Exchange rate and fair value gains and losses		**-9**	3	**-10**	5	8	-7
Total financial income and expenses		**-28**	-16	**-67**	-53	-71	-85
Profit before income taxes		**25**	233	**110**	394	561	277
Income tax expense		**-12**	-39	**-28**	-63	-37	-2
Profit for the period		**13**	194	**82**	331	524	275
Profit attributable to:							
Owners of the parent		**13**	193	**81**	330	523	274
Non-controlling interests		**1**	1	**2**	1	1	2
		13	194	**82**	331	524	275
Earnings per share from profit attributable to the owners of the parent basic and diluted (in euro per share)		**0.05**	0.76	**0.32**	1.29	2.04	1.07

STATEMENT OF COMPREHENSIVE INCOME

MEUR	7-9/2014	7-9/2013	1-9/2014	1-9/2013	1-12/2013	Last 12 months
Profit for the period	**13**	194	**82**	331	524	275
Other comprehensive income net of tax:						
Items that will not be reclassified to profit or loss						
Remeasurements on defined benefit plans	**-7**	5	**-21**	5	-1	-27
Items that may be reclassified subsequently to profit or loss						
Translation differences	**4**	-2	**-4**	-17	-33	-20
Cash flow hedges						
recorded in equity	**-29**	9	**-21**	8	10	-19
transferred to income statement	**2**	-4	**-7**	-10	-19	-16
Net investment hedges	**0**	0	**0**	0	0	0
Hedging reserves in joint arrangements	**0**	0	**-3**	-1	-1	-1
Total	**-23**	3	**-35**	-20	-43	-56
Other comprehensive income for the period, net of tax	**-30**	8	**-56**	-15	-44	-83
Total comprehensive income for the period	**-17**	202	**26**	316	480	192
Total comprehensive income attributable to:						
Owners of the parent	**-18**	201	**24**	315	479	457
Non-controlling interests	**1**	1	**2**	1	1	2
	-17	202	**26**	316	480	459

* The Group has adopted the new IFRS 11 Joint Arrangements standard on 1 January 2014. The comparative figures for 2013 have been restated.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MEUR	Note	30 Sep 2014	30 Sep 2013*	31 Dec 2013*
ASSETS				
Non-current assets				
Intangible assets	5	**63**	59	62
Property, plant and equipment	5	**3,726**	3,758	3,743
Investments in joint arrangements		**205**	241	224
Non-current receivables		**46**	3	3
Deferred tax assets		**36**	35	29
Derivative financial instruments	6	**29**	24	22
Available-for-sale financial assets		**5**	5	4
Total non-current assets		**4,110**	4,125	4,087
Current assets				
Inventories		**1,456**	1,705	1,468
Trade and other receivables		**1,164**	1,002	947
Derivative financial instruments	6	**64**	39	34
Cash and cash equivalents		**176**	92	506
Total current assets		**2,860**	2,838	2,955
Total assets		**6,970**	6,963	7,043
EQUITY				
Capital and reserves attributable to the owners of the parent				
Share capital		**40**	40	40
Other equity	2	**2,711**	2,702	2,868
Total		**2,751**	2,742	2,908
Non-controlling interest		**18**	16	16
Total equity		**2,768**	2,758	2,924
LIABILITIES				
Non-current liabilities				
Interest-bearing liabilities		**1,349**	1,696	1,586
Deferred tax liabilities		**245**	327	266
Provisions		**36**	37	37
Pension liabilities		**118**	90	93
Derivative financial instruments	6	**5**	5	7
Other non-current liabilities		**2**	8	7
Total non-current liabilities		**1,757**	2,163	1,996
Current liabilities				
Interest-bearing liabilities		**631**	218	171
Current tax liabilities		**15**	33	49
Derivative financial instruments	6	**107**	28	25
Trade and other payables		**1,693**	1,763	1,877
Total current liabilities		**2,445**	2,042	2,122
Total liabilities		**4,202**	4,205	4,119
Total equity and liabilities		**6,970**	6,963	7,043

* The Group has adopted the new IFRS 11 Joint Arrangements standard on 1 January 2014. The comparative figures for 2013 have been restated.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

MEUR	7-9/2014	7-9/2013	1-9/2014	1-9/2013	1-12/2013
Cash flow from operating activities					
Profit before taxes	**25**	233	**110**	394	561
Adjustments, total	**75**	81	**292**	259	360
Change in working capital	**-219**	-237	**-403**	-286	100
Cash generated from operations	**-119**	77	**-1**	367	1,021
Finance cost, net	**-4**	-57	**-24**	-85	-98
Income taxes paid	**-21**	-17	**-77**	-72	-84
Net cash generated from operating activities	**-144**	3	**-103**	210	839
Cash flows from investing activities					
Capital expenditure	**-52**	-42	**-158**	-142	-214
Acquisition of other shares	**0**	0	**0**	0	0
Proceeds from sales of shares in subsidiaries	**0**	0	**0**	75	75
Proceeds from sales of fixed assets	**2**	0	**2**	1	2
Proceeds from capital repayments in joint arrangements	**3**	0	**18**	0	0
Change in long-term receivables and other investments [1]	**-9**	11	**-54**	50	57
Cash flows from investing activities	**-56**	-31	**-192**	-16	-80
Cash flow before financing activities	**-200**	-28	**-295**	194	759
Cash flows from financing activities					
Net change in loans and other financing activities	**103**	-53	**143**	-412	-557
Purchase of treasury shares	**0**	0	**-15**	0	0
Dividends paid to the owners of the parent	**0**	0	**-167**	-97	-97
Dividends paid to non-controlling interests	**0**	-1	**0**	-1	-1
Cash flows from financing activities	**103**	-54	**-39**	-510	-655
Net increase (+)/decrease (-) in cash and cash equivalents	**-97**	-82	**-334**	-316	104

[1] Including penalty payment in Q1 2014 to Finnish Customs totaling approximately EUR 44 million.

NESTE OIL

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

MEUR	Share capital	Reserve fund	Fair value and other reserves	Translation differences	Actuarial gains and losses	Treasury shares	Retained earnings	Owners of the parent	Non-controlling interests	Total equity
Total equity at 1 January 2013	40	18	10	2	-29	0	2,483	2,524	16	2,540
Profit for the period							330	330	1	331
Other comprehensive income for the period			-3	-17	5			-15		-15
Total comprehensive income for the period			-3	-17	5		330	315	1	316
Dividend paid							-97	-97	-1	-98
Share-based compensation							0	0		0
Transfer from retained earnings		0					0	0		0
Total equity at 30 September 2013	40	18	7	-15	-24	0	2,716	2,742	16	2,758

MEUR	Share capital	Reserve fund	Fair value and other reserves	Translation differences	Actuarial gains and losses	Treasury shares	Retained earnings	Owners of the parent	Non-controlling interests	Total equity
Total equity at 1 January 2013	40	18	10	2	-29	0	2,483	2,524	16	2,540
Profit for the period							523	523	1	524
Other comprehensive income for the period			-10	-33	-1			-44		-44
Total comprehensive income for the period			-10	-33	-1	0	523	479	1	480
Dividend paid							-97	-97	-1	-98
Share-based compensation							2	2		2
Transfer from retained earnings		0					0	0		0
Total equity at 31 December 2013	40	18	0	-31	-30	0	2,911	2,908	16	2,924

MEUR	Share capital	Reserve fund	Fair value and other reserves	Translation differences	Actuarial gains and losses	Treasury shares	Retained earnings	Owners of the parent	Non-controlling interests	Total equity
Total equity at 1 January 2014	**40**	**18**	**0**	**-31**	**-30**	**0**	**2,911**	**2,908**	**16**	**2,924**
Profit for the period							**81**	**81**	**2**	**82**
Other comprehensive income for the period			**-31**	**-4**	**-21**			**-56**		**-56**
Total comprehensive income for the period			**-31**	**-4**	**-21**		**81**	**24**	**2**	**26**
Dividend paid							**-167**	**-167**	**0**	**-167**
Share-based compensation							**1**	**1**		**1**
Transfer from retained earnings		**1**					**-1**	**0**		**0**
Purchase of treasury shares						**-15**		**-15**		**-15**
Total equity at 30 September 2014	**40**	**19**	**-31**	**-35**	**-51**	**-15**	**2,825**	**2,751**	**18**	**2,768**

KEY FINANCIAL INDICATORS

	30 Sep 2014	30 Sep 2013	31 Dec 2013	Last 12 months
Capital employed, MEUR	**4,748**	4,672	4,682	4,748
Interest-bearing net debt, MEUR	**1,804**	1,822	1,252	-
Capital expenditure and investment in shares, MEUR	**247**	142	214	319
Return on average capital employed, after tax, ROACE %	**-**	-	11.7	9.6
Return on capital employed, pre-tax, ROCE, annualized %	**4.8**	12.7	13.4	7.6
Return on equity, annualized %	**3.9**	16.6	19.2	10.0
Equity per share, EUR	**10.78**	10.71	11.36	-
Cash flow per share, EUR	**-0.40**	0.82	3.28	2.06
Equity-to-assets ratio, %	**39.8**	39.7	41.6	-
Leverage ratio, %	**39.5**	39.8	30.0	-
Gearing, %	**65.2**	66.1	42.8	-
Average number of shares	**255,620,886**	255,962,200	255,967,244	255,711,960
Number of shares at the end of the period	**255,184,603**	255,982,212	255,982,212	255,184,603
Average number of personnel	**5,056**	5,116	5,097	-

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 condensed interim report should be read in conjunction with the consolidated financial statements for the year ended 31 December 2013. The accounting policies adopted are consistent with those of the Group's annual financial statements for the year ended 31 December 2013, with the exception of the adoption of new IFRS standards and IFRIC interpretations effective during 2014 that are relevant to its operations. The IFRS principles require the management to make estimates and assumptions when preparing financial statements. Although these estimates and assumptions are based on the management´s best knowledge of today, the final outcome may differ from the estimated values presented in the financial statements.

The Group applies the following new standards as of 1 January 2014:

- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities

The Group has adopted the new IFRS 10 Consolidated Financial Statement and IFRS 11 Joint Arrangements as of 1 January 2014. Under IFRS 11 there are two types of joint arrangements: joint ventures and joint operations. The IFRS 11 standard only permits the equity method in consolidation of joint ventures and requires that a joint operator accounts for its share of the joint operations assets, liabilities, revenue, expenses and cash flow. The Group's joint ventures are consolidated using the equity method and therefore the adoption of IFRS 11 did not change their accounting treatment. For joint operations the Group no longer uses the equity method but instead consolidates its share of the joint operations assets, liabilities, revenues, expenses and cash flow on a line by line bases. The joint operations have an immaterial impact on the Group's financial position. The comparative information for 2013 has been restated according to the transition rules.

Other new standards and amendments did not have a material impact on the reported income statement, statement of financial position 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. 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 IFRS 10 Consolidation. 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 of 30 September 2014 there were 219 083 shares accounted for as treasury shares.

In the Annual General Meeting on 3 April 2014 the Board of Directors was authorized to decide the purchase of and/or take as security a maximum of 2,000,000 company shares using the company's unrestricted equity. As of 30 September 2014 Neste Oil Corporation held a total of 1,000,000 treasury shares, and the acquisition cost of EUR 15 million has been deducted from equity.

3. SEGMENT INFORMATION

Neste Oil's operations are grouped into four reporting segments: Oil Products, Renewable Products, Oil Retail and Others.
Others segment consists of Group administration, shared service functions, Research and Technology, Neste Jacobs and Nynas AB.
The performance of the reporting segments are reviewed regularly by the chief operating decision maker, Neste Oil President & CEO, to assess performance and to decide on allocation of resources.

REVENUE						Last 12
MEUR	**7-9/2014**	7-9/2013	**1-9/2014**	1-9/2013	1-12/2013	months
Oil Products	**3,014**	3,476	**9,057**	9,799	13,271	12,529
Renewable Products	**560**	713	**1,694**	1,761	2,493	2,426
Oil Retail	**1,153**	1,174	**3,248**	3,412	4,532	4,368
Others	**58**	51	**175**	157	206	224
Eliminations	**-803**	-784	**-2,290**	-2,251	-3,034	-3,073
Total	**3,982**	4,630	**11,883**	12,878	17,469	16,474

OPERATING PROFIT						Last 12
MEUR	**7-9/2014**	7-9/2013	**1-9/2014**	1-9/2013	1-12/2013	months
Oil Products	**11**	104	**70**	193	286	163
Renewable Products	**20**	116	**54**	159	252	147
Oil Retail	**26**	29	**60**	105	120	75
Others	**-1**	0	**-7**	-12	-26	-21
Eliminations	**-3**	0	**-1**	2	0	-3
Total	**53**	249	**177**	447	632	362

COMPARABLE OPERATING PROFIT						Last 12
MEUR	**7-9/2014**	7-9/2013	**1-9/2014**	1-9/2013	1-12/2013	months
Oil Products	**110**	67	**176**	208	275	243
Renewable Products	**52**	120	**98**	179	273	192
Oil Retail	**26**	29	**61**	62	77	76
Others	**4**	0	**-4**	-20	-31	-15
Eliminations	**-3**	1	**-1**	4	2	-3
Total	**190**	217	**329**	433	596	492

DEPRECIATION, AMORTIZATION AND IMPAIRMENTS						Last 12
MEUR	**7-9/2014**	7-9/2013	**1-9/2014**	1-9/2013	1-12/2013	months
Oil Products	**47**	46	**143**	137	185	191
Renewable Products	**24**	24	**71**	74	98	95
Oil Retail	**7**	6	**20**	21	28	27
Others	**4**	4	**11**	10	13	14
Eliminations	**0**	0	**0**	-1	-1	0
Total	**82**	80	**245**	241	323	327

CAPITAL EXPENDITURE AND INVESTMENTS IN SHARES						Last 12
MEUR	**7-9/2014**	7-9/2013	**1-9/2014**	1-9/2013	1-12/2013	months
Oil Products	**74**	27	**162**	95	142	209
Renewable Products	**22**	2	**65**	15	21	71
Oil Retail	**6**	9	**15**	19	31	27
Others	**6**	4	**13**	13	20	20
Eliminations	**0**	0	**-9**	0	0	-9
Total	**107**	42	**247**	142	214	319

TOTAL ASSETS	**30 Sep**	30 Sep	31 Dec
MEUR	**2014**	2013	2013
Oil Products	**3,936**	3,947	3,721
Renewable Products	**1,991**	2,061	2,043
Oil Retail	**595**	617	556
Others	**431**	432	419
Unallocated assets	**317**	200	596
Eliminations	**-299**	-294	-292
Total	**6,970**	6,963	7,043

NET ASSETS	**30 Sep**	30 Sep	31 Dec
MEUR	**2014**	2013	2013
Oil Products	**2,496**	2,527	2,163
Renewable Products	**1,764**	1,770	1,768
Oil Retail	**271**	280	255
Others	**249**	284	259
Eliminations	**-2**	-1	-2
Total	**4,778**	4,860	4,443

TOTAL LIABILITIES	30 Sep	30 Sep	31 Dec
MEUR	2014	2013	2013
Oil Products	**1,440**	1,419	1,558
Renewable Products	**227**	291	275
Oil Retail	**324**	338	301
Others	**182**	148	160
Unallocated liabilities	**2,326**	2,302	2,115
Eliminations	**-297**	-293	-290
Total	**4,202**	4,205	4,119

RETURN ON NET ASSETS, %	30 Sep	30 Sep	31 Dec	Last 12
	2014	2013	2013	months
Oil Products	**4.0**	10.6	12.1	6.9
Renewable Products	**4.1**	11.8	14.0	8.3
Oil Retail	**31.1**	46.6	41.2	28.7

COMPARABLE RETURN ON NET ASSETS, %	30 Sep	30 Sep	31 Dec	Last 12
	2014	2013	2013	months
Oil Products	**10.1**	11.5	11.6	10.2
Renewable Products	**7.4**	13.2	15.2	10.8
Oil Retail	**31.3**	27.5	26.4	28.8

QUARTERLY SEGMENT INFORMATION

QUARTERLY REVENUE

MEUR	7-9/2014	4-6/2014	1-3/2014	10-12/2013	7-9/2013	4-6/2013	1-3/2013
Oil Products	**3,014**	**3,268**	**2,774**	3,492	3,476	2,996	3,307
Renewable Products	**560**	**603**	**531**	732	713	535	513
Oil Retail	**1,153**	**1,076**	**1,019**	1,120	1,174	1,085	1,153
Others	**58**	**60**	**58**	49	51	54	52
Eliminations	**-803**	**-759**	**-728**	-783	-784	-700	-767
Total	**3,982**	**4,248**	**3,654**	4,611	4,630	3,970	4,258

QUARTERLY OPERATING PROFIT

MEUR	7-9/2014	4-6/2014	1-3/2014	10-12/2013	7-9/2013	4-6/2013	1-3/2013
Oil Products	**11**	**46**	**13**	93	104	10	79
Renewable Products	**20**	**2**	**32**	93	116	34	9
Oil Retail	**26**	**20**	**15**	15	29	65	11
Others	**-1**	**2**	**-8**	-14	0	0	-12
Eliminations	**-3**	**-1**	**2**	-2	0	3	-1
Total	**53**	**69**	**55**	185	249	112	86

QUARTERLY COMPARABLE OPERATING PROFIT

MEUR	7-9/2014	4-6/2014	1-3/2014	10-12/2013	7-9/2013	4-6/2013	1-3/2013
Oil Products	**110**	**33**	**33**	67	67	30	111
Renewable Products	**52**	**31**	**15**	94	120	33	26
Oil Retail	**26**	**20**	**15**	15	29	22	11
Others	**4**	**2**	**-10**	-11	0	-8	-12
Eliminations	**-3**	**-1**	**2**	-2	1	4	-1
Total	**190**	**85**	**55**	163	217	81	135

QUARTERLY DEPRECIATION, AMORTIZATION AND IMPAIRMENTS

MEUR	7-9/2014	4-6/2014	1-3/2014	10-12/2013	7-9/2013	4-6/2013	1-3/2013
Oil Products	**47**	**49**	**47**	48	46	46	45
Renewable Products	**24**	**24**	**24**	24	24	25	25
Oil Retail	**7**	**7**	**7**	7	6	7	8
Others	**4**	**4**	**3**	3	4	3	3
Eliminations	**0**	**0**	**0**	0	0	0	-1
Total	**82**	**83**	**81**	82	80	81	80

QUARTERLY CAPITAL EXPENDITURE AND INVESTMENTS IN SHARES

MEUR	7-9/2014	4-6/2014	1-3/2014	10-12/2013	7-9/2013	4-6/2013	1-3/2013
Oil Products	**74**	**55**	**33**	47	27	44	24
Renewable Products	**22**	**40**	**4**	6	2	8	5
Oil Retail	**6**	**7**	**3**	12	9	9	1
Others	**6**	**4**	**3**	7	4	5	4
Eliminations	**0**	**-9**	**0**	0	0	0	0
Total	**107**	**97**	**43**	72	42	66	34

RECONCILIATION BETWEEN COMPARABLE OPERATING PROFIT AND OPERATING PROFIT

Neste Oil has revised the method used to calculate its comparable operating profit and switched to using non-recurring items from the Q3 2014 interim report onwards.
The comparative figures for 2013 have been restated.

Group

MEUR	7-9/2014	7-9/2013	4-6/2014	1-9/2014	1-9/2013	2013
COMPARABLE OPERATING PROFIT	**190**	217	85	**329**	433	596
- inventory gains/losses	**-169**	26	2	**-170**	-35	-19
- changes in the fair value of open oil derivatives	**38**	7	-18	**25**	0	4
- non-recurring items	**-5**	-1	0	**-7**	49	51
capital gains and losses	**0**	-1	0	**-2**	42	43
insurance and other compensations	**0**	0	0	**0**	7	13
others	**-5**	0	0	**-5**	0	-5
OPERATING PROFIT (IFRS)	**53**	249	69	**177**	447	632

Oil Products

MEUR	7-9/2014	7-9/2013	4-6/2014	1-9/2014	1-9/2013	2013
COMPARABLE OPERATING PROFIT	**110**	67	33	**176**	208	275
- inventory gains/losses	**-114**	35	14	**-112**	-13	16
- changes in the fair value of open oil derivatives	**15**	2	-1	**11**	-2	-10
- non-recurring items	**0**	0	0	**-5**	0	5
capital gains and losses	**0**	0	0	**-5**	0	0
insurance and other compensations	**0**	0	0	**0**	0	6
others	**0**	0	0	**0**	0	-1
OPERATING PROFIT (IFRS)	**11**	104	46	**70**	193	286

Renewable Products

MEUR	7-9/2014	7-9/2013	4-6/2014	1-9/2014	1-9/2013	2013
COMPARABLE OPERATING PROFIT	**52**	120	31	**98**	179	273
- inventory gains/losses	**-55**	-9	-12	**-58**	-22	-35
- changes in the fair value of open oil derivatives	**23**	5	-17	**14**	2	14
- non-recurring items	**0**	0	0	**0**	0	0
capital gains and losses	**0**	0	0	**0**	0	0
insurance and other compensations	**0**	0	0	**0**	0	0
others	**0**	0	0	**0**	0	0
OPERATING PROFIT (IFRS)	**20**	116	2	**54**	159	252

Oil Retail

MEUR	7-9/2014	7-9/2013	4-6/2014	1-9/2014	1-9/2013	2013
COMPARABLE OPERATING PROFIT	**26**	29	20	**61**	62	77
- inventory gains/losses	**0**	0	0	**0**	0	0
- changes in the fair value of open oil derivatives	**0**	0	0	**0**	0	0
- non-recurring items	**0**	0	0	**0**	43	43
capital gains and losses	**0**	0	0	**0**	43	44
insurance and other compensations	**0**	0	0	**0**	0	0
others	**0**	0	0	**0**	0	-1
OPERATING PROFIT (IFRS)	**26**	29	20	**60**	105	120

Others

MEUR	7-9/2014	7-9/2013	4-6/2014	1-9/2014	1-9/2013	2013
COMPARABLE OPERATING PROFIT	**4**	0	2	**-4**	-20	-31
- inventory gains/losses	**0**	0	0	**0**	0	0
- changes in the fair value of open oil derivatives	**0**	0	0	**0**	0	0
- non-recurring items	**-5**	0	0	**-3**	8	5
capital gains and losses	**0**	0	0	**3**	1	1
insurance and other compensations	**0**	0	0	**0**	7	7
others	**-5**	0	0	**-5**	0	-3
OPERATING PROFIT (IFRS)	**-1**	0	2	**-7**	-12	-26

4. ACQUISITIONS AND DISPOSALS

In the first quarter 2014 Neste Oil sold its 100% interest in its subsidiary Neste LPG AB. The sale was completed on 31 March 2014 and a capital gain amounting to EUR 2 million resulting from the transaction has been included in the consolidated financial statements. The operations were part of the Oil Retail segment.

In the second quarter 2013 Neste Oil sold its 100% interest in its subsidiary Neste Polska Sp. z o.o. The sale was completed on 2 April 2013 and a capital gain amounting to EUR 48 million resulting from the transaction has been included in the consolidated financial statements. The operations were part of the Oil Retail segment.

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

CHANGES IN INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT **MEUR**	**30 Sep 2014**	30 Sep 2013	31 Dec 2013
Opening balance at 1 January 2013			3,930
Change in accounting policy (IFRS 11)			2
Opening balance	**3,805**	3,930	3,932
Depreciation, amortization and impairments	**-245**	-241	-323
Capital expenditure	**247**	142	214
Disposals	**-10**	-6	-7
Translation differences	**-7**	-8	-11
Closing balance	**3,789**	3,817	3,805

CAPITAL COMMITMENTS **MEUR**	**30 Sep 2014**	30 Sep 2013	31 Dec 2013
Commitments to purchase property, plant and equipment	**43**	29	36
Total	**43**	29	36

6. INTEREST BEARING NET DEBT AND LIQUIDITY

Interest bearing net debt **MEUR**	**30 Sep 2014**	30 Sep 2013	31 Dec 2013
Short term interest bearing liabilities	**631**	218	171
Long term interest bearing liabilities	**1,349**	1,696	1,587
Interest bearing liabilities	**1,980**	1,914	1,758
Cash and cash equivalents [1)]	**-176**	-92	-506
Interest bearing net debt	**1,804**	1,822	1,252

[1)] includes interest-bearing receivables EUR 22 million on 30 September 2014

Liquidity, unused committed credit facilities and debt programs **MEUR**	**30 Sep 2014**	30 Sep 2013	31 Dec 2013
Cash and cash equivalents	**176**	92	506
Unused committed credit facilities	**1,618**	1,603	1,650
Total	**1,794**	1,695	2,156
In addition: Unused CP programmes (not committed)	**183**	400	400

7. DERIVATIVE FINANCIAL INSTRUMENTS

The Group has not made any significant changes in policies regarding risk management during the period. Aspects of the Group´s financial risk management objectives and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2013.

Interest rate and currency derivative contracts and share forward contracts **MEUR**	**30 Sep 2014**		30 Sep 2013		31 Dec 2013	
	Nominal value	**Net fair value**	Nominal value	Net fair value	Nominal value	Net fair value
Interest rate swaps						
Hedge accounting	**750**	**23**	750	31	750	17
Non-hedge accounting	**0**	**0**	150	0	50	0
Currency derivatives						
Hedge accounting	**1,043**	**-31**	1,140	12	1,045	10
Non-hedge accounting	**1,057**	**-30**	844	5	391	2

Commodity derivative contracts	**30 Sep 2014**			30 Sep 2013			31 Dec 2013		
	Volume GWh	**Volume million bbl**	**Net fair value Meur**	Volume GWh	Volume million bbl	Net fair value Meur	Volume GWh	Volume million bbl	Net fair value Meur
Sales contracts									
Hedge accounting	**0**	**0**	**0**	0	0	0	0	0	0
Non-hedge accounting	**0**	**14**	**42**	0	12	8	0	7	-8
Purchase contracts									
Hedge accounting	**0**	**0**	**0**	0	0	0	0	0	0
Non-hedge accounting	**2,066**	**14**	**-23**	0	9	-12	1,627	9	3

Commodity derivative contracts include oil, freight, vegetable oil and electricity 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.

Carrying amounts of financial assets and liabilities by measurement categories

Financial assets and liabilities divided by categories were as follows as of September 30, 2014:

Balance sheet item	Financial assets/liabilities at fair value through income statement: Hedge accounting	Financial assets/liabilities at fair value through income statement: Non-hedge accounting	Loans and receivables	Available-for-sale financial assets	Financial liabilities measured at amortized cost	Carrying amounts by balance sheet item	Fair value
Non-current financial assets							
Non-current receivables			46			46	46
Derivative financial instruments	26	3				29	29
Available-for-sale financial assets				5		5	5
Current financial assets							
Trade and other receivables			1,164			1,164	1,164
Derivative financial instruments	6	57				64	64
Carrying amount by category	33	60	1,210	5	0	1,308	1,308
Non-current financial liabilities							
Interest-bearing liabilities					1,349	1,349	1,415
Derivative financial instruments	5	0				5	5
Other non-current liabilities					2	2	2
Current financial liabilities							
Interest-bearing liabilities					631	631	640
Current tax liabilities					15	15	15
Derivative financial instruments	36	71				107	107
Trade and other payables					1,693	1,693	1,693
Carrying amount by category	41	71	0	0	3,690	3,802	3,877

Financial instruments that are measured in the balance sheet at fair value are presented according to following fair value measurement hierarchy:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted price included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the assets or liability that is not based on observable market data (unobservable inputs).

Fair value hierarchy, MEUR

Financial assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Non-current derivative financial instruments	0	29	0	29
Current derivative financial instruments	25	39	0	64

Financial liabilities	**Level 1**	**Level 2**	**Level 3**	**Total**
Non-current derivative financial instruments	0	5	0	5
Current derivative financial instruments	15	92	0	107

During the nine-month period ended 30 September 2014, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

The fair values of non-current interest-bearing liabilities that are carried at amortised cost, but for which fair value is disclosed, are determined by using the discounted cash flow method employing market interest rates or market values at the balance sheet date. Non-current interest-bearing liabilities are classified into fair value measurement hierarchy level 2.

8. RELATED PARTY TRANSACTIONS

The group has a related party relationship with its subsidiaries, joint arrangements and the entities controlled by Neste Oil's controlling shareholder the State of Finland. Related party includes also 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.

Parent company of the Group is Neste Oil Corporation. The transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated during consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below. All related party transactions are on arm's length basis. The reporting of related party transactions has been aligned.

Transactions carried out with joint arrangements	**1-9/2014**	1-9/2013	1-12/2013
Sales of goods and services	**424**	257	376
Purchases of goods and services	**364**	215	340
Receivables	**18**	17	58
Financial income and expenses	**0**	0	0
Liabilities	**17**	18	61

9. CONTINGENT LIABILITIES

MEUR	30 Sep 2014	30 Sep 2013	31 Dec 2013
Contingent liabilities			
On own behalf for commitments			
Real estate mortgages	**17**	17	17
Pledged assets	**0**	0	0
Other contingent liabilities	**113**	15	16
Total	**130**	32	33
On behalf of joint arrangements			
Guarantees	**1**	2	1
Total	**1**	2	1
On behalf of others			
Guarantees	**1**	8	2
Other contingent liabilities	**2**	3	3
Total	**3**	11	5
Total	**134**	45	39

MEUR	30 Sep 2014	30 Sep 2013	31 Dec 2013
Operating lease liabilities			
Due within one year	**35**	45	58
Due between one and five years	**49**	87	82
Due later than five years	**64**	68	66
Total	**148**	200	206

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, freight and electricity 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 -/+ non-recurring items - unrealized change in fair value of oil, freight and electricity 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,non-recurring items and unrealized gains/losses on oil, freight and electricity 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

www.nesteoil.com