29.4.2011

Interim Report for January-March 2011

Neste Oil's Interim Report for January-March 2011

- **The first-quarter comparable operating profit was EUR 44 million (Q1/2010: 88 million, which included a EUR 48 million insurance compensation payment)**
- **The market environment appears to remain favorable for complex refiners**
- **Renewable Fuels' sales volumes are expected to increase in the second half of 2011, but the segment is projected to remain loss-making throughout 2011**

First quarter in brief:

- Comparable operating profit was EUR 44 million (Q1/2010: 88 million, which included a EUR 48 million insurance compensation payment)
- IFRS operating profit was EUR 171 million (Q1/2010: 97 million)
- Total refining margin was USD 8.92/bbl (Q1/2010: 7.83)
- Net cash from operations was EUR 58 million (Q1/2010: 374 million)
- Investments totaled EUR 120 million (Q1/2010: 190 million), of which EUR 96 million was spent on Renewable Fuels
- Leverage ratio was 42.5% (31 Dec 2010: 42.6%)
- Successful test run at nameplate capacity was carried out at the Singapore renewable diesel plant
- Neste Oil entered into a base oil partnership with Abu Dhabi National Oil Company

President & CEO Matti Lievonen:

"The beginning of 2011 has been promising for complex refiners. We have seen demand for petroleum products increasing, particularly in the case of middle distillates. This has coincided with a widening of the price differential between heavier and lighter crude, which is another positive development for our refining business. Another positive development for us has been the strengthening of the base oil market, where our position will improve further when the new plant in Bahrain is completed later this year. During the first quarter, we also agreed on an important base oil partnership in Abu Dhabi.

In line with the guidance we issued in early February, our Renewable Fuels business will be loss-making in 2011 as a whole and it seems that the second quarter will be slightly weaker than the first due to bottlenecks in legislation and ISCC-certified feedstock supplies. Sales volumes will gradually increase during the second half of the year, however, as we have entered new market areas and more ISCC-certified feedstocks will be available for the European market. Our Rotterdam plant is already close to completion and is scheduled to start up within a few months."

Further information:
Matti Lievonen, President & CEO, tel. +358 10 458 11
Ilkka Salonen, CFO, tel. +358 10 458 4490
Investor Relations, tel. +358 10 458 5132

News conference and conference call
A press conference in Finnish on the first-quarter results will be held today, 29 April 2011, at 2:00 p.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 on 29 April 2011 at 4:00 p.m. Finnish / 2:00 p.m. London / 9:00 a.m. New York. The call-in numbers are as follows: Europe: +44 (0)20 7806 1956, US +1 212 444 0413 (access code: 7846593). The conference call can be followed at http://www.media-server.com/m/em/mitpx7y4/r/1. An instant replay of the call will be available until 6 May 2011 at +44 (0)20 7111 1244 for Europe and +1 347 366 9565 USA for the US (access code: 7846593#).

NESTE OIL FINANCIAL STATEMENTS, 1 JANUARY – 31 MARCH 2011
Quarterly figures are unaudited; full-year figures are audited
Figures in parentheses refer to the corresponding period for 2010, unless otherwise stated.

KEY FIGURES

EUR million (unless otherwise noted)

	1-3/11	1-3/10	10-12/10	2010	2009
Revenue	3,472	2,725	3,526	11,892	9,636
EBITDA	244	155	221	582	569
Depreciation, amortization, and impairments	73	58	75	259	234
Operating profit	171	97	146	323	335
Comparable operating profit *	44	88	90	240	116
Profit before income tax	160	88	142	296	296
Earnings per share, EUR	0.46	0.25	0.42	0.89	0.86
Investments	120	190	189	943	863
Net cash from operating activities	58	374	483	1,105	177

	31 Mar 2011	31 Mar 2010	31 Dec 2010	31 Dec 2009
Total equity	2,554	2,291	2,426	2,222
Interest-bearing net debt	1,886	1,753	1,801	1,918
Capital employed	4,603	4,100	4,607	4,527
Return on capital employed pre-tax (ROCE), %	15.0	9.6	7.7	9.0
Return on average capital employed after tax (ROACE)**, %	3.6	3.0	4.6	2.5
Return on equity (ROE), %	18.9	11.4	9.9	10.2
Equity per share, EUR	9.93	8.91	9.43	8.64
Cash flow per share, EUR	0.23	1.46	4.32	0.69
Equity-to-assets ratio, %	37.5	39.8	36.5	39.1
Leverage (net debt to capital), %	42.5	43.3	42.6	46.3
Gearing, %	73.9	76.5	74.3	86.3

* 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.
** Rolling 12 months

The Group's first-quarter 2011 results

Neste Oil's revenue increased to EUR 3,472 million in the first quarter from EUR 2,725 million reported for the same period in 2010. This increase resulted from higher oil prices. The Group's comparable operating profit came in at EUR 44 million. Comparable operating profit for the corresponding period of 2010 was EUR 88 million, which included a one-off insurance compensation payment of EUR 48 million. Oil Products and Oil Retail recorded higher comparable operating profit year-on-year, whereas Renewable Fuels and Others posted lower results.

Oil Products' first-quarter comparable operating result was EUR 84 million (58 million), Renewable Fuels' EUR -36 million (-17 million), and Oil Retail's EUR 12 million (6 million). The comparable operating profit of the Others segment totaled EUR -16 million (43 million). Associated companies and joint ventures result accounted for EUR -10 million (-8 million) of the comparable operating result booked in the Others segment.

The Group's IFRS operating profit was EUR 171 million (97 million), which was impacted by inventory gains totaling EUR 140 million (16 million). Pre-tax profit was EUR 160 million (88 million), profit for the period EUR 118 million (64 million), and earnings per share EUR 0.46 (0.25).

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 3.6% (2010 financial year: 4.6%)

	1-3/11	1-3/10	10-12/10	2010	2009
COMPARABLE OPERATING PROFIT	44	88	90	240	116
- inventory gains/losses	140	16	61	121	261
- changes in the fair value of open oil derivatives	-14	-7	6	24	-43
- capital gains/losses	0	0	-11	-62	1
IFRS OPERATING PROFIT	171	97	146	323	335

Cash flow, investments, and financing

Neste Oil Group's net cash from operating activities totaled EUR 58 million (374 million) in the first quarter. The year-on-year difference is attributable to change in working capital mainly due to higher oil prices.

Investments totaled EUR 120 million (190 million) during the first quarter. Oil Products' capital expenditure totaled EUR 19 million (54 million), while Renewable Fuels invested EUR 96 million (129 million), Oil Retail EUR 4 million (2 million), and Others EUR 1 million (5 million).

Interest-bearing net debt was EUR 1,886 million as of the end of March, compared to EUR 1,801 million at the end of 2010. Net financial expenses in the first quarter were EUR 11 million (9 million). The average interest rate of borrowings at the end of March was 3.4%, and the average maturity 4.4 years.

The equity-to-assets ratio was 37.5% (31 Dec 2010: 36.5%), the leverage ratio 42.5% (31 Dec 2010: 42.6%), and the gearing ratio 73.9% (31 Dec 2010: 74.3%).

The Group's cash and cash equivalents and committed, unutilized credit facilities amounted to EUR 1,606 million as of the end of March (31 Dec 2010: 1,745 million). There are no financial covenants in current loan agreements.

In accordance with its updated hedging policy, Neste Oil has hedged approximately 60% 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 28 February, Neste Oil and Abu Dhabi National Oil Company (ADNOC) announced that they have entered into a partnership covering VHVI (Very High Viscosity Index) base oils. Under this partnership, 600,000 metric tons per annum of NEXBASE® base oil is expected to be brought onto the market at the end of 2013. Takreer, a subsidiary of ADNOC, will supply the feedstock and operate and maintain the plant, while Neste Oil will be responsible for selling and marketing the base oil on behalf of ADNOC. There will be no investment costs for Neste Oil related to this activity. The plant will have an annual capacity of 500,000 metric tons of Group III base oil to be used in blending top-tier lubricants, as well as 100,000 metric tons of Group II base oil.

On 8 March, Neste Oil celebrated the official opening of its ISCC-certified renewable diesel plant in Singapore. The plant was completed on-schedule and on-budget and marks a major step forward in Neste Oil's cleaner traffic strategy. The plant produces premium-quality NExBTL renewable diesel, which is the most advanced and cleanest diesel fuel on the market today.

On 28 March, Neste Oil and the Nordic Investment Bank (NIB) agreed a EUR 50 million loan to fund further research on extending the range of raw materials used for producing Neste Oil's renewable diesel. The loan will be used to fund existing research programs and Neste Oil's research infrastructure, and will not increase Neste Oil's annual R&D expenditure. Neste Oil's R&D focus is primarily on nonfood materials and inputs that can help reduce the amount of land used for energy purposes and ensure a significant reduction in greenhouse gas emissions. Good progress has recently been made in research into microbial and algae oil and the use of wood-based biomass.

Strategy implementation

Neste Oil will continue to implement its clean fuel strategy during 2011. The company's on-going capital projects consist of one plant designed to increase production of renewable diesel and another to add high-quality base oil capacity.

Strategic projects

The project to build a 800,000 t/a renewable diesel plant in Rotterdam is close to completion, with start-up anticipated within a few months. The plant is expected to come in close to its EUR 670 million budget.

Neste Oil has a 45% stake in a joint venture that is building a 400,000 t/a base oil plant in Bahrain. Although the project has suffered some delays due to unrest in the region, completion is still scheduled for the second half of 2011. Neste Oil's share of the investment cost is EUR 130 million.

Neste Oil's base oil sales volumes will increase further as a result of the new partnership with Abu Dhabi National Oil Company (ADNOC). Under this partnership, 600,000 t/a of NEXBASE® base oil will be brought onto the market at the end of 2013. Neste Oil will be responsible for selling and marketing these volumes. There will be no investment costs for Neste Oil related to this activity.

Market overview

Crude oil prices continued to rise in January, supported by strong demand, particularly in China, and Brent Dated traded in the USD 95-100/bbl range. In February, political unrest in North Africa led to fears of oil supply disruptions and propelled prices to their highest level since summer 2008. Concerns over a possible slow-down in global economic growth in the wake of the earthquake and subsequent tsunami in Japan caused a temporary downturn in mid-March, until prices recovered, mainly driven by refinery outages in Libya and continued unrest in the region. Brent Dated ended the first quarter close to USD 120/bbl.

The price differential between heavier and lighter crude oil widened during the first quarter. Heavier grades, less in demand due to softer fuel oil margins, failed to keep pace with rapidly increasing light crude prices.

Refining margins in North-West Europe weakened on average from the previous quarter, with gains in crude oil prices outpacing gains in products. In March, however, refining margins improved, as refinery maintenance turnarounds limited supply, boosting gasoline and middle distillate margins. Gasoline margins declined due to seasonally weak demand before starting to improve towards the end of the quarter ahead of the driving season. Margins for middle distillates strengthened during the quarter, reflecting strong demand backed by lower seasonal maintenance-related refinery output. Margins were also impacted by supply disruptions due to unrest in North Africa and the Middle East, as well as events in Japan. Fuel oil margins weakened in comparison to the previous quarter, as a result of ample supply and higher crude prices.

The balance between supply and demand for high-performance base oils on the European market remained tight during the first quarter.

Prices of renewable feedstocks decreased somewhat during the first quarter, improving renewable diesel margins. There was no significant progress on open biofuel legislation issues, however.

Demand for diesel continued to increase on the retail market, thanks to trucking and other professional use. Demand for 95-octane gasoline containing a maximum of 10% ethanol declined on the Finnish market and saw the proportion of 98-octane product rise to close to 50% of total gasoline sales.

Baltic crude freight rates spiked in March, as a result of difficult ice conditions, following weakness during the early part of the year.

Key drivers

	1-3/11	1-3/10	10-12/10	2010	2009	Apr 11	Apr 10
Reference refining margin, USD/bbl	4.46	4.07	4.73	4.35	3.14	4.47	4.69
Neste Oil total refining margin, USD/bbl	8.92	7.83	9.67	8.14	7.35	n.a.	n.a.
Urals-Brent price differential, USD/bbl	-2.87	-1.35	-1.51	-1.40	-0.81	-3.91	-2.47
NWE Gasoline margin, USD/bbl	5.88	11.75	8.36	9.70	9.26	8.8	11.25
NWE Diesel margin, USD/bbl	17.86	11.25	16.06	13.97	11.18	16.3	13.74
NWE Heavy fuel oil margin, USD/bbl	-17.98	-6.91	-13.55	-10.32	-7.44	-22.9	-12.71
Brent Dated crude oil, USD/bbl	104.97	76.24	86.48	79.47	61.51	123.24	84.89
USD/EUR, market rate	1.37	1.38	1.36	1.32	1.39	1.44	1.34
USD/EUR, hedged	1.34	1.35	1.33	1.37	1.41	n.a.	n.a.
Crude freights, WS points (TD7)	102	122	118	113	81	105	110

Production and sales

Neste Oil’s total production in the first quarter totaled 3.7 million tons (3.6 million), of which NExBTL renewable diesel accounted for 0.1 million tons (0.1 million).

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

	1-3/11	1-3/10	10-12/10	2010	2009
Porvoo refinery	2,949	2,899	3,196	10,594	11,520
Naantali refinery	566	571	588	2,410	2,438
Beringen polyalfaolefin plant	8	10	13	45	35
Edmonton iso-octane plant (Neste Oil’s share)	48	48	52	214	256
NExBTL plants	122	70	119	337	219

The Porvoo refinery operated at an average capacity utilization rate of 90% (91%) during the first quarter, impacted by maintenance work at some units. Annual coke removal was started on diesel production line 4 in late March and the line will be back on line during early May. This work was originally scheduled for June. The site’s renewable diesel units were run at limited utilization as part of overall economic optimization. The utilization rate of the Naantali refinery was 86% (85%). The proportion of Russian Export Blend in total refinery input stood at 68% (66%). Refinery production costs totaled USD 4.0/bbl (4.2) in the first quarter. A successful test run at nameplate capacity was carried out at the Singapore renewable diesel plant during the quarter.

A proportion of output was not sold during the quarter, which resulted in slightly lower sales than during the corresponding period in 2010. Gasoline sales in Finland and Europe decreased, while exports to the US and Canada grew. Due to changes in Finnish taxation, demand for heating oil was lower than in 2010.

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

	1-3/11	%	1-3/10	%	10-12/10	%	2010	%	2009	%
Motor gasoline	944	*26*	1,080	*29*	1,214	*29*	4,111	*28*	4,218	*30*
Gasoline components	60	*2*	46	*1*	43	*1*	229	*2*	270	*2*
Diesel fuel	1,517	*42*	1,508	*40*	1,711	*40*	5,655	*39*	5,228	*37*
Jet fuel	165	*5*	139	*4*	212	*5*	640	*4*	613	*4*
Base oils	87	*2*	76	*2*	76	*2*	307	*2*	257	*2*
Heating oil	60	*2*	267	*7*	159	*4*	691	*5*	631	*4*
Heavy fuel oil	232	*6*	212	*6*	241	*6*	908	*6*	1,300	*9*
LPG	106	*3*	92	*3*	96	*2*	273	*2*	220	*2*
NExBTL renewable diesel	87	*2*	41	*1*	59	*1*	270	*2*	209	*1*
Other products	397	*10*	269	*7*	421	*10*	1,401	*10*	1,232	*9*
TOTAL	3,655	*100*	3,730	*100*	4,232	*100*	14,485	*100*	14,178	*100*

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

	1-3/11	%	1-3/10	%	10-12/10	%	2010	%	2009	%
Finland	2,016	*55*	2,017	*54*	2,274	*54*	7,881	*54*	7,580	*53*
Other Nordic countries	597	*16*	575	*15*	807	*19*	2,685	*19*	2,210	*16*
Other Europe	670	*19*	923	*25*	693	*16*	2,659	*19*	2,488	*17*
US & Canada	328	*9*	170	*5*	382	*9*	1,081	*7*	1,686	*12*
Other countries	44	*1*	45	*1*	76	*2*	179	*1*	214	*2*
TOTAL	3,655	*100*	3,730	*100*	4,232	*100*	14,485	*100*	14,178	*100*

SEGMENT REVIEWS

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

Oil Products

	1-3/11	1-3/10	10-12/10	2010	2009
Revenue, MEUR	2,870	2,272	2,962	9,789	7,631
Comparable EBITDA, MEUR	131	100	158	395	283
Comparable operating profit, MEUR	84	58	108	208	105
IFRS operating profit, MEUR	178	65	170	333	318
Total refining margin, USD/bbl	8.92	7.83	9.67	8.05	7.35
Net assets, MEUR	2,323	2,748	2,260	2,260	2,943
Comparable return on net assets*, %	9.3	3.7	7.9	7.9	4.0

* rolling 12 months

Oil Products’ first-quarter comparable operating profit totaled EUR 84 million, compared to EUR 58 million in the first quarter of 2010. This improvement was largely the result of better refining margins, lower fixed costs, and strong base oil performance year-on-year. In addition, tanker chartering and gasoline components recorded better profitability. Neste Oil’s total refining margin totaled USD 8.92/bbl during the first quarter, which compares to USD 7.83/bbl in the first quarter of 2010.

Renewable Fuels

	1-3/11	1-3/10	10-12/10	2010	2009
Revenue, MEUR	193	36	112	328	182
Comparable EBITDA, MEUR	-21	-12	-1	-38	-15
Comparable operating profit, MEUR	-36	-17	-13	-65	-29
IFRS operating profit, MEUR	-4	-16	-7	-39	-24
Net assets, MEUR	1,826	1,067	1,703	1,703	925
Comparable return on net assets*, %	-5.7	-5.1	-5.1	-5.1	-4.7

* rolling 12 months

Renewable Fuels' comparable operating profit was EUR -36 million during the first quarter, compared to EUR -17 million in the first quarter in 2010. This larger loss resulted from higher fixed costs year-on-year and disappointingly low sales volumes. These more than offset somewhat higher margins. Progress on the biofuel legislation on important issues for Neste Oil was slow during the first quarter and the challenge to procure ISCC-certified feedstock for the German market remains. On the other hand, Neste Oil signed its first sales contracts for the US market during the first quarter. A variety of feedstocks will be used depending on the end-market, and the overall proportion of crude palm oil in total feedstock procurement is estimated to be less than 50% in 2011. The balance will consist of stearin, palm fatty acid distillate (PFAD), animal fat, soybean oil, and small amounts of rapeseed oil and other feedstocks.

Oil Retail

	1-3/11	1-3/10	10-12/10	2010	2009
Revenue, MEUR	1,021	849	1,004	3,654	2,998
Comparable EBITDA, MEUR	20	14	28	94	81
Comparable operating profit, MEUR	12	6	18	60	50
IFRS operating profit, MEUR	12	6	17	61	50
Net assets, MEUR	326	307	315	315	305
Comparable return on net assets*, %	21.0	14.3	19.3	19.3	15.8
Total sales volume**, 1,000 m3	978	1,034	1,121	4,150	4,002
- gasoline station sales, 1,000 m3	290	295	329	1,328	1,405
- diesel station sales, 1,000 m3	355	332	379	1,423	1,331
- heating oil, 1,000 m3	190	221	229	749	714
- heavy fuel oil, 1,000 m3	75	103	105	347	287

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

Oil Retail's comparable operating profit was EUR 12 million during the first quarter, compared to EUR 6 million in the same period in 2010. This increase resulted from better margins, increased demand for high-octane gasoline in Finland, and a stronger market in North-West Russia. Increased diesel volumes compensated for lower sales of other fuels.

Shares, share trading, and ownership

Neste Oil's shares are traded on NASDAQ OMX Helsinki Ltd. The share price closed the quarter at EUR 14.55, up by 21.8% compared to the end of 2010. At its highest during the quarter, the share price reached EUR 14.61, while at its lowest the price stood at EUR 12.24. Market capitalization was EUR 3.7 billion as of 31 March 2011. An average of 1,232,000 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 2011 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 20.7% (15.9%), Finnish institutions 17.4% (20.2%), and Finnish households 13.8% (14.0%).

Annual General Meeting

Neste Oil's Annual General Meeting (AGM) was held after the reporting period on 14 April in Helsinki. The AGM adopted the company's financial statements and consolidated financial statements for 2010 and discharged the Supervisory Board, Board of Directors, and management from liability for 2010. The AGM also approved the Board of Directors' proposal regarding the distribution of the company's profit for 2010, sanctioning payment of a dividend of EUR 0.35 per share. Payment was made on 28 April 2011. In accordance with the proposal made by the AGM Nomination Committee, the AGM confirmed the membership of the Board of Directors at eight members, and the following were re-elected to serve until the end of the next AGM: Mr Timo Peltola, Mr Michiel Boersma, Ms Maija-Liisa Friman, Ms Nina Linander, Mr Hannu Ryöppönen, and Mr Markku Tapio. Mr Jorma Eloranta and Ms Laura Raitio were elected as new members. Mr Eloranta was also elected as Vice Chairman. Mr Timo Peltola will continue as Chairman. The AGM decided to keep the remuneration paid to the Board unchanged as follows: Chairman EUR 66,000 a year, Vice Chairman EUR 49,200 a year, and members EUR 35,400 a year. In addition, those participating at Board meetings and meetings convened by the Board's committees will receive a payment of EUR 600 per meeting, together with their travelling costs, in accordance with the company's travel policy. A payment of double this, EUR 1,200 per meeting, will be made to Board members living outside Finland.

In accordance with a proposal by the State of Finland and the Finnish Shareholders Association, the Supervisory Board was abolished. The AGM decided that the Company's Articles of Association will be amended to reflect this, removing Section 4 and Items 3, 8, and 10 of Subsection 2 of Section 12 in their entirety and removing or amending those parts of Items 6 and 7 and Section 6 relating or referring to the Supervisory Board, and renumbering the Articles of Association accordingly. 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 shall 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 4,858 (5,056) employees in the first quarter, of which 1,430 (1,445) were based outside Finland. As of the end of March, the company had 4,855 employees (5,058), of which 1,423 (1,473) 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 4.7 (3.1) at the end of March 2011. The target for 2011 as a whole is below 2.5.

Work to develop safety performance continues across the Group. A set of leading indicators was developed last year and has been introduced in 2011. The focus is to improve efficient use of methods and KPIs, and ensure harmonized Group-wide procedures in safety work.

The Sustainability Yearbook 2010 was published in January, ranking the best performers in the Dow Jones Sustainability Index. A total of 68 oil and gas companies were assessed and Neste Oil was ranked in the silver class. Eight companies ranked in gold, seven in silver, and two in the bronze class.

Neste Oil was selected for the Global 100, a list of the world's 100 most sustainable companies for the fifth consecutive year. This time, the company was ranked 20th, compared to 85th in 2010. The Global 100 is based on an analysis of 3,500 publicly traded companies and includes companies from 22 countries encompassing all sectors of the economy.

In addition, Neste Oil was ranked the best performer in the oil & gas sector for its reporting and transparency for the second year in succession by the international Forest Footprint Disclosure (FFD) project. The company was especially noted for its highly efficient management and the reporting of its forest footprint. The FFD project is an international initiative designed to measure the forest footprint of companies' supply chains and work done to reduce their size. Areas such as risk assessment and sustainable supply chain management are evaluated 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 over the short term continues to be focused on the pace of the recovery 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. These 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 completing the company’s NExBTL renewable diesel investment or failure to capture the anticipated benefits from renewable diesel investments. Over the longer term, failure to protect Neste Oil’s proprietary technology or the introduction and implementation of competing renewable fuel technologies or hybrid and electric vehicles may have a negative impact on the company’s results.

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 international refining margins, the price differential between Russian Export Blend (REB) and Brent crude, and the USD/EUR exchange rate.

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

Outlook

As anticipated in the previous outlook published at the beginning of February, the refining market has strengthened in 2011 compared to 2010. Market sentiment seems to expect that the supply and demand balance will be tighter, supported by stronger oil demand and a lower level of inventories compared to 2010. This will benefit complex refiners such as Neste Oil. The diesel market is forecast to remain strong and diesel margins are seen as likely to increase steadily towards the end of the year. Gasoline margins are expected to remain volatile, with support from higher demand in the second quarter. Heavy fuel oil margins are anticipated to remain weak, benefiting complex refiners. The discount of Urals crude to Brent dated is expected to average USD 3.00-3.50/bbl, which is wider than in 2010. As a result, Oil Products’ full-year 2011 comparable operating profit is expected to be stronger than in 2010. Production line

4 at the Porvoo refinery will be off-line for five weeks at the beginning of the second quarter due to a planned annual coke removal.

The Renewable Fuels business will be in ramp-up mode during 2011, and, as stated previously, is expected to report a comparable operating loss for 2011 as a whole. Its second-quarter result is expected to be slightly weaker than the first quarter due to delays in biofuel legislation, poor availability of ISCC-certified feedstock volumes, and the start-up of the Rotterdam plant. Sales volumes of renewable diesel will increase gradually during the second half, thanks to the opening-up of the US market and a growing customer base in the EU.

Oil Retail's full-year performance is likely to be broadly similar to that seen in 2010. Continued growth in diesel demand in Finland and a strong market in North-West Russia are expected to contribute to a stronger overall market. These factors are likely to be partly offset, however, by price competition and a projected decrease in demand due to high oil prices in some Baltic countries.

The Group's fixed costs are estimated to be roughly EUR 650 million in 2011, compared to EUR 575 million in 2010, largely due to higher maintenance and personnel costs at the new plants.

The Group's cash investments are expected to be around EUR 300 million (892 million), of which maintenance investments will account for EUR 176 million (245 million), strategic investments EUR 113 million (633 million), and productivity investments EUR 11 million (14 million).

Reporting date for the company's second-quarter 2011 results

Neste Oil will publish its second-quarter results on 28 July 2011 at approximately 9:00 a.m. EET.

Espoo, 29 April 2011

Neste Oil Corporation
Board of Directors

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	1-3/2011	1-3/2010	1-12/2010	Last 12 months
Revenue	3	**3,472**	2,725	11,892	12,639
Other income		**8**	53	81	36
Share of profit (loss) of associates and joint ventures	3	**-2**	-8	15	21
Materials and services		**-3,008**	-2,385	-10,493	-11,116
Employee benefit costs		**-75**	-81	-392	-386
Depreciation, amortization and impairments	3	**-73**	-58	-259	-274
Other expenses		**-151**	-149	-521	-523
Operating profit		**171**	97	323	397
Financial income and expenses					
Financial income		**1**	2	4	3
Financial expenses		**-12**	-12	-34	-34
Exchange rate and fair value gains and losses		**0**	1	3	2
Total financial income and expenses		**-11**	-9	-27	-29
Profit before income taxes		**160**	88	296	368
Income tax expense		**-42**	-24	-65	-83
Profit for the period		**118**	64	231	285
Profit attributable to:					
Owners of the parent		**118**	64	229	283
Non-controlling interests		**0**	0	2	2
		118	64	231	285
Earnings per share from profit attributable to the owners of the parent basic and diluted (in euro per share)		**0.46**	0.25	0.89	1.10

STATEMENT OF COMPREHENSIVE INCOME

MEUR	1-3/2011	1-3/2010	1-12/2010	Last 12 months
Profit for the period	**118**	64	231	285
Other comprehensive income for the period, net of tax:				
Translation differences	**-6**	26	43	11
Cash flow hedges				
recorded in equity	**20**	-13	-18	15
transferred to income statement	**-4**	-4	19	19
Net investment hedges	**0**	-1	-3	-2
Hedging reserves in associates and joint ventures	**0**	-	1	-2
Other comprehensive income for the period, net of tax	**10**	8	42	44
Total comprehensive income for the period	**128**	72	273	329
Total comprehensive income attributable to:				
Owners of the parent	**128**	72	271	327
Non-controlling interests	**0**	0	2	2
	128	72	273	329

CONSOLIDATED BALANCE SHEET

MEUR	Note	**31 March 2011**	31 March 2010	31 Dec 2010
ASSETS				
Non-current assets				
Intangible assets	4	**42**	47	43
Property, plant and equipment	4	**4,017**	3,363	3,979
Investments in associates and joint ventures		**213**	232	214
Non-current receivables		**11**	4	8
Pension assets		**0**	110	0
Deferred tax assets		**35**	9	31
Derivative financial instruments	5	**4**	17	18
Available-for-sale financial assets		**4**	4	4
Total non-current assets		**4,326**	3,786	4,297
Current assets				
Inventories		**1,247**	1,110	1,079
Trade and other receivables		**1,014**	789	866
Derivative financial instruments	5	**70**	33	42
Cash and cash equivalents		**162**	56	380
Total current assets		**2,493**	1,988	2,367
Total assets		**6,819**	5,774	6,664
EQUITY				
Capital and reserves attributable to the owners of the parent				
Share capital		**40**	40	40
Other equity	2	**2,502**	2,239	2,374
Total		**2,542**	2,279	2,414
Non-controlling interest		**12**	12	12
Total equity		**2,554**	2,291	2,426
LIABILITIES				
Non-current liabilities				
Interest-bearing liabilities		**1,806**	1,502	1,882
Deferred tax liabilities		**350**	321	347
Provisions		**21**	20	20
Pension liabilities		**47**	10	47
Derivative financial instruments	5	**18**	23	23
Other non-current liabilities		**1**	1	1
Total non-current liabilities		**2,243**	1,877	2,320
Current liabilities				
Interest-bearing liabilities		**244**	307	299
Current tax liabilities		**79**	22	38
Derivative financial instruments	5	**58**	119	34
Trade and other payables		**1,641**	1,158	1,547
Total current liabilities		**2,022**	1,606	1,918
Total liabilities		**4,265**	3,483	4,238
Total equity and liabilities		**6,819**	5,774	6,664

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 2010	40	11	9	-45	2,195	12	2,222
Share-based compensation					-3		-3
Transfer from retained earnings		2	-5		3		-
Total comprehensive income for the period			-17	25	64	0	72
Total equity at 31 March 2010	40	13	-13	-20	2,259	12	2,291

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
Share-based compensation							-
Transfer from retained earnings		2			-2		-
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

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

MEUR	1-3/2011	1-3/2010	1-12/2010
Cash flow from operating activities			
Profit before taxes	**160**	88	296
Adjustments, total	**109**	86	395
Change in working capital	**-194**	187	486
Cash generated from operations	**75**	361	1,177
Finance cost, net	**-12**	14	-39
Income taxes paid	**-5**	-1	-33
Net cash generated from operating activities	**58**	374	1,105
Capital expenditure	**-120**	-173	-932
Acquisition of shares in subsidiaries	**-**	-	-8
Acquisition of associates and joint ventures	**-**	-14	0
Acquisition of other shares	**0**	-3	-3
Proceeds from sales of shares in subsidiaries	**-**	-	6
Proceeds from sales of fixed assets	**2**	1	4
Change in other investments	**-39**	-8	19
Cash flow before financing activities	**-99**	177	191
Net change in loans and other financing activities	**-118**	-240	136
Dividends paid to the owners of the parent	**-**	-	-64
Dividends paid to non-controlling interests	**-**	-	-2
Net increase (+)/decrease (-) in cash and cash equivalents	**-217**	-63	261

KEY FINANCIAL INDICATORS

	31 March 2011	31 March 2010	31 Dec 2010	Last 12 months
Capital employed, MEUR	**4,603**	4,100	4,607	4,603
Interest-bearing net debt, MEUR	**1,886**	1,753	1,801	-
Capital expenditure and investment in shares, MEUR	**120**	190	943	873
Return on average capital employed, after tax, ROACE %	**-**	-	4.6	3.6
Return on capital employed, pre-tax, ROCE %	**15.0**	9.6	7.7	9.2
Return on equity, %	**18.9**	11.4	9.9	11.7
Equity per share, EUR	**9.93**	8.91	9.43	-
Cash flow per share, EUR	**0.23**	1.46	4.32	3.08
Equity-to-assets ratio, %	**37.5**	39.8	36.5	-
Leverage ratio, %	**42.5**	43.3	42.6	-
Gearing, %	**73.9**	76.5	74.3	-
Average number of shares	**255,918,686**	255,913,686	255,913,809	255,915,042
Number of shares at the end of the period	**255,918,686**	255,913,686	255,918,686	255,918,686
Average number of personnel	**4,858**	5,056	5,030	-

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 2010, with the exception of the following changes due to the adoption of the new and revised IFRS standards and IFRIC interpretations.

- IAS 32 (amendment) Financial Instruments: Classification of rights issues
- IFRIC 14 IAS 19 (amendment) The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- IFRIC 19 Extinguishing Financial Liabilities with Equity Instruments
- Annual improvements 2010.

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 2011 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. NSE Biofuels Oy is also included in the Others segment as of Q2/2010. The comparative figures have been adjusted accordingly.

REVENUE MEUR	1-3/2011	1-3/2010	1-12/2010	Last 12 months
Oil Products	**2,870**	2,272	9,789	10,387
Renewable Fuels	**193**	36	328	485
Oil Retail	**1,021**	849	3,654	3,826
Others	**44**	49	169	164
Eliminations	**-656**	-481	-2,048	-2,223
Total	**3,472**	2,725	11,892	12,639

OPERATING PROFIT MEUR	1-3/2011	1-3/2010	1-12/2010	Last 12 months
Oil Products	**178**	65	333	446
Renewable Fuels	**-4**	-15	-39	-28
Oil Retail	**12**	6	61	67
Others	**-15**	43	-24	-82
Eliminations	**0**	-2	-8	-6
Total	**171**	97	323	397

COMPARABLE OPERATING PROFIT MEUR	1-3/2011	1-3/2010	1-12/2010	Last 12 months
Oil Products	**84**	58	208	234
Renewable Fuels	**-36**	-17	-65	-84
Oil Retail	**12**	6	60	66
Others	**-16**	43	45	-14
Eliminations	**0**	-2	-8	-6
Total	**44**	88	240	196

DEPRECIATION, AMORTIZATION AND IMPAIRMENTS MEUR	1-3/2011	1-3/2010	1-12/2010	Last 12 months
Oil Products	**47**	42	187	192
Renewable Fuels	**15**	5	27	37
Oil Retail	**8**	8	34	34
Others	**3**	3	11	11
Total	**73**	58	259	274

CAPITAL EXPENDITURE AND INVESTMENTS IN SHARES MEUR	1-3/2011	1-3/2010	1-12/2010	Last 12 months
Oil Products	**19**	54	269	234
Renewable Fuels	**96**	129	578	545
Oil Retail	**4**	2	33	35
Others	**1**	5	63	59
Total	**120**	190	943	873

TOTAL ASSETS MEUR	31 March 2011	31 March 2010	31 Dec 2010
Oil Products	**3,814**	3,730	3,621
Renewable Fuels	**1,923**	1,208	1,814
Oil Retail	**614**	572	596
Others	**386**	316	369
Unallocated assets	**344**	172	506
Eliminations	**-262**	-224	-242
Total	**6,819**	5,774	6,664

NET ASSETS MEUR	31 March 2011	31 March 2010	31 Dec 2010
Oil Products	**2,323**	2,748	2,260
Renewable Fuels	**1,826**	1,067	1,703
Oil Retail	**326**	307	315
Others	**288**	258	276
Eliminations	**-9**	-4	-10
Total	**4,754**	4,376	4,544

RETURN ON NET ASSETS, %	31 March 2011	31 March 2010	31 Dec 2010	Last 12 months
Oil Products	**31.1**	9.1	12.6	17.8
Renewable Fuels	**-0.9**	-6.0	-3.0	-1.9
Oil Retail	**15.0**	7.8	19.6	21.3

COMPARABLE RETURN ON NET ASSETS, %	31 March 2011	31 March 2010	31 Dec 2010	Last 12 months
Oil Products	**14.7**	8.2	7.9	9.3
Renewable Fuels	**-8.2**	-6.8	-5.1	-5.7
Oil Retail	**15.0**	7.8	19.3	21.0

QUARTERLY SEGMENT INFORMATION

QUARTERLY REVENUE MEUR	1-3/2011	10-12/2010	7-9/2010	4-6/2010	1-3/2010
Oil Products	**2,870**	2,962	2,491	2,064	2,272
Renewable Fuels	**193**	112	120	60	36
Oil Retail	**1,021**	1,004	917	884	849
Others	**44**	37	38	45	49
Eliminations	**-656**	-589	-501	-477	-481
Total	**3,472**	3,526	3,065	2,576	2,725

QUARTERLY OPERATING PROFIT MEUR	1-3/2011	10-12/2010	7-9/2010	4-6/2010	1-3/2010
Oil Products	**178**	170	116	-18	65
Renewable Fuels	**-4**	-7	2	-19	-15
Oil Retail	**12**	17	24	14	6
Others	**-15**	-27	2	-42	43
Eliminations	**0**	-7	-1	2	-2
Total	**171**	146	143	-63	97

QUARTERLY COMPARABLE OPERATING PROFIT MEUR	1-3/2011	10-12/2010	7-9/2010	4-6/2010	1-3/2010
Oil Products	**84**	108	45	-3	58
Renewable Fuels	**-36**	-13	-12	-23	-17
Oil Retail	**12**	18	23	13	6
Others	**-16**	-16	2	16	43
Eliminations	**0**	-7	-1	2	-2
Total	**44**	90	57	5	88

QUARTERLY DEPRECIATION, AMORTIZATION AND IMPAIRMENTS MEUR	1-3/2011	10-12/2010	7-9/2010	4-6/2010	1-3/2010
Oil Products	**47**	50	48	47	42
Renewable Fuels	**15**	12	5	5	5
Oil Retail	**8**	10	8	8	8
Others	**3**	3	3	2	3
Total	**73**	75	64	62	58

QUARTERLY CAPITAL EXPENDITURE AND INVESTMENTS IN SHARES MEUR	1-3/2011	10-12/2010	7-9/2010	4-6/2010	1-3/2010
Oil Products	**19**	34	23	158	54
Renewable Fuels	**96**	143	157	149	129
Oil Retail	**4**	10	8	13	2
Others	**1**	2	2	54	5
Total	**120**	189	190	374	190

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

CHANGES IN INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT MEUR	31 March 2011	31 March 2010	31 Dec 2010
Opening balance	**4,022**	3,283	3,283
Depreciation, amortization and impairments	**-73**	-58	-259
Capital expenditure	**120**	173	932
Disposals	**-2**	0	-14
Reclassifications	**-**	-	63
Increases through business combinations	**-**	-	7
Translation differences	**-8**	12	10
Closing balance	**4,059**	3,410	4,022

The Accounting treatment of Bahrain Lube Base Oil Company B.S.C (Closed) has been changed in 2010 from joint venture to jointly controlled assets. Accordingly the assets have been reclassified from investments in joint ventures to property, plant and equipment.

CAPITAL COMMITMENTS MEUR	31 March 2011	31 March 2010	31 Dec 2010
Commitments to purchase property, plant and equipment	**45**	439	76
Total	**45**	439	76

5. DERIVATIVE FINANCIAL INSTRUMENTS

Interest rate and currency derivative contracts and share forward contracts MEUR	31 March 2011 Nominal value	31 March 2011 Net fair value	31 March 2010 Nominal value	31 March 2010 Net fair value	31 Dec 2010 Nominal value	31 Dec 2010 Net fair value
Interest rate swaps	**721**	**-14**	725	-6	723	-9
Forward foreign exchange contracts	**1,034**	**33**	2,005	-49	1,474	10
Currency options						
Purchased	**65**	**2**	110	-4	43	0
Written	**62**	**2**	102	-2	36	1
Share forward contracts	**-**	**-**	0	0	-	-

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	**31**	**-39**	39	-42	19	-4
Purchase contracts	**22**	**14**	15	11	12	5
Purchased options	**1**	**-1**	2	-10	1	-1
Written options	**1**	**1**	2	10	1	1

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.

6. 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. The group has also related party relationship with its pension fund.

Transactions carried out with related parties	**1-3/2011**	1-3/2010	1-12/2010
Sales of goods and services	**4**	6	93
Purchases of goods and services	**15**	11	63
Receivables	**6**	24	5
Financial income and expenses	**0**	0	0
Liabilities	**2**	6	2

7. CONTINGENT LIABILITIES

MEUR	**31 March 2011**	31 March 2010	31 Dec 2010
Contingent liabilities			
On own behalf for commitments			
Real estate mortgages	**26**	26	26
Pledged assets	**2**	2	2
Other contingent liabilities	**23**	45	43
Total	**51**	73	71
On behalf of associates and joint ventures			
Guarantees	**3**	3	3
Other contingent liabilities	**-**	2	-
Total	**3**	5	3
On behalf of others			
Guarantees	**15**	19	14
Total	**15**	19	14
Total	**69**	97	88

MEUR	**31 March 2011**	31 March 2010	31 Dec 2010
Operating lease liabilities			
Due within one year	**69**	79	76
Due between one and five years	**149**	157	164
Due later than five years	**97**	120	108
Total	**315**	356	348

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

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


NESTE OIL