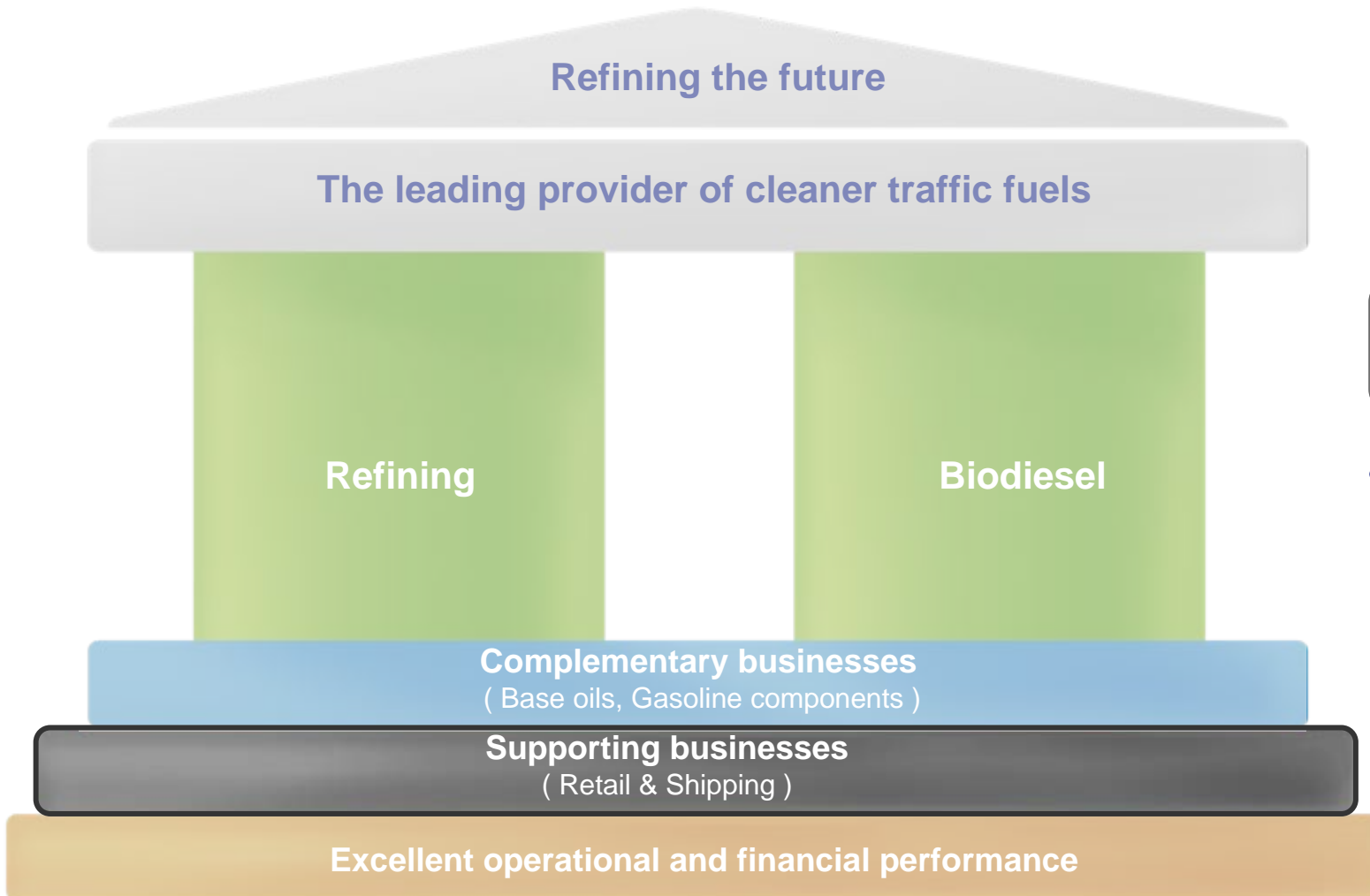


**Supporting  
Businesses**

**NESTE OIL**

**refining the future**



**Supporting businesses**

- Play a key role in the portfolio but significant growth is not expected



# Supporting Businesses

Oil Retail

Matti Peitso

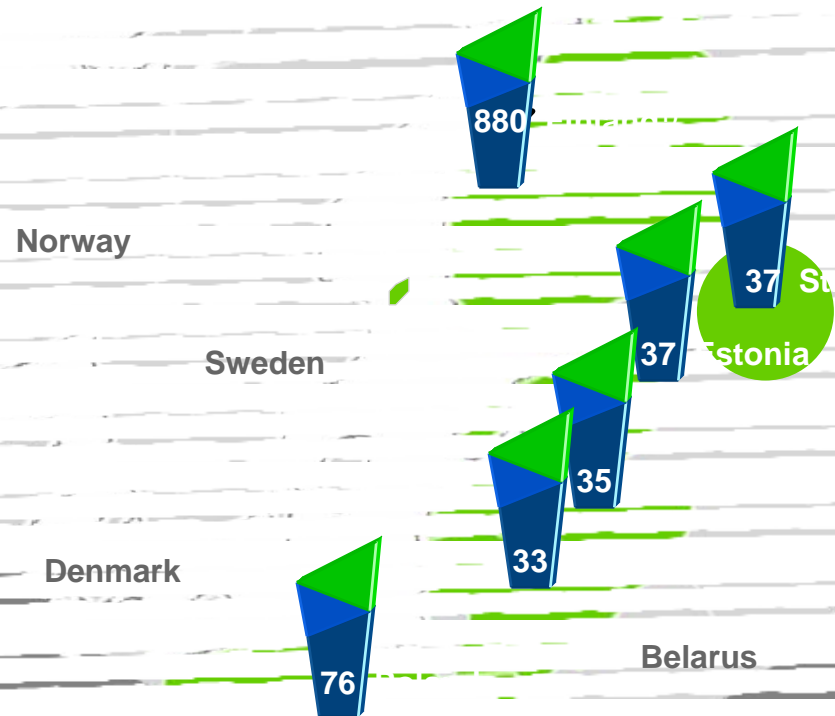
Executive Vice President

**NESTE OIL**

refining the future

### Neste Oil Retail

- The leading petroleum products marketer and distributor in Finland
- Important player in the growing markets in Baltic Rim including the St. Petersburg area
- Approx. 1,100 retail outlets, of which ~80% in Finland

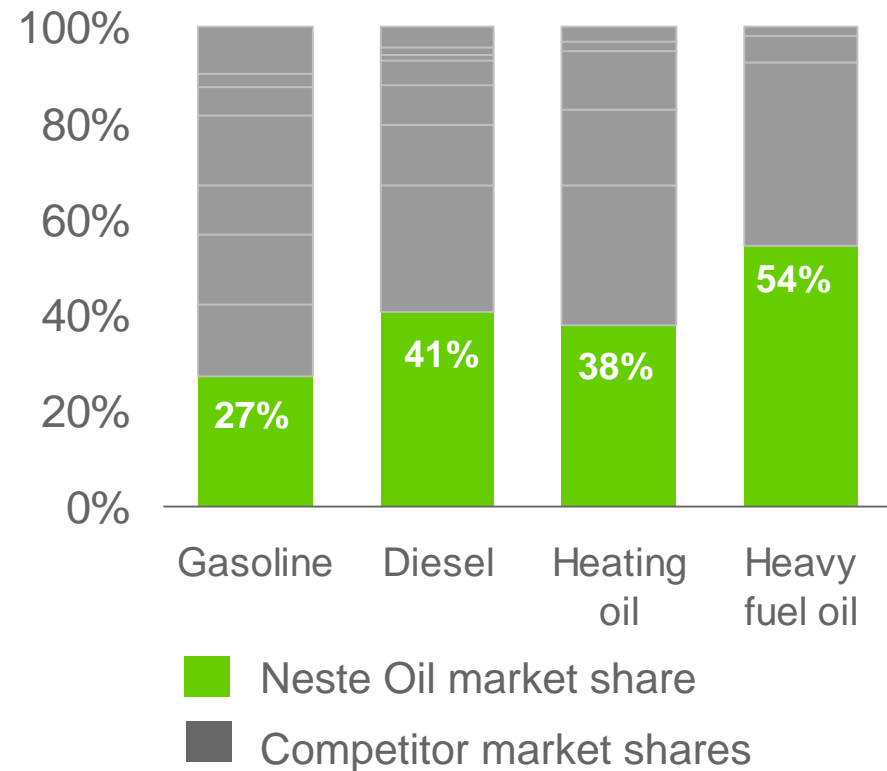


1) including D-stations and sales points

## Our retail advantage

- Market leader in all main product categories in Finland
- Most recognized retail brand in Finland
- Strongest brand in the St. Petersburg area
- An important channel for
  - Testing new product innovations
  - Launching new products
  - Collecting market data

### Retail market shares in Finland 2005



Unmanned stations



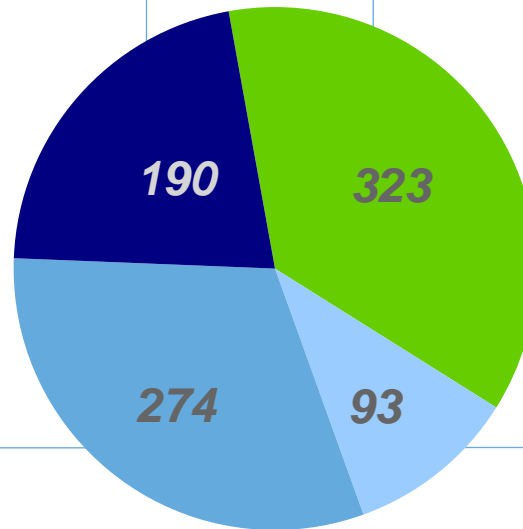
D-stations



Dealer owned, Dealer operated



Company owned, Dealer operated



Note: 08/2006



# Focus on operational and asset related improvements

## Focus areas

- Improving operational and capital efficiency
- Optimizing current network
- Increasing usage of automation and technology
- Streamlining the asset base

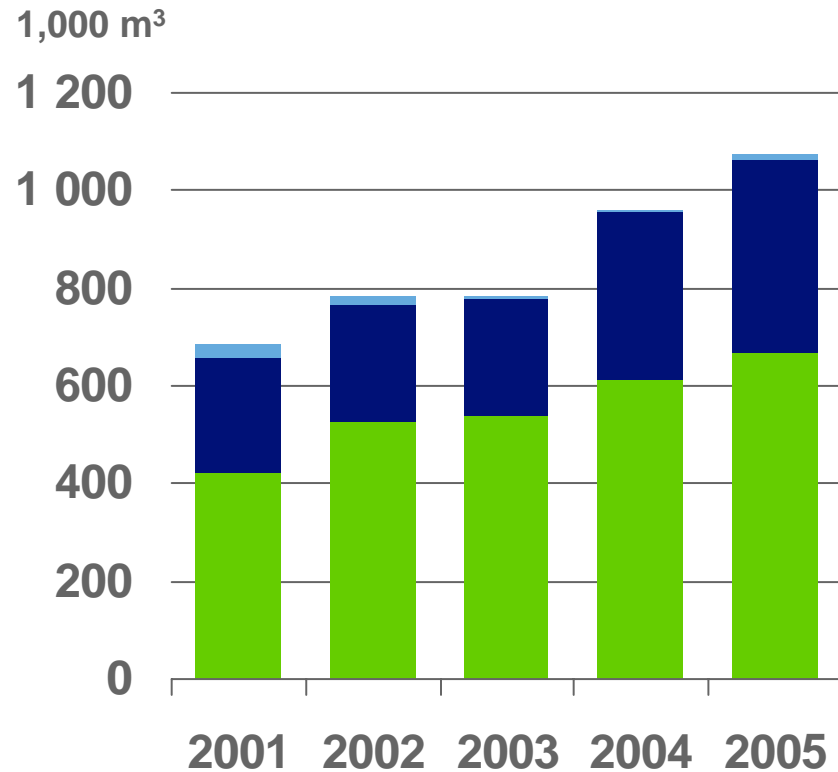




### Retail position outside Finland

- A significant player in the Baltic Rim – especially in the St. Petersburg area
- Growing market with healthy margins
- We continue to grow in this market

Baltic Rim sales volumes 2005



■ Gasoline ■ Diesel Fuel ■ Heating Oil

Notes: Baltic rim = Estonia, Latvia, Lithuania, Poland, St. Petersburg area. Figures include both direct sales and sales through retail network.





# Supporting Businesses

## Shipping

Risto Näsi

Executive Vice President

**NESTE OIL**

refining the future

**Security of supply  
and exports, especially  
winter time**

**Capability to schedule  
crude supply and  
product exports**

**Leverage scale benefits  
by using larger cargo  
sizes**

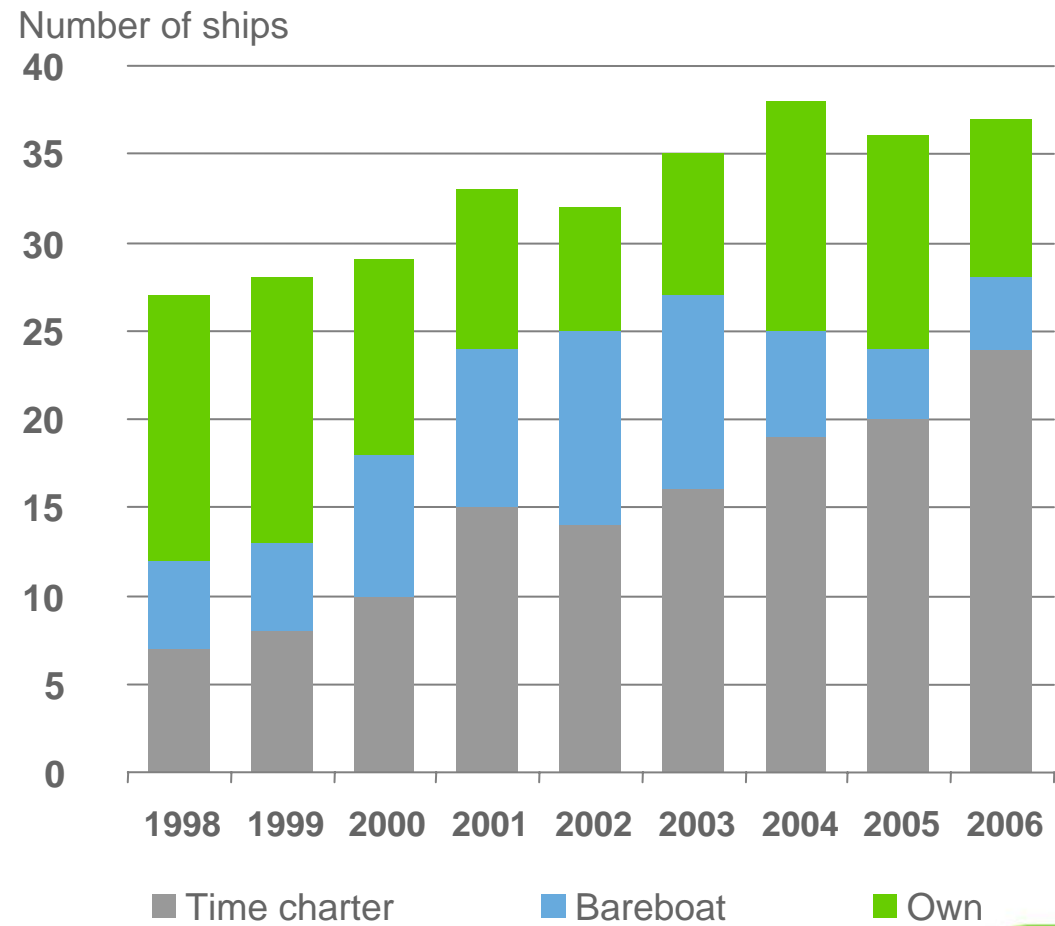
**Shipping plays an  
important role in our  
growth in refining and  
biodiesel**



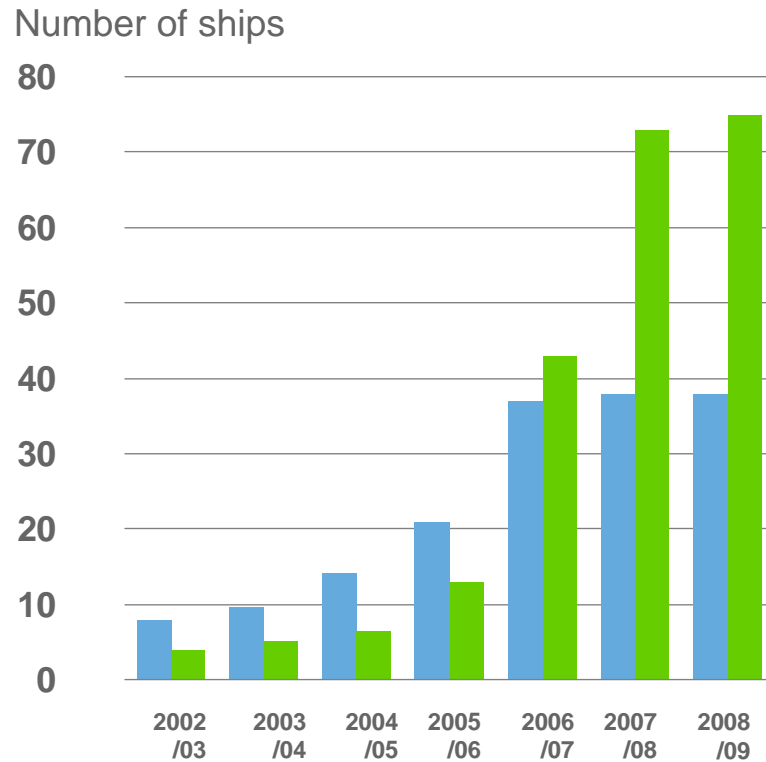
## Our shipping flexibility

- Flexible portfolio
  - increasing role of time charter vessels
- Port calls: 3721 calls last year
- Young fleet compared to European average (10 years)
  - Own vessels below 2.5 years
  - T/C vessels below 6 years
- More than 40 million tons of cargo transported annually (50% for Neste)
- Operations in Baltic Sea, North Sea and Intercontinental routes

Neste Oil Shipping fleet split by categories

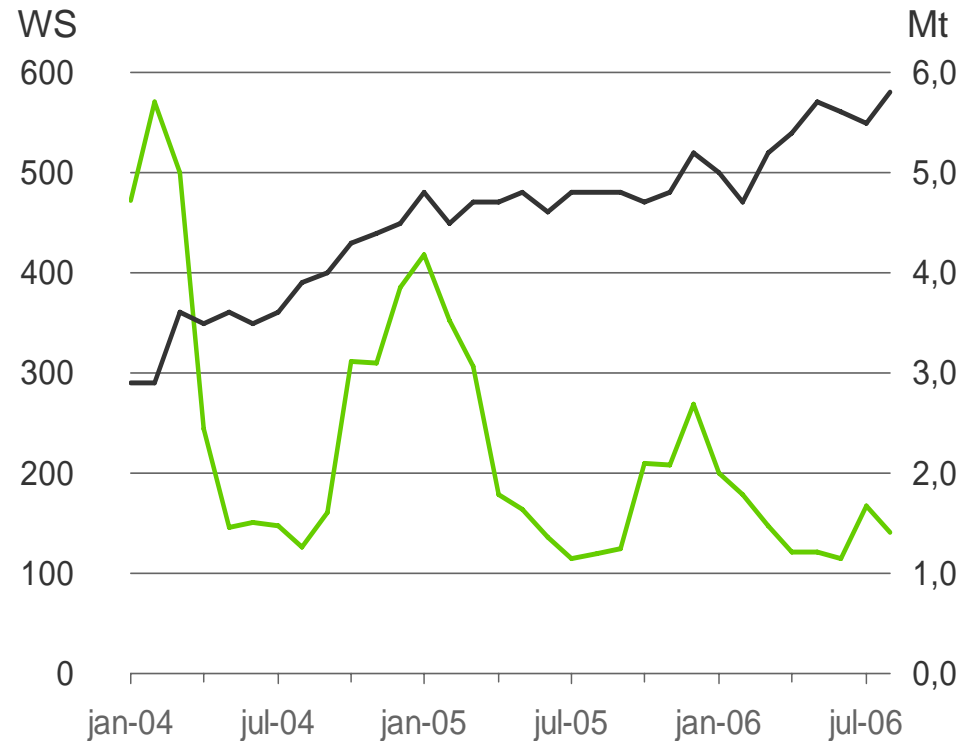


## Ice class capacity supply and demand



- Required number of ships
- Available number of ships

## Shipping freight rates & Russian oil export from Primorsk



- Monthly Crude freight rates (Primorsk/NWE), WS
- Monthly Russian oil exports from Primorsk, Mt





## Neste Shipping - achievements

- **Condition of Ships:** Best in the World ('Port State Control' Assessment)
- **Standards:** First to implement international standards within Shipping
- **Innovation:** European Innovation Prize in tanker class
- **Improved safety:** First ice-strengthened escort tugs
- **Quality of fleet:** All vessels registered to the highest Finnish-Swedish ice-class
- **Utilization rate:** ~96 % average, one of the highest



**Aim to remain the best service provider in the Baltic market**

**NESTE OIL**

## **Neste Shipping – core competencies**

- Deep knowledge of the business environment
- Largest ice classed tanker fleet and experienced skillful personnel operating regularly in ice conditions
- Continuous upgrade and maintenance of professional skills
- Continuous development of fleet to meet customer needs





 We continue to follow the market developments closely

**NESTE OIL**

## **Neste Shipping – current developments**

- Baltic seaborne trade growing fastest in the world
- Tanker companies consolidating
- Oversupply of ice classed vessels for Baltic trade
- Exploring options – cooperation, partnering etc. (Stena, Tsakos)

