

First Quarter result 2014

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NESTE OIL



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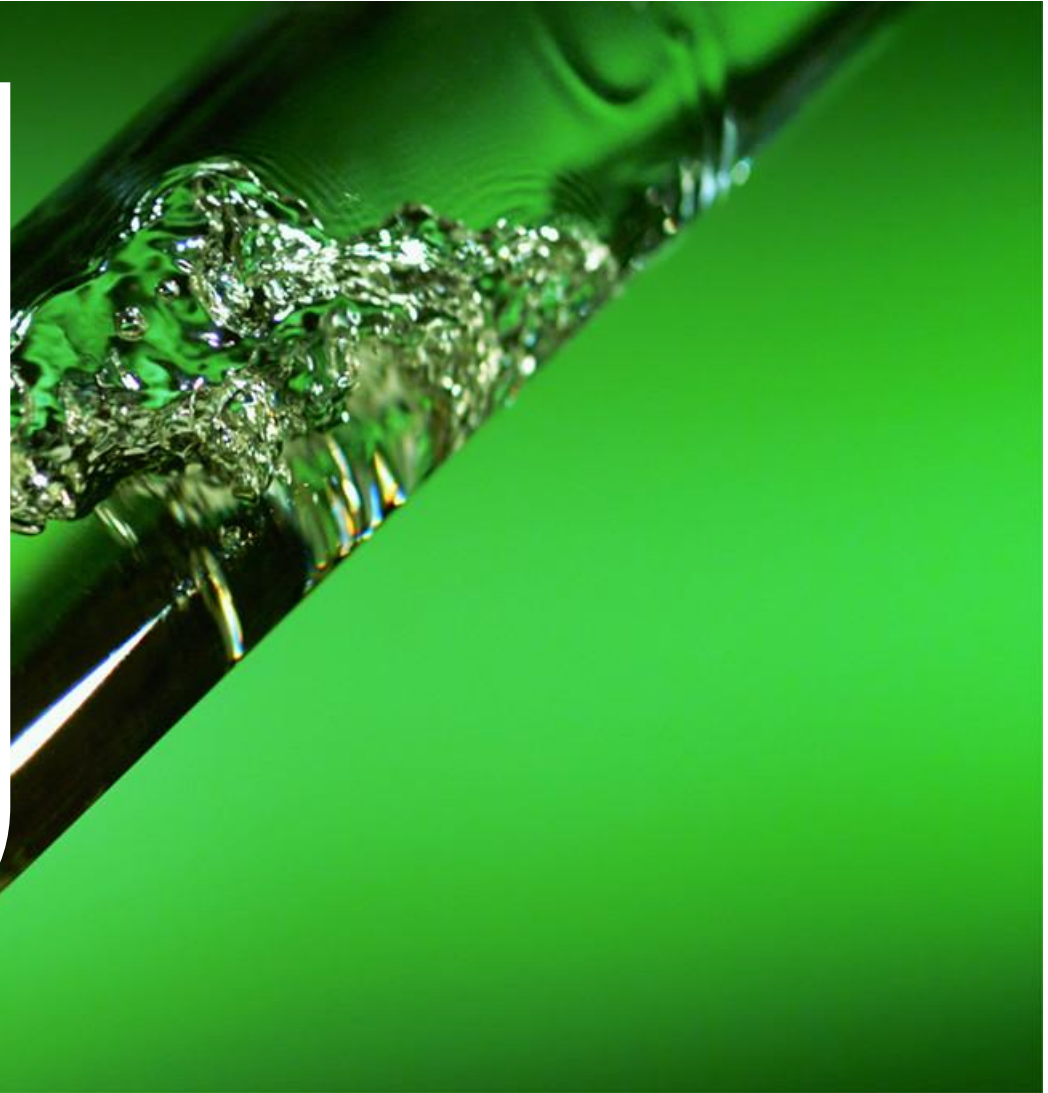
Q1/14 Group financials

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Satisfactory performance in weak market

- Good operational performance delivered high additional margins
- Weak reference margins in both Oil Products and Renewable Fuels
- Lower fixed costs

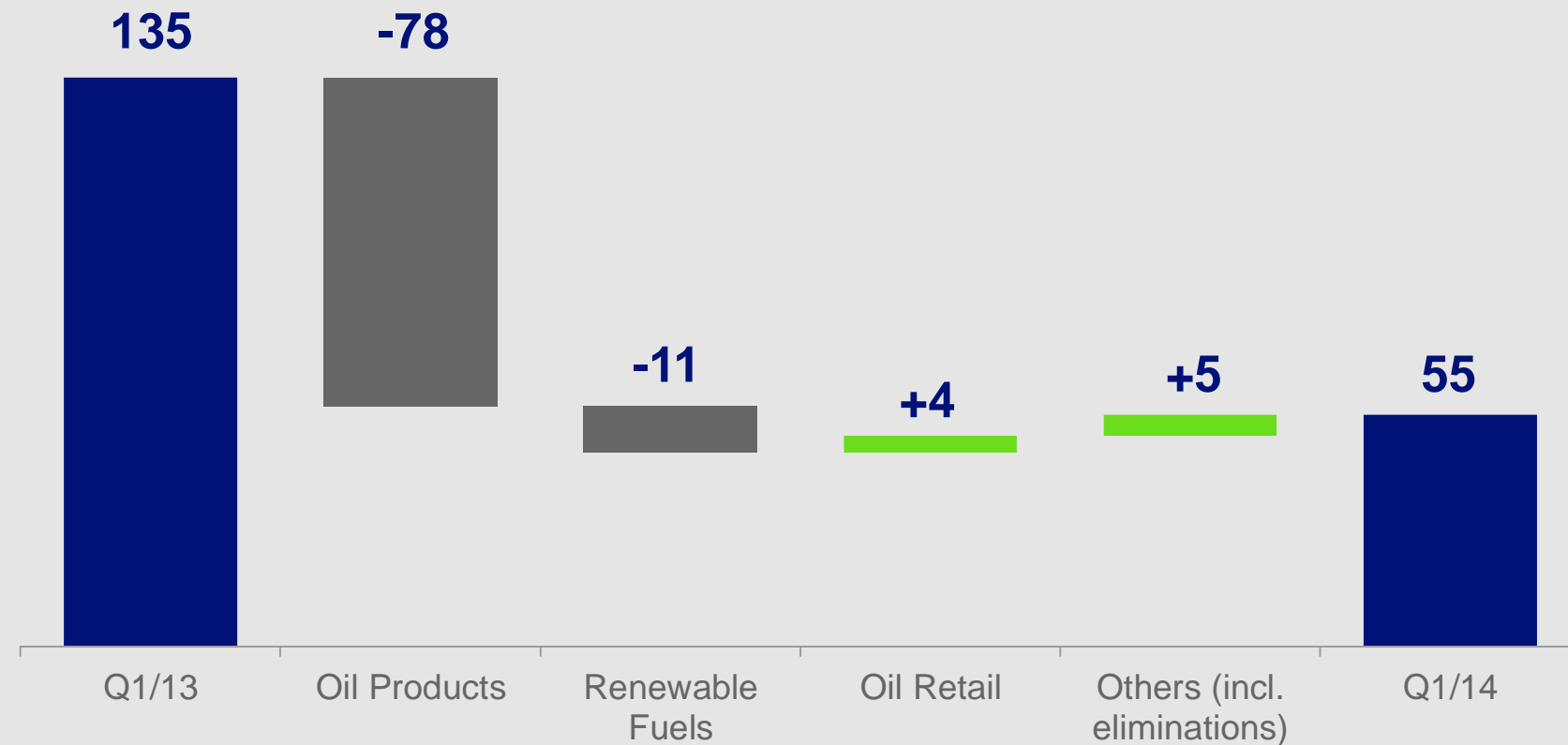


Group financials Q1/14

MEUR	Q1/2014	Q1/2013
Revenue	3,654	4,258
Comparable EBITDA	136	215
Comparable operating profit	55	135
Oil Products	33	111
Renewable Fuels	15	26
Oil Retail	15	11
Others (incl. eliminations)	-8	-13
IFRS operating profit	55	86
Net cash from operations	-178	-105
Comparable earnings per share, EUR	0.12	0.33

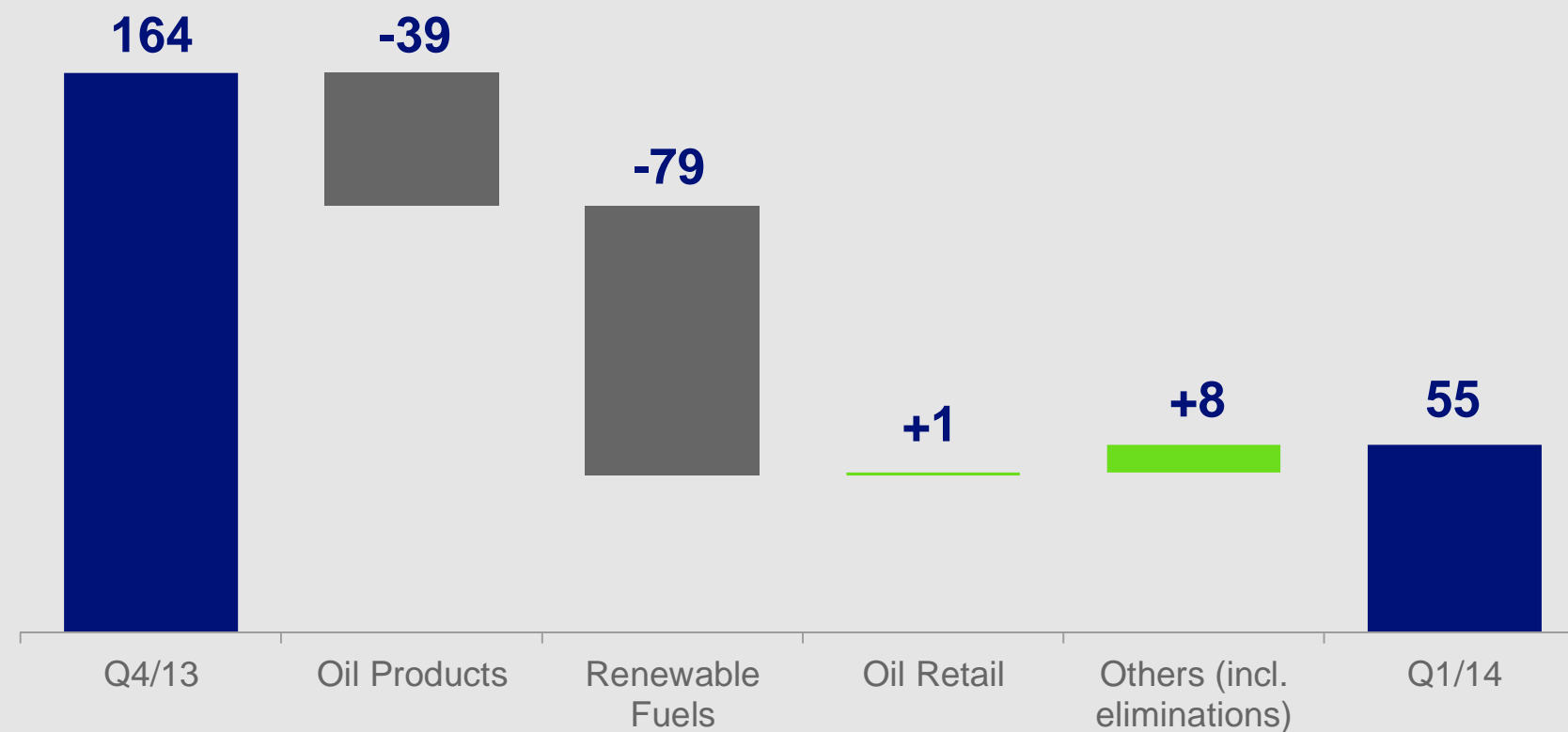
Profitability impacted by 45% drop in reference margins

Group comparable EBIT Q1/13 vs. Q1/14, MEUR



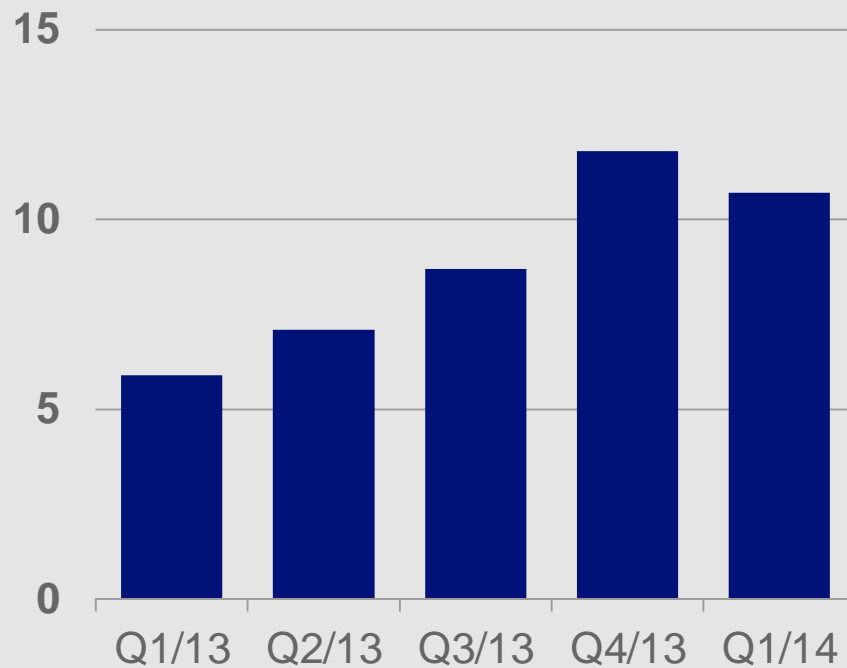
Renewable Fuels markets softened

Group comparable EBIT Q4/13 vs. Q1/14, MEUR

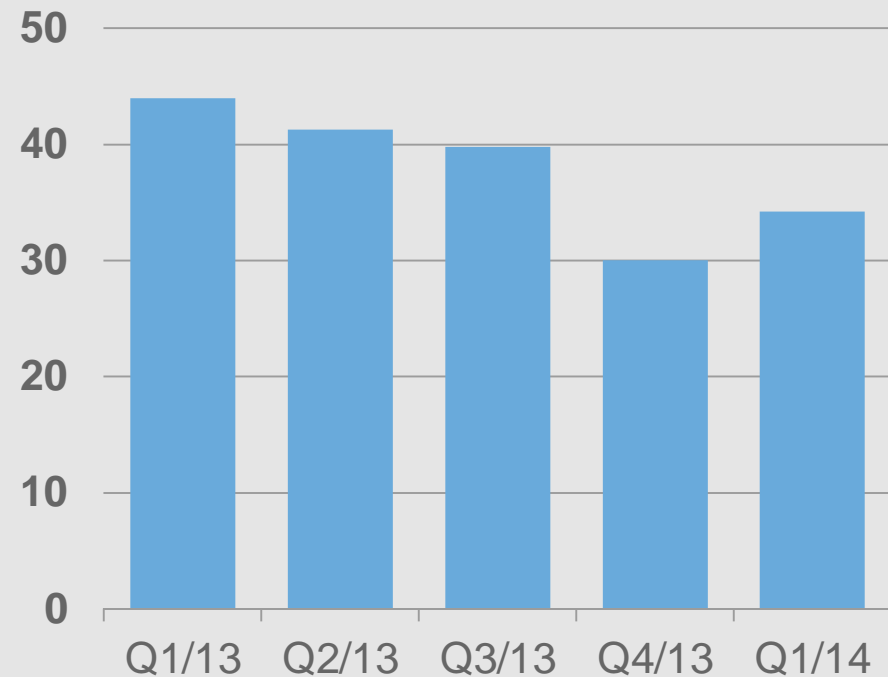


Key financial targets at solid levels

ROACE, rolling 12 months, %



Leverage, %



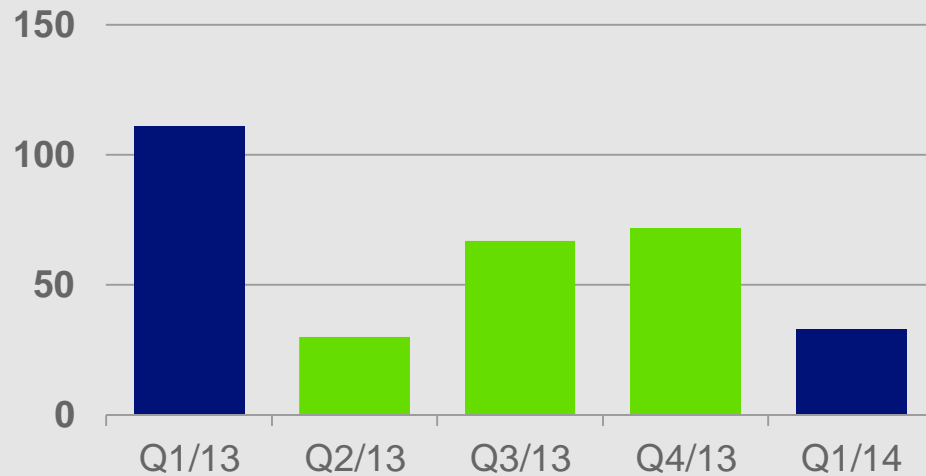
Q1/14 segment reviews

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Oil Products burdened by soft markets and maintenance outage

Comparable EBIT, MEUR

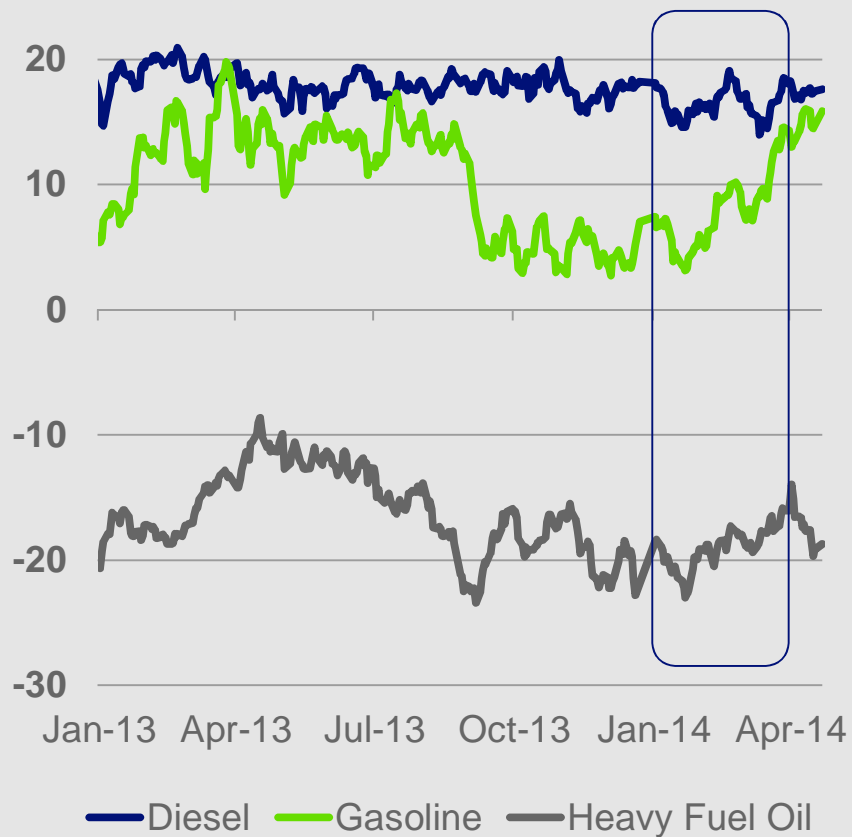


- Soft markets
- Planned maintenance outage at Porvoo PL4
- Base Oils contribution low
- Solid additional margin

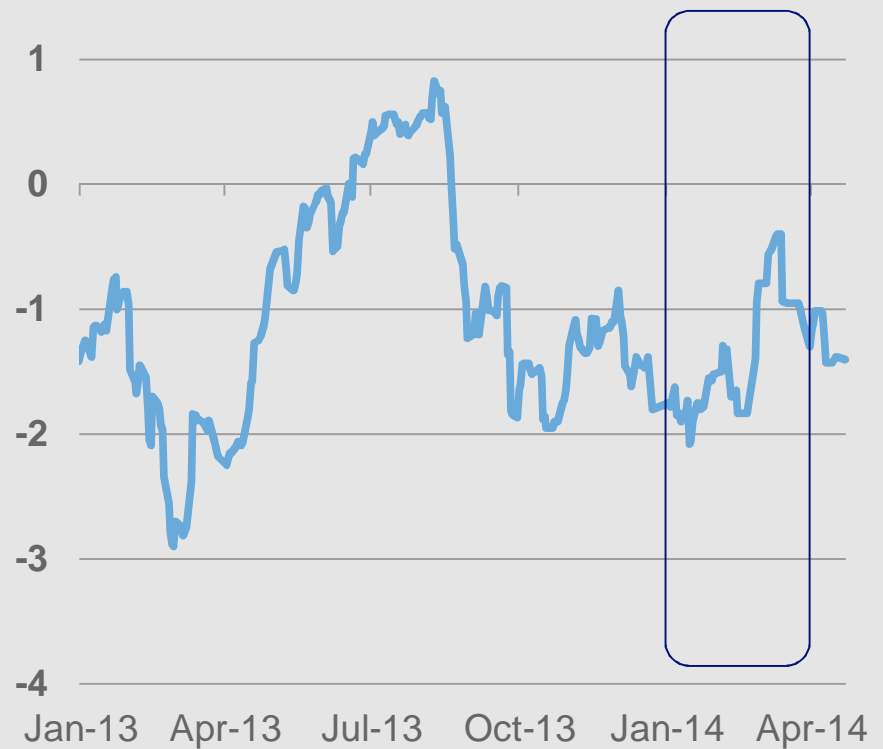
MEUR	Q1/14	Q1/13	2013
Revenue	2,774	3,307	13,271
Comparable EBIT	33	111	280
Net assets	2,405	2,536	2,163

Product margins under pressure

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

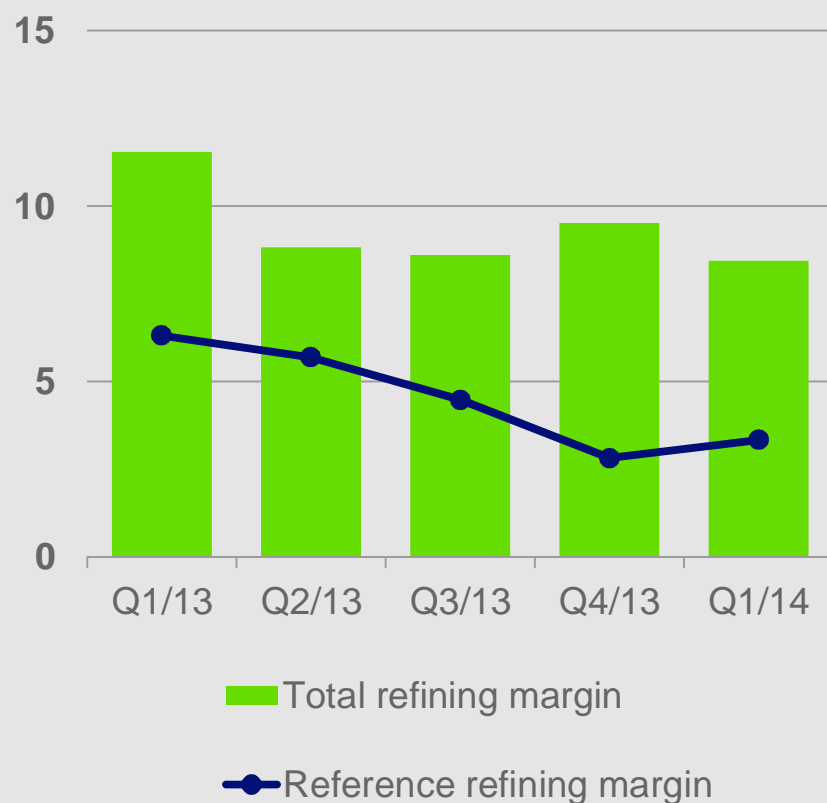


Urals vs. Brent price differential, USD/bbl



Solid additional margin

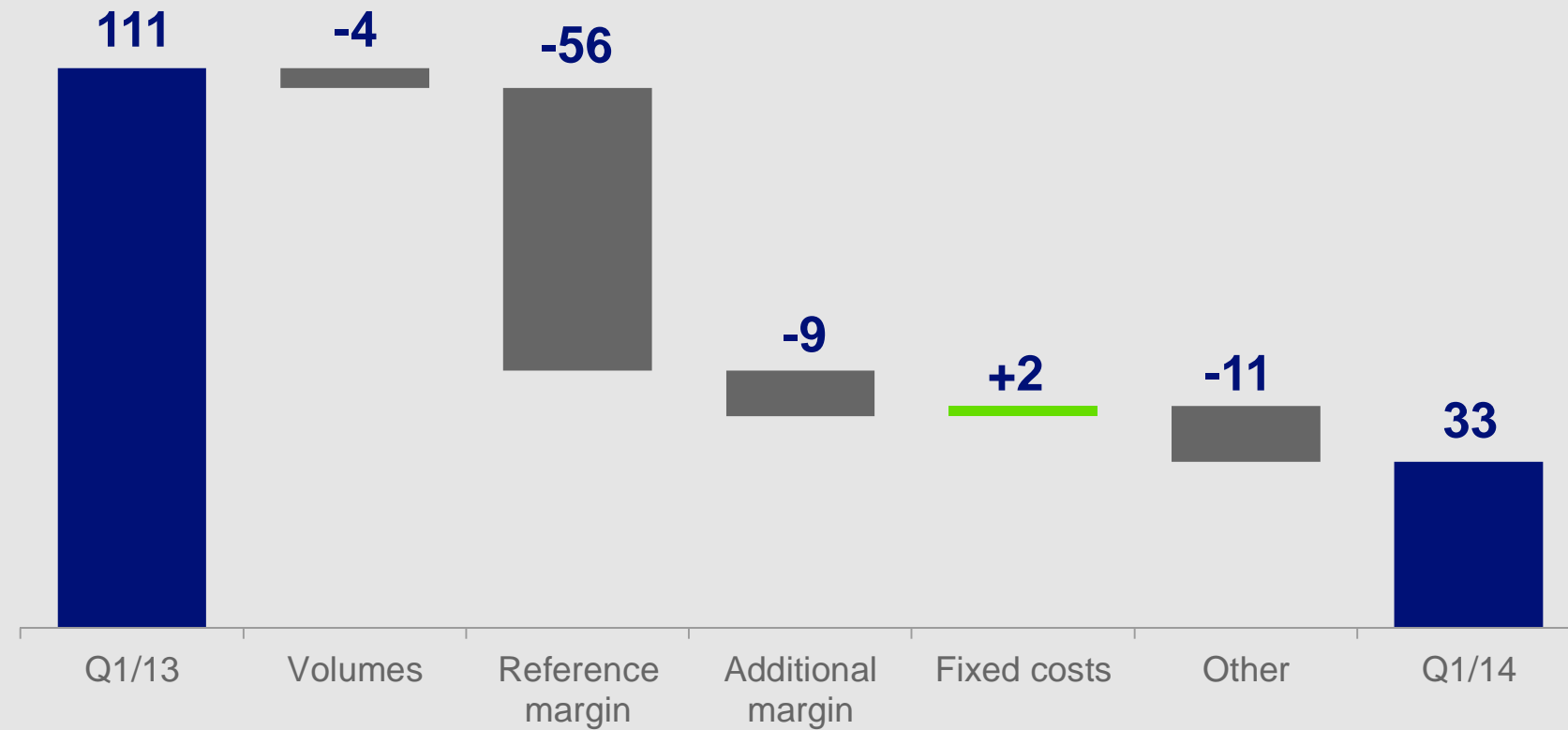
Neste Oil refining margins, USD/bbl



- Low reference margin of USD 3.3/bbl
- Solid additional margin of USD 5.1/bbl despite Porvoo PL4 maintenance outage

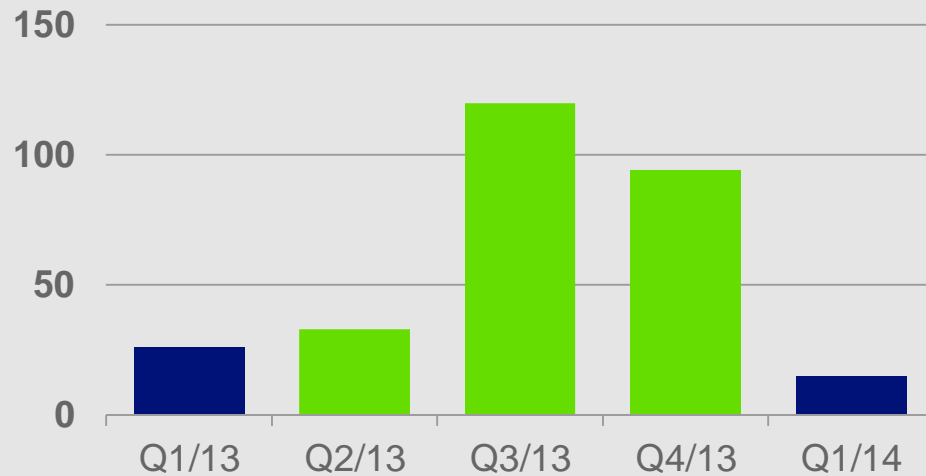
Low reference margin

Oil Products comparable EBIT Q1/13 vs. Q1/14, MEUR



Renewable Fuels impacted by weak markets

Comparable EBIT, MEUR



MEUR	Q1/14	Q1/13	2013
Revenue	531	513	2,493
Comparable EBIT	15	26	273
Net assets	1,768	1,810	1,768

- Weak margins particularly in the US
- Good operational performance at 106% utilization rate
- 27% of sales volumes to North American market
- Share of waste and residue feedstocks 62%

Narrow price spreads impacting European margins

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

North American market waiting for regulatory decisions

SME vs. Soybean oil price differential, USD/ton



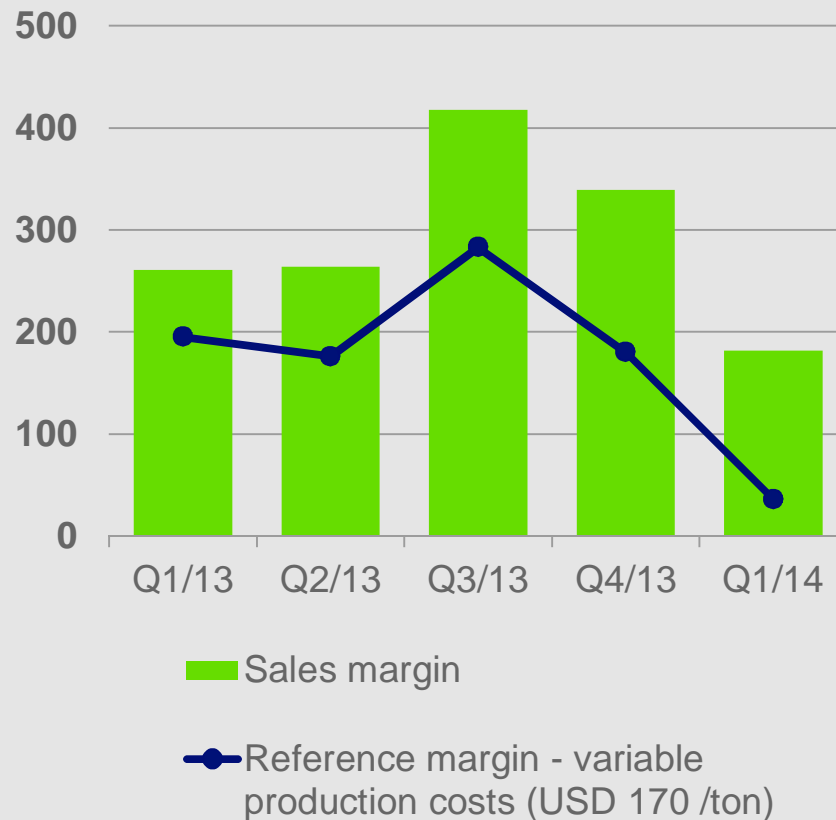
Biodiesel RIN, US cent /gal



- Biomass-based diesel (D4)
- Conventional renewable fuel (D6)

Sales margin supported by good additional margin

Renewable Fuels margins, USD/ton



- Biofuel regulation uncertainties impacted sales prices and demand in the US
- Narrowed feedstock price spreads affected margins in Europe
- Weak reference margin of USD 206/ton
- Additional margin USD 146/ton reflected successful operational performance

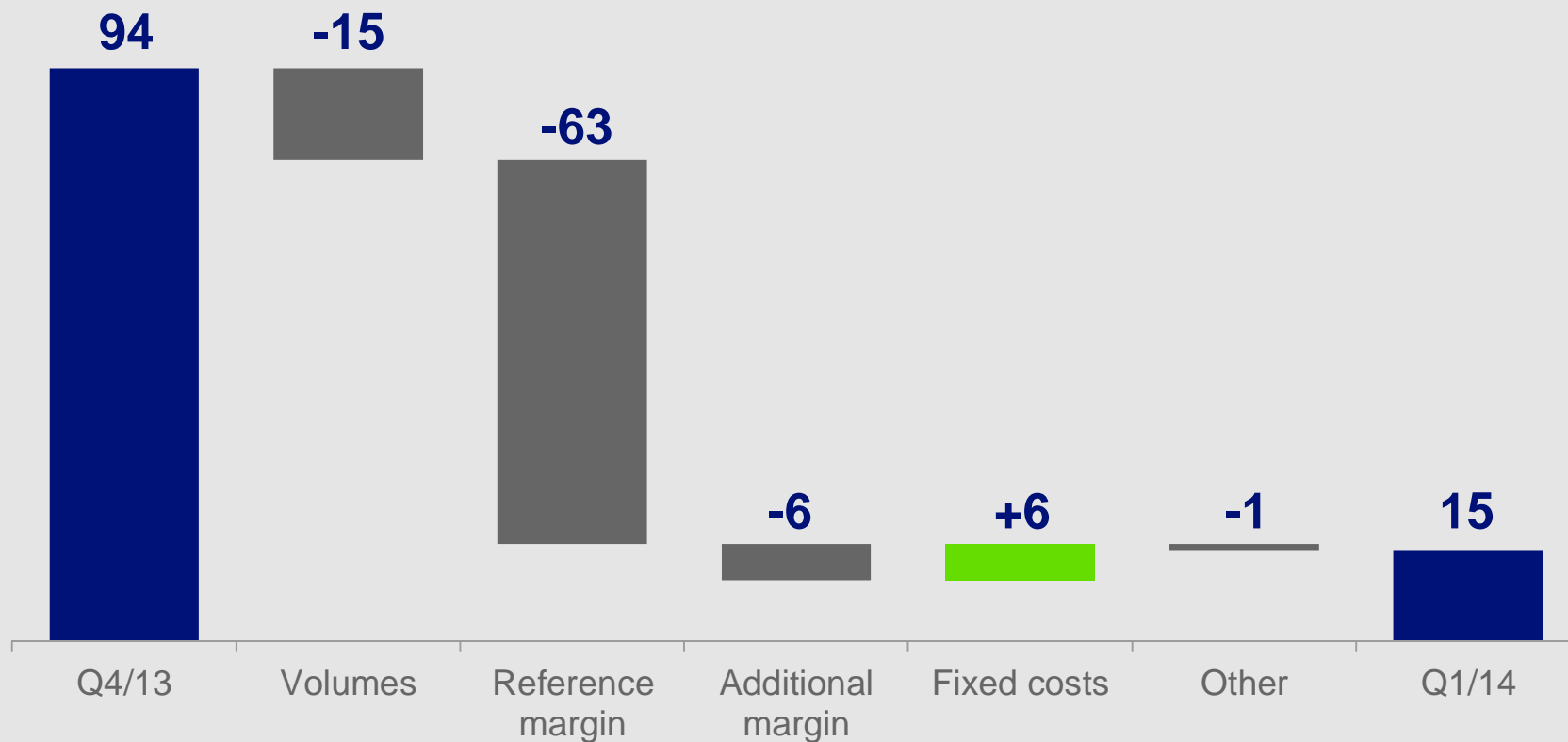
Sales volumes and additional margin compensated weak markets

Renewable Fuels comparable EBIT Q1/13 vs. Q1/14, MEUR



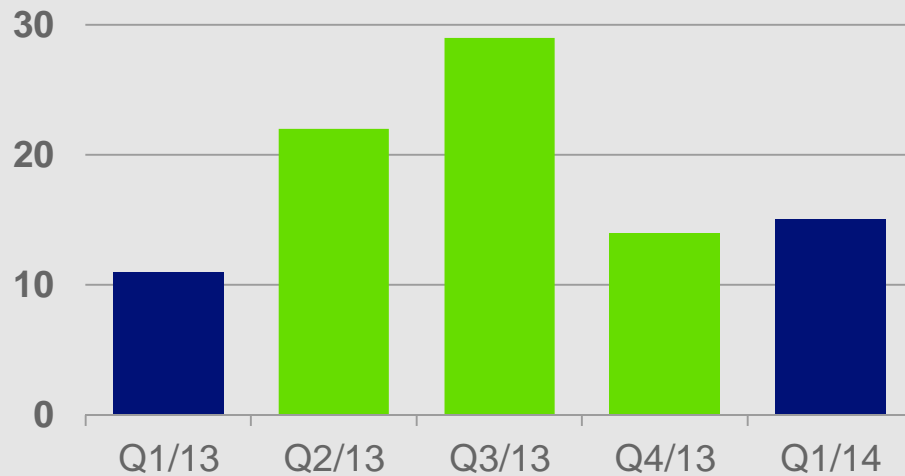
Drop in reference margin impacted earnings

Renewable Fuels comparable EBIT Q4/13 vs. Q1/14, MEUR



Oil Retail's solid performance continued

Comparable EBIT, MEUR



MEUR	Q1/14	Q1/13	2013
Revenue	1,019	1,153	4,532
Comparable EBIT	15	11	76
Net assets	254	312	255

- Stronger margins in all markets
- Divestments of businesses in Poland and Sweden improved result
- Restructuring of station network in Finland continued

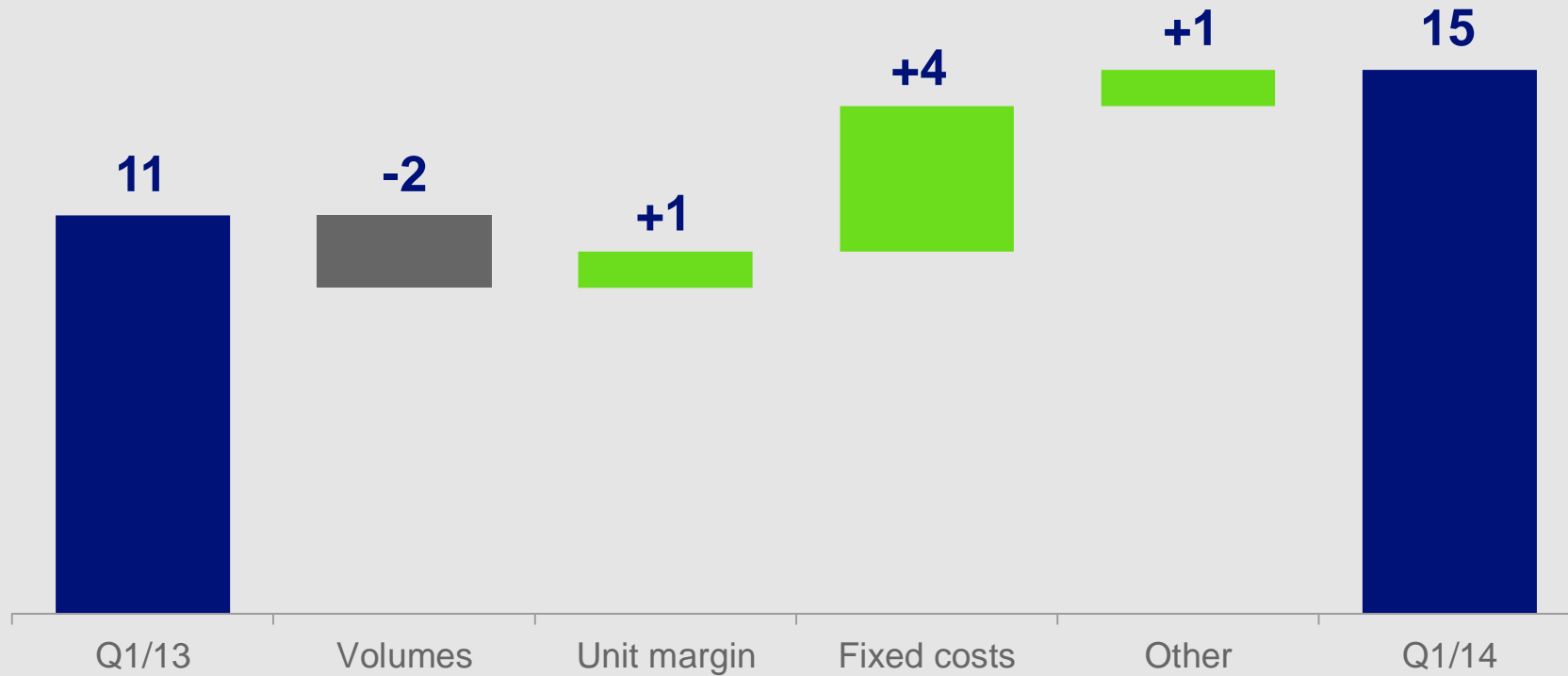
Stronger margins in all markets

- Mild winter impacting heating oil demand in Finland
- Modest growth in car traffic in Finland
- Growing demand in Russia and Baltic countries
- Fuel branding: Neste Futura introduced in Baltic countries and Russia



Lower fixed costs

Oil Retail comparable EBIT Q1/13 vs. Q1/14, MEUR



Current topics

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Company outlook for 2014 revised

- Q1 refining and renewable fuels margins softer than expected
- Group's full-year comparable operating profit expected to be MEUR 450 +/-10% in 2014
 - reference refining margin assumed to average USD 4.0/bbl in 2014.
 - reintroduction of US Blender's Tax Credit for biofuels would have positive impact
- Singapore NEXBTL refinery to be taken down for eight-week major turnaround during Q3 and Q4
- Investments expected to total approx. MEUR 300-350 in 2014

CMD – Save the date

- Neste Oil will host a Capital Markets Day in London on 11 September 2014
- Invitations will follow

We focus on



Safety

Cash flow

Refinery
productivity

Renewable
Fuels
markets and
customers



Thank you.

Matti Lievonen, President & CEO

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Appendix

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Renewable Fuels EBIT calculation

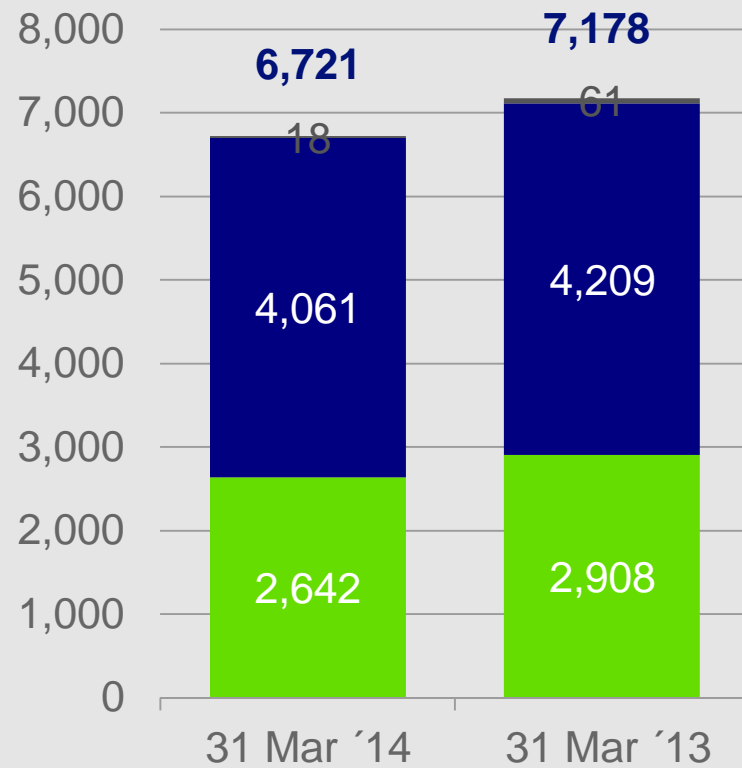
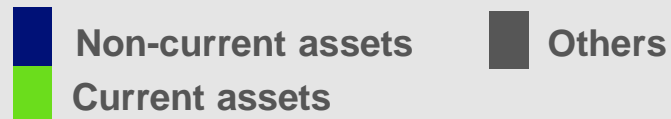
	Q1/13	Q2/13	Q3/13	Q4/13	2013	Q1/14
Sales volume, kt	385	411	532	599	1928	488
Reference margin, \$/ton	365	346	453	350	371	206
Additional margin, \$/ton	66	88	135	159	127	146
Variable production costs, \$/ton	170	170	170	170	170	170
Comparable sales margin, \$/ton	261	264	418	338	328	182
Comparable sales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

Refinery production costs, Porvoo & Naantali

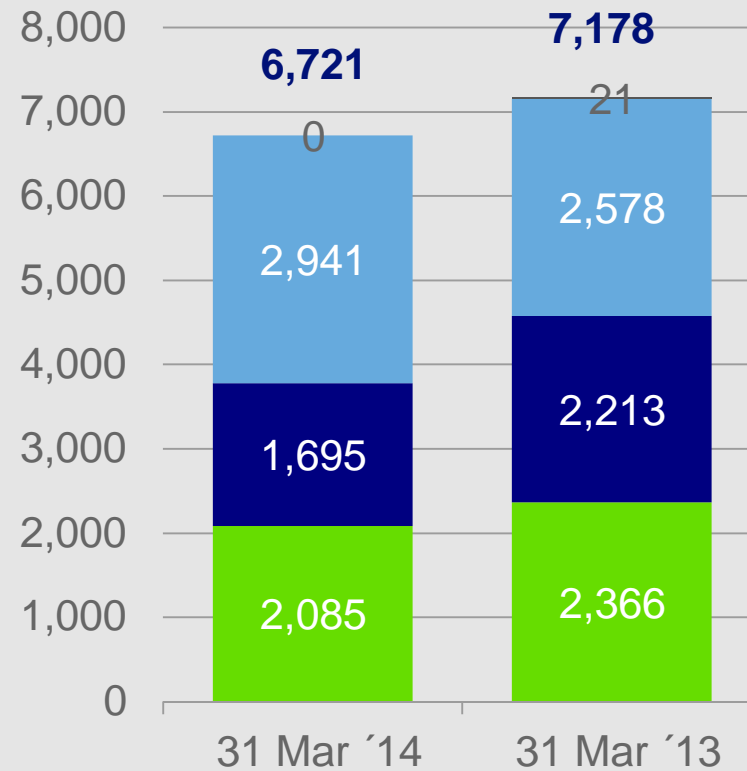
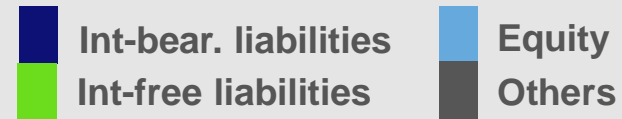
		Q1/13	Q2/13	Q3/13	Q4/13	2013	Q1/14
Refined Products	Million Barrels	26.7	24.7	28.8	26.6	106.9	25.3
Exchange Rate	EUR/USD	1.32	1.31	1.33	1.36	1.33	1.37
Utilities costs	EUR Million	62.8	58.8	58.0	61.6	241.3	55.6
	\$/bbl	3.1	3.1	2.7	3.1	3.0	3.0
Fixed costs	EUR Million	52.8	73.1	51.5	59.9	237.3	55.9
	\$/bbl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

Balance sheet

Total assets



Total equity & liabilities

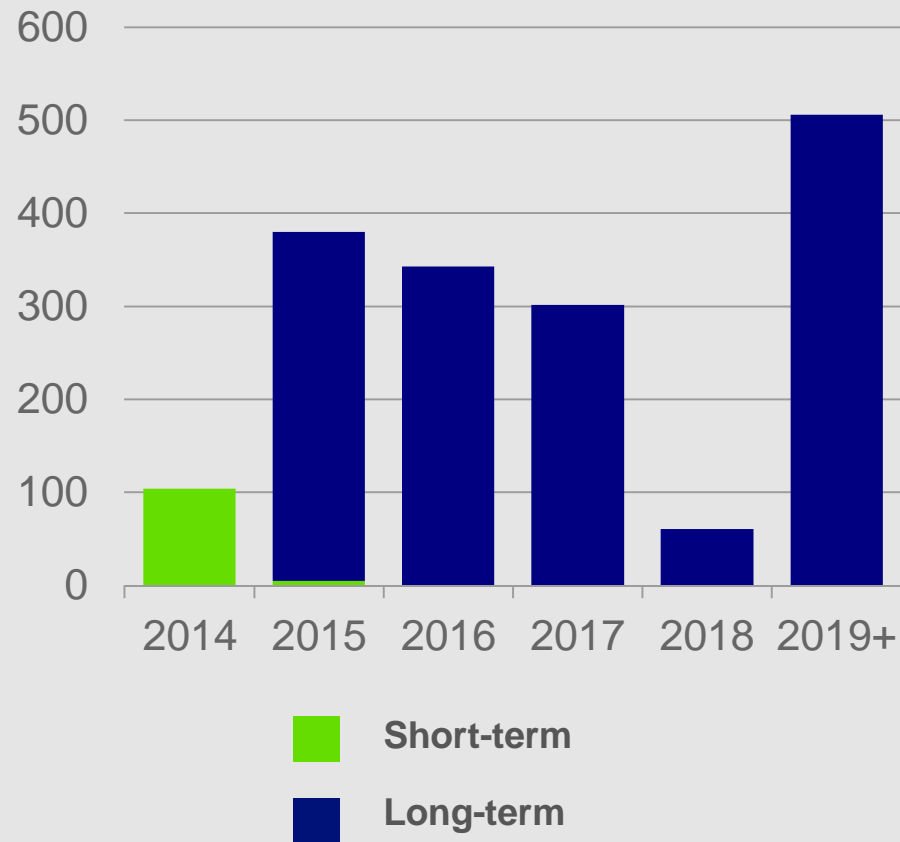


Cash flow

MEUR	Q1/14	Q1/13	Q4/13	2013
Profit before taxes	38	65	167	561
Adjustments total	101	126	101	360
Change in working capital	-287	-272	386	100
Cash from operations	-148	-81	654	1,021
Net finance costs	-10	-1	-13	-98
Taxes	-20	-23	-12	-84
Net cash from operations	-178	-105	629	839
Capital expenditure and investments in shares	-43	-34	-72	-214
Other	-46	44	8	134
Cash flow before financing activities	-267	-95	565	759
Net change in loans	-67	-129	-145	-557
Dividends paid	-	-	-	-98
Net increase/decrease in cash	-334	-224	420	104

Liquidity & maturity profile

MEUR



- Total liquidity at the end of March 2014 was EUR 2,130 million
 - Cash and cash equivalents totalled EUR 168 million
 - Unused committed credit facilities totalled EUR 1,582 million
 - Unused CP programmes (not committed) totalled EUR 380 million
- Average interest rate 3.8% and maturity 3.7 years at the end of March
- No financial covenants in existing loan agreements