

# Financial Discussion

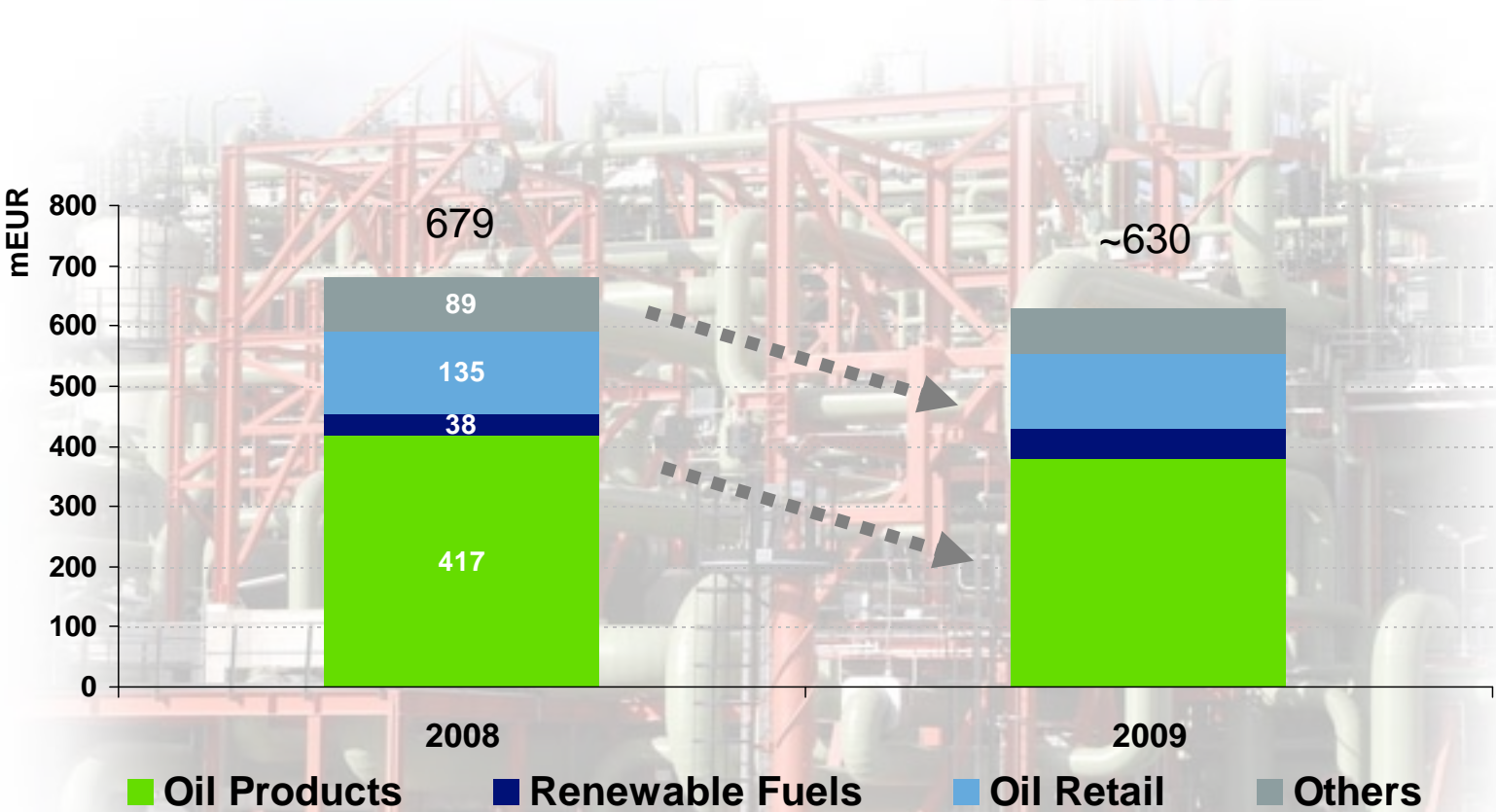
**Ilkka Salonen**  
**Chief Financial Officer**

**Capital Markets Day**  
**29 September 2009**

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# The Group's Fixed Costs



# Refinery Production Costs

		2008					2009	
		Q1/08	Q2/08	Q3/08	Q4/08	2008	Q1/09	Q2/09
<b>Refined products</b>	Million barrels	27.9	26.2	27.9	29.0	111.0	26.9	25.8
<b>Exchange rate</b>	EUR/USD	1.50	1.56	1.50	1.32	1.47	1.30	1.36
<b>Maintenance costs</b>	EUR million	18.8	28.7	24.6	26.5	98.6	18.9	32.4
	\$/bbl	1.0	1.7	1.3	1.2	1.3	0.9	1.7
<b>Utilities costs</b>	EUR million	63.7	61.8	62.0	69.9	257.6	49.1	52.7
	\$/bbl	3.4	3.7	3.4	3.2	3.4	2.4	2.8
<b>Other costs</b>	EUR million	34.9	34.1	28.3	60.8	158.0	32.6	36.4
	\$/bbl	1.9	2.0	1.5	2.8	2.1	1.6	1.9
<b>External sales</b>	EUR million	-16.9	-16.2	-17.3	-18.6	-69.0	-16.6	-16.4
	\$/bbl	-0.9	-1.0	-0.9	-0.9	-0.9	-0.8	-0.9
<b>Total</b>	EUR million	100.5	108.4	97.6	138.6	445.2	84.0	105.1
	\$/bbl	5.4	6.4	5.3	6.3	5.9	4.1	5.5

Maintenance costs consist of e.g. personnel, contractor and material costs.

Utilities costs consist of e.g. natural gas, electricity, steam and water, catalysts and chemicals.

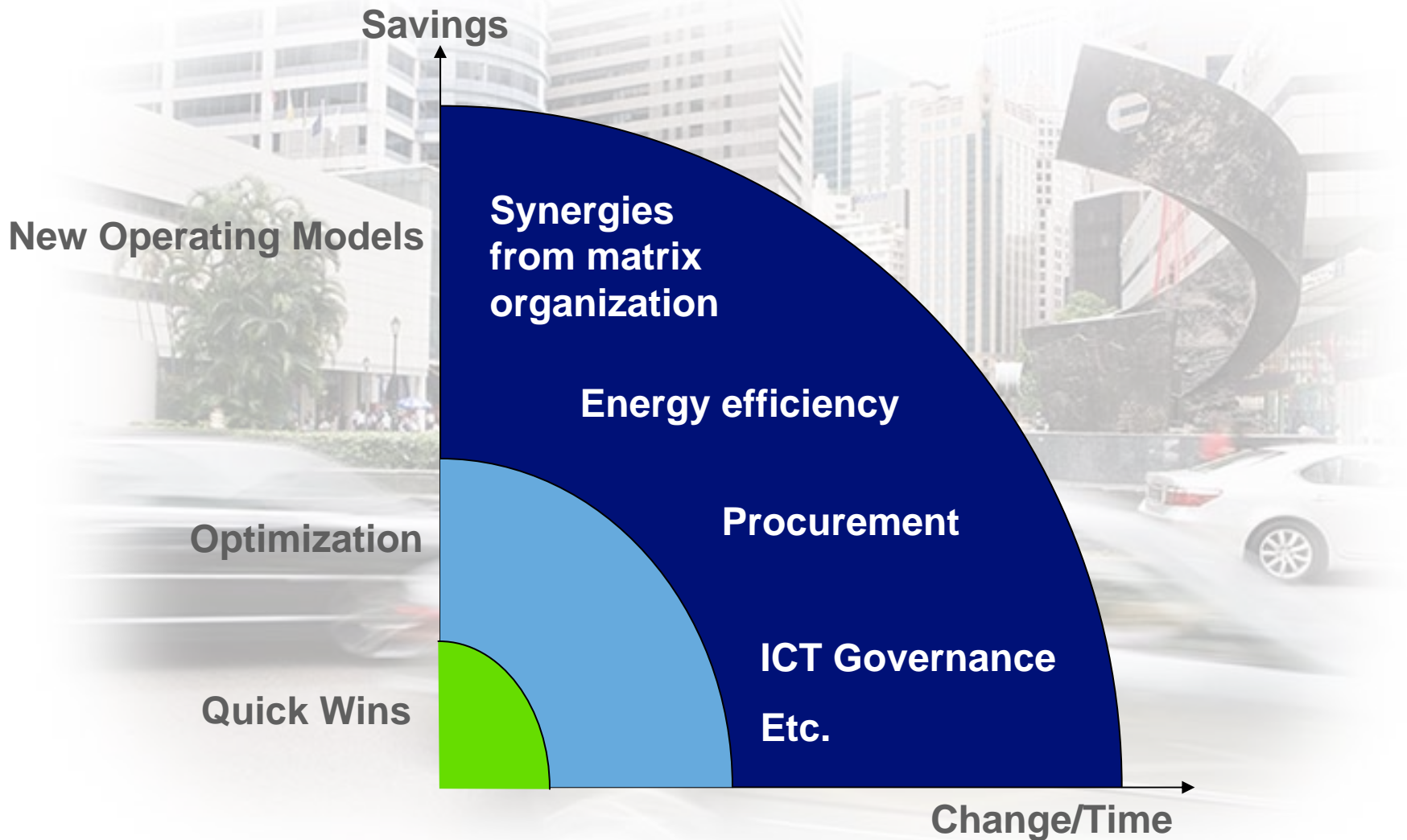
Other costs consist of e.g. production and other personnel as well as administration and services costs.

External sales include sales to other companies at the Porvoo industrial site.

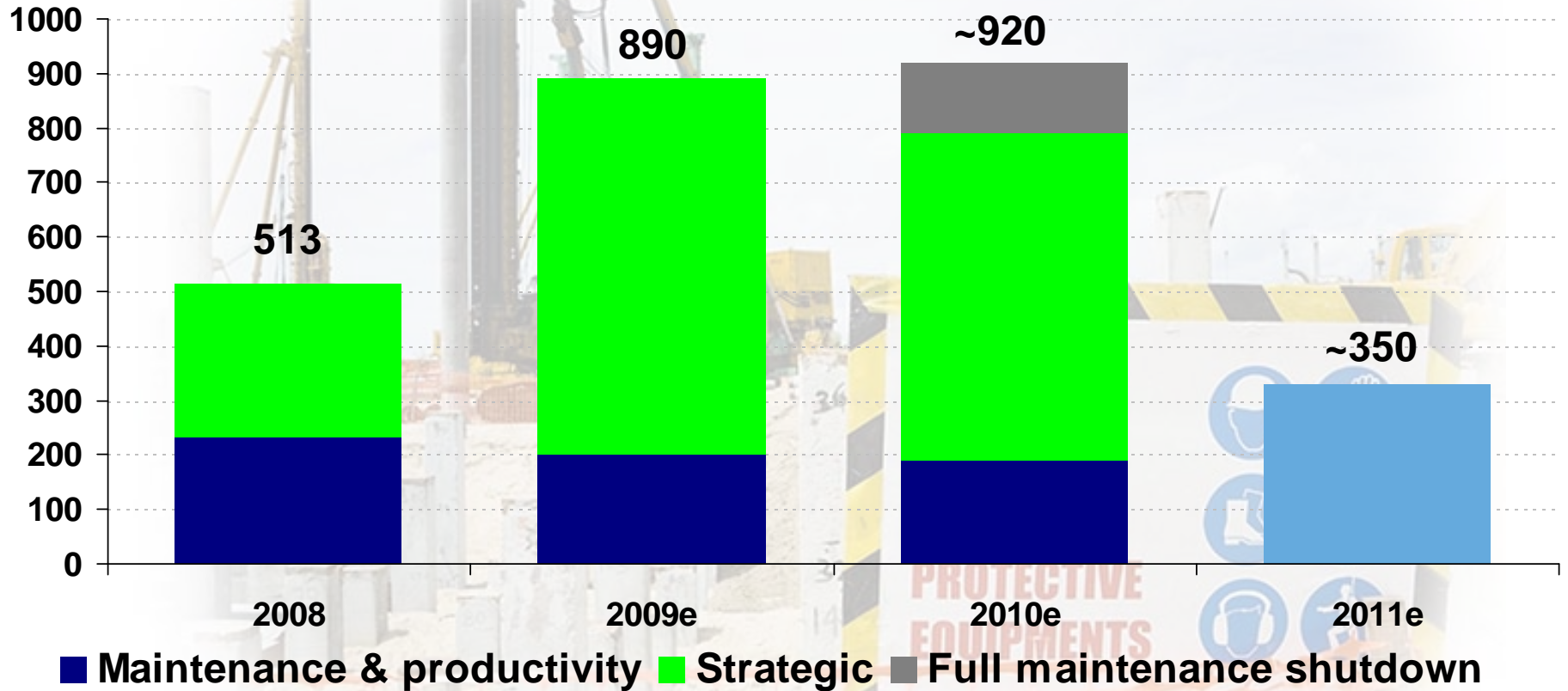
# Cost-Savings Programme Under Way

- **Fixed costs savings target set at EUR 60 million**
  - **Half of the EUR 60 million will be saved via personnel costs**
    - **Final decisions will be made in October**
  - **Cost cuts in day-to-day operations started in early 2009 and have already materialized, e.g. in:**
    - **Planning and consultancy costs**
    - **Advertising and travel costs**
    - **Holiday payments**
- approx. EUR 20 million savings expected from these in 2009

# On The Way To Cost Leadership



# Investments In 2008-2011

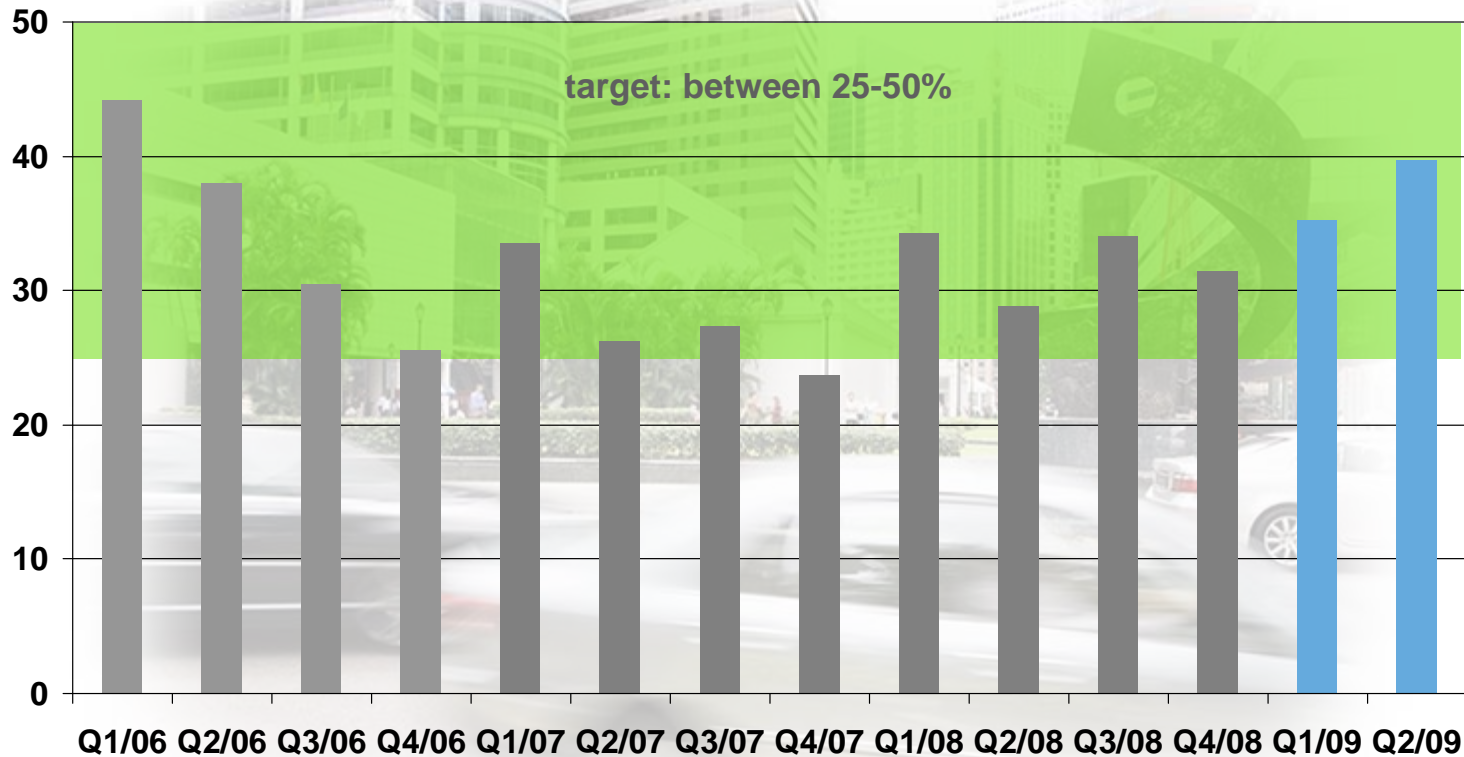


# Financing Profitable Growth

- **Neste Oil liquidity position (cash & committed unutilized credit facilities) at the end of Q2 09 EUR 1.4 billion**
- **Neste Oil issued a EUR 300 million domestic bond in early September**
  - **Maturity 7 years and a coupon rate of 6.00%**
  - **The issue was oversubscribed with a total order book of EUR 950 million**
  - **Final allocation: 2/3 to Finland and 1/3 abroad**
- **The objective of the issuance was to further improve liquidity position, to diversify funding sources and to extend the debt maturity profile**

# Financial Targets Challenged, But Unchanged

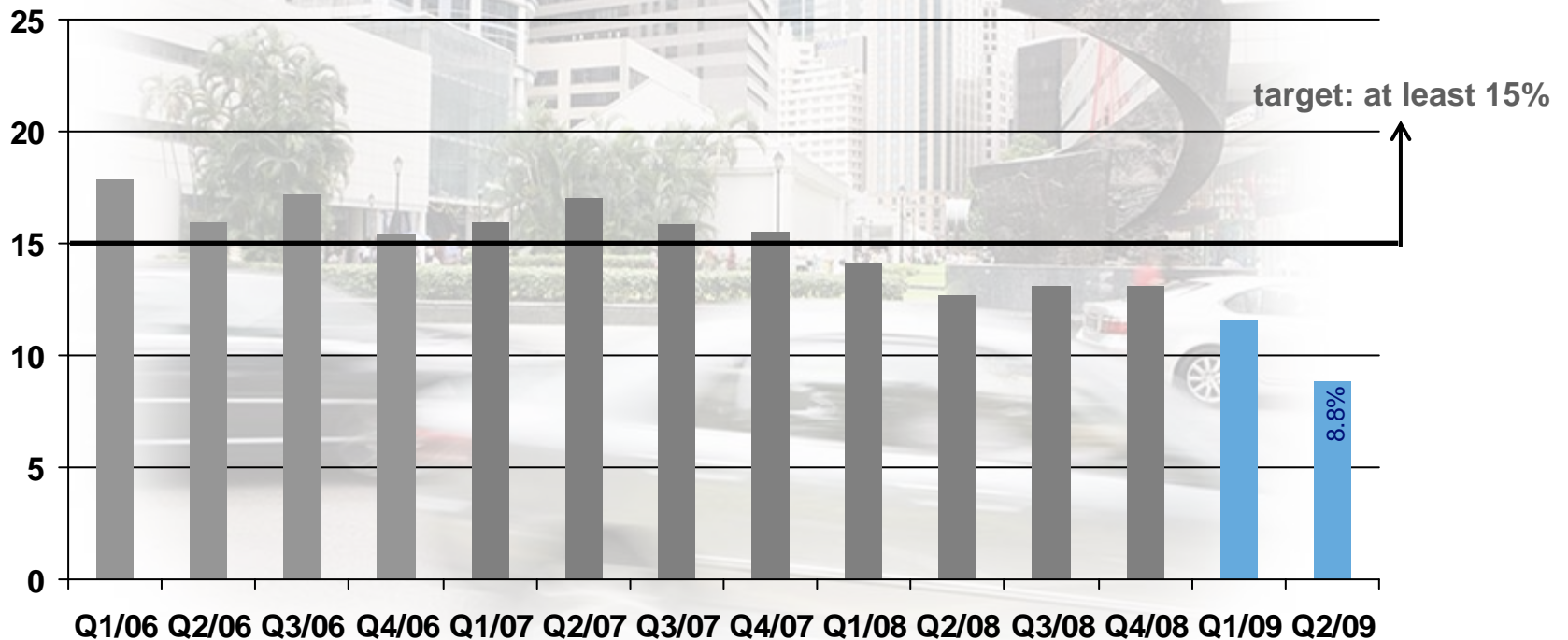
Leverage (Net debt to net debt + equity), %





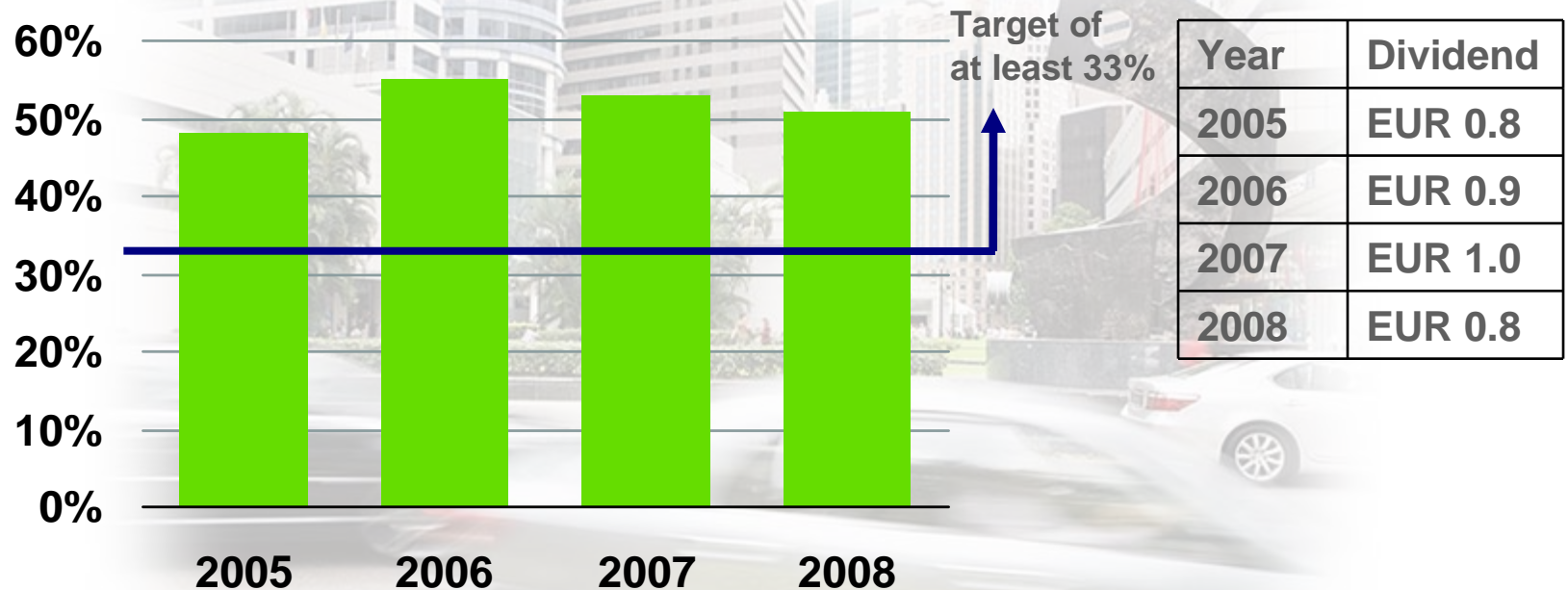
# Financial Targets Challenged, But Unchanged

Return on average capital employed after tax (ROACE) <sup>\*)</sup>, %



*\*) After tax, rolling 4 quarters*

# Dividend Policy Unchanged: At Least 33% Payout\*



*\*) payout from comparable net profit*



# Appendix

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# Neste Oil's credit programs in place

## Revolving Credit Facility 2005

**EUR 1.5 billion**

5 years +1+1

**Mandated Lead Arrangers:** Barclays Capital, BNP Paribas, Citigroup, Nordea and SEB

**Participating Banks:** Calyon, Svenska Handelsbanken, Danske Bank, Sampo Bank, Pohjola Bank, Royal Bank of Scotland, HSBC, Dresdner Bank, Swedbank, ABN Amro Bank, Bank DnB NOR, Bank of Tokyo-Mitsubishi, ING Bank, Deutsche Bank, BBVA, Societe Generale, DBS Bank

## Domestic Bond 2005 & 2009

**7 years fixed rate note 2/2005**

Issued: EUR 120 million

Coupon rate: 3.50%, issue price: 99.606%, mid-swap + 0.60%

**7 years fixed rate note 1/2009**

Issued: EUR 300 million

Coupon rate: 6.00%, issue price: 99.463%, mid-swap + 3.00%

**Arrangers:** Sampo Bank, Pohjola Bank and Nordea Bank

## Domestic Commercial Paper Program 2005

**Total of EUR 400 million unsecured short term notes with maturities less than one year**

**Dealers:** Pohjola Bank, Nordea, Sampo Bank plc, Skandinaviska Enskilda Banken AB (publ) and Svenska Handelsbanken AB (publ).

## Overdraft Facilities

EUR 50 million per bank totaling EUR 150 million

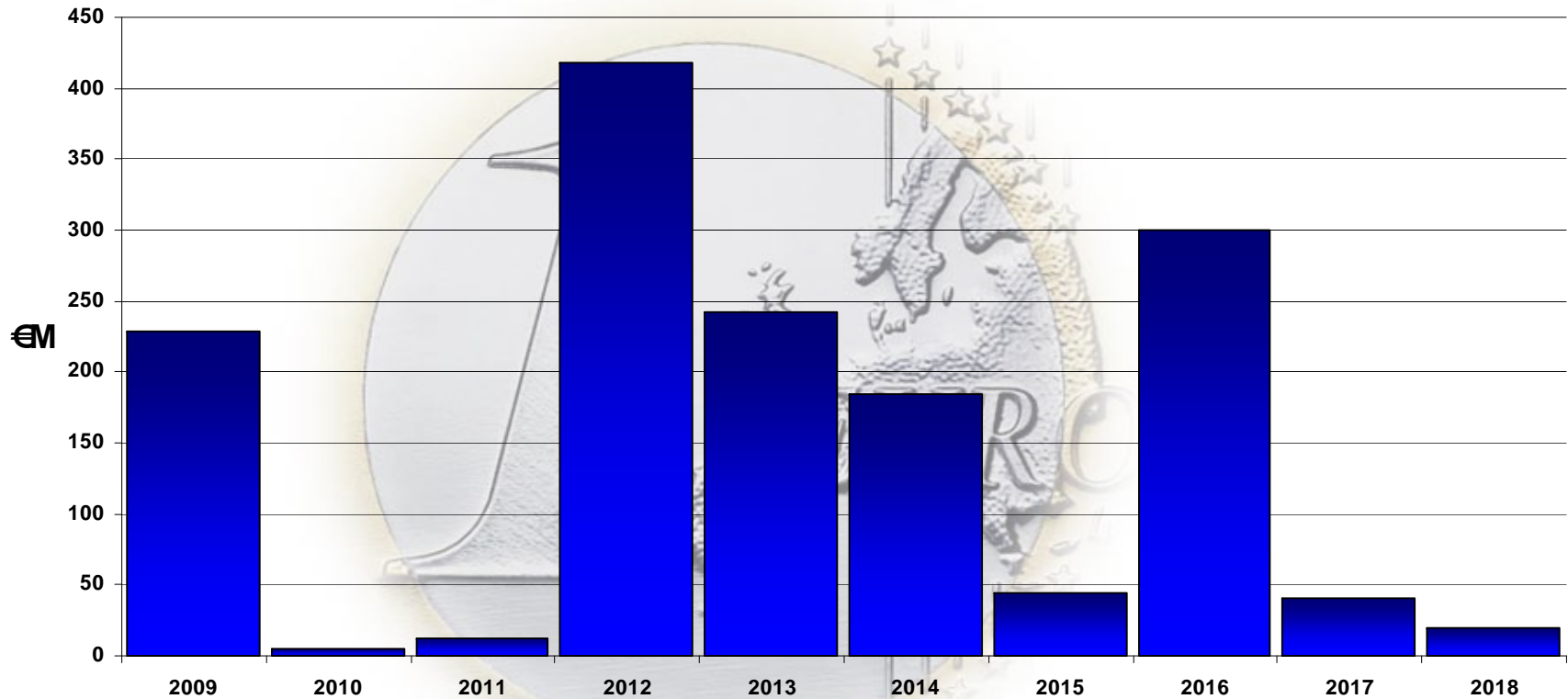
## Investment Loans 2005-2007

Loans from EIB and NIB totaling EUR 230 million

## Bilateral Loans 2008

Loans from Scandinavian financial institutions totaling EUR 315 million, average maturity 5 y.

# Maturity Profile On 14 September 2009



- Average maturity 4.2 years (including EUR 300m Domestic Bond) vs. 3.8 years in Q2



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