



Strategy execution update

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Agenda

1. Targeting increased additional margin
2. Investments and asset restructuring
 1. Changing role and configuration of Naantali
 2. Investment in Porvoo SDA unit
 3. Planned outsourcing of utility assets
3. Personnel impacts

Targeting >\$5/bbl additional margin



**Focus on
feedstock
flexibility**

**Performance
improvement in
production and
optimization**

**Asset
development**

**Market position
development**

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**

Approximately 500 MEUR of new investments to increase our competitiveness

Naantali configuration change

SDA investment in Porvoo

Plan to outsource Porvoo power production and electricity grid



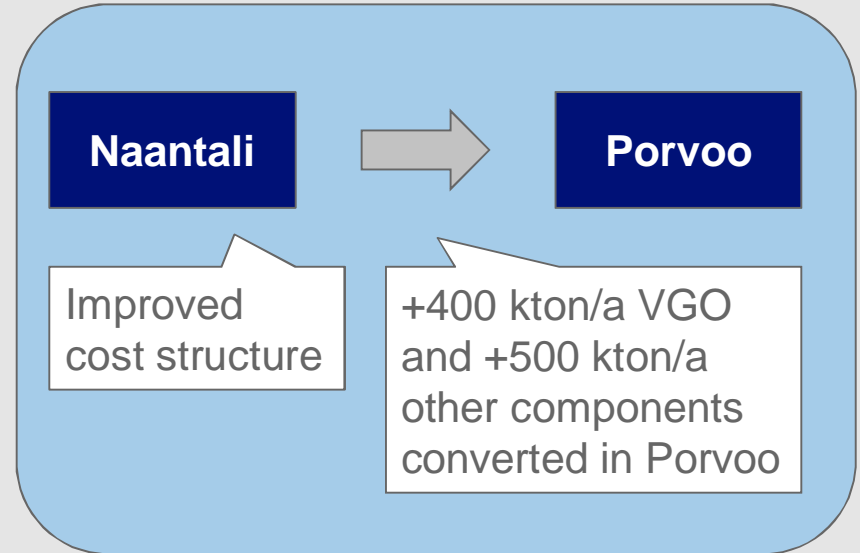
- Approx. 260 MEUR investment in improving product and feed structure – reducing fuel oil yield to < 6 %
- One refinery operating mode
- Lowering of Naantali's operating costs and extending PL4 shutdown cycle

- Outsourcing non-core assets and related investments including over 250 MEUR power plant investment

Changing role and configuration of Naantali refinery

Close integration of Naantali and Porvoo to operate as one refining system

- Plans to close certain units at Naantali
- Increasing feedstock and component transfers to Porvoo to 1,3 Mton/a
- Lowering of Naantali's operating costs

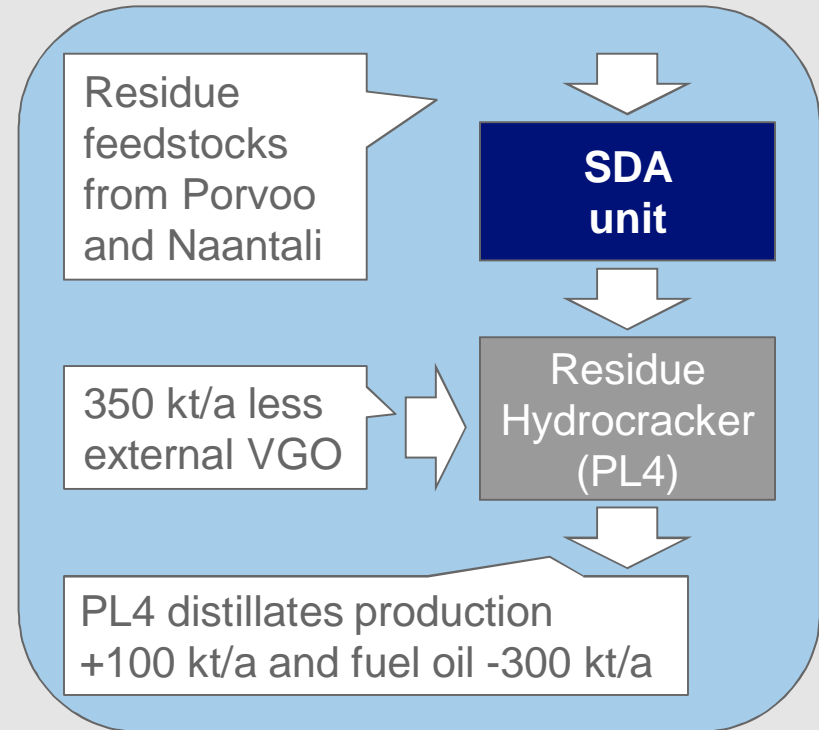


Timeline:	End-2016
Capex estimate:	60 MEUR
Payback:	< 5 years

Investment in Solvent Deasphalting unit in Porvoo to improve yield structure

Solvent Deasphalting (SDA) description

- Feed pretreatment unit of Production Line 4 (PL4), to allow conversion of residue streams from both Porvoo and Naantali
- Increasing PL4 conversion and extending shutdown cycle
- Reduced production of fuel oil and increased production of distillates



Timeline:	H1/2017
Capex estimate:	200 MEUR
Payback	< 5 years

Planned outsourcing of utilities assets

Porvoo power plant

- Plan to outsource power business
- Execution of over 250 MEUR power plant investment together with Veolia and Borealis planned
- SDA pitch as one feedstock
- Veolia to manage power plant operations

Porvoo electricity grid

- Plan to sell electricity grid and related business

Changes in business environment and operating model have created need to restructure operations

Statutory negotiations with personnel initiated

Expected personnel impact up to 250 redundancies and annual cost saving target 20 MEUR*

Positioning ourselves for the future



Performance
improvement

Investments to
drive growth and
competitiveness

Improving cost
competitiveness
and outsourcing
non-core
assets