

Third Quarter result 2014

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Q3/14 Group financials



Strong market development

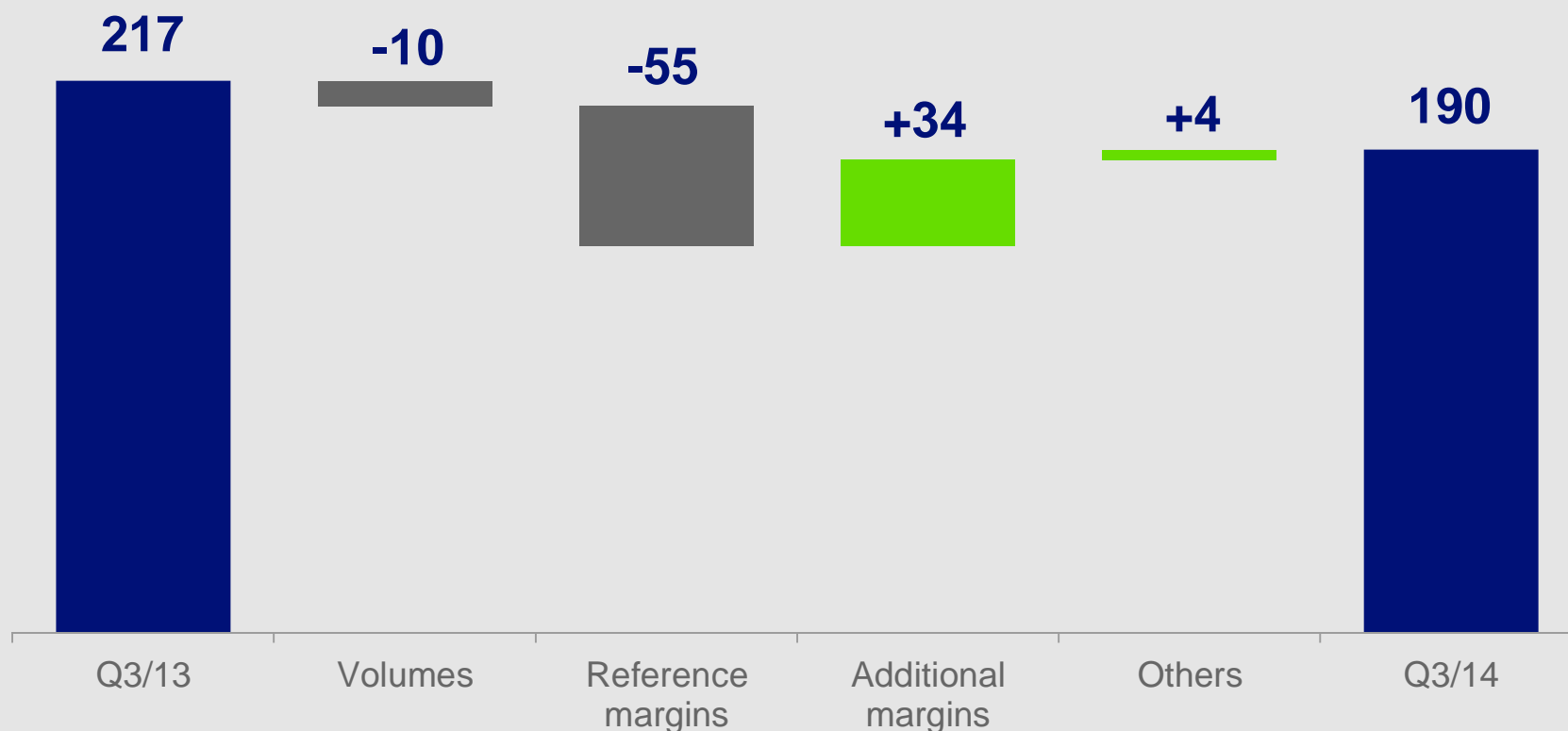
- Short-term oil product market improved clearly
- Unscheduled production outage at the Porvoo refinery
- Internal improvement actions materializing

Group financials Q3/14

MEUR	Q3/2014	Q3/2013
Revenue	3,982	4,630
Comparable EBITDA	271	297
Comparable operating profit	190	217
Oil Products	110	67
Renewable Products	52	120
Oil Retail	26	29
Others (incl. eliminations)	2	1
IFRS operating profit	53	249
Net cash from operations	-144	3
Comparable earnings per share, EUR	0.48	0.65

Additional margins improved

Group comparable EBIT Q3/13 vs. Q3/14, MEUR



January- September 2014 review

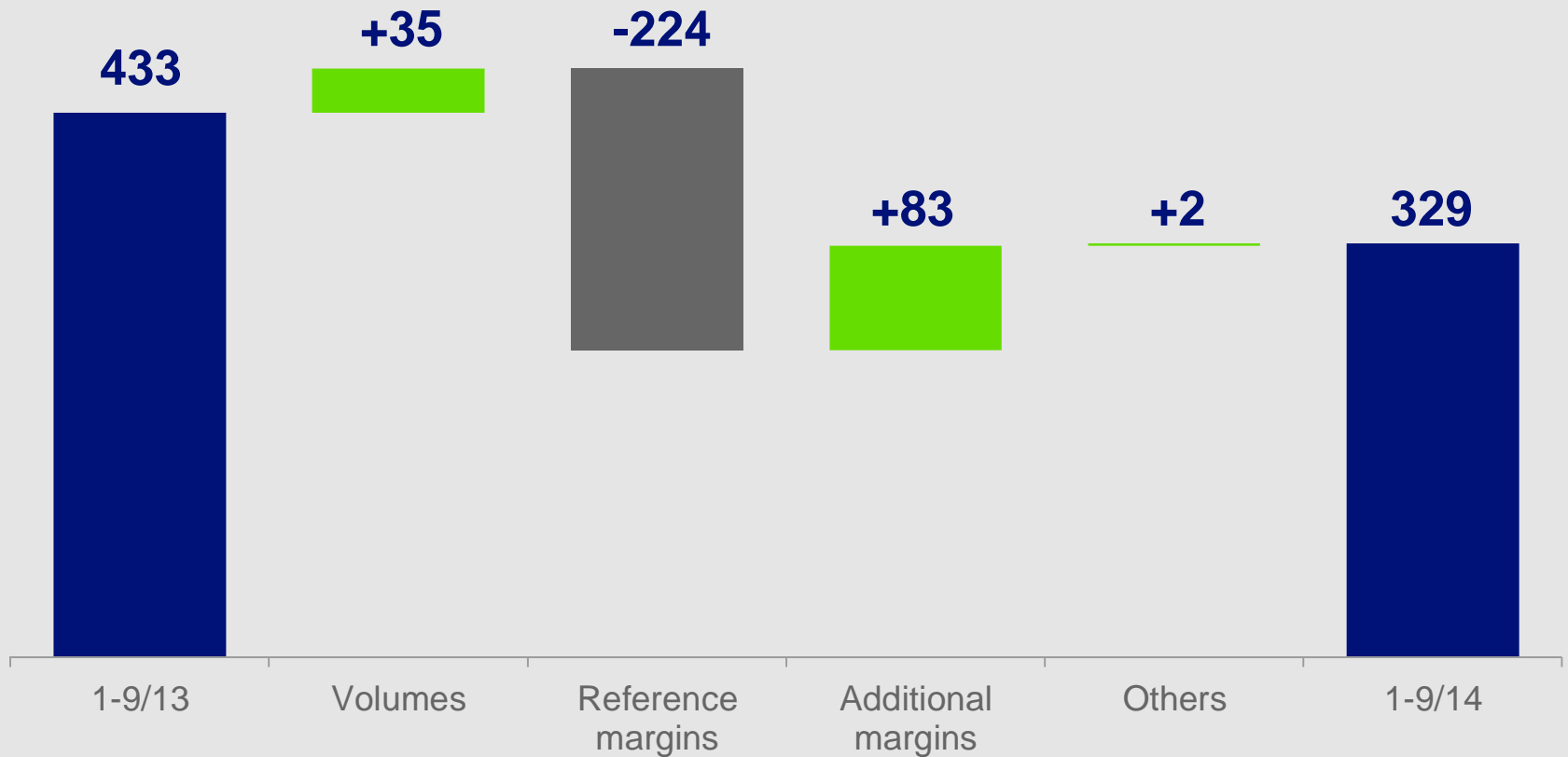


Group financials 1-9/14

MEUR	1-9/2014	1-9/2013
Revenue	11,883	12,858
Comparable EBITDA	574	674
Comparable operating profit	329	433
Oil Products	176	208
Renewable Products	98	179
Oil Retail	61	62
Others (incl. eliminations)	-6	-16
IFRS operating profit	177	447
Net cash from operations	-103	210
Comparable earnings per share, EUR	0.79	1.21

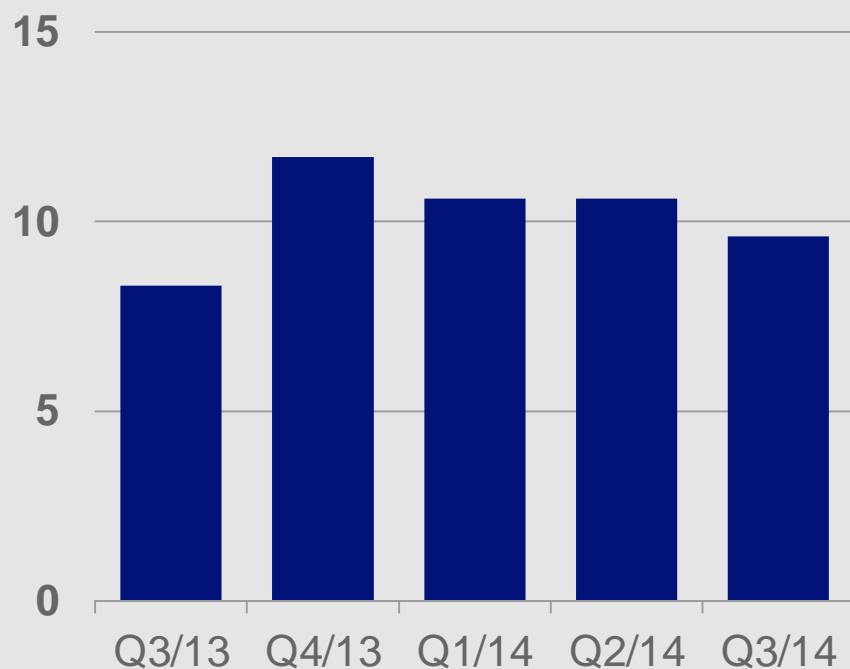
Markets softer

Group comparable EBIT 1-9/13 vs. 1-9/14, MEUR

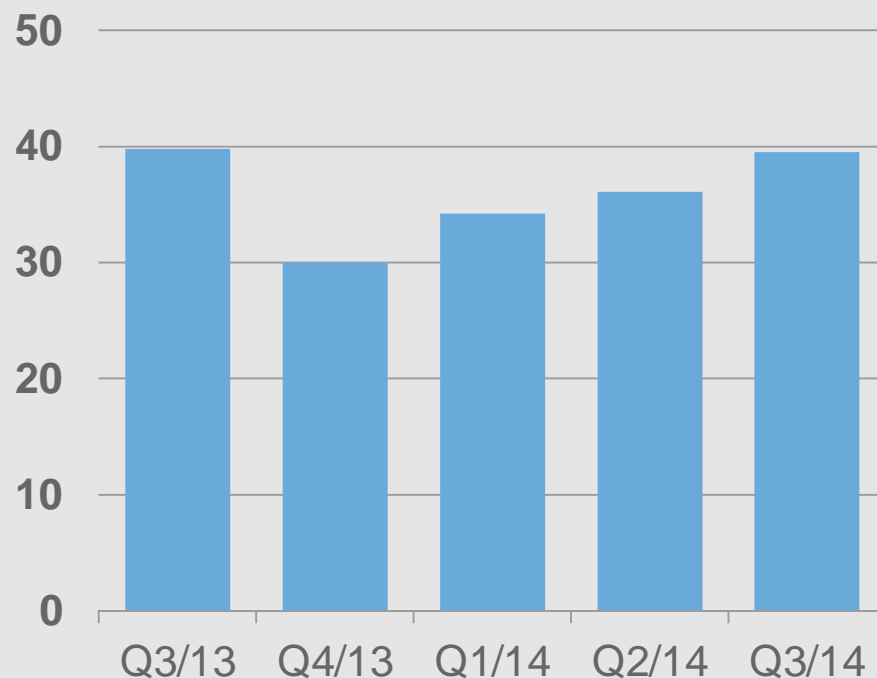


Key financial targets at solid levels

ROACE, rolling 12 months, %



Leverage, %

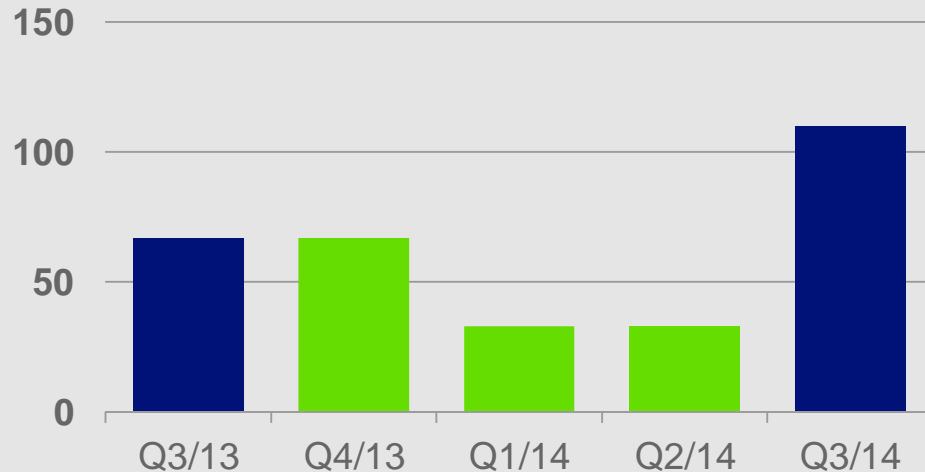


Q3/14 segment reviews



Oil Products benefited from strong market

Comparable EBIT, MEUR

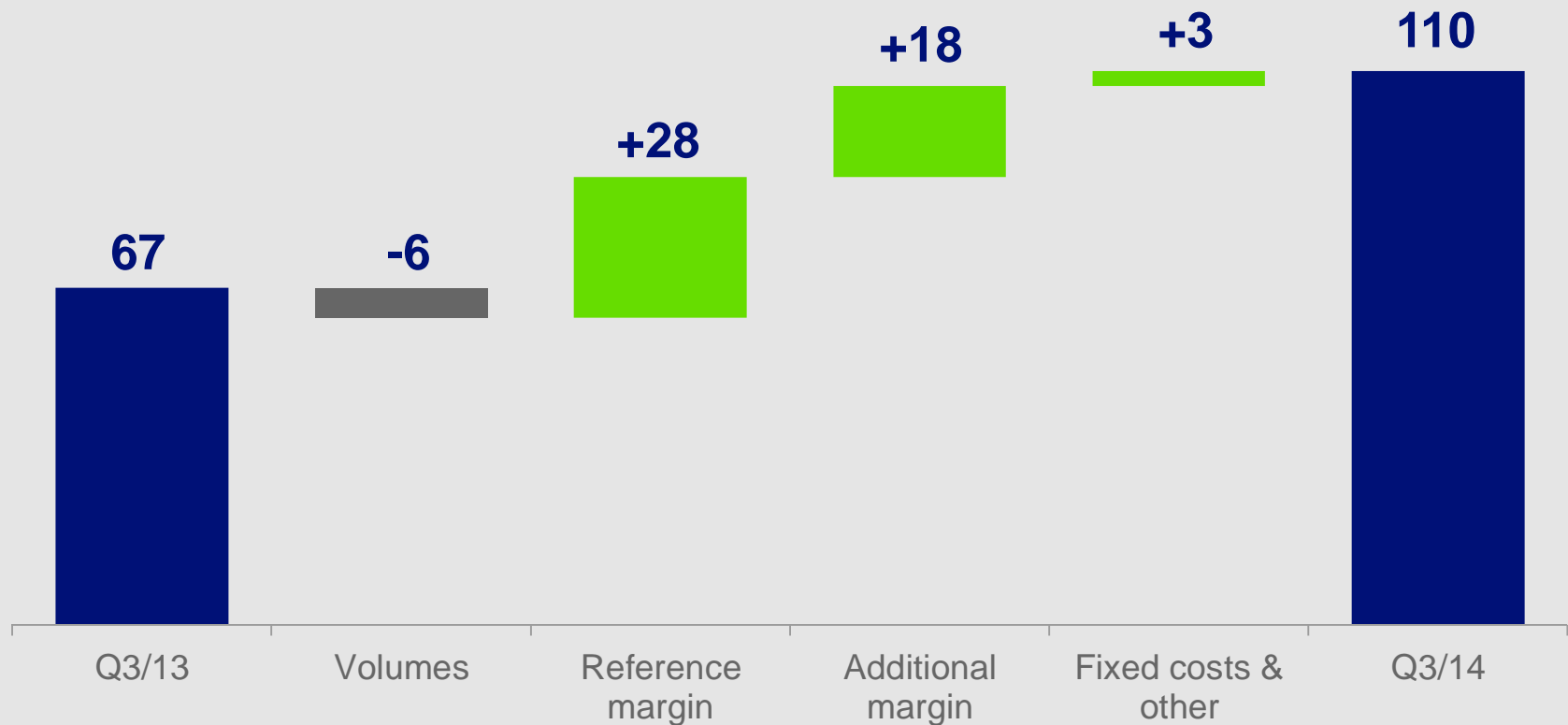


MEUR	Q3/14	Q3/13	2013
Revenue	3,014	3,476	13,271
Comparable EBIT	110	67	275
Net assets	2,496	2,527	2,163

- Stronger market
- High additional margin
- Base Oils contribution improved
- Hydrogen unit damage impacted production at Porvoo
 - Less than half of the result impact materialized in Q3

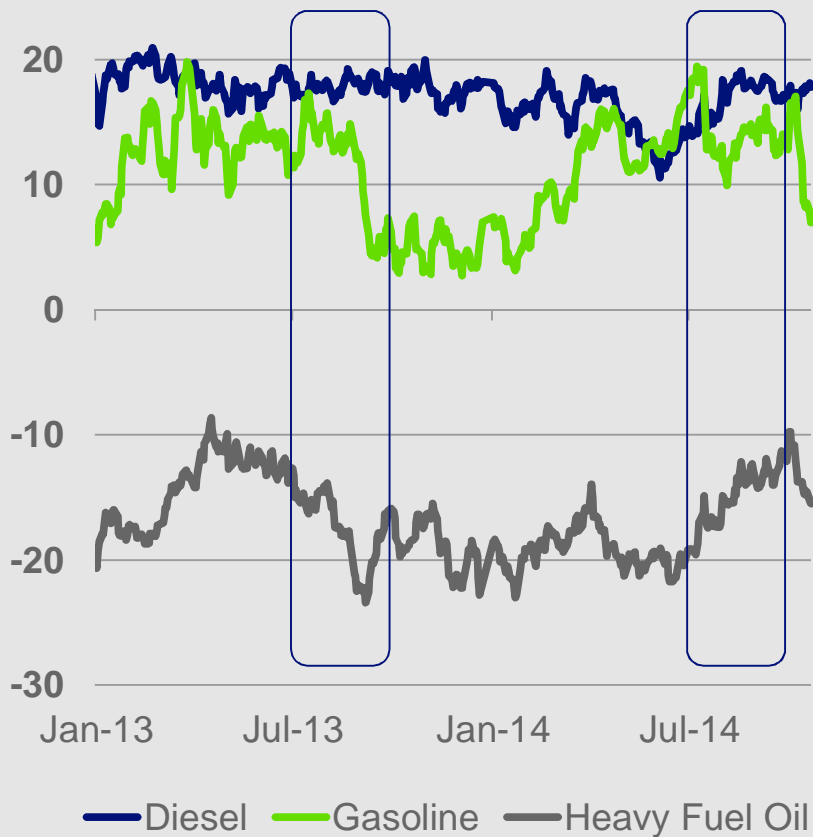
Earnings driven by improved margins

Oil Products comparable EBIT Q3/13 vs. Q3/14, MEUR

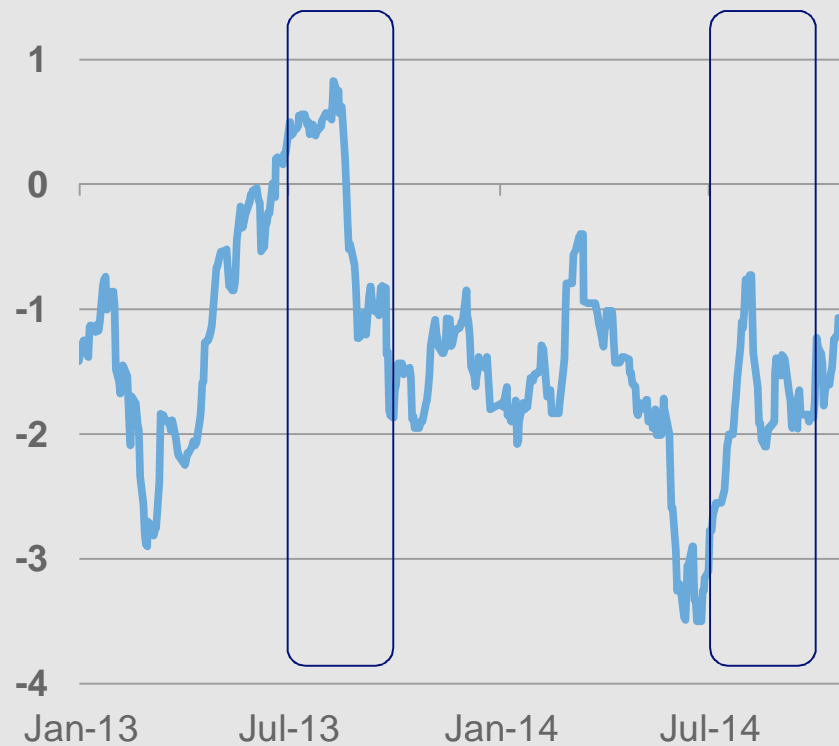


Strong gasoline season

Product margins (price differential vs. Brent), USD/bbl

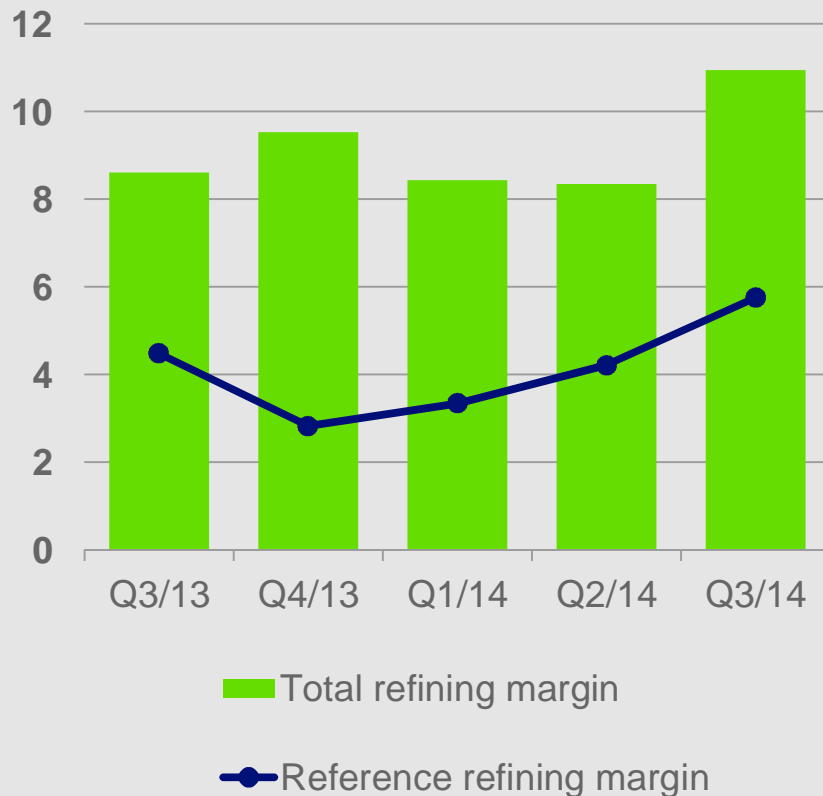


Urals vs. Brent price differential, USD/bbl



High additional margin despite production outage

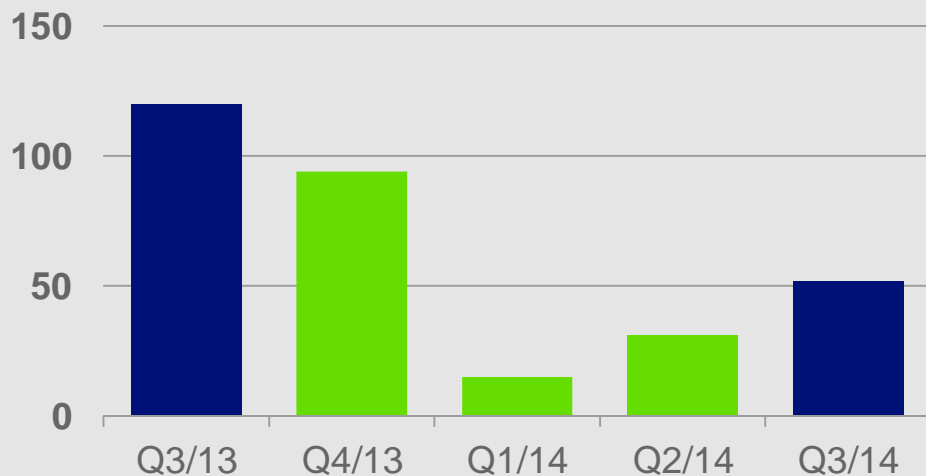
Neste Oil refining margins, USD/bbl



- Reference margin USD 5.8/bbl driven by strong gasoline spreads and recovering middle distillate margins
- Favourable sales structure supported additional margin USD 5.2/bbl
- Crude oil price under pressure

Renewable Products earnings supported by own actions

Comparable EBIT, MEUR

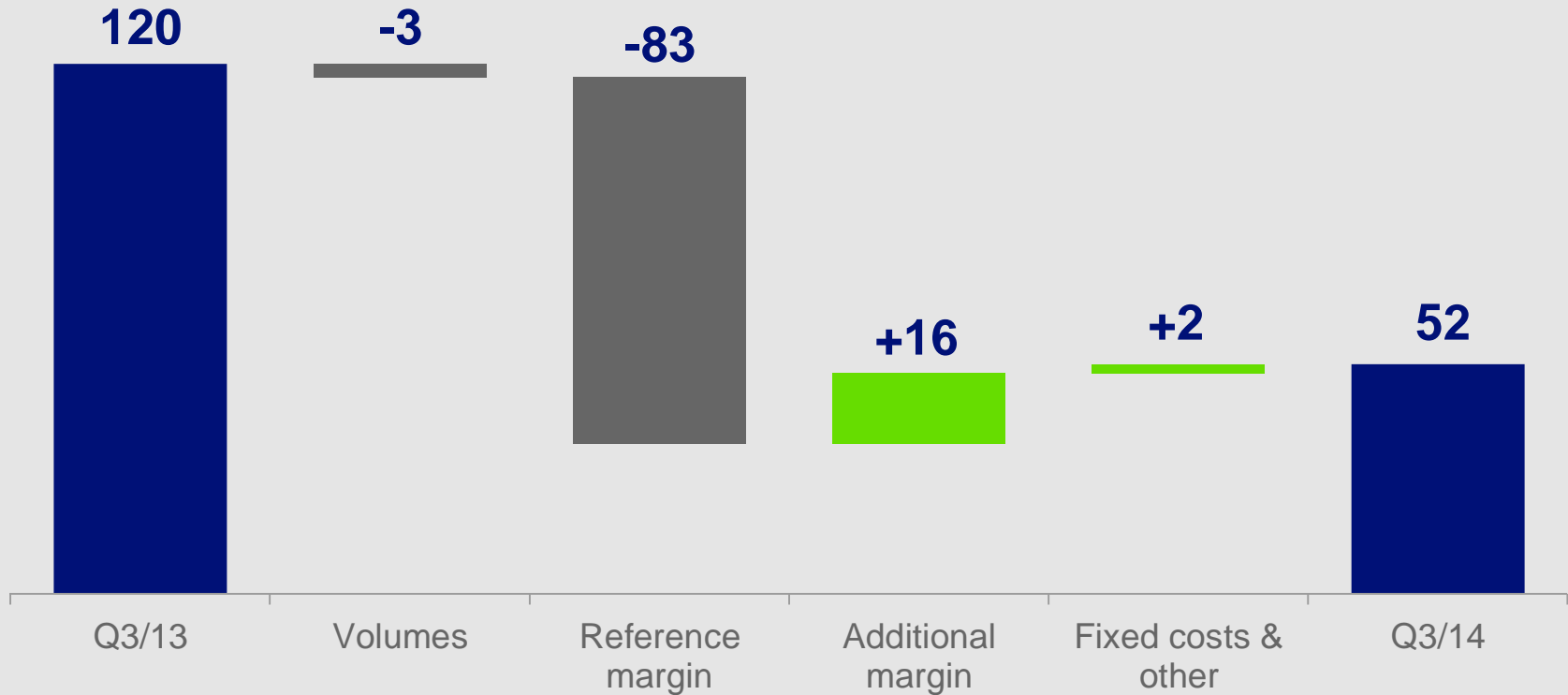


MEUR	Q3/14	Q3/13	2013
Revenue	560	713	2,493
Comparable EBIT	52	120	273
Net assets	1,764	1,770	1,768

- Sales volumes 516,000 tons impacted by maintenance shutdown in Singapore
- Capacity utilization rate 99%
- 27% of sales volumes to North America
- Share of waste and residue feedstock 59%

Markets clearly weaker

Renewable Products comparable EBIT Q3/13 vs. Q3/14, MEUR

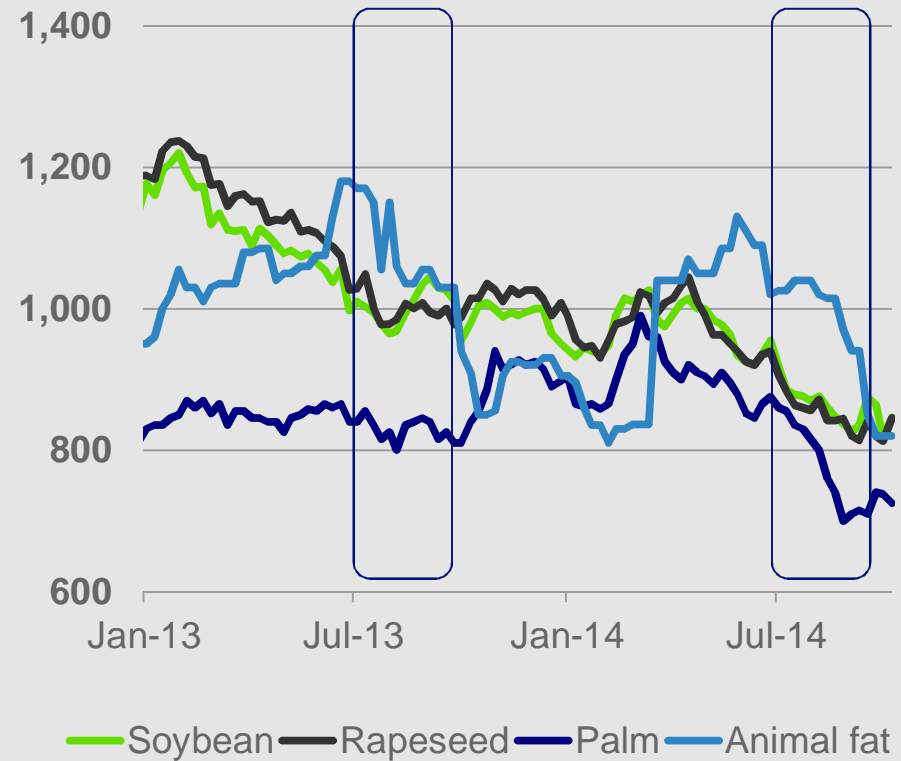


Palm oil prices fell significantly

FAME RED Seasonal vs. Palm oil price* differential, USD/ton



Vegetable oil and animal fat prices, USD/ton**



* Including \$70/ton freight

**Quotations in NWE, source: Oil World

US regulatory decisions pending

SME vs. Soybean oil price differential, USD/ton

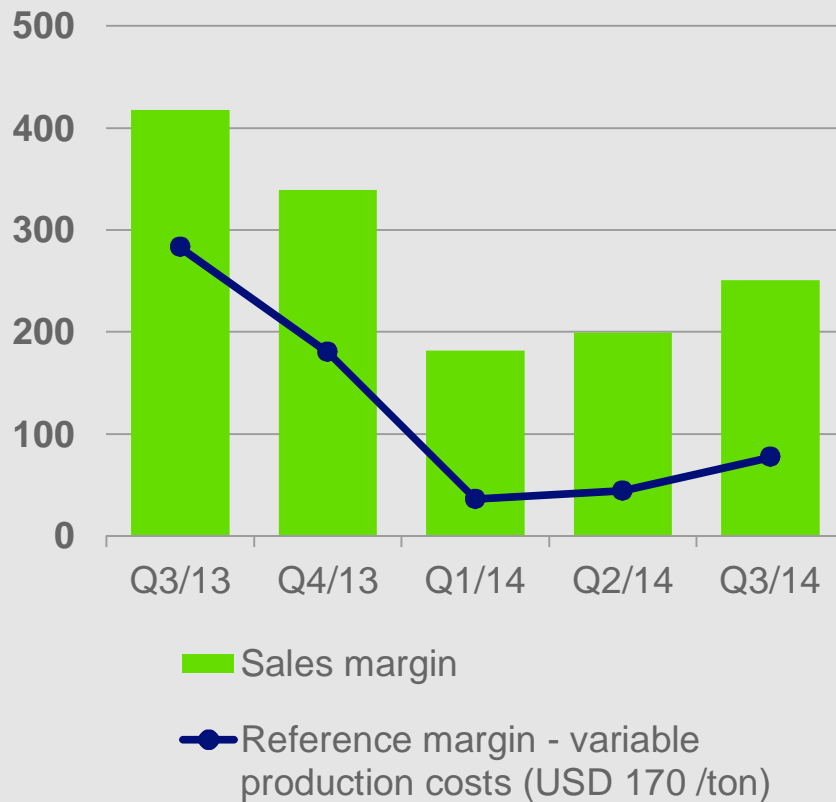


Biodiesel RIN, US cent /gal



Record-high additional margin

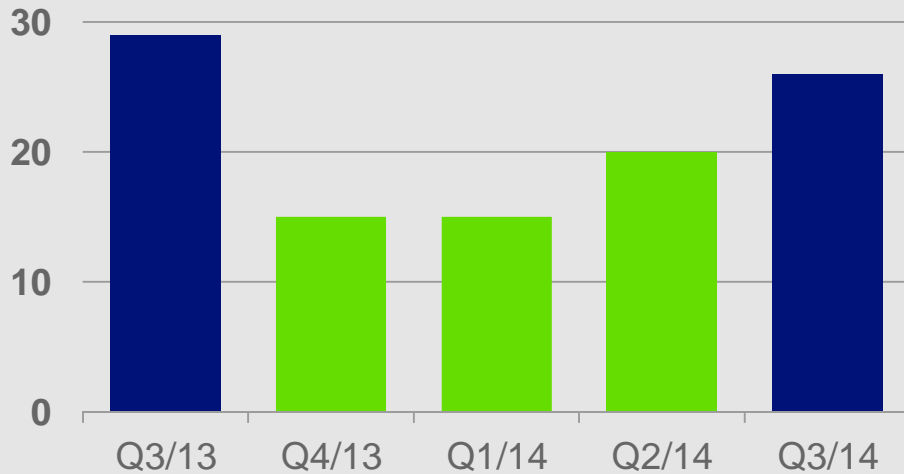
Renewable Products margins, USD/ton



- Reference margin improved but clearly below last year's level
- Strong additional margin USD 174/ton supported by
 - successful feedstock mix
 - declining feedstock prices
 - quality premium

Oil Retail's stable earnings continued

Comparable EBIT, MEUR

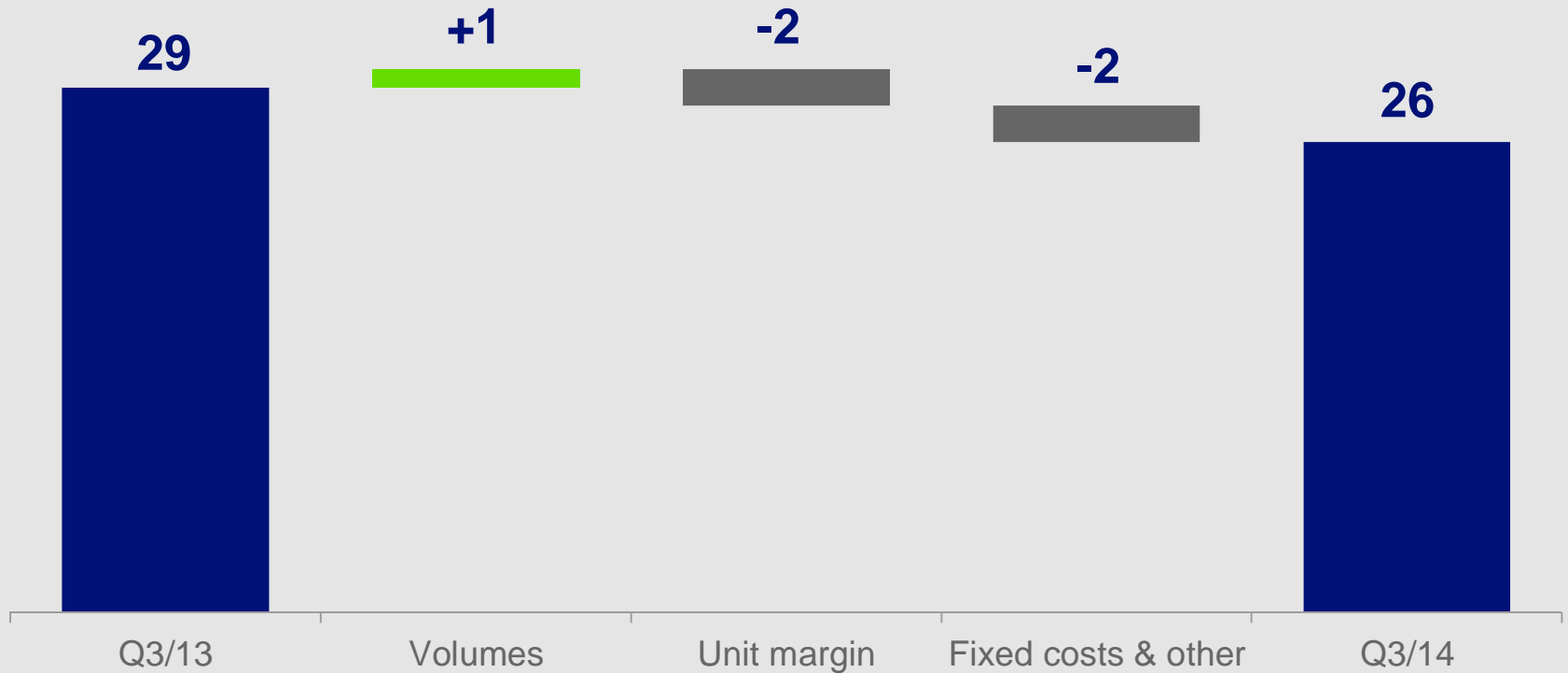


MEUR	Q3/14	Q3/13	2013
Revenue	1,153	1,174	4,532
Comparable EBIT	26	29	77
Net assets	271	280	255

- Station network sales volumes grew in all markets
- Direct sales volumes declined
- Unit margins below last year's levels in Finland and Russia
- Weaker ruble had EUR 1 million negative impact

Margins slightly lower

Oil Retail comparable EBIT Q3/13 vs. Q3/14, MEUR



Current topics



Outlook for 2014 revised

- Group's full-year 2014 comparable EBIT expected to be above EUR 400 million assuming that reference refining margin will average at least USD 3.5/bbl during November and December
- Performance improvement initiatives aimed at improving comparable EBIT by at least EUR 50 million in 2014
- Renewal of Blender's Tax Credit in the US would have a positive impact on full-year comparable EBIT

- Singapore NEXBTL major turnaround expected to be completed by end of October
- Repairs of hydrogen unit at Porvoo refinery expected to be completed by end of October and will be followed by start-up of affected refinery units

Investing to position ourselves for the future



**Naantali
configuration
change**

**PL4 feed
pretreatment
investment in
Porvoo (SDA)**

**Plan to
outsource
Porvoo power
production and
electricity grid**

Enhancing competitiveness

- One refinery operating model
- Lowering Naantali's operating costs and extending PL4 shutdown cycle
- Targeting increased additional margin
- EUR 200 million investment in SDA and EUR 60 million in Naantali
- Join venture to invest EUR 250 million in Porvoo power production

Restructuring operations

- Changes in business environment and operating model
- Statutory negotiations with personnel initiated
- Expected personnel impact up to 250 redundancies
- Annual cost saving target EUR 20 million



We focus on



Safety

Cash flow

Refinery
productivity

Renewable
Products
markets and
customers



Thank you.

Matti Lievonen, President & CEO

NESTE OIL

Appendix



Renewable Products EBIT calculation

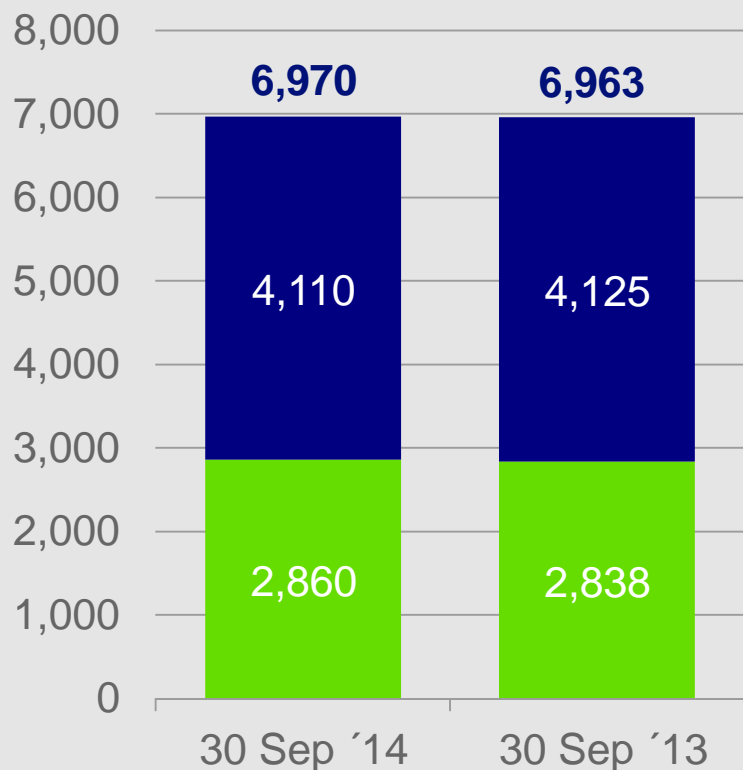
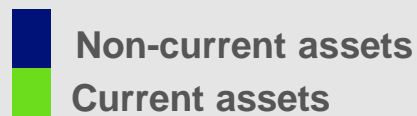
	Q1/13	Q2/13	Q3/13	Q4/13	2013	Q1/14	Q2/14	Q3/14
Sales volume, kt	385	411	532	599	1928	488	561	516
Reference margin, \$/ton	365	346	453	350	371	206	214	247
Additional margin, \$/ton	66	88	135	159	127	146	155	174
Variable production costs, \$/ton	170	170	170	170	170	170	170	170
Comparable sales margin, \$/ton	261	264	418	338	328	182	200	251
Comparable sales margin, MEUR	76	83	168	150	477	65	84	98
Fixed costs, MEUR	25	25	24	32	106	26	29	22
Depreciations, MEUR	25	25	24	24	98	24	24	24
Comparable EBIT, MEUR	26	33	120	94	273	15	31	52

Refinery production costs, Porvoo & Naantali

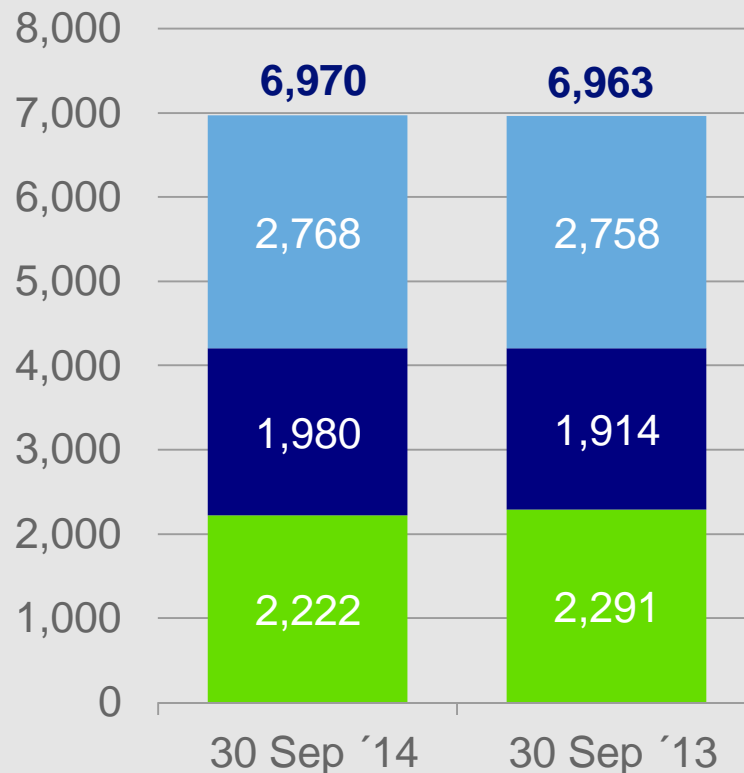
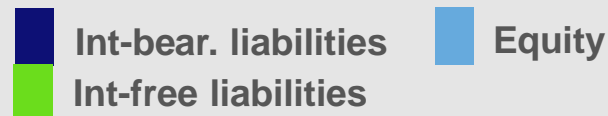
		Q1/13	Q2/13	Q3/13	Q4/13	2013	Q1/14	Q2/14	Q3/14
Refined Products	Million Barrels	26.7	24.7	28.8	26.6	106.9	25.3	26.2	26.0
Exchange Rate	EUR/USD	1.32	1.31	1.33	1.36	1.33	1.37	1.37	1.33
Utilities costs	EUR Million	62.8	58.8	58.0	61.6	241.3	55.6	56.5	56.6
	\$/bbl	3.1	3.1	2.7	3.1	3.0	3.0	3.0	2.9
Fixed costs	EUR Million	52.8	73.1	51.5	59.9	237.3	55.9	60.5	49.4
	\$/bbl	2.6	3.9	2.4	3.1	3.0	3.0	3.2	2.5
External sales	EUR Million	-23.9	-23.1	-21.3	-22.0	-90.3	-23.5	20.1	-18.1
	\$/bbl	-1.2	-1.2	-1.0	-1.1	-1.1	-1.3	-1.1	-0.9
Total	EUR Million	91.7	108.8	88.3	99.5	388.3	88.0	96.9	88.0
	\$/bbl	4.5	5.8	4.1	5.1	4.8	4.8	5.1	4.5

Balance sheet

Total assets



Total equity & liabilities

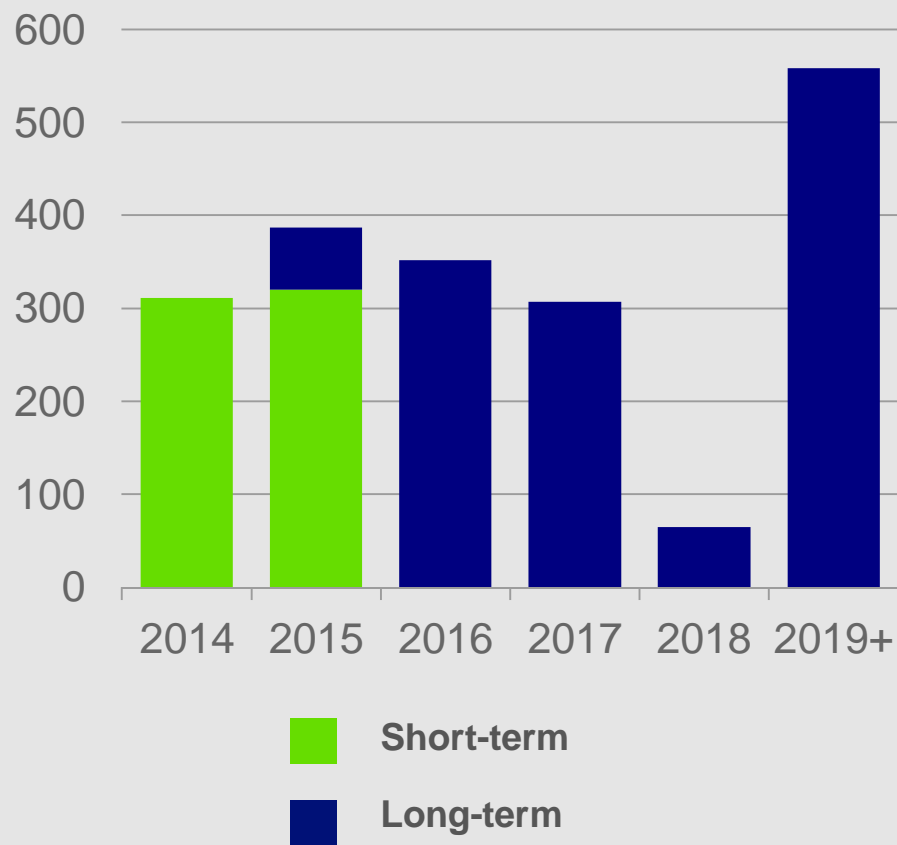


Cash flow

MEUR	Q3/14	Q3/13	Q2/14	1-9/14	1-9/13	2013
Profit before taxes	25	233	47	110	394	561
Adjustments total	75	81	116	292	259	360
Change in working capital	-219	-237	103	-403	-286	100
Cash from operations	-119	77	266	-1	367	1,021
Net finance costs	-4	-57	-11	-24	-85	-98
Taxes	-21	-17	-36	-77	-72	-84
Net cash from operations	-144	3	219	-103	-210	839
Capital expenditure and investments in shares	-52	-42	-63	-158	-142	-214
Other	-4	11	15	-34	126	134
Cash flow before financing activities	-56	-31	172	-192	-16	759
Net change in loans	103	-53	92	143	-412	-557
Dividends paid	0	-1	-167	-167	-98	-98
Net increase/decrease in cash	-97	-82	97	-334	-316	104

Liquidity & maturity profile

MEUR



- Total liquidity at the end of September 2014 was EUR 1,977 million
 - Cash and cash equivalents totalled EUR 176 million
 - Unused committed credit facilities totalled EUR 1,618 million
 - Unused CP programmes (not committed) totalled EUR 183 million
- Average interest rate 3.5% and maturity 2.9 years at the end of September
- No financial covenants in Group's existing loan agreements