NESTE OIL

24 April 2013

Neste Oil Corporation
Interim Report
for January-March 2013

Neste Oil's Interim Report for January-March 2013

- **Strong first-quarter comparable operating profit of EUR 135 million (Q1/2012: EUR 79 million)**
- **Renewable Fuels recorded a clearly positive comparable operating profit of EUR 26 million (Q1/2012: EUR -2 million)**

First quarter in brief:

- Comparable operating profit was EUR 135 million (Q1/2012: EUR 79 million)
- IFRS operating profit was EUR 86 million (Q1/2012: EUR 191 million)
- Total refining margin was USD 11.54/bbl (Q1/2012: USD 8.95/bbl)
- Net cash from operations was EUR -105 million (Q1/2012: EUR -353 million)
- Investments totaled EUR 34 million (Q1/2012: EUR 48 million)
- Leverage ratio was 44.0% (Q1/2012: 49.4%)

President & CEO Matti Lievonen:

"Neste Oil had a good start to the year and recorded a strong result during the first quarter. The Group's comparable operating profit was EUR 135 million.

Oil Products had a solid first quarter, thanks to reasonably high refining margins and good operational performance. Refining margins were driven by strong diesel margins; unseasonably high gasoline margins also made a contribution, especially in February and March. Overall, we are pleased with Oil Products' first-quarter comparable operating profit of EUR 111 million.

Renewable Fuels made very good progress and for the first time recorded a clearly positive comparable operating profit of EUR 26 million. We were able to expand our customer base further and sales allocations were also successful. Price differentials between different vegetable oils remained favorable during the quarter.

Despite ongoing economic uncertainties, which have been reflected in the oil and renewable fuel markets, our guidance remains unchanged. We expect the Group's full-year comparable operating profit and that of Renewable Fuels to improve from the levels seen in 2012, and be positive at Renewable Fuels."

News conference and conference call

A press conference in Finnish on the first-quarter results will be held today, 24 April 2013, 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 24 April 2013 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 1543, Europe: +44 (0) 20 7136 2056, US: +1 646 254 3360, using access code 9388642. The conference call can be followed at the company's web site. An instant replay of the call will be available until 1 May 2013 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 9388642#.

Neste Oil Financial Statements, 1 January - 31 March 2013

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

Figures in parentheses refer to the corresponding period for 2012, unless otherwise stated.

As announced on 18 April, 2013, Neste Oil has adopted the revised IAS 19 Employee Benefits standard as of January 1, 2013. Group and segment information for 2012 has been updated in compliance with the requirements of the revised standard.

Key Figures

EUR million (unless otherwise noted)

	1-3/13	1-3/12	10-12/12	2012
Revenue	4,258	4,454	4,597	17,853
EBITDA	166	274	137	656
Comparable EBITDA *	215	162	162	687
Depreciation, amortization, and impairments	80	83	85	332
Operating profit	86	191	52	324
Comparable operating profit *	135	79	77	355
Profit before income tax	65	169	35	233
Net profit	47	123	17	159
Comparable net profit **	83	36	35	180
Earnings per share, EUR	0.18	0.48	0.06	0.61
Comparable earnings per share**, EUR	0.33	0.14	0.14	0.70
Investments	34	48	81	292
Net cash from operating activities	-105	-353	327	468

	31 March 2013	31 March 2012	31 Dec 2012
Total equity	2,578	2,502	2,540
Interest-bearing net debt	2,027	2,442	1,935
Capital employed	4,791	5,037	4,885
Return on capital employed pre-tax (ROCE), annualized, %	7.0	15.5	6.6
Return on average capital employed after tax (ROACE)***, %	5.9	3.1	5.0
Return on equity (ROE), annualized, %	7.4	19.8	6.3
Equity per share, EUR	10.01	9.72	9.86
Cash flow per share****, EUR	-0.41	-1.38	1.83
Equity-to-assets ratio, %	36.0	33.3	34.4
Leverage (net debt to capital), %	44.0	49.4	43.2
Gearing, %	78.6	97.6	76.2

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

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

*** Rolling 12 months

**** Cumulative 1 January - 31 March, or 1 January - 31 December

The Group's first-quarter 2013 results

Neste Oil's revenue totaled EUR 4,258 million in the first quarter compared to EUR 4,454 million during the same period in 2012. This decrease resulted mainly from lower average crude oil prices. The Group's comparable operating profit came in at EUR 135 million. Comparable operating profit for the corresponding period in 2012 was EUR 79 million. Oil Products' result was positively impacted by higher refining margins and good productivity. Renewable Fuels recorded a clearly positive comparable operating profit for the first time. Both Oil Retail and the Others segment posted a slightly lower result than in the first quarter of 2012.

Oil Products' first-quarter comparable operating profit was EUR 111 million (77 million), Renewable Fuels' EUR 26 million (-2 million), and Oil Retail's EUR 11 million (15 million). The comparable operating profit of the Others segment totaled EUR -12 million (-7 million); associated companies and joint ventures accounted for EUR -6 million (-6 million) of this figure.

The Group's IFRS operating profit was EUR 86 million (191 million), which was impacted by inventory losses totaling EUR 35 million (gains of 64 million) and changes in the fair value of open oil derivatives totaling EUR -14 million (3 million). It should also be noted that the result during the corresponding period last year was positively impacted by a one-time capital gain of EUR 45 million. Pre-tax profit was EUR 65 million (169 million), profit for the period EUR 47 million (123 million), and earnings per share EUR 0.18 (0.48).

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 5.9% (2012 financial year: 5.0%).

	1-3/13	1-3/12	10-12/12	2012
COMPARABLE OPERATING PROFIT	135	79	77	355
- inventory gains/losses	-35	64	-48	-61
- changes in the fair value of open oil derivatives	-14	3	23	-15
- capital gains/losses	0	45	0	45
OPERATING PROFIT	86	191	52	324

Cash flow, investments, and financing

Neste Oil Group's net cash from operating activities totaled EUR -105 million (-353 million) between January and March. The year-on-year difference is mainly attributable to changes in working capital.

Investments totaled EUR 34 million (48 million) during the first quarter. Oil Products' capital expenditure totaled EUR 24 million (24 million), while Renewable Fuels invested EUR 5 million (15 million), Oil Retail EUR 1 million (4 million), and Others EUR 4 million (5 million).

Interest-bearing net debt was EUR 2,027 million as of the end of March, compared to EUR 1,935 million at the end of last year. Net financial expenses between January and March were EUR 21 million (22 million). The average interest rate of borrowings at the end of March was 3.6% and the average maturity 3.9 years.

The equity-to-assets ratio was 36.0% (31 Dec. 2012: 34.4%), the leverage ratio 44.0% (31 Dec. 2012: 43.2%), and the gearing ratio 78.6% (31 Dec. 2012: 76.2%).

The Group's cash and cash equivalents and committed, unutilized credit facilities amounted to EUR 1,888 million as of the end of March (31 Dec. 2012: 2,135 million). There are no financial covenants in current loan agreements.

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

Main events during the reporting period

On 28 January, Neste Oil announced that Neste Shipping was to start an efficiency improvement program aimed at improving its profitability and securing the continuity of its operations. As part of this program, statutory employer-employee negotiations were started and covered all Neste Shipping's land- and sea-based personnel in Finland, around 450 people in total. It was stated that the negotiations could result in a maximum of 130 people being made redundant. The goal of the efficiency improvement program is to make the business profitable by increasing revenue and reducing costs by a total of around EUR 15 million annually.

On 4 February, Neste Oil announced that it will build an isomerization unit at its Porvoo refinery. The investment, valued at approx. EUR 65 million, is intended to increase the output of high-octane gasoline and improve refining flexibility at the site. Neste Oil took the initial decision to make the investment in 2008, but announced in 2009 that it would postpone the project until the market situation improved. Neste Oil believes that the demand for cleaner fuels, such as high-octane, low-sulfur gasoline, is continuing to grow globally.

On 21 February, Neste Oil announced that Jyrki Mäki-Kala, M.Sc. (Econ.), has been appointed Neste Oil's new Chief Financial Officer (CFO) and a member of the Neste Executive Board. He will take up the position on 6 May 2013 and will join Neste Oil from Kemira, where he is CFO and Deputy CEO.

On 26 March, Neste Oil announced that Neste Shipping had completed the statutory employer-employee negotiations initiated on 4 February this year. Following the negotiation process, Neste Shipping has decided to terminate the ship and crew management agreements in respect of three vessels jointly owned with the Swedish-based Stena Group and time-chartered to Neste Shipping with agreements ending in 2017. As a result of the termination, the number of Neste Shipping personnel will be reduced by 124. The reductions in personnel will take place mainly during 2013. The decisions now taken will save approx. EUR 4 million in fixed costs annually. The plan is to achieve the remainder of the program's EUR 15 million EBIT improvement target through other efficiency enhancement measures.

Market overview

Following uncertainty in the international economy at the very beginning of the year, calmer sentiments kept crude oil prices in a narrow range over most of the first quarter. Crude prices opened the year just above USD 110/bbl and reached close to USD 120/bbl in mid-February. New concerns about Eurozone instability, together with questions about growth prospects in China, drove crude below USD 110/bbl towards the end of the quarter. The price of Brent dated averaged USD 113/bbl during the first quarter.

The price differential between Brent and Russian REB crude oil was volatile and averaged USD -1.7/bbl in the first quarter. In general, the sanctions on Iran and lower Iranian crude oil export volumes to European markets continued to narrow the differential throughout the quarter. It widened towards the end of the quarter on the back of the refinery maintenance season, which reduced REB usage. The differential stood at USD -2.1/bbl at the end of the quarter.

Refining margins were on average reasonably high in the first quarter. Middle distillates were again the strongest part of the barrel as demand was supported by the winter season, although particularly high gasoline margins boosted refining margins in general. Gasoline margins were unseasonably strong after a weak start and reached their highest levels during February-March. This was mainly due to refinery outages limiting supply and relatively low gasoline inventories. Fuel oil margins were low, but strengthened towards the end of the quarter, supported by declining crude oil prices and extensive refinery maintenance in Asia.

Global biodiesel demand in 2013 is forecasted to grow compared to 2012, with the main growth expected to come from the US, South America, and Asia.

Palm oil prices ended the first quarter slightly lower than in January. The palm oil price differential vs. rapeseed oil and soybean oil remained largely unchanged, at above 300 USD/t, which is higher than the long-term average. Palm oil supplies have grown faster than demand, which has kept inventories high, at around 2.5 million tons. Otherwise, the focus in vegetable oils was on South American soybean, which has a favorable crop outlook, a complete contrast to the situation last year. This also helped to keep palm oil prices in check, as palm oil was not needed to replace missing soybean oil volumes, as was the case last year.

In Europe's conventional biodiesel markets, the main focus was on possible antidumping actions by the EU against cheap imports and stricter certification criteria for used cooking oil-based biodiesel in Germany. Margins for conventional FAME (Fatty Acid Methyl Ester) producers were supported by winter property requirements during the first quarter.

In the US, biofuel market conditions have been quite favorable. Since the mandated demand for ethanol is approaching its blend wall, prices of all RIN (Renewable Identification Number) certificate types have been boosted. The Blenders' Tax Credit has also contributed positively to biofuel economics, and SME (Soybean Methyl Ester) prices reached their highest levels since the end of 2011.

Key Drivers

	1-3/13	1-3/12	10-12/12	2012	Apr 13*	Apr 12
Reference refining margin, USD/bbl	6.31	5.14	6.63	7.39	6.8	8.86
Neste Oil total refining margin, USD/bbl	11.54	8.95	10.99	10.17	-	-
Urals-Brent price differential, USD/bbl	-1.75	-1.23	-1.08	-1.29	-1.9	-3.00
NWE Gasoline margin, USD/bbl	12.50	10.15	8.49	13.16	14.0	18.34
NWE Diesel margin, USD/bbl	18.91	17.84	22.57	20.60	18.1	18.92
NWE Heavy fuel oil margin, USD/bbl	-16.70	-11.03	-17.99	-12.92	-11.3	-12.22
Brent Dated crude oil, USD/bbl	112.55	118.49	110.02	111.58	102.4	119.54
USD/EUR, market rate	1.32	1.31	1.30	1.28	1.30	1.31
USD/EUR, hedged	1.29	1.37	1.30	1.33	-	-
Crude freights, WS points (TD7)**	89	95	88	91	96	96

* Up to 19 April 2013

** Worldscale points for 80,000 ton crude cargo from North Sea to Continental Europe.

Production and sales

Production

Neste Oil's production in the first quarter of 2013 totaled 3.9 million tons (4.0 million), of which NExBTL renewable diesel accounted for 0.4 million tons (0.4 million).

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

	1-3/13	1-3/12	10-12/12	2012
Porvoo refinery	2,943	2,969	2,864	11,511
Naantali refinery	509	548	517	1,908
NExBTL refineries	417	429	489	1,849
Bahrain base oil plant (Neste Oil's share)	32	44	21	128
Edmonton iso-octane plant (Neste Oil's share)	-	8	-	8

The Porvoo refinery operated at an average capacity utilization rate of 94% (94%) during the quarter, while the Naantali refinery ran at a lower rate of 78% (81%) on average to optimize the refining margin. The proportion of Russian Export Blend in total refinery input at Porvoo and Naantali averaged 68% (65%). Refinery production costs at Porvoo and Naantali totaled USD 4.5/bbl (4.0) during the quarter.

Neste Oil's renewable diesel production achieved an average capacity utilization of 80% (80%) in the first quarter. A three-week shutdown at the Singapore refinery due to maintenance work by a utility supplier took place as planned in January.

Sales

Domestic sales during the first quarter were lower than in the corresponding period of 2012, and the proportion of exports increased. NExBTL and diesel sales increased, while motor gasoline sales were lower. Compared to the exceptionally high level of sales in the last quarter of 2012, sales volumes decreased in diesel and jet in particular.

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

	1-3/13	%	1-3/12	%	10-12/12	%	2012	%
Motor gasoline	1,019	*27*	1,064	*27*	1,090	*26*	4,281	*27*
Gasoline components	0	*0*	19	*0*	0	*0*	19	*0*
Diesel fuel	1,462	*38*	1,440	*37*	1,570	*37*	5,886	*38*
Jet fuel	147	*4*	156	*4*	253	*6*	651	*4*
Base oils	113	*3*	88	*2*	94	*2*	394	*3*
Heating oil	81	*2*	98	*3*	58	*2*	229	*1*
Heavy fuel oil	297	*8*	263	*7*	355	*8*	1,171	*7*
LPG	92	*2*	113	*3*	95	*2*	262	*2*
NExBTL renewable diesel	385	*10*	305	*8*	439	*10*	1,665	*11*
Other products	233	*6*	344	*9*	294	*7*	1,172	*7*
TOTAL	3,828	*100*	3,889	*100*	4,248	*100*	15,729	*100*

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

	1-3/13	%	1-3/12	%	10-12/12	%	2012	%
Finland	1,488	*39*	1,887	*49*	1,851	*44*	7,104	*45*
Other Nordic countries	620	*16*	671	*17*	753	*18*	2,563	*16*
Other Europe	1,304	*34*	816	*21*	1,183	*28*	4,232	*27*
USA & Canada	305	*8*	400	*10*	263	*6*	1,247	*8*
Other countries	110	*3*	114	*3*	198	*4*	583	*4*
TOTAL	3,828	*100*	3,889	*100*	4,248	*100*	15,729	*100*

Segment reviews

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

Oil Products

	1-3/13	1-3/12	10-12/12	2012
Revenue, MEUR	3,307	3,544	3,607	13,764
Comparable EBITDA, MEUR	156	125	162	583
Comparable operating profit, MEUR	111	77	116	396
IFRS operating profit, MEUR	79	195	128	491
Total refining margin, USD/bbl	11.54	8.95	10.99	10.17
Net assets, MEUR	2,536	2,558	-	2,252
Comparable return on net assets*, %	17.6	10.9	-	16.6

* rolling 12 months

Oil Products' first-quarter comparable operating profit totaled EUR 111 million, compared to EUR 77 million in the first quarter of 2012. This increase was largely due to higher refining margins and good productivity. Base oil demand continued to be impacted by the slowdown in the world economy, and Base Oils' profit contribution was lower than in the corresponding period last year. Neste Oil's total refining margin totaled USD 11.54/bbl during the first quarter, which compares to USD 8.95/bbl in the first quarter of 2012.

Renewable Fuels

	1-3/13	1-3/12	10-12/12	2012
Revenue, MEUR	513	466	505	2,163
Comparable EBITDA, MEUR	51	22	24	43
Comparable operating profit, MEUR	26	-2	-2	-56
IFRS operating profit, MEUR	9	-8	-43	-183
Net assets, MEUR	1,810	2,122	-	1,860
Comparable return on net assets*, %	-1.4	-6.6	-	-2.8

* rolling 12 months

Renewable Fuels' comparable operating profit was EUR 26 million during the first quarter, compared to EUR -2 million in the corresponding period in 2012. Sales volume allocations were successful, the customer base was further expanded, and vegetable oil price differentials and other margin drivers remained favorable during the quarter. The use of waste- and residue-based feedstock continued to rise.

Oil Retail

	1-3/13	1-3/12	10-12/12	2012
Revenue, MEUR	1,153	1,190	1,258	4,895
Comparable EBITDA, MEUR	19	23	14	91
Comparable operating profit, MEUR	11	15	5	58
IFRS operating profit, MEUR	11	15	5	58
Net assets, MEUR	312	344	-	345
Comparable return on net assets*, %	16.2	18.2	-	17.3
Total sales volume**, 1,000 m3	953	1,014	1,066	4,160
- gasoline station sales, 1,000 m3	272	291	302	1,256
- diesel station sales, 1,000 m3	375	370	398	1,620
- heating oil, 1,000 m3	170	179	180	651
- heavy fuel oil, 1,000 m3	59	82	61	255

* rolling 12 months

** includes both station and terminal sales

Oil Retail's first-quarter comparable operating profit was EUR 11 million, compared to EUR 15 million in the first quarter of 2012. This difference was mainly due to slightly lower sales volumes and competitive markets, particularly in Finland and Poland.

Shares, share trading, and ownership

Neste Oil's shares are traded on NASDAQ OMX Helsinki Ltd. The share price closed the quarter at EUR 11.00, up by 12.6% compared to the end of 2012. At its highest during the quarter, the share price closed at EUR 12.06, while at its lowest the price stood at EUR 9.77. Market capitalization was EUR 2.8 billion as of 31 March 2013. An average of 1.0 million shares was traded daily, representing 0.4% of the company's shares.

Neste Oil's share capital registered with the Company Register as of 31 March 2013 totaled EUR 40 million, and the total number of shares outstanding was 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% at the end of 2012) of outstanding shares, foreign institutions 17.7% (15.4%), Finnish institutions 17.9% (20.0%), and Finnish households 14.3% (14.5%).

Annual General Meeting

Neste Oil's Annual General Meeting (AGM) was held after the reporting period on 4 April 2013 in Helsinki. The AGM adopted the company's financial statements and consolidated financial statements for 2012 and discharged the Board of Directors and the President & CEO from liability for 2012. The AGM also approved the Board of Directors' proposal regarding the distribution of the company's profit for 2012. A dividend of EUR 0.38 per share was paid on 16 April 2013.

In accordance with the proposal made by the AGM Nomination Board, the AGM confirmed the membership of the Board of Directors at seven members, and the following were re-elected to serve until the end of the next AGM: Mr Jorma Eloranta, Ms Maija-Liisa Friman, Mr Michiel Boersma, and Ms Laura Raitio. Mr Per-Arne Blomquist, Mr Willem Schoeber, and Ms Kirsi Sormunen were elected as new members. Mr Eloranta was re-elected as Chair and Ms Friman as Vice Chair. The AGM decided to keep the remuneration paid to Board members unchanged.

Convening after the Annual General Meeting, the Board of Directors elected the members of its two Committees. Jorma Eloranta was elected Chair and Maija-Liisa Friman and Willem Schoeber as members of the Personnel and Remuneration Committee. Per-Arne Blomquist was elected Chair and Michiel Boersma, Laura Raitio, and Kirsi Sormunen as members of the Audit Committee.

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

Following a proposal by the Board of Directors, the AGM decided to establish a permanent Shareholders' Nomination Board to be responsible for drafting and presenting proposals covering the remuneration and number of members of the Company's Board of Directors and for presenting candidates as potential Board members to the AGM and to an Extraordinary General Meeting of Shareholders where needed. The Nomination Board shall also be responsible for identifying successors for existing Board members. The Nomination Board shall consist of four members, three of which shall be appointed by the Company's three largest shareholders, who shall appoint one member each. The Chair of the Company's Board of Directors shall serve as the fourth member. The Company's largest shareholders entitled to elect members to the Nomination Board shall be determined annually on the basis of the registered holdings in the Company's list of shareholders as of the first weekday in September in the year concerned. The Chair of the Board of Directors shall convene the first meeting of the Nomination Board, which will be responsible for electing a Chair from among its members. The Nomination Board shall serve until further notice, unless the AGM decides otherwise. Its members shall be elected annually and their term of office shall end when new members are elected to replace them. The Nomination Board shall forward its proposals for the AGM to the Company's Board of Directors annually by 31 January, prior to the holding of the AGM.

Personnel

Neste Oil employed an average of 5,017 (4,881) employees in the first quarter, of which 1,468 (1,407) were based outside Finland. As of the end of March, the company had 5,030 employees (4,919), of which 1,462 (1,416) were located outside Finland.

Health, safety, and the environment

Improving people and process safety performance is a continuing priority at Neste Oil. From the beginning of 2013 onwards, key safety performance measures now also include leading indicators in addition to traditional lagging indicators. Proactive activities aimed at incident prevention are reported using leading indicators, while lagging indicators focus on past incidents. An important target for 2013 will be to follow up safety self-assessments made in 2012 with audits. Self-assessments and audits are based on 12 key safety elements, which form the basis of Neste Oil's Safety Management System. Audit protocols for all key safety elements have been completed and the first audits at the Porvoo and Naantali refineries have been completed.

Safety performance across the Group has remained similar to that seen in 2012. The total recordable injury frequency (TRIF, number of cases per million hours worked) was 3.6 in the first quarter (3.6 in 2012); this figure combines the company's own and contractors' personnel. The corporate TRIF target is below 2.2. The Process Safety Events (PSE) frequency rate was 5.1 in the first quarter (5.9 in 2012). The PSE target is below 4.0.

Neste Oil has decided to introduce a program of close cooperation with The Forest Trust (TFT), a non-profit Swiss-based organization focused on preventing deforestation. As part of this, TFT will monitor Neste Oil's supply chain performance from the sustainability point of view. Neste Oil has also committed itself to proactively identifying concrete ways to prevent deforestation, together with palm oil producers and other stakeholders

Operational environmental emissions were in substantial compliance at all sites. Three cases were reported where permitted levels were exceeded, once at Porvoo and two at Rotterdam. No serious environmental incidents resulting in liability occurred at Neste Oil's refineries or other production facilities in the first quarter.

The European Commission is developing a Best Available Technology (BAT) document, which will act as the basis for national environmental legislation and provide the basis for refinery environmental permits.

Events after the reporting period

On 2 April, Neste Oil announced that the sale of its Polish retail stations to Shell had been closed. The Polish competition authorities had approved Neste Oil's sale of its Polish station network (Neste Polska Sp. z o.o.) to Shell. The transaction covers a total of 105 unmanned stations and marks the end of Neste Oil's retail operations in Poland. Neste Oil announced the divestment of its Polish stations for the first time on 13 December 2012.

Potential short-term and long-term risks

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

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

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

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

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

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

Outlook

Uncertainties in the global economy have been reflected in the oil, renewable fuel, and renewable feedstock markets, and this volatility is expected to continue. Global oil demand is generally forecasted to grow moderately in 2013, but new refining capacity is likely to put pressure on simple refineries. Complex refiners such as Neste Oil are expected to remain the most competitive. Diesel is projected to be the strongest part of the barrel going forward, and gasoline margins are expected to develop seasonally. The base oil market is likely to remain under pressure, due to sluggish demand in the automotive industry. Vegetable oil price differentials are currently wider than the historical average, and depend on crop outlooks, weather phenomena, and variations in demand for different types of feedstock. Oil retail markets are expected to remain competitive.

Diesel production line 4 at the Porvoo refinery is currently being shut down for maintenance for up to eight weeks. The shutdown will include a four-week regulatory pressure vessel inspection. Gasoline production at the Porvoo refinery was reduced by a three-week unplanned maintenance outage in April.

In Renewable Fuels, the focus will continue to be on sales, feedstock, and production optimization. The segment's full-year comparable operating profit is expected to improve from that seen in 2012 and be positive.

The Group's full-year comparable operating profit is expected to improve compared to 2012, assuming that Neste Oil's reference refining margin remains at the average level of approx. USD 5/bbl typical of the last few years and that Renewable Fuels' result develops as expected.

Reporting date for the company's second-quarter 2013 results

Neste Oil will publish its second-quarter results on 1 August 2013 at approximately 9:00 a.m. EET.

Espoo, 23 April 2013

Neste Oil Corporation
Board of Directors

Further information:

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

As announced on 18 April, 2013, Neste Oil has adopted the revised IAS 19 Employee Benefits standard as of 1 January, 2013. Group and segment information for 2012 has been updated in compliance with the requirements of the revised standard.

CONSOLIDATED INCOME STATEMENT

MEUR	Note	1-3/2013	1-3/2012	1-12/2012	Last 12 months
Revenue	3	**4,258**	4,454	17,853	17,657
Other income		**5**	60	98	43
Share of profit (loss) of associates and joint ventures		**-5**	-5	-3	-3
Materials and services		**-3,767**	-3,956	-16,186	-15,997
Employee benefit costs		**-88**	-84	-339	-343
Depreciation, amortization and impairments	3	**-80**	-83	-332	-329
Other expenses		**-237**	-195	-767	-809
Operating profit		**86**	191	324	219
Financial income and expenses					
Financial income		**0**	1	3	2
Financial expenses		**-20**	-22	-87	-85
Exchange rate and fair value gains and losses		**-1**	-1	-7	-7
Total financial income and expenses		**-21**	-22	-91	-90
Profit before income taxes		**65**	169	233	129
Income tax expense		**-18**	-46	-74	-46
Profit for the period		**47**	123	159	83
Profit attributable to:					
Owners of the parent		**47**	122	157	82
Non-controlling interests		**0**	1	2	1
		47	123	159	83
Earnings per share from profit attributable to the owners of the parent basic and diluted (in euro per share)		**0.18**	0.48	0.61	0.32

STATEMENT OF COMPREHENSIVE INCOME

MEUR	1-3/2013	1-3/2012	1-12/2012	Last 12 months
Profit for the period	**47**	123	159	83
Other comprehensive income net of tax:				
Items that will not be reclassified to profit or loss				
Remeasurements on defined benefit plans	**0**	-7	-29	-22
Items that may be reclassified subsequently to profit or loss				
Translation differences	**9**	5	10	14
Cash flow hedges				
recorded in equity	**-14**	27	-50	-91
transferred to income statement	**-4**	-14	84	94
Net investment hedges	**-**	0	-1	-1
Hedging reserves in associates and joint ventures	**0**	0	-1	-1
Total	**-9**	18	42	15
Other comprehensive income for the period, net of tax	**-9**	11	13	-7
Total comprehensive income for the period	**38**	134	172	76
Total comprehensive income attributable to:				
Owners of the parent	**38**	133	170	75
Non-controlling interests	**0**	1	2	1
	38	134	172	76

CONSOLIDATED BALANCE SHEET

MEUR	Note	31 March 2013	31 March 2012	31 Dec 2012
ASSETS				
Non-current assets				
Intangible assets	5	**60**	56	61
Property, plant and equipment	5	**3,824**	3,939	3,869
Investments in associates and joint ventures		**243**	235	242
Non-current receivables		**4**	6	3
Pension assets		**0**	0	0
Deferred tax assets		**41**	39	46
Derivative financial instruments	6	**32**	25	37
Available-for-sale financial assets		**5**	4	4
Total non-current assets		**4,209**	4,304	4,262
Current assets				
Inventories		**1,600**	1,814	1,464
Trade and other receivables		**1,104**	1,190	1,154
Derivative financial instruments	6	**30**	128	57
Cash and cash equivalents		**174**	94	409
Total current assets		**2,908**	3,226	3,084
Assets classified as held for sale [1)]		**61**	-	52
Total assets		**7,178**	7,530	7,398
EQUITY				
Capital and reserves attributable to the owners of the parent				
Share capital		**40**	40	40
Other equity	2	**2,522**	2,447	2,484
Total		**2,562**	2,487	2,524
Non-controlling interest		**16**	15	16
Total equity		**2,578**	2,502	2,540
LIABILITIES				
Non-current liabilities				
Interest-bearing liabilities		**1,822**	2,012	1,977
Deferred tax liabilities		**322**	316	340
Provisions		**32**	23	27
Pension liabilities		**98**	65	99
Derivative financial instruments	6	**5**	17	6
Other non-current liabilities		**7**	10	7
Total non-current liabilities		**2,286**	2,443	2,456
Current liabilities				
Interest-bearing liabilities		**391**	524	357
Current tax liabilities		**42**	52	40
Derivative financial instruments	6	**71**	128	47
Trade and other payables		**1,789**	1,881	1,925
Total current liabilities		**2,293**	2,585	2,369
Liabilities related to assets held for sale [1)]		**21**	-	33
Total liabilities		**4,600**	5,028	4,858
Total equity and liabilities		**7,178**	7,530	7,398

[1)] The assets and liabilities held for sale at 31 December 2012 relate to Neste Oil's operating activities in Poland. In December 2012 Neste Oil signed an agreement that Shell Polska Sp. z o.o. will buy Neste Oil's station network (Neste Polska Sp. z o.o.) in Poland. The operations are part of the Oil Retail segment. The transaction was closed on 2 April 2013.

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

MEUR	Share capital	Reserve fund	Fair value and other reserves	Translation differences	Actuarial gains and losses	Retained earnings	Owners of the parent	Non-controlling interests	Total equity
Total equity at 1 January 2012	40	15	-23	-7	0	2,419	2,444	14	2,458
Dividend paid						-90	-90	0	-90
Share-based compensation						0	0		0
Transfer from retained earnings		2				-2	0		0
Total comprehensive income for the period			13	5	-7	122	133	1	134
Total equity at 31 March 2012	40	17	-10	-2	-7	2,449	2,487	15	2,502

MEUR	Share capital	Reserve fund	Fair value and other reserves	Translation differences	Actuarial gains and losses	Retained earnings	Owners of the parent	Non-controlling interests	Total equity
Total equity at 1 January 2013	**40**	**18**	**10**	**2**	**-29**	**2,483**	**2,524**	**16**	**2,540**
Dividend paid							**-**		**-**
Share-based compensation						**0**	**0**		**0**
Transfer from retained earnings		**1**				**-1**	**0**		**0**
Total comprehensive income for the period			**-18**	**9**	**0**	**47**	**38**	**0**	**38**
Total equity at 31 March 2013	**40**	**19**	**-8**	**11**	**-29**	**2,529**	**2,562**	**16**	**2,578**

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

MEUR	1-3/2013	1-3/2012	1-12/2012
Cash flow from operating activities			
Profit before taxes	**65**	169	233
Adjustments, total	**126**	63	423
Change in working capital	**-272**	-533	-44
Cash generated from operations	**-81**	-301	612
Finance cost, net	**-1**	-39	-106
Income taxes paid	**-23**	-13	-38
Net cash generated from operating activities	**-105**	-353	468
Capital expenditure	**-34**	-48	-291
Acquisition of other shares	**-**	0	-1
Proceeds from sales of shares in subsidiaries	**-**	-	-
Proceeds from capital repayments in associates and joint ventures	**-**	-	2
Proceeds from sales of fixed assets	**0**	74	79
Change in other investments	**44**	-35	3
Cash flow before financing activities	**-95**	-362	260
Net change in loans and other financing activities	**-129**	152	-65
Dividends paid to the owners of the parent	**-**	-	-90
Dividends paid to non-controlling interests	**-**	-	0
Net increase (+)/decrease (-) in cash and cash equivalents	**-224**	-210	105

KEY FINANCIAL INDICATORS

	31 March 2013	31 March 2012	31 Dec 2012	Last 12 months
Capital employed, MEUR	**4,791**	5,037	4,885	4,791
Interest-bearing net debt, MEUR	**2,027**	2,442	1,935	-
Capital expenditure and investment in shares, MEUR	**34**	48	292	278
Return on average capital employed, after tax, ROACE %	**-**	-	5.0	5.9
Return on capital employed, pre-tax, ROCE %	**7.0**	15.5	6.6	4.4
Return on equity, %	**7.4**	19.8	6.3	3.3
Equity per share, EUR	**10.01**	9.72	9.86	-
Cash flow per share, EUR	**-0.41**	-1.38	1.83	2.80
Equity-to-assets ratio, %	**36.0**	33.3	34.4	-
Leverage ratio, %	**44.0**	49.4	43.2	-
Gearing, %	**78.6**	97.6	76.2	-
Average number of shares	**255,921,509**	255,918,686	255,918,686	255,919,382
Number of shares at the end of the period	**255,982,212**	255,918,686	255,918,686	255,982,212
Average number of personnel	**5,017**	4,881	5,031	-

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 2012, with the exception of the following changes due to the adoption of the new and revised IFRS standards and IFRIC interpretations.

The Group applies the following interpretations or amendments as of 1 January 2013:

- IFRS 7 Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities (Amendment)
- IFRS 13 Fair Value Measurement
- IAS 1 Presentation of Items of Other Comprehensive Income (Amendment)
- IAS 12 Income Taxes - Deferred Taxes: Recovery of Underlying Assets (Amendment)
- IAS 19 Employee Benefits (Revised)
- Annual improvements

In consequence of the adoption of the revised IAS 19 Employee Benefits standard the Group's equity of 31 December 2012 has reduced by EUR 38 million and defined benefit liability has increased to EUR 99 million. The Group's operating profit for 2012 increased by EUR 3 million as the net interest costs related to employee benefits are reported in financial items. The impact on the Group's net profit for year 2012 was not material. The other above mentioned amendments do not have material impact on the reported income statement or balance sheet. The notes have been updated in compliance with the requirements of the above amendments.

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 2013 there were 421,474 shares accounted for as treasury shares.

3. SEGMENT INFORMATION

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

REVENUE MEUR	1-3/2013	1-3/2012	1-12/2012	Last 12 months
Oil Products	**3,307**	3,544	13,764	13,527
Renewable Fuels	**513**	466	2,163	2,210
Oil Retail	**1,153**	1,190	4,895	4,858
Others	**52**	52	199	199
Eliminations	**-767**	-798	-3,168	-3,137
Total	**4,258**	4,454	17,853	17,657

OPERATING PROFIT MEUR	1-3/2013	1-3/2012	1-12/2012	Last 12 months
Oil Products	**79**	195	491	375
Renewable Fuels	**9**	-8	-183	-166
Oil Retail	**11**	15	58	54
Others	**-12**	-7	-42	-47
Eliminations	**-1**	-4	0	3
Total	**86**	191	324	219

COMPARABLE OPERATING PROFIT MEUR	1-3/2013	1-3/2012	1-12/2012	Last 12 months
Oil Products	**111**	77	396	430
Renewable Fuels	**26**	-2	-56	-28
Oil Retail	**11**	15	58	54
Others	**-12**	-7	-43	-48
Eliminations	**-1**	-4	0	3
Total	**135**	79	355	411

DEPRECIATION, AMORTIZATION AND IMPAIRMENTS MEUR	1-3/2013	1-3/2012	1-12/2012	Last 12 months
Oil Products	**45**	48	187	184
Renewable Fuels	**25**	24	99	100
Oil Retail	**8**	8	33	33
Others	**3**	3	13	13
Eliminations	**-1**	-	0	-1
Total	**80**	83	332	329

CAPITAL EXPENDITURE AND INVESTMENTS IN SHARES MEUR	1-3/2013	1-3/2012	1-12/2012	Last 12 months
Oil Products	**24**	24	180	180
Renewable Fuels	**5**	15	51	41
Oil Retail	**1**	4	36	33
Others	**4**	5	25	24
Total	**34**	48	292	278

TOTAL ASSETS MEUR	31 March 2013	31 March 2012	31 Dec 2012
Oil Products	**3,994**	4,097	3,847
Renewable Fuels	**2,085**	2,349	2,134
Oil Retail	**658**	674	677
Others	**429**	419	417
Unallocated assets	**312**	312	609
Eliminations	**-300**	-321	-286
Total	**7,178**	7,530	7,398

NET ASSETS MEUR	31 March 2013	31 March 2012	31 Dec 2012
Oil Products	**2,536**	2,558	2,252
Renewable Fuels	**1,810**	2,122	1,860
Oil Retail	**312**	344	345
Others	**271**	182	260
Eliminations	**-4**	-7	-3
Total	**4,925**	5,199	4,714

TOTAL LIABILITIES MEUR	**31 March 2013**	31 March 2012	31 Dec 2012
Oil Products	**1,458**	1,539	1,596
Renewable Fuels	**276**	227	274
Oil Retail	**346**	331	332
Others	**157**	237	154
Unallocated liabilities	**2,658**	3,009	2,784
Eliminations	**-295**	-315	-282
Total	**4,600**	5,028	4,858

RETURN ON NET ASSETS, %	**31 March 2013**	31 March 2012	31 Dec 2012	Last 12 months
Oil Products	**13.2**	32.6	20.6	15.4
Renewable Fuels	**2.0**	-1.6	-9.3	-8.6
Oil Retail	**13.4**	17.9	17.3	16.2

COMPARABLE RETURN ON NET ASSETS, %	**31 March 2013**	31 March 2012	31 Dec 2012	Last 12 months
Oil Products	**18.5**	12.9	16.6	17.6
Renewable Fuels	**5.7**	-0.4	-2.8	-1.4
Oil Retail	**13.4**	17.9	17.3	16.2

QUARTERLY SEGMENT INFORMATION

QUARTERLY REVENUE MEUR	**1-3/2013**	10-12/2012	7-9/2012	4-6/2012	1-3/2012
Oil Products	**3,307**	3,607	3,389	3,224	3,544
Renewable Fuels	**513**	505	597	595	466
Oil Retail	**1,153**	1,258	1,266	1,181	1,190
Others	**52**	45	48	54	52
Eliminations	**-767**	-818	-795	-757	-798
Total	**4,258**	4,597	4,505	4,297	4,454

QUARTERLY OPERATING PROFIT MEUR	**1-3/2013**	10-12/2012	7-9/2012	4-6/2012	1-3/2012
Oil Products	**79**	128	248	-80	195
Renewable Fuels	**9**	-43	-73	-59	-8
Oil Retail	**11**	5	23	15	15
Others	**-12**	-40	2	3	-7
Eliminations	**-1**	2	-4	6	-4
Total	**86**	52	196	-115	191

QUARTERLY COMPARABLE OPERATING PROFIT MEUR	**1-3/2013**	10-12/2012	7-9/2012	4-6/2012	1-3/2012
Oil Products	**111**	116	154	49	77
Renewable Fuels	**26**	-2	-19	-33	-2
Oil Retail	**11**	5	23	15	15
Others	**-12**	-42	3	3	-7
Eliminations	**-1**	0	-2	6	-4
Total	**135**	77	159	40	79

QUARTERLY DEPRECIATION, AMORTIZATION AND IMPAIRMENTS MEUR	**1-3/2013**	10-12/2012	7-9/2012	4-6/2012	1-3/2012
Oil Products	**45**	46	46	47	48
Renewable Fuels	**25**	26	24	25	24
Oil Retail	**8**	9	8	8	8
Others	**3**	4	3	3	3
Eliminations	**-1**	0	-	-	-
Total	**80**	85	81	83	83

QUARTERLY CAPITAL EXPENDITURE AND INVESTMENTS IN SHARES MEUR	**1-3/2013**	10-12/2012	7-9/2012	4-6/2012	1-3/2012
Oil Products	**24**	55	32	69	24
Renewable Fuels	**5**	7	3	26	15
Oil Retail	**1**	11	10	11	4
Others	**4**	8	6	6	5
Total	**34**	81	51	112	48

4. DISPOSED JOINTLY CONTROLLED ASSETS

No disposals in the first quarter 2013.

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

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

CHANGES IN INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT MEUR	31 March 2013	31 March 2012	31 Dec 2012
Opening balance	**3,930**	4,023	4,023
Depreciation, amortization and impairments	**-80**	-83	-332
Capital expenditure	**34**	48	291
Disposals	**-1**	0	-20
Classified as asset held for sale	**-**	-	-39
Translation differences	**1**	7	7
Closing balance	**3,884**	3,995	3,930

CAPITAL COMMITMENTS MEUR	31 March 2013	31 March 2012	31 Dec 2012
Commitments to purchase property, plant and equipment	**18**	20	10
Total	**18**	20	10

6. DERIVATIVE FINANCIAL INSTRUMENTS

Interest rate and currency derivative contracts and share forward contracts MEUR	31 March 2013 Nominal value	31 March 2013 Net fair value	31 March 2012 Nominal value	31 March 2012 Net fair value	31 Dec 2012 Nominal value	31 Dec 2012 Net fair value
Interest rate swaps	**1,030**	**24**	921	7	1,030	27
Forward foreign exchange contracts	**1,456**	**-15**	1,759	0	1,639	20
Currency options						
Purchased	**151**	**-2**	185	-4	113	0
Written	**125**	**0**	178	3	92	1

Commodity derivative contracts	31 March 2013 Volume million bbl	31 March 2013 Net fair value Meur	31 March 2012 Volume million bbl	31 March 2012 Net fair value Meur	31 Dec 2012 Volume million bbl	31 Dec 2012 Net fair value Meur
Sales contracts	**17**	**1**	65	-74	21	-1
Purchase contracts	**13**	**-22**	46	76	17	-6
Purchased options	**-**	**-**	1	-2	0	0
Written options	**-**	**-**	1	2	0	0

Commodity derivative contracts include oil, freight and vegetable oil 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 March 31:

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	-	-	4	-	-	4	4
Derivative financial instruments	32	-	-	-	-	32	32
Available-for-sale financial assets	-	-	-	5	-	5	5
Current financial assets							
Trade and other receivables	-	-	1,104	-	-	1,104	1,104
Derivative financial instruments	16	14	-	-	-	30	30
Carrying amount by category	48	14	1,108	5	-	1,175	1,175
Non-current financial liabilities							
Interest-bearing liabilities	-	-	-	-	1,822	1,822	1,869
Derivative financial instruments	5	-	-	-	-	5	5
Other non-current liabilities	-	-	-	-	7	7	7
Current financial liabilities							
Interest-bearing liabilities	-	-	-	-	391	391	391
Current tax liabilities	-	-	-	-	42	42	42
Derivative financial instruments	26	45	-	-	-	71	71
Trade and other payables	-	-	-	-	1,789	1,789	1,789
Carrying amount by category	31	45	-	-	4,051	4,127	4,174

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	-	32	-	32
Current derivative financial instruments	4	26	-	30
Financial liabilities				
Non-current derivative financial instruments	-	5	-	5
Current derivative financial instruments	0	71	-	71

During the three-month period ended 31 March 2013, 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.

7. RELATED PARTY TRANSACTIONS

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

Transactions carried out with associates and joint ventures	**1-3/2013**	1-3/2012	1-12/2012
Sales of goods and services	**11**	13	102
Purchases of goods and services	**20**	12	90
Receivables	**12**	8	6
Financial income and expenses	**0**	0	0
Liabilities	**20**	17	15

8. CONTINGENT LIABILITIES

MEUR	**31 March 2013**	31 March 2012	31 Dec 2012
Contingent liabilities			
On own behalf for commitments			
Real estate mortgages	**17**	26	26
Pledged assets	**1**	2	1
Other contingent liabilities	**12**	25	12
Total	**30**	53	39
On behalf of associates and joint ventures			
Guarantees	**2**	2	1
Total	**2**	2	1
On behalf of others			
Guarantees	**1**	1	1
Other contingent liabilities	**3**	2	3
Total	**4**	3	4
Total	**36**	58	44

MEUR	**31 March 2013**	31 March 2012	31 Dec 2012
Operating lease liabilities			
Due within one year	**60**	66	69
Due between one and five years	**109**	132	116
Due later than five years	**82**	78	79
Total	**251**	276	264

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

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

Calculation of share-related indicators

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

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