NESTE

24 April 2015

Neste Oil Corporation
Interim Report
January-March 2015

Neste Oil's Interim Report for January-March 2015

Excellent start for the year as a result of strong refining market and good internal performance

First quarter in brief:

- Comparable operating profit totaled EUR 215 million (Q1/2014: EUR 50 million)
- Total refining margin was USD 11.66/bbl (Q1/2014: USD 8.44/bbl)
- Renewable Products' comparable sales margin was USD 205/ton (Q1/2014: USD 182/ton)
- Net cash from operations totaled EUR -185 million (Q1/2014: EUR -178 million)
- Return on average capital employed (ROACE) was 12.6% (2014: 10.1%)
- Full-year 2015 guidance revised upwards on 21 April

President & CEO Matti Lievonen:

“The year has started positively in a very favorable refining margin environment. We are also pleased with the internal performance in all our business areas. Neste Oil recorded a strong comparable operating profit of EUR 215 million during the first quarter, compared to the EUR 50 million during the corresponding period last year.

Oil Products generated a high comparable operating profit of EUR 156 million, compared to EUR 32 million in the first quarter of 2014. Neste Oil's reference margin strengthened during the first quarter, and averaged USD 7.5/bbl. Reference margin ended USD 4.1/bbl higher than in the corresponding period last year. Gasoline margins were particularly strong, supported by weak crude oil market, good demand, contango storage building, strikes and refinery outages in the US. Our Porvoo refinery operated at a high utilization rate, and preparations for the major turnaround proceeded according to plan.

Renewable Products recorded a comparable operating profit of EUR 42 million, compared to EUR 12 million in the first quarter of 2014. Renewable Products' reference margin remained clearly below the levels seen during the corresponding period last year. We were able to maintain our additional margin at a good level by successful margin management and feedstock flexibility. Weaker euro also had a positive effect on our result. Our sales volume increased by 5% from the first quarter of 2014. After successful debottlenecking in 2014, we have increased our renewable diesel nameplate production capacity from 2.0 million to 2.4 million tons per year, which has also lead to lower production costs.

Oil Retail's markets continued competitive, but we were able to increase profits by introducing new products, such as low sulphur marine fuel, and by improving margins particularly in Northwest Russia. The segment generated a comparable operating profit of EUR 17 million, higher than the EUR 14 million booked in the first quarter of 2014.

As a result of the strong performance during the first quarter and based on the current market outlook for the remainder of the year, Neste Oil revised its guidance on 21 April, and now estimates the Group's full-year 2015 comparable operating profit to remain robust and to be higher than that reached in 2014. Previously Neste Oil expected the full-year comparable operating profit to remain robust, although probably lower than that reached in 2014.

On 1 April the Annual General Meeting decided the company name to be Neste Corporation from the beginning of June. Therefore, this will be the last interim report under Neste Oil name. During the recent years our company has changed remarkably, and the new name reflects this change. We are moving forward."

Neste Oil's Interim Report, 1 January - 31 March 2015

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

Figures in parentheses refer to the corresponding period for 2014, unless otherwise stated.

Quarterly figures 2014 have been restated according to IFRIC 21, which has been implemented since 1 Jan 2015. Total operating profit for the full year 2014 remained unchanged.

Key Figures

EUR million (unless otherwise noted)

	1-3/15	1-3/14	10-12/14	2014
Revenue	2,744	3,510	3,552	15,011
EBITDA	311	131	60	480
Comparable EBITDA*	292	131	341	913
Operating profit	233	50	-25	150
Comparable operating profit*	215	50	256	583
Profit before income tax	205	33	-30	78
Net profit	181	26	-21	60
Comparable net profit**	150	25	206	408
Earnings per share, EUR	0.70	0.10	-0.08	0.22
Comparable earnings per share**, EUR	0.59	0.10	0.81	1.60
Investments***	101	43	171	418
Net cash from operating activities	-185	-178	351	248

	31 March 2015	31 March 2014	31 Dec 2014
Total equity	2,826	2,936	2,659
Interest-bearing net debt	1,714	1,528	1,621
Capital employed	5,101	4,632	4,526
Return on capital employed pre-tax (ROCE), annualized, %	18.6	4.4	3.3
Return on average capital employed after tax (ROACE)****, %	12.6	10.5	10.1
Equity per share, EUR	10.98	11.40	10.34
Leverage (net debt to capital), %	37.8	34.2	37.9

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

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

*** Including non-cash investments of MEUR 18 in 1-3/15 figures.

****Last 12 months

The Group's first-quarter 2015 results

Neste Oil's revenue in the first quarter totaled EUR 2,744 million (EUR 3,510 million). The decrease mainly resulted from lower overall sales prices due to the oil price decline. All segments improved their result from the first quarter of 2014, and the Group's comparable operating profit came in at EUR 215 million (EUR 50 million). Oil Products' result was positively impacted by reference refining margins, which were clearly higher than in the first quarter of 2014. Also Renewable Products improved as a result of successful margin management, feedstock optimization and favorable USD/EUR exchange rate. Oil Retail's result was positively impacted by higher margins, particularly in Northwest Russia. The Others segment recorded a higher comparable operating profit compared to the first quarter of 2014.

Oil Products' first-quarter comparable operating profit was EUR 156 million (32 million), Renewable Products' EUR 42 million (12 million), and Oil Retail's EUR 17 million (14 million). The comparable operating profit of the Others segment totaled EUR 3 million (-11 million).

The Group's IFRS operating profit was EUR 233 million (50 million), which was impacted by inventory losses totaling EUR 76 million (3 million), changes in the fair value of open oil derivatives totaling EUR 18 million (5 million), and non-recurring items totaling EUR 77 million (-2 million), mainly related to the capital gain from the disposal of the Porvoo electricity grid. Pre-tax profit was EUR 205 million (33 million), profit for the period EUR 181 million (26 million), and earnings per share EUR 0.70 (0.10). The Group's effective tax rate was 12% (21%) mainly due to the tax-exempt items, such as the sale proceeds of the shares of Kilpilahden Sähkönsiirto Oy, electricity grid company.

	1-3/15	1-3/14	10-12/14	2014
COMPARABLE OPERATING PROFIT	215	50	256	583
- inventory gains/losses	-76	-3	-322	-492
- changes in the fair value of open oil derivatives	18	5	49	74
- non-recurring items	77	-2	-8	-16
- capital gains/losses	79	-2	1	-2
- insurance and other compensations	0	0	0	0
- others	-3	0	-9	-14
OPERATING PROFIT	233	50	-25	150

Financial targets

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

	31 Mar 2015	31 Mar 2014	31 Dec 2014
Return on average capital employed after tax (ROACE)*, %	12.6	10.5	10.1
Leverage (net debt to capital), %	37.8	34.2	37.9

*Last 12 months

Cash flow, investments, and financing

Neste Oil Group’s net cash from operating activities totaled EUR -185 million (-178 million) in the first quarter of 2015. Preparing for the Porvoo refinery turnaround by building up inventories, and utilizing contango storaging opportunities are main reasons for the working capital increase. Cash flow before financing activities was EUR -83 million (-267 million). The Group's net working capital in days outstanding was 22.9 days (18.1 days) on a rolling 12-month basis at the end of the first quarter.

	1-3/15	1-3/14	10-12/14	2014
EBITDA (IFRS)	311	131	60	480
Capital gains/losses	-79	2	-1	2
Other adjustments	-36	1	-57	-80
Change in working capital	-367	-282	368	-33
Cash generated from operations	-172	-148	370	369
Finance cost, net	-11	-10	-20	-44
Income taxes paid	-2	-20	0	-77
Capital expenditure	-83	-43	-115	-272
Other investing activities	184	-46	1	-34
Free cash flow (Cash flow before financing activities)	-83	-267	237	-59

Cash-out investments totaled EUR 83 million (43 million) in the first quarter of 2015. Maintenance investments accounted for EUR 60 million (31 million) and productivity and strategic investments for EUR 23 million (12 million). Oil Products’ investments totaled EUR 69 million (33 million), with the largest single project being the Solvent Deasphalting unit at Porvoo refinery. Renewable Products' investments totaled EUR 5 million (4 million). Oil Retail's investments totaled EUR 4 million (3 million) and were mainly related to the station network. Investments in the Others segment totaled EUR 5 million (3 million) and were related to IT and business infrastructure.

Interest-bearing net debt was EUR 1,714 million as of the end of March, compared to EUR 1,621 million at the end of 2014. In March Neste Oil issued a EUR 500 million bond with 7-year maturity and a coupon of 2.125%. Net financial expenses for the quarter were EUR 28 million (17 million). The average interest rate of borrowing at the end of March was 3.4% and the average maturity 3.6 years. The interest-bearing net debt/comparable EBITDA ratio was 1.6 (1.8) over the previous 12 months at the end of the first quarter.

The Group has a solid financial position. The leverage ratio was 37.8% (31 Dec. 2014: 37.9%), and the gearing ratio 60.6% (31 Dec. 2014: 60.9%).

The Group's cash and cash equivalents and committed, unutilized credit facilities amounted to EUR 2,211 million as of the end of March (31 Dec. 2014: 1,849 million). There are no financial covenants in the Group's current loan agreements.

In accordance with its hedging policy, Neste Oil hedges 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. Due to the current weakness of EUR, Neste Oil's Board of Directors gave the management in March the mandate to temporarily deviate from the hedging policy, and, therefore, the Group's foreign currency hedging ratio is at the moment below 50% for the next 12 months.

US dollar exchange rate

	1-3/15	1-3/14	10-12/14	2014
USD/EUR, market rate	1.13	1.37	1.25	1.33
USD/EUR, effective rate*	1.22	1.33	1.29	1.32

* The effective rate includes the impact of currency hedges.

Segment reviews

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

Oil Products

Key Financials

	1-3/15	1-3/14	10-12/14	2014
Revenue, MEUR	1,976	2,630	2,652	11,285
Comparable EBITDA, MEUR	201	79	159	478
Comparable operating profit, MEUR	156	32	110	285
IFRS operating profit, MEUR	226	12	-180	-110
Net assets, MEUR	2,439	2,404	2,160	2,160
Comparable return on net assets*, %	17.4	8.2	12.4	12.4

* Last 12 months

Key drivers

	1-3/15	1-3/14	10-12/14	2014
Reference refining margin, USD/bbl	7.45	3.34	5.63	4.73
Additional margin, USD/bbl	4.21	5.10	5.80	5.10
Total refining margin, USD/bbl	11.66	8.44	11.43	9.83
Urals-Brent price differential, USD/bbl	-1.71	-1.36	-1.52	-1.72
Urals' share of total refinery input, %	61	61	52	57

Oil Products' first-quarter comparable operating profit totaled EUR 156 million, compared to EUR 32 million in the first quarter of 2014. The operating profit was supported by a stronger market, which was reflected in a USD 4.1/bbl higher reference margin year-on-year. This increase in the reference margin had a EUR 89 million positive impact on operating profit. Neste Oil's additional margin was USD 4.2/bbl (5.1), reflecting a good operational performance, but including a negative effect in currency hedging. The weaker additional margin had a negative impact totaling EUR 23 million, of which the currency hedging losses accounted for EUR 27 million on the segment's operating profit compared to the corresponding period last year. A stronger USD/EUR exchange rate had a EUR 30 million positive effect on our result. Sales volumes were 3.1 million tons or 2% lower than in the first quarter of 2014, reflecting inventory build-up in anticipation of the Porvoo refinery turnaround in the second quarter.

The average utilization rate at the Porvoo refinery increased to 98% (86%), which reflected very smooth operation during the first quarter. The Naantali refinery recorded an average utilization rate of 66% (70%) due to availability issues and unit maintenance. The segment's fixed costs were EUR 6 million lower than in the first quarter of 2014, mainly as a result of lower maintenance activities. Oil Products' comparable return on net assets was 17.4% (8.2%) at the end of March over the previous 12 months.

After a long and deep fall crude oil prices got support during the first quarter as low oil price raised demand growth expectations together with signs of lowering shale oil drilling activity. The Brent price was mainly trading in a range between USD 50-60/bbl, and the forward market was in steep contango.

The price differential between Brent and Russian Export Blend (REB) crude averaged USD -1.7/bbl in the first quarter. This reasonably wide differential during the quarter reflected continued good supply of both REB and alternative crudes.

The reference refining margin started relatively high in the normally weak winter season, and it strengthened even further during the quarter. The margin was supported by weak physical crude oil market, lower utility costs, product contango storage building and US refinery strikes and unplanned outages. The low crude price together with very cold weather in the US boosted demand and supported the refining margin. Gasoline margins were unseasonally strong, but middle distillates remained the strongest part of the barrel on average. Neste Oil's reference margin averaged USD 7.5/bbl during the first quarter.

Production

	1-3/15	1-3/14	10-12/14	2014
Porvoo refinery production, 1,000 ton	3,004	2,890	2,836	11,274
Porvoo refinery utilization rate, %	98	86	85	84
Naantali refinery production, 1,000 ton	499	438	461	1,959
Naantali refinery utilization rate, %	66	70	68	71
Refinery production costs, USD/bbl	3.3	4.8	5.3	4.9
Bahrain base oil plant production, 1,000 ton	43	26	42	143

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

	1-3/15	%	1-3/14	%	10-12/14	%	2014	%
Middle distillates*	1,393	44%	1,552	48%	1,594	46%	6,204	46%
Light distillates**	1,061	33%	1,092	34%	1,172	34%	4,575	34%
Heavy fuel oil	301	9%	233	7%	345	10%	1,091	8%
Base oils	119	4%	112	3%	104	3%	469	3%
Other products	302	10%	243	8%	234	7%	1,201	9%
TOTAL	3,176	100%	3,232	100%	3,450	100%	13,540	100%

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

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

	1-3/15	%	1-3/14	%	10-12/14	%	2014	%
Baltic Sea area*	1,993	63%	2,338	73%	2,154	62%	8,872	65%
Other Europe	929	29%	710	22%	866	25%	3,060	23%
North America	177	6%	46	1%	305	9%	847	6%
Other areas	78	2%	138	4%	125	4%	761	6%

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

Renewable Products

Key financials

	1-3/15	1-3/14	10-12/14	2014
Revenue, MEUR	496	531	575	2,269
Comparable EBITDA, MEUR	64	36	167	335
Comparable operating profit, MEUR	42	12	142	239
IFRS operating profit, MEUR	-7	30	154	207
Net assets, MEUR	1,930	1,765	1,923	1,923
Comparable return on net assets*, %	14.7	14.6	13.3	13.3

* Last 12 months

Key drivers

	1-3/15	1-3/14	10-12/14	2014
FAME - Palm oil price differential*, USD/ton	140	229	218	231
SME - Soybean oil price differential**, USD/ton	174	163	178	199
Reference margin, USD/ton	149	206	211	221
Additional margin***, USD/ton	186	146	409	227
Comparable sales margin***, USD/ton	205	182	450	278
Biomass-based diesel (D4) RIN, USD/gal	0.81	0.56	0.58	0.53
Palm oil price****, USD/ton	624	810	654	733
Crude palm oil's share of total feedstock, %	38	38	39	38

* FAME seasonal vs. CPO BMD 3rd (Crude Palm Oil Bursa Malaysia Derivatives 3rd month futures price) + 70 $/t freight to ARA (Amsterdam-Rotterdam-Antwerp)
** SME US Gulf Coast vs. SBO CBOT 1st (Soybean Oil Chicago Board of Trade 1st month futures price)
*** Includes full impact of US BTC (Blender's Tax Credit) in 10-12/14 and 2014
**** CPO BMD 3rd

Renewable Products' comparable operating profit totaled EUR 42 million during the first quarter, compared to EUR 12 million in the first quarter of 2014. The result was impacted by a lower reference margin, which had a negative impact of EUR 10 million on operating profit compared to the first quarter of 2014. This was compensated by a stronger additional margin, reflecting successful margin management and feedstock flexibility. The additional margin had a positive impact totaling EUR 16 million on the result year-on-year, including, however, a EUR 7 million negative impact from currency hedging. A stronger USD/EUR exchange rate had a EUR 20 million positive effect on our result year-on-year. Sales volumes totaled 513,000 tons, a 5% increase on volume compared to the corresponding period last year. Approximately 78% (73%) of sales volumes went to Europe and Asia-Pacific during the first quarter of 2015 and 22% (27%) to North America. Neste Oil's renewable diesel nameplate production capacity has now been increased from 2.0 to 2.4 million tons per year. Based on this upgraded capacity, the production achieved an average utilization rate of 97% (106%, based on the previous capacity) during the quarter. We have also revised the standard variable production cost used in our margin calculation from USD 170/ton to USD 130/ton starting January 1, 2015. The proportion of waste and residue inputs was 62% (62%) on average. Renewable Products’ comparable return on net assets was 14.7% (14.6%) at the end of March based on the previous 12 months.

Crude palm oil (CPO) price declined USD 30/ton during the first quarter. Compared to the decline in other vegetable oil prices, the relatively mild decrease in CPO price was explained by a large drop in Malaysian production due to exceptional flooding in January, and harvesting interruptions due to the Chinese New Year holidays in February. After Malaysian CPO production reached a record low level, price started to decline in March in line with expected recovery in production and weakness in exports. As soybean oil (SBO) and mineral oil prices were weak, CPO lost competitiveness in the food industry and in the energy sector.

European Fatty Acid Methyl Ester winter grade (FAME -10) prices dropped USD 105/ton driven by the large decline in mineral and rapeseed oil (RSO) prices. Since FAME prices fell more than its feedstock prices, margins contracted further into negative territory.

In the US, soy methyl ester (SME) prices remained almost unchanged from the previous quarter. The uncertainty surrounding the final release of the biodiesel mandate maintained SME at a relatively high price level. As SBO prices marginally declined, the US producers' margin improved.

Production

	1-3/15	1-3/14	10-12/14	2014
NEXBTL, 1,000 ton	601	545	510	2,111
Other products, 1,000 ton	41	33	40	144
Utilization rate*, %	97	106	98	102

* 1-3/15 figure based on new 2.4 Mton/a capacity.

Sales

	1-3/15	1-3/14	10-12/14	2014
NEXBTL, 1,000 ton	513	488	537	2,104
Share of sales volumes to Europe & APAC, %	78	73	81	73
Share of sales volumes to North America, %	22	27	19	27

Oil Retail

Key financials

	1-3/15	1-3/14	10-12/14	2014
Revenue, MEUR	882	1,019	1,046	4,294
Comparable EBITDA, MEUR	23	21	14	94
Comparable operating profit, MEUR	17	14	8	68
IFRS operating profit, MEUR	17	14	8	68
Net assets, MEUR	220	254	201	201
Comparable return on net assets*, %	29.7	29.5	27.6	27.6

* Last 12 months

Oil Retail's first-quarter comparable operating profit was EUR 17 million (14 million) in the first quarter of 2015. Sales volumes declined slightly in Finland and Russia compared to the corresponding period last year, but increased in the Baltics and in the new low-sulphur marine fuels. Overall the sales volumes had a positive impact of EUR 1 million on the comparable operating profit year-on-year. Average unit margins improved particularly in Northwest Russia, and higher margins had a positive impact of EUR 6 million on the segment’s first-quarter comparable operating profit. The weaker ruble had a negative impact of EUR 2 million on the result in Northwest Russia compared to first quarter of 2014. Fixed costs and depreciations were approx. EUR 1 million higher year-on-year. Oil Retail's comparable return on net assets was 29.7% (29.5%) at the end of March on a rolling 12-month basis.

Oil Retail's markets remain competitive. Traffic fuel demand is seasonally lower during the winter period, and the mild winter has reduced heating oil demand. Finnish gasoline consumption is declining, while diesel remains flat. Markets in the Baltic countries are gradually growing.

Sales volumes by main product categories, million liters

	1-3/15	1-3/14	10-12/14	2014
Gasoline station sales	241	250	276	1,134
Diesel station sales	372	361	393	1,526
Heating oil	142	149	163	600

Net sales by market area, MEUR

	1-3/15	1-3/14	10-12/14	2014
Finland	644	740	721	3,022
Northwest Russia	53	79	70	335
Baltic countries	185	199	255	929

Others

Key financials

	1-3/15	1-3/14	10-12/14	2014
Comparable operating profit, MEUR	3	-11	-2	-7
IFRS operating profit, MEUR	0	-8	-5	-13

The Others segment consists of the engineering and technology solutions company Neste Jacobs, 60/40-owned by Neste Oil and Jacobs Engineering; Nynas, a joint venture 50/50-owned by Neste Oil and Petróleos de Venezuela; and common corporate costs. The comparable operating profit of the Others segment totaled EUR 3 million (-11 million) in the first quarter; joint arrangements accounted for EUR 10 million (-7 million) of this figure.

Annual General Meeting

Neste Oil’s Annual General Meeting (AGM) was held in Helsinki after the reporting period on 1 April 2015. The AGM adopted the company’s Financial Statements and Consolidated Financial Statements for 2014 and discharged the Board of Directors and the President & CEO from liability for 2014. The AGM also approved the Board of Directors' proposal regarding the distribution of the company's profit for 2014, authorizing payment of a dividend of EUR 0.65 per share. The dividend was paid on 14 April 2015.

In accordance with the proposal made by the Shareholders' 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, Ms. Laura Raitio, Mr. Jean-Baptiste Renard, Mr. Willem Schoeber, and Ms. Kirsi Sormunen. Mr Marco Wirén was elected as a new Board member. Jorma Eloranta was re-elected as Chair and Maija-Liisa Friman as Vice Chair. The AGM decided to keep the remuneration of Board members unchanged.

Convening after the Annual General Meeting, the Neste Oil's Board of Directors elected the members of its two Committees. Jorma Eloranta was elected Chair and Laura Raitio and Jean-Baptiste Renard as members of the Personnel and Remuneration Committee. Marco Wirén was elected Chair and Maija-Liisa Friman, Willem Schoeber, and Kirsi Sormunen as members of the Audit Committee.

In accordance with a proposal by the Board of Directors, PricewaterhouseCoopers Oy were appointed as the company's Auditor, with Authorized Public Accountant Mr. Markku Katajisto as the principally responsible auditor for Neste Oil Corporation, until the end of the next AGM. Payment for their services shall be made in accordance with their invoice approved by the Company.

In accordance with a proposal by the Board of Directors, the AGM amended the Company's Articles of Association 1 § as follows:

"1 § Company Name and Domicile

The company name of the Company is Neste Oyj, Neste Abp in Swedish, and Neste Corporation in English. The Company is domiciled in Espoo."

In accordance with a proposal by the Board of Directors, the AGM authorized the Board to decide the purchase of the Company's own shares ('Buyback authorization') under the following terms:

Under this Buyback authorization, the Board shall be authorized to decide the purchase of and/or take as security a maximum of 1,000,000 Company shares using the Company's unrestricted equity. The number of shares shall be equivalent to approximately 0.39% of the Company's total shares.

Shares may be purchased in one or more lots. The purchase price shall be at least the lowest price paid for Company shares in regulated trading at the time of purchase and no more than the highest price paid for Company shares in regulated trading at the time of purchase. In connection with the buyback of Company shares, derivative, share lending, or other agreements that are normal within the framework of capital markets may take place in accordance with legislative and regulatory requirements and at a price determined by the market. The authorization shall allow the Board to decide to purchase shares otherwise than in proportion to shareholders' current holdings (directed buyback).

Shares so purchased can be used as consideration in possible acquisitions or in other arrangements that are part of the Company's business, to finance investments, as part of the Company's incentive program, or be retained, conveyed, or cancelled by the Company.

The Board of Directors shall decide the other terms related to the buyback of Company shares. The Buyback authorization shall remain in force for eighteen (18) months from the decision taken by the AGM.

In accordance with a proposal by the Board of Directors, the AGM authorized the Board to decide the conveyance of the treasury shares held by the Company under the following terms:

Under this authorization, the Board shall be authorized to take one or more decisions concerning the distribution of the treasury shares held by the Company, with the proviso that the number of shares thereby conveyed totals a maximum of 2,000,000 shares, equivalent to approximately 0.78% of all the Company's shares.

The treasury shares held by the Company can be distributed to the Company's shareholders in proportion to the shares they already own or via a directed share issue that bypasses shareholders' pre-emptive rights if the Company has a weighty financial reason for doing so, such as using the shares in question as consideration in possible acquisitions or in other arrangements that are part of the Company's business, to finance investments, or as part of the Company's incentive program.

The treasury shares held by the Company can be conveyed against payment or distributed free of charge. A directed share issue can only be made free of charge if there is a particularly weighty financial reason, in respect of the Company's interests and those of all its shareholders, for doing so.

The Board will also be responsible for the other terms and conditions of a share issue. The authorization shall remain in force until 30 June 2018.

Shares, share trading, and ownership

Neste Oil's shares are traded on NASDAQ Helsinki Ltd. The share price closed the quarter at EUR 24.40, up by 21.9% compared to the end of 2014. At its highest during the quarter, the share price reached EUR 25.16, while at its lowest the price stood at EUR 19.91. Market capitalization was EUR 6.3 billion as of 31 March 2015. An average of 1.0 million shares were traded daily, representing 0.4% of the company's shares.

Neste Oil's share capital registered with the Company Register as of 31 March 2015 totaled EUR 40 million, and the total number of shares outstanding was 256,403,686. As resolved by the AGM held on 1 April 2015, the Board of Directors was authorized to purchase and/or take as security a maximum of 1,000,000 company shares using the company's unrestricted equity. At the end of March 2015, Neste Oil held 801,697 treasury shares purchased under this authorization. The Board of Directors has no authorization to issue convertible bonds, share options, or new shares.

As of 31 March 2015, the Finnish State owned 50.1% (50.1% at the end of 2014) of outstanding shares, foreign institutions 27.0% (25.1%), Finnish institutions 11.7% (12.5%), and Finnish households 11.2% (12.3%).

Personnel

Neste Oil employed an average of 4,827 (5,076) employees in the first quarter, of which 1,552 (1,487) were based outside Finland. As of the end of March, the company had 4,847 employees (5,114), of which 1,573 (1,497) were located outside Finland.

Health, safety, and the environment

The positive development in Neste Oil's safety performance did not continue in the first quarter. As preparations for the major turnaround at the Porvoo refinery were ongoing, the number of contractors increased. A lot of attention has been paid to contractor training in order to secure safe turnaround implementation. The safety performance was not satisfactory in the first quarter. The Total Recordable Incident Frequency (TRIF, number of cases per million hours worked) was 4.7 (2.7 in 2014). The figure includes both Neste Oil's own and contractors' personnel. The corporate target for 2015 is below 2.7. The cumulative Process Safety Event Rate (PSER) was 3.3 (3.0 in 2014). PSER was also higher than the target 2.7 for 2015, due to several refinery incidents.

Operational environmental emissions were in compliance at all sites. No serious environmental incidents resulting in liability occurred at Neste Oil's refineries or other production facilities during the first quarter of 2015.

Neste Oil has continued engaging with stakeholders in the palm oil sector – such as suppliers, International Sustainability & Carbon Certification (ISCC), and the Roundtable on Sustainable Palm Oil (RSPO) – to clarify certification procedures, particularly in workforce-related areas. Neste Oil has contributed to the work of RSPO taskforce for human rights, and started co-operation with BSR (Business for Social Responsibility), a global non-profit organization. The first step in the work is analyzing social risks of palm oil plantations in Malaysia.

Main events published during the reporting period

On 20 January, Neste Oil announced that the Shareholders' Nomination Board, established by Neste Oil Corporation's Annual General Meeting (AGM), will propose to the AGM to be held on 1 April 2015 that the company's Board of Directors should comprise the following members: Mr. Jorma Eloranta should be re-elected as Chair and Ms. Maija-Liisa Friman as Vice Chair of the Board. In addition, Board members Ms. Laura Raitio, Mr. Jean-Baptiste Renard, Mr. Willem Schoeber, and Ms. Kirsi Sormunen should be re-elected for a further term of office. The Shareholders' Nomination Board's candidate to serve as a new Board member is Marco Wirén.

On 4 February, Neste Oil announced that Neste Oil's Board of Directors will propose to the Annual General Meeting (AGM) that the company's name be changed to Neste Corporation. The change would communicate the changes in the company's business and the company's seeking of growth from products other than conventional oil products. The proposal for the name change will be processed as an amendment of the Articles of Association during the AGM of Neste Oil on 1 April 2015.

On 4 March, Neste Oil announced that it has become the world's largest producer of renewable fuels from waste and residues over the last few years. In 2014, the company produced nearly 1.3 million tons of renewable fuel from waste and residues. In practical terms, this is enough to power for two years all the 650 000 diesel-powered passenger cars in Finland with NEXBTL renewable diesel manufactured from waste and residues.

On 10 March, Neste Oil announced that it had issued a EUR 500 million bond. The 7-year bond carries a coupon of 2.125%. The bond offering was clearly oversubscribed and the bonds were allocated to approximately 150 investors. The proceeds of the offering will be used for refinancing and general corporate purposes.

On 10 March, Neste Oil announced that Neste Oil Corporation and Preem AB (publ) had entered into a Patent License Agreement whereby Preem licensed Neste Oil intellectual property rights for renewable fuels production for use at the Preem Gothenburg refinery.

Events after the reporting period

On 1 April, Neste Oil announced that its Oil Retail business area will be reorganized to improve customer service and enhance operations. The new organization will be in place in June.

On 21 April, Neste Oil announced that it had revised its guidance as a result of the strong performance during the first quarter and based on the current market outlook for the remainder of the year. The company now estimates the Group's full-year 2015 comparable operating profit to remain robust and to be higher than that reached in 2014.

Potential risks

The oil market has been and is expected to continue to be very volatile. Oil refiners are exposed to a variety of political and economic trends and events, as well as natural phenomena that affect the short- and long-term supply of and demand for the products that they produce and sell. The political crisis in Ukraine has increased general uncertainty in the European energy market, but has not materially impacted oil and gas supply.

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

Sudden and unplanned outages at Neste Oil's production units or facilities continue to represent an inherent operational risk.

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

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

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

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

Neste Oil's risk management aims to mitigate or eliminate the above-mentioned potential risks. For more detailed information on Neste Oil's risks and risk management, please refer to the Annual Report and the Notes to the Financial Statements.

Outlook

Developments in the global economy have been reflected in the oil, renewable fuel, and renewable feedstock markets; and volatility in these markets is expected to continue.

Global oil demand is anticipated to continue increasing with growth estimates generally at approx. 1 million bbl/d for 2015. At the same time, refining capacity growth of more than 1 million bbl/d in Asia and Middle East is expected to create some pressure on global product supply demand balance particularly during the second half of the year. Transatlantic supply demand balance is also dependent on the planned and unplanned refinery shutdowns. The forward reference refining margin is currently reasonably strong for the coming quarters, also reflecting the upcoming driving season, which typically supports the gasoline market in spring.

Vegetable oil price differentials are expected to vary, depending on crop outlooks, weather phenomena, and variations in demand for different feedstocks, but no fundamental changes in the drivers influencing long-term average feedstock price differentials are expected. Feedstock prices have been on a downward trend, but vegetable oil price differentials have remained narrower than the historical average. Market volatility in feedstock and oil prices is expected to continue, which will have an impact on the Renewable Products segment's profitability.

In 2015, the Group's investments are expected to total approx. EUR 450 million, including some EUR 100 million for a major turnaround at the Porvoo refinery. The Porvoo turnaround has started in April and is expected to last for approx. 8 weeks. The turnaround is expected to have an approx. EUR 100 million negative impact on Oil Products segment's comparable operating profit.

Crude oil price changes, supply and demand balances, together with uncertainties related to political decision-making on biofuel mandates, the US Blender's Tax Credit and other incentives will be reflected in the oil and renewable fuel markets. The US Environmental Protection Agency (EPA) has announced that it will propose Renewable Fuel Standard volume requirements for 2014, 2015 and 2016, as well as the biomass-based diesel volume requirement for 2017, by 1 June, and finalize them by 30 November, 2015.

As a result of the strong performance during the first quarter and based on the current market outlook for the remainder of the year, Neste Oil revised its guidance on 21 April and now estimates the Group's full-year 2015 comparable operating profit to remain robust and to be higher than that reached in 2014. Previously Neste Oil expected the full-year comparable operating profit to remain robust, although probably lower than that reached in 2014.

Reporting date for the company's second-quarter 2015 results

Neste Oil will publish its second-quarter results on 5 August 2015 at approximately 9:00 a.m. EET.

Espoo, 23 April 2015

Neste Oil Corporation
Board of Directors

Further information:

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Jyrki Mäki-Kala, CFO, tel. +358 10 458 4098
Investor Relations, tel. +358 10 458 5292

News conference and conference call

A press conference in Finnish on first-quarter 2015 results will be held today, 24 April 2015, 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 2015 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 6937 9590, rest of Europe: +44 (0)20 3427 1909, US: +1646 254 3364, using access code 8790300. The conference call can be followed at the company's web site. An instant replay of the call will be available until 1 May 2015 at +358 (0)9 2310 1650 for Finland, +44 (0)20 3427 0598 for Europe and +1 347 366 9565 for the US, using access code 8790300.

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.

FINANCIAL STATEMENT SUMMARY AND NOTES TO THE FINANCIAL STATEMENT

CONSOLIDATED STATEMENT OF INCOME

MEUR	Note	1-3/2015	Restated 1-3/2014*	1-12/2014	Last 12 months
Revenue	3	**2,744**	3,510	15,011	14,246
Other income		**87**	7	57	137
Share of profit (loss) of joint ventures		**8**	-6	7	21
Materials and services		**-2,366**	-3,203	-13,932	-13,095
Employee benefit costs		**-81**	-86	-339	-335
Depreciation, amortization and impairments	3	**-78**	-81	-330	-327
Other expenses		**-80**	-90	-324	-314
Operating profit		**233**	50	150	333
Financial income and expenses					
Financial income		**1**	1	4	4
Financial expenses		**-18**	-18	-75	-75
Exchange rate and fair value gains and losses		**-10**	0	-1	-12
Total financial income and expenses		**-28**	-17	-72	-83
Profit before income taxes		**205**	33	78	250
Income tax expense		**-24**	-7	-18	-35
Profit for the period		**181**	26	60	215
Profit attributable to:					
Owners of the parent		**180**	25	57	211
Non-controlling interests		**2**	1	3	4
		181	26	60	215
Earnings per share from profit attributable to the owners of the parent basic and diluted (in euro per share)		**0.70**	0.10	0.22	0.83

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MEUR	1-3/2015	Restated 1-3/2014*	1-12/2014	Last 12 months
Profit for the period	**181**	26	60	215
Other comprehensive income net of tax:				
Items that will not be reclassified to profit or loss				
Remeasurements on defined benefit plans	**-6**	0	-55	-61
Items that may be reclassified subsequently to profit or loss				
Translation differences	**19**	-12	-30	1
Cash flow hedges				
recorded in equity	**-59**	3	-48	-110
transferred to income statement	**34**	-5	1	41
Net investment hedges	**0**	0	0	0
Share of other comprehensive income of investments accounted for using the equity method	**-5**	0	-9	-13
Total	**-10**	-14	-86	-82
Other comprehensive income for the period, net of tax	**-16**	-14	-141	-143
Total comprehensive income for the period	**165**	12	-81	72
Total comprehensive income attributable to:				
Owners of the parent	**164**	12	-84	68
Non-controlling interests	**2**	1	3	4
	165	12	-81	72

* Quarterly figures 2014 have been restated according to IFRIC 21 which has been implemented since 1 Jan 2015. More information can be found in Notes 1 and 4. Upon the preparation of annual accounts 2014, some presentation changes were made retrospectively quarterly in 2014: the product swaps previously included in Revenue are now netted with the corresponding expenses in Materials and services based on IAS 18 and additionally some other sales related expenses (e.g. freights), previously included in 'Other expenses', are presented now in 'Materials and services' quarterly in 2014.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MEUR	Note	31 March 2015	Restated 31 March 2014	31 Dec 2014
ASSETS				
Non-current assets				
Intangible assets	6	**61**	64	62
Property, plant and equipment	6	**3,698**	3,696	3,667
Investments in joint ventures		**202**	198	195
Non-current receivables		**50**	46	50
Deferred tax assets		**48**	28	55
Derivative financial instruments	8	**24**	24	25
Available-for-sale financial assets		**5**	5	5
Total non-current assets		**4,088**	4,061	4,058
Current assets				
Inventories		**1,416**	1,422	1,055
Trade and other receivables		**890**	1,023	887
Derivative financial instruments	8	**195**	30	144
Cash and cash equivalents		**561**	168	246
Total current assets		**3,061**	2,642	2,333
Assets classified as held for sale [1)]		**0**	18	103
Total assets		**7,150**	6,721	6,494
EQUITY				
Capital and reserves attributable to the owners of the parent				
Share capital		**40**	40	40
Other equity	2	**2,766**	2,879	2,601
Total		**2,806**	2,919	2,641
Non-controlling interest		**20**	17	18
Total equity		**2,826**	2,936	2,659
LIABILITIES				
Non-current liabilities				
Interest-bearing liabilities		**1,771**	1,586	1,245
Deferred tax liabilities		**255**	263	265
Provisions		**19**	35	21
Pension liabilities		**161**	93	155
Derivative financial instruments	8	**5**	6	5
Other non-current liabilities		**2**	5	1
Total non-current liabilities		**2,214**	1,989	1,691
Current liabilities				
Interest-bearing liabilities		**504**	109	622
Current tax liabilities		**10**	38	4
Derivative financial instruments	8	**180**	19	128
Trade and other payables		**1,416**	1,630	1,388
Total current liabilities		**2,110**	1,796	2,141
Liabilities related to assets held for sale [1)]		**0**	0	2
Total liabilities		**4,323**	3,785	3,835
Total equity and liabilities		**7,150**	6,721	6,494

[1)] The assets classified as held for sale and liabilities related to assets held for sale presented in 31 December 2014 relate to approval of Group's management in 18 December 2014 to sell all shares of Kilpilahden Sähkönsiirto Oy to InfraVia European Fund II, an infrastructure fund managed by InfraVia. The transaction was completed on 2 January 2015. The operations were part of the Oil Products segment.

The assets classified as held for sale and liabilities related to assets held for sale presented in 31 March 2014 relate to Neste Oil's and Concordia Maritime decision on 19 March 2014 to sell the Panamax tankers Stena Poseidon and Palva, which they own through joint venture companies, to Transport Maritime St-Laurent Inc. of Canada. The operations were part of the Oil Products segment.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

MEUR	1-3/2015	Restated 1-3/2014	1-12/2014
Cash flow from operating activities			
Profit before income taxes	**205**	33	78
Adjustments, total	**-9**	101	325
Change in working capital	**-367**	-282	-33
Cash generated from operations	**-172**	-148	369
Finance cost, net	**-11**	-10	-44
Income taxes paid	**-2**	-20	-77
Net cash generated from operating activities	**-185**	-178	248
Cash flows from investing activities			
Capital expenditure	**-83**	-43	-272
Proceeds from sales of shares in subsidiaries	**171**	0	0
Proceeds from sales of fixed assets	**0**	0	4
Proceeds from capital repayments in joint arrangements	**0**	0	18
Change in long-term receivables and other investments [1)]	**13**	-46	-56
Cash flows from investing activities	**101**	-89	-306
Cash flow before financing activities	**-83**	-267	-59
Cash flows from financing activities			
Net change in loans and other financing activities	**396**	-67	-23
Purchase of treasury shares	**0**	0	-15
Dividends paid to the owners of the parent	**0**	0	-167
Dividends paid to non-controlling interests	**0**	0	0
Cash flows from financing activities	**396**	-67	-205
Net increase (+)/decrease (-) in cash and cash equivalents	**313**	-334	-263

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

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

Restated **MEUR**	Share capital	Reserve fund	Reserve of invested unrestricted equity	Treasury shares	Fair value and other reserves	Actuarial gains and losses	Translation differences	Retained earnings	Owners of the parent	Non-controlling interests	Total equity
Total equity at 1 January 2014	40	18	0	0	0	-30	-31	2,911	2,908	16	2,924
Profit for the period								25	25	1	26
Other comprehensive income for the period					-2		-12		-14		-14
Total comprehensive income for the period					-2		-12	25	12	1	12
Dividend paid									0		0
Share-based compensation								0	0		0
Transfer from retained earnings		1						-1	0		0
Purchase of treasury shares									0		0
Total equity at 31 March 2014	40	19	0	0	-2	-30	-43	2,936	2,919	17	2,936

MEUR	Share capital	Reserve fund	Reserve of invested unrestricted equity	Treasury shares	Fair value and other reserves	Actuarial gains and losses	Translation differences	Retained earnings	Owners of the parent	Non-controlling interests	Total equity
Total equity at 1 January 2014	40	18	0	0	0	-30	-31	2,911	2,908	16	2,924
Profit for the period								57	57	3	60
Other comprehensive income for the period					-56	-55	-30		-141		-141
Total comprehensive income for the period					-56	-55	-30	57	-84	3	-81
Dividend paid								-167	-167	0	-167
Share-based compensation								-1	-1		-1
Transfer from retained earnings		1						-1	0		0
Purchase of treasury shares				-15					-15		-15
Total equity at 31 December 2014	40	19	0	-15	-56	-85	-61	2,800	2,641	18	2,659

MEUR	Share capital	Reserve fund	Reserve of invested unrestricted equity	Treasury shares	Fair value and other reserves	Actuarial gains and losses	Translation differences	Retained earnings	Owners of the parent	Non-controlling interests	Total equity
Total equity at 1 January 2015	**40**	**19**	**0**	**-15**	**-56**	**-85**	**-61**	**2,800**	**2,641**	**18**	**2,659**
Profit for the period								**180**	**180**	**2**	**181**
Other comprehensive income for the period					**-29**	**-6**	**19**		**-16**		**-16**
Total comprehensive income for the period					**-29**	**-6**	**19**	**180**	**164**	**2**	**165**
Dividend paid									**0**		**0**
Share-based compensation			**1**	**3**				**-3**	**2**		**2**
Transfer from retained earnings		**1**						**-1**	**0**		**0**
Purchase of treasury shares									**0**		**0**
Total equity at 31 March 2015	**40**	**19**	**1**	**-12**	**-85**	**-91**	**-42**	**2,976**	**2,806**	**20**	**2,826**

KEY FINANCIAL INDICATORS

	31 March 2015	Restated 31 March 2014	31 Dec 2014	Last 12 months
Capital employed, MEUR	**5,101**	4,632	4,526	5,101
Interest-bearing net debt, MEUR	**1,714**	1,528	1,621	-
Capital expenditure and investment in shares, MEUR	**101**	43	418	477
Return on average capital employed, after tax, ROACE %	**-**	-	10.1	12.6
Return on capital employed, pre-tax, ROCE %, annualized	**18.6**	4.4	3.3	6.7
Return on equity %, annualized	**26.4**	3.6	2.1	7.5
Equity per share, EUR	**10.98**	11.40	10.34	-
Cash flow per share, EUR	**-0.72**	-0.70	0.97	0.95
Equity-to-assets ratio, %	**39.6**	43.8	41.0	-
Leverage ratio, %	**37.8**	34.2	37.9	-
Gearing, %	**60.6**	52.0	60.9	-
Average number of shares	**255,463,177**	256,042,929	255,532,039	255,389,087
Number of shares at the end of the period	**255,601,989**	256,184,603	255,403,686	255,601,989
Average number of personnel	**4,827**	5,076	4,989	-

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by EU. The condensed interim report should be read in conjunction with the consolidated financial statements for the year ended 31 December 2014. The accounting policies adopted are consistent with those of the Group's annual financial statements for the year ended 31 December 2014, with the exception of the adoption of new IFRS standards and IFRIC interpretations effective during 2015 that are relevant to its operations. The IFRS principles require the management to make estimates and assumptions when preparing financial statements. Although these estimates and assumptions are based on the management´s best knowledge of today, the final outcome may differ from the estimated values presented in the financial statements. The figures in the tables are exact figures and consequently the sum of individual figures may deviate from the sum presented.

The Group applies the following new standards as of 1 January 2015:

- IFRIC 21 Levies

The Group has applied IFRIC 21 Levies as of 1 January 2015. IFRIC 21 addresses the accounting for a liability to pay a levy if that liability is within the scope of IAS 37 ‘Provisions’. It also addresses the accounting for a liability to pay a levy whose timing and amount is certain. The Group has identified certain land and property taxes in the scope of IFRIC 21. The comparative information for 2014 has been restated according to the transition rules. As the change impacted operating profit and current non-interest-bearing liabilities, the change had minor impact on the Group's key figures. As this restatement impacted only the expense accruals between the quarters during 2014, the total operating profit for the full year remained as it was reported originally, without any restatements to the annual cumulative figures. More information of the impact from the restatement can be found in Note 4.

Other new IFRS and IFRIC changes did not have a material impact on the reported income statement, statement of financial position or notes.

2. TREASURY SHARES

On 5 March 2015, 198,303 treasury shares of Neste Oil Corporation have been conveyed without consideration to 63 key persons participating in the share-based incentive plan 2010 according to the terms and conditions of the plan. The number of treasury shares held by the company before the directed share issue was 1,000,000 shares. The number of treasury shares after the directed share issue is 801,697 shares. The total number of the company's shares is 256,403,686 shares.

In the Annual General meeting on 1 April 2015 the Board od Directors was authorized to decide the purchase of and /or take as security a maximum of 1,000,000 Company shares using the Company's unrestricted equity. The number of shares shall be equivalent to approximately 0.39% of the Company's total shares.

3. SEGMENT INFORMATION

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

REVENUE **MEUR**	**1-3/2015**	1-3/2014	1-12/2014	Last 12 months
Oil Products	**1,976**	2,630	11,285	10,631
Renewable Products	**496**	531	2,269	2,234
Oil Retail	**882**	1,019	4,294	4,157
Others	**62**	58	238	243
Eliminations	**-672**	-728	-3,075	-3,019
Total	**2,744**	3,510	15,011	14,246

OPERATING PROFIT **MEUR**	**1-3/2015**	Restated 1-3/2014	1-12/2014	Last 12 months
Oil Products	**226**	12	-110	104
Renewable Products	**-7**	30	207	170
Oil Retail	**17**	14	68	71
Others	**0**	-8	-13	-5
Eliminations	**-3**	2	-3	-8
Total	**233**	50	150	333

COMPARABLE OPERATING PROFIT **MEUR**	**1-3/2015**	Restated 1-3/2014	1-12/2014	Last 12 months
Oil Products	**156**	32	285	409
Renewable Products	**42**	12	239	269
Oil Retail	**17**	14	68	71
Others	**3**	-11	-7	7
Eliminations	**-3**	2	-3	-8
Total	**215**	50	583	748

DEPRECIATION, AMORTIZATION AND IMPAIRMENTS **MEUR**	**1-3/2015**	1-3/2014	1-12/2014	Last 12 months
Oil Products	**45**	47	193	191
Renewable Products	**22**	24	96	95
Oil Retail	**6**	7	26	26
Others	**4**	3	15	16
Eliminations	**0**	0	0	0
Total	**78**	81	330	327

CAPITAL EXPENDITURE AND INVESTMENTS IN SHARES **MEUR**	**1-3/2015**	1-3/2014	1-12/2014	Last 12 months
Oil Products	**87**	33	276	330
Renewable Products	**8**	4	113	118
Oil Retail	**4**	3	19	20
Others	**3**	3	18	18
Eliminations	**0**	0	-9	-9
Total	**101**	43	418	477

TOTAL ASSETS **MEUR**	**31 March 2015**	31 March 2014	31 Dec 2014
Oil Products	**3,581**	3,738	3,264
Renewable Products	**2,204**	1,991	2,198
Oil Retail	**488**	549	472
Others	**421**	416	418
Unallocated assets	**718**	300	420
Eliminations	**-262**	-273	-278
Total	**7,150**	6,721	6,494

NET ASSETS **MEUR**	**31 March 2015**	Restated 31 March 2014	31 Dec 2014
Oil Products	**2,439**	2,404	2,160
Renewable Products	**1,930**	1,765	1,923
Oil Retail	**220**	254	201
Others	**190**	252	190
Eliminations	**-7**	1	-6
Total	**4,771**	4,675	4,469

TOTAL LIABILITIES MEUR	31 March 2015	Restated 31 March 2014	31 Dec 2014
Oil Products	**1,142**	1,335	1,104
Renewable Products	**274**	226	276
Oil Retail	**268**	295	271
Others	**231**	164	228
Unallocated liabilities	**2,663**	2,039	2,229
Eliminations	**-255**	-274	-273
Total	**4,323**	3,785	3,835

RETURN ON NET ASSETS, %	31 March 2015	Restated 31 March 2014	31 Dec 2014
Oil Products	**39.4**	2.1	-4.8
Renewable Products	**-1.6**	6.7	11.5
Oil Retail	**33.1**	22.4	27.5

COMPARABLE RETURN ON NET ASSETS, %	31 March 2015	Restated 31 March 2014	31 Dec 2014
Oil Products	**27.1**	5.6	12.4
Renewable Products	**8.7**	2.8	13.3
Oil Retail	**33.1**	22.8	27.6

QUARTERLY SEGMENT INFORMATION

QUARTERLY REVENUE MEUR	1-3/2015	10-12/2014	7-9/2014	4-6/2014	1-3/2014
Oil Products	**1,976**	2,652	2,879	3,124	2,630
Renewable Products	**496**	575	560	603	531
Oil Retail	**882**	1,046	1,153	1,076	1,019
Others	**62**	63	58	60	58
Eliminations	**-672**	-785	-803	-759	-728
Total	**2,744**	3,552	3,846	4,104	3,510

QUARTERLY OPERATING PROFIT MEUR	1-3/2015	Restated 10-12/2014	Restated 7-9/2014	Restated 4-6/2014	Restated 1-3/2014
Oil Products	**226**	-180	11	46	12
Renewable Products	**-7**	154	20	3	30
Oil Retail	**17**	8	26	20	14
Others	**0**	-5	-1	2	-8
Eliminations	**-3**	-2	-3	-1	2
Total	**233**	-25	54	70	50

QUARTERLY COMPARABLE OPERATING PROFIT MEUR	1-3/2015	Restated 10-12/2014	Restated 7-9/2014	Restated 4-6/2014	Restated 1-3/2014
Oil Products	**156**	110	111	33	32
Renewable Products	**42**	142	53	32	12
Oil Retail	**17**	8	26	20	14
Others	**3**	-2	5	2	-11
Eliminations	**-3**	-2	-3	-1	2
Total	**215**	256	191	86	50

QUARTERLY DEPRECIATION, AMORTIZATION AND IMPAIRMENTS MEUR	1-3/2015	10-12/2014	7-9/2014	4-6/2014	1-3/2014
Oil Products	**45**	50	47	49	47
Renewable Products	**22**	25	24	24	24
Oil Retail	**6**	6	7	7	7
Others	**4**	4	4	4	3
Eliminations	**0**	0	0	0	0
Total	**78**	85	82	83	81

QUARTERLY CAPITAL EXPENDITURE AND INVESTMENTS IN SHARES MEUR	1-3/2015	10-12/2014	7-9/2014	4-6/2014	1-3/2014
Oil Products	**87**	114	74	55	33
Renewable Products	**8**	48	22	40	4
Oil Retail	**4**	4	6	7	3
Others	**3**	5	6	4	3
Eliminations	**0**	0	0	-9	0
Total	**101**	171	107	97	43

RECONCILIATION BETWEEN COMPARABLE OPERATING PROFIT AND OPERATING PROFIT

Group

MEUR	**1-3/2015**	Restated 1-3/2014	Restated 10-12/2014	1-12/2014
COMPARABLE OPERATING PROFIT	**215**	50	256	583
- inventory gains/losses	**-76**	-3	-322	-492
- changes in the fair value of open oil derivatives	**18**	5	49	74
- non-recurring items	**77**	-2	-8	-16
capital gains and losses	**79**	-2	1	-2
insurance and other compensations	**0**	0	0	0
others	**-3**	0	-9	-14
OPERATING PROFIT (IFRS)	**233**	50	-25	150

Oil Products

MEUR	**1-3/2015**	Restated 1-3/2014	Restated 10-12/2014	1-12/2014
COMPARABLE OPERATING PROFIT	**156**	32	110	285
- inventory gains/losses	**-43**	-12	-269	-381
- changes in the fair value of open oil derivatives	**35**	-3	-16	-5
- non-recurring items	**79**	-5	-5	-9
capital gains and losses	**79**	-5	1	-4
insurance and other compensations	**0**	0	0	0
others	**0**	0	-5	-5
OPERATING PROFIT (IFRS)	**226**	12	-180	-110

Renewable Products

MEUR	**1-3/2015**	Restated 1-3/2014	Restated 10-12/2014	1-12/2014
COMPARABLE OPERATING PROFIT	**42**	12	142	239
- inventory gains/losses	**-32**	9	-53	-111
- changes in the fair value of open oil derivatives	**-17**	8	65	79
- non-recurring items	**0**	0	0	0
capital gains and losses	**0**	0	0	0
insurance and other compensations	**0**	0	0	0
others	**0**	0	0	0
OPERATING PROFIT (IFRS)	**-7**	30	154	207

Oil Retail

MEUR	**1-3/2015**	Restated 1-3/2014	Restated 10-12/2014	1-12/2014
COMPARABLE OPERATING PROFIT	**17**	14	8	68
- inventory gains/losses	**0**	0	0	0
- changes in the fair value of open oil derivatives	**0**	0	0	0
- non-recurring items	**0**	0	0	0
capital gains and losses	**0**	0	0	0
insurance and other compensations	**0**	0	0	0
others	**0**	0	0	0
OPERATING PROFIT (IFRS)	**17**	14	8	68

Others

MEUR	**1-3/2015**	Restated 1-3/2014	Restated 10-12/2014	1-12/2014
COMPARABLE OPERATING PROFIT	**3**	-11	-2	-7
- inventory gains/losses	**0**	0	0	0
- changes in the fair value of open oil derivatives	**0**	0	0	0
- non-recurring items	**-3**	3	-3	-6
capital gains and losses	**0**	3	0	3
insurance and other compensations	**0**	0	0	0
others	**-3**	0	-3	-9
OPERATING PROFIT (IFRS)	**0**	-8	-5	-13

4. IFRS AND IFRIC IMPLEMENTATION (IFRIC 21)

MEUR		**1-3/2014**			**1-6/2014**			**1-9/2014**	
Operating profit	**Reported**	**Restated**	**Difference**	**Reported**	**Restated**	**Difference**	**Reported**	**Restated**	**Difference**
Oil Products	13	12	-1	59	58	-1	70	70	-1
Renewable Products	32	30	-3	35	33	-2	54	53	-1
Oil Retail	15	14	0	34	34	0	60	60	0
Others	-8	-8	-1	-6	-7	-1	-7	-7	0
Eliminations	2	2	0	2	2	0	-1	-1	0
Group	**55**	**50**	**-5**	**124**	**120**	**-4**	**177**	**175**	**-2**

MEUR		**4-6/2014**			**7-9/2014**			**10-12/2014**	
Operating profit	**Reported**	**Restated**	**Difference**	**Reported**	**Restated**	**Difference**	**Reported**	**Restated**	**Difference**
Oil Products	46	46	0	11	11	0	-181	-180	1
Renewable Products	2	3	1	20	20	1	153	154	1
Oil Retail	20	20	0	26	26	0	8	8	0
Others	2	2	0	-1	-1	0	-6	-5	0
Eliminations	-1	-1	0	-3	-3	0	-2	-2	0
Group	**69**	**70**	**1**	**53**	**54**	**1**	**-27**	**-25**	**2**

5. ACQUISITIONS AND DISPOSALS

On 2 January, 2015 Neste Oil sold all shares of Kilpilahden Sähkönsiirto Oy to InfraVia European Fund II, an infrastructure fund managed by InfraVia. The sale produced a capital gain of EUR 79 million for Neste Oil in the first quarter 2015. The operations were part of the Oil Product segment.

Assets and liabilities Kilpilahden Sähkönsiirto Oy

MEUR	
Property, plant and equipment	99
Trade and other receivables	8
Total assets	107
Trade and other payables	9
Deferred tax liabilities	6
Total liabilities	15
Sold net assets	92
Gain on sale	79
Total consideration	171
Cash consideration received	171
Cash and cash equivalents disposed of	0
Cash inflow arising from disposal	171

On 31 March, 2014 Neste Oil sold its 100% interest in its subsidiary Neste LPG AB. A capital gain amounting to EUR 2 million resulting from the transaction has been included in the consolidated financial statements. The operations were part of the Oil Retail segment.

Assets and liabilities of Neste LPG AB

MEUR	
Inventories	0
Trade and other receivables	0
Cash and cash equivalents	3
Total assets	3
Provisions	3
Trade payable and other payable	0
Total liabilities	3
Sold net assets	0
Gain on sale	2
Total consideration	3
Cash consideration received	3
Cash and cash equivalents disposed of	3
Cash inflow arising from disposal	0

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

CHANGES IN INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT **MEUR**	**31 March 2015**	31 March 2014	31 Dec 2014
Opening balance	**3,729**	3,805	3,805
Depreciation, amortization and impairments	**-78**	-81	-330
Capital expenditure	**101**	43	418
Disposals	**-1**	-1	-35
Assets classified as held for sale	**0**	0	-99
Translation differences	**7**	-6	-30
Closing balance	**3,759**	3,760	3,729

CAPITAL COMMITMENTS **MEUR**	**31 March 2015**	31 March 2014	31 Dec 2014
Commitments to purchase property, plant and equipment	**77**	44	51
Total	**77**	44	51

7. INTEREST-BEARING NET DEBT AND LIQUIDITY

Interest-bearing net debt **MEUR**	**31 March 2015**	31 March 2014	31 Dec 2014
Short-term interest-bearing liabilities	**504**	109	622
Long-term interest-bearing liabilities	**1,771**	1,586	1,245
Interest-bearing liabilities	**2,275**	1,695	1,866
Cash and cash equivalents [1)]	**-561**	-168	-246
Interest-bearing net debt	**1,714**	1,528	1,621

[1)] includes interest-bearing receivables EUR 17 million on 31 March 2015

Liquidity, unused committed credit facilities and debt programs **MEUR**	**31 March 2015**	31 March 2014	31 Dec 2014
Cash and cash equivalents	**561**	168	246
Unused committed credit facilities	**1,650**	1,582	1,603
Total	**2,211**	1,750	1,849
In addition: Unused CP programmes (not committed)	**400**	380	345

8. DERIVATIVE FINANCIAL INSTRUMENTS

The Group has not made any significant changes in policies regarding risk management during the reporting period. Aspects of the Group´s financial risk management objective and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2014.

Interest rate and currency derivative contracts and share forward contracts MEUR	31 March 2015 Nominal value	31 March 2015 Net fair value	31 March 2014 Nominal value	31 March 2014 Net fair value	31 Dec 2014 Nominal value	31 Dec 2014 Net fair value
Interest rate swaps						
Hedge accounting	**750**	**20**	750	20	750	22
Non-hedge accounting	**0**	**0**	0	0	0	0
Currency derivatives						
Hedge accounting	**1,092**	**-66**	1,034	9	1,125	-49
Non-hedge accounting	**913**	**-12**	558	-2	804	-11

Commodity derivative contracts	31 March 2015 Volume GWh	31 March 2015 Volume million bbl	31 March 2015 Net fair value Meur	31 March 2014 Volume GWh	31 March 2014 Volume million bbl	31 March 2014 Net fair value Meur	31 Dec 2014 Volume GWh	31 Dec 2014 Volume million bbl	31 Dec 2014 Net fair value Meur
Sales contracts									
Hedge accounting	**0**	**0**	**0**	0	0	0	0	0	0
Non-hedge accounting	**0**	**34**	**152**	0	9	4	0	8	135
Purchase contracts									
Hedge accounting	**0**	**0**	**0**	0	0	0	0	0	0
Non-hedge accounting	**2,676**	**19**	**-60**	1,673	10	-2	2,691	8	-60

Commodity derivative contracts include oil, vegetable oil, electricity and gas 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, 2015:

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			50			50	50
Derivative financial instruments	24					24	24
Available-for-sale financial assets				5		5	5
Current financial assets							
Trade and other receivables, excluding prepayments			884			884	884
Derivative financial instruments	6	189				195	195
Cash and cash equivalents			561			561	561
Carrying amount by category	30	189	1,495	5	0	1,718	1,718
Non-current financial liabilities							
Interest-bearing liabilities					1,771	1,771	1,837
Derivative financial instruments	5	1				5	5
Other non-current liabilities					2	2	2
Current financial liabilities							
Interest-bearing liabilities					504	504	507
Derivative financial instruments	71	109				180	180
Trade and other payables, excluding non-financial liabilities					1,416	1,416	1,416
Carrying amount by category	76	109	0	0	3,693	3,878	3,947

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

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

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

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

Fair value hierarchy, MEUR

Financial assets	Level 1	Level 2	Level 3	Total
Non-current derivative financial instruments	0	24	0	24
Current derivative financial instruments	66	128	0	195

Financial liabilities	Level 1	Level 2	Level 3	Total
Non-current derivative financial instruments	0	5	0	5
Current derivative financial instruments	16	164	0	180

During the three-month period ended 31 March 2015, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

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

9. RELATED PARTY TRANSACTIONS

The group has a related party relationship with its subsidiaries, joint arrangements and the entities controlled by Neste Oil's controlling shareholder the State of Finland. Related party includes also the members of the Board of Directors, the President and CEO and other members of the Neste Executive Board (key management persons), close members of the families of the mentioned key management persons and entities controlled or jointly controlled by the mentioned key management persons or close members of those persons' families.

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

Transactions carried out with joint arrangements	**1-3/2015**	1-3/2014	1-12/2014
Sales of goods and services	**7**	17	150
Purchases of goods and services	**13**	20	99
Receivables	**4**	158	5
Financial income and expenses	**0**	0	0
Liabilities	**5**	162	8

10. CONTINGENT LIABILITIES

MEUR	**31 March 2015**	31 March 2014	31 Dec 2014
Contingent liabilities			
On own behalf for commitments			
Real estate mortgages	**17**	17	17
Pledged assets	**0**	0	0
Other contingent liabilities	**108**	25	107
Total	**125**	42	125
On behalf of joint arrangements			
Guarantees	**1**	1	1
Total	**1**	1	1
On behalf of others			
Guarantees	**2**	2	1
Other contingent liabilities	**2**	2	2
Total	**3**	3	3
Total	**129**	47	129

MEUR	**31 March 2015**	31 March 2014	31 Dec 2014
Operating lease liabilities			
Due within one year	**56**	46	53
Due between one and five years	**48**	53	48
Due later than five years	**68**	65	64
Total	**171**	165	164

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 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, vegetable oil, electricity and gas derivative contracts together with realized gains and losses from foreign currency and oil derivative contracts hedging cash flows of commercial sales and purchases that have been recycled in the income statement, are also included in operating profit.
Comparable operating profit	=		Operating profit -/+ inventory gains/losses -/+ non-recurring items - unrealized change in fair value of oil, vegetable oil, electricity and gas derivative contracts. Inventory gains/losses include the change in fair value of all trading inventories.
Comparable net profit	=		Profit for the period attributable to the equity holders of the company, adjusted for inventory gains/losses, non-recurring items and unrealized gains/losses on oil, vegetable oil, electricity and gas derivative contracts, net of tax.
Return on equity, (ROE) %	=	100 x	Profit before taxes - taxes / Total equity average
Return on capital employed, pre-tax (ROCE) %	=	100 x	Profit before taxes + interest and other financial expenses / Capital employed average
Return on average capital employed, after-tax (ROACE) %	=	100 x	Profit for the period (adjusted for inventory gains/losses, non-recurring items and unrealized gains/losses on oil, vegetable oil, electricity and gas 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, investments in joint ventures including shareholder loans, pension assets, inventories and interest-free receivables and liabilities allocated to the business segment, provisions and pension liabilities
Research and development expenditure	=		Research and development expenditure comprise of the expenses of the Research & Technology unit serving all business areas of the Group, as well as research and technology expenses incurred in business areas, which are included in the consolidated income statement. Depreciation and amortization are included in the figure. The expenses are presented as gross, before deducting grants received.

Calculation of share-related indicators

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

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