4 February 2015

Neste Oil Corporation
Financial Statements
2014

Neste Oil's Financial Statements for 2014

Strong full-year comparable operating profit as a result of a record fourth quarter

2014 in brief:

- Comparable operating profit totaled EUR 583 million (2013: EUR 596 million)
- Total refining margin was USD 9.83/bbl (2013: USD 9.60/bbl)
- Renewable Products' comparable sales margin was USD 278/ton (2013: USD 328/ton)
- Net cash from operations totaled EUR 248 million (2013: EUR 839 million)
- Return on average capital employed (ROACE) was 10.1% (2013: 11.7%)
- Leverage ratio was 37.9% as of the end of December (31.12.2013: 30.0%)
- Comparable earnings per share was EUR 1.60 (2013: EUR 1.89)
- The Board of Directors will propose a dividend of EUR 0.65 per share (2013: 0.65), totaling EUR 166 million (2013: EUR 167 million).

Fourth quarter in brief:

- Comparable operating profit totaled EUR 254 million (Q4/2013: EUR 163 million)
- Total refining margin was USD 11.43/bbl (Q4/2013: USD 9.53/bbl)
- Renewable Products' comparable operating profit was EUR 141 million (Q4/2013: EUR 94 million), including EUR 89 million from US Blender's Tax Credit 2014
- Net cash from operations was EUR 351 million (Q4/2013: EUR 629 million)

President & CEO Matti Lievonen:

“Neste Oil generated a strong comparable result in 2014 despite of the market volatility and operational incidents at the Porvoo refinery. The 50% decline in crude oil price during the second half of the year caused significant inventory valuation losses, and impacted our cash flow. However, we were able to improve our internal performance by lowering costs, which resulted in more than EUR 50 million improvement, as promised in April. We achieved a full-year comparable operating profit of EUR 583 million (596 million) in 2014.

Oil Products' reference refining margin was volatile, but strengthened against expectations during the second half of the year, and averaged USD 4.7/bbl in 2014. European demand for petroleum products remained soft, and additional refining capacity was brought on-line in the Middle East and Asia. Also diesel imports from the US to Europe grew especially during the summer. Productivity at the Porvoo refinery was negatively impacted by an unscheduled production outage in production line 4 in the spring and a damaged hydrogen unit in August. Supported by various improvement actions, Oil Products segment recorded a comparable operating profit of EUR 285 million compared to EUR 275 million in 2013.

Renewable Products' reference margin remained significantly below the levels seen in 2013. We were able to grow our additional margin via feedstock flexibility and improvement actions in supply chain. Our sales volume increased by 9% from the previous year. A significantly higher share, 73% of the volume, was allocated to the European market in 2014. The volume allocation reflected the margin situation and continued regulatory uncertainty in the US. Decision to reintroduce the US Blender's Tax Credit for the year 2014 was confirmed in late December. It had an almost EUR 90 million positive impact on the segments' comparable operating profit. The use of waste- and residue-based feedstock was successfully expanded and averaged 62% of total renewable inputs in 2014. Renewable Products recorded a full-year comparable operating profit of EUR 239 million compared to EUR 273 million in 2013.

Oil Retail's station sales continued to grow, but unit margins were increasingly under pressure in Finland and Northwest Russia due to tightening competition, weakening ruble, and inventory valuation losses caused by the oil price decline during the fourth quarter. The segment generated a full-year comparable operating profit of EUR 68 million, below the record-high EUR 77 million booked in 2013.

Crude oil price changes, supply and demand balances, together with uncertainties related to political decision-making on biofuel mandates, the US Blender's Tax Credit and other incentives will be reflected in the oil and renewable fuel markets. We expect the Group's full-year 2015 comparable operating profit to remain robust, although probably lower than that reached in 2014."

Neste Oil Financial Statements, 1 January - 31 December 2014

Quarterly figures are unaudited; full-year figures are audited.

Figures in parentheses refer to the corresponding period for 2013, unless otherwise stated.

Neste Oil adopted the new IFRS 11 Joint Arrangements standard on 1 January 2014. As a result, comparative figures for 2013 have been restated. Upon the preparation of annual accounts 2014, some presentation changes were made retrospectively for 2013 and 2014: product swaps previously included in Revenue are now netted with the corresponding expenses in Materials and Services based on IAS 18.

As announced on 25 September 2014, Neste Oil has revised the method used to calculate its comparable operating profit and switched to using non-recurring items. Group and segment figures for 2013 have been restated according to the new calculation method.

Key Figures

EUR million (unless otherwise noted)

	10-12/14	10-12/13	7-9/14	2014	2013
Revenue	3,552	4,516	3,846	15,011	17,238
EBITDA	58	267	135	480	955
Comparable EBITDA*	339	245	271	913	919
Operating profit	-27	185	53	150	632
Comparable operating profit *	254	163	190	583	596
Profit before income tax	-32	167	25	78	561
Net profit	-23	193	13	60	524
Comparable net profit **	204	175	123	408	485
Earnings per share, EUR	-0.09	0.75	0.05	0.22	2.04
Comparable earnings per share**, EUR	0.80	0.68	0.48	1.60	1.89
Investments***	171	72	107	418	214
Net cash from operating activities	351	629	-144	248	839

	31 Dec 2014	31 Dec 2013
Total equity	2,659	2,924
Interest-bearing net debt	1,621	1,252
Capital employed	4,526	4,682
Return on capital employed pre-tax (ROCE), %	3.3	13.4
Return on average capital employed after tax (ROACE)****, %	10.1	11.7
Equity per share, EUR	10.34	11.36
Leverage (net debt to capital), %	37.9	30.0

* Comparable operating profit is calculated by excluding inventory gains/losses, non-recurring items, and unrealized changes in the fair value of oil, freight and electricity derivative contracts from the reported operating profit. Inventory gains/losses include changes in the fair value of all trading inventories.

** Comparable net profit for the period is calculated by excluding inventory gain/losses, non-recurring items, and unrealized changes in fair value of oil, freight and electricity derivative contracts, net of tax, less non-controlling interests. Comparable earnings per share are based on comparable net profit.

*** Including non-cash investments of MEUR 146 in full-year 2014 figures.

****Last 12 months

The Group's fourth-quarter 2014 results

Neste Oil's revenue of EUR 3,552 million in the fourth quarter was lower than that during the last quarter of 2013 (EUR 4,516 million). The decrease mainly resulted from lower overall sales prices due to the oil price decline. The Group's comparable operating profit came in at EUR 254 million. Comparable operating profit for the corresponding period in 2013 was EUR 163 million. Oil Products' result was positively impacted by reference refining margins, which were clearly higher than in the last quarter of 2013. Also Renewable Products improved significantly due to the Blender's Tax Credit (BTC), which was confirmed in the US for the year 2014 in late December. Oil Retail's performance was lower than that during the corresponding period in 2013. Oil Retail's result was negatively impacted by lower margins particularly in Russia and Finland. The Others segment improved from the fourth quarter of 2013, but it was still loss-making at comparable operating profit level.

Oil Products' fourth-quarter comparable operating profit was EUR 109 million (67 million), Renewable Products' EUR 141 million (94 million), and Oil Retail's EUR 8 million (15 million). The comparable operating profit of the Others segment totaled EUR -2 million (-11 million); joint arrangements accounted for EUR 1 million (-9 million) of this figure.

The Group's IFRS operating profit was EUR -27 million (185 million), which was impacted by inventory losses totaling EUR 322 million (gains of 16 million), changes in the fair value of open oil derivatives totaling EUR 49 million (4 million), and non-recurring items totaling EUR -8 million (2 million) mainly related to restructuring charges. Pre-tax profit was EUR -32 million (167 million), profit for the period EUR -23 million (193 million), and earnings per share EUR -0.09 (0.75).

The Group's full-year results for 2014

Neste Oil's revenue in 2014 totaled EUR 15,011 million (17,238 million). This decline year-on-year mainly resulted from lower overall market prices, which had an impact of EUR 1.2 billion, lower trading activity, and lower sales volume in Oil Products. The Group's comparable operating profit for the year was EUR 583 million, only slightly below the 596 million reported in 2013. Oil Products' full-year comparable operating profit was 4% higher than in 2013. The Renewable Products' result was strong, but it could not reach the record levels of 2013. Oil Retail's result was also somewhat lower than in 2013 due to lower margins. The Others segment improved significantly compared to 2013, but remained negative. The Group's fixed costs came in at EUR 654 million (693 million), a decrease that was mainly caused by the disposal of Shipping, and internal performance improvement actions.

Oil Products' full-year comparable operating profit was EUR 285 million (275 million), Renewable Products' EUR 239 million (273 million), and Oil Retail's EUR 68 million (77 million). The comparable operating profit of the Others segment totaled EUR -7 million (-31 million), of which Nynas accounted for EUR 11 million (-10 million).

The Group's full-year IFRS operating profit was EUR 150 million (632 million), which was impacted by inventory losses totaling EUR 492 million (19 million), changes in the fair value of open oil derivatives totaling EUR 74 million (4 million), and non-recurring items totaling EUR -16 million (51 million) mainly related to restructuring charges. Pre-tax profit was EUR 78 million (561 million), and profit for the period EUR 60 million (524 million). Comparable earnings per share were EUR 1.60 (1.89), and earnings per share EUR 0.22 (2.04). The Group's effective tax rate was 23.2% (6.6%).

	10-12/14	10-12/13	7-9/14	2014	2013
COMPARABLE OPERATING PROFIT	254	163	190	583	596
- inventory gains/losses	-322	16	-169	-492	-19
- changes in the fair value of open oil derivatives	49	4	38	74	4
- non-recurring items	-8	2	-5	-16	51
- capital gains/losses	1	1	0	-2	43
- insurance and other compensations	0	6	0	0	13
- others	-9	-5	-5	-14	-5
OPERATING PROFIT	-27	185	53	150	632

Financial targets

Return on average capital employed after tax (ROACE) and leverage ratio are Neste Oil's key financial targets. ROACE figures are based on comparable results. The company's long-term ROACE target is 15% and the leverage ratio target is 25-50%.

	31 Dec 2014	31 Dec 2013
Return on average capital employed after tax (ROACE)*, %	10.1	11.7
Leverage (net debt to capital), %	37.9	30.0

*Last 12 months

Cash flow, investments, and financing

Neste Oil Group's net cash from operating activities totaled EUR 248 million (839 million) in 2014. The year-on-year difference was mainly attributable to the effect of declining oil price to the IFRS operating profit and cash flow. The inventory valuation loss amounted to EUR 492 million, and a cash flow decrease of EUR 133 million resulted from changes in year-end working capital levels. Cash flow before financing activities and taxes was EUR -59 million (759 million). Cash flow was impacted by higher capital expenditures in 2014 compared to 2013. Group's net working capital in days outstanding was 13.2 days (11.5 days) on a rolling 12-month basis at the end of 2014.

Cash-out investments totaled EUR 272 million (214 million) in 2014. Maintenance investments accounted for EUR 201 million (169 million) and productivity and strategic investments for EUR 71 million (45 million). Oil Products' investments totaled EUR 209 million (146 million), with the largest single project being the isomerization unit under construction at Porvoo. Renewable Products' investments totaled EUR 29 million (17 million). Oil Retail's investments totaled EUR 18 million (31 million) and were mainly related to the station network. Investments in the Others segment totaled EUR 16 million (20 million) and were related to IT and business infrastructure.

Interest-bearing net debt was EUR 1,621 million as of the end of December 2014, compared to EUR 1,252 million at the end of 2013. Net financial expenses for the year were EUR 72 million (71 million). The average interest rate of borrowing at the end of December was 3.6% and the average maturity 2.7 years. The interest-bearing net debt/comparable EBITDA ratio was 1.8 (1.4) over the previous 12 months at the end of the year.

The Group's balance sheet is strong. The equity-to-assets ratio was 41.0% (31 Dec. 2013: 41.6%), the leverage ratio 37.9% (31 Dec. 2013: 30.0%), and the gearing ratio 60.9% (31 Dec. 2013: 42.8%).

The Group's cash and cash equivalents and committed, unutilized credit facilities amounted to EUR 1,849 million as of the end of December (31 Dec. 2013: 2,156 million). There are no financial covenants in the Group's current loan agreements.

In accordance with its hedging policy, Neste Oil has hedged the majority of its net foreign currency exposure for the next 12 months, mainly using forward contracts and currency options. The most important hedged currency is the US dollar.

US dollar exchange rates

	10-12/14	10-12/13	7-9/14	2014	2013
USD/EUR, market rate	1.25	1.36	1.33	1.33	1.33
USD/EUR, hedged	1.34	1.32	1.35	1.34	1.30

Segment reviews

Neste Oil's businesses are grouped into four reporting segments: Oil Products, Renewable Products, Oil Retail, and Others.

Oil Products

Key financials

	10-12/14	10-12/13	7-9/14	2014	2013
Revenue, MEUR	2,652	3,398	2,879	11,285	13,041
Comparable EBITDA, MEUR	159	115	158	478	460
Comparable operating profit, MEUR	109	67	110	285	275
IFRS operating profit, MEUR	-181	93	11	-110	286
Net assets, MEUR	2,160	2,163	2,496	2,160	2,163
Comparable return on net assets*, %	12.4	11.6	10.2	12.4	11.6

* Last 12 months

Key drivers

	10-12/14	10-12/13	7-9/14	2014	2013
Reference refining margin, USD/bbl	5.63	2.74	5.75	4.73	4.80
Additional margin, USD/bbl	5.80	6.80	5.02	5.10	4.80
Total refining margin, USD/bbl	11.43	9.53	10.77	9.83	9.60
Urals-Brent price differential, USD/bbl	-1.50	-1.42	-1.79	-1.71	-1.02
Urals' share of total refinery input, %	52	67	58	56	63

Oil Products' fourth-quarter comparable operating profit totaled EUR 109 million, compared to EUR 67 million in the fourth quarter of 2013. The operating profit was supported by a stronger market, which was reflected in a USD 2.9/bbl higher reference margin year-on-year. This increase in the reference margin had a EUR 65 million positive impact on operating profit. Neste Oil's additional margin was USD 5.8/bbl (6.8), reflecting the unscheduled production outage caused by the damaged hydrogen unit at the Porvoo refinery. More than half of the EUR 60 million negative result impact of the hydrogen incident materialized during the fourth quarter, but an agreed insurance compensation improved the result by approx. EUR 40 million. The weaker additional margin had a negative impact of EUR 31 million on the segment's operating profit compared to the corresponding period last year. Sales volumes were 0.3 million tons or 9% lower than in the fourth quarter of 2013. The average utilization rate at the Porvoo refinery was 85% (93%) and was impacted by the hydrogen unit incident. The Naantali refinery recorded an average utilization rate of 68% (74%). The segment's fixed costs were EUR 7 million higher than in the fourth quarter of 2013, mainly as a result of extensive maintenance activities. Oil Products' comparable return on net assets was 12.4% (11.6%) at the end of December over the previous 12 months.

Crude oil prices were trading in a narrow range around USD 110/bbl over the first half of the year. They came under significant pressure during the second half of 2014 as faster than expected growth in the US oil production together with the OPEC countries' decision not to cut production drove global oil markets to excess supply. Also the weak demand growth prospects had a negative impact on crude oil price. In 2014 the Brent price averaged approx. USD 100/bbl, but closed the year just above USD 50/bbl – the lowest figure since 2009.

The price differential between Brent and Russian Export Blend (REB) crude averaged USD -1.7/bbl in 2014 and USD -1.5/bbl during the fourth quarter. High crude supply levels and low utilization rates at European refineries contributed to this reasonably wide differential during the year.

The reference refining margin started low in early 2014 as a result of growing product imports from the US and the Middle East to Europe. Towards the summer the seasonal pick up in gasoline market and the refinery maintenance period had a positive impact on margins. During the second half of the year the reference margin got support from falling crude oil prices, weak physical oil market, wide Urals-Brent price differential, and strong gasoline margins due to seasonably high demand and production outages in the US. Diesel export volumes from the US to Europe fell short of expectations, which also improved the margin. On average, middle distillates remained the strongest part of the barrel both during the fourth quarter and the whole year. Neste Oil's reference margin averaged USD 4.7/bbl in 2014 and USD 5.6/bbl during the fourth quarter.

Oil Products' full-year comparable operating profit was EUR 285 million (275 million). The average reference refining margin during 2014 was roughly at the previous year's level. Neste Oil's additional margin increased by USD 0.3/bbl and had a EUR 10 million impact on the comparable operating profit. Sales volumes were 3% lower compared to the year 2013, which reduced the operating profit by EUR 13 million. The segment's fixed costs were EUR 10 million lower than in 2013. Base oils business and the insurance compensation for the Porvoo hydrogen unit damage contributed positively to the operating profit.

Production

	10-12/14	10-12/13	7-9/14	2014	2013
Porvoo refinery production, 1,000 ton	2,836	3,001	2,765	11,274	12,016
Porvoo refinery utilization rate, %	85	93	78	84	87
Naantali refinery production, 1,000 ton	461	400	549	1,959	2,147
Naantali refinery utilization rate, %	68	74	77	71	78
Refinery production costs, USD/bbl	5.3	5.1	2.3	4.9	4.8
Bahrain base oil plant production (Neste Oil's share), 1,000 ton	42	47	28	143	151

Sales from in-house production, by product category (1,000 t)

	10-12/14	%	10-12/13	%	7-9/14	%	2014	%	2013	%
Middle distillates*	1,594	46	1,819	49	1,497	44	6,204	46	6,729	48
Light distillates**	1,172	34	1,219	33	1,134	33	4,575	34	4,550	32
Heavy fuel oil	345	10	353	9	296	9	1,091	8	1,253	9
Base oils	104	3	87	2	123	3	469	3	436	3
Other products	234	7	271	7	385	11	1,201	9	1,121	8
TOTAL	3,450	100	3,749	100	3,436	100	13,540	100	14,088	100

* Diesel, jet fuel, heating oil
** Motor gasoline, gasoline components, LPG

Sales from in-house production, by market area (1,000 t)

	10-12/14	%	10-12/13	%	7-9/14	%	2014	%	2013	%
Baltic Sea area*	2,154	62	2,225	59	2,392	70	8,872	65	9,035	64
Other Europe	866	25	1,416	38	697	20	3,060	23	3,933	28
North America	305	9	60	2	136	4	847	6	843	6
Other areas	125	4	48	1	210	6	761	6	276	2

* Finland, Sweden, Estonia, Latvia, Lithuania, Poland, Denmark

Renewable Products

Key financials

	10-12/14	10-12/13	7-9/14	2014	2013
Revenue, MEUR	575	732	560	2,269	2,493
Comparable EBITDA, MEUR	166	118	75	335	371
Comparable operating profit, MEUR	141	94	52	239	273
IFRS operating profit, MEUR	153	93	20	207	252
Net assets, MEUR	1,923	1,768	1,764	1,923	1,768
Comparable return on net assets*, %	13.3	15.2	10.8	13.3	15.2

* Last 12 months

Key drivers

	10-12/14	10-12/13	7-9/14	2014	2013
FAME - Palm oil price differential*, USD/ton	218	331	236	231	356
SME - Soybean oil price differential**, USD/ton	178	363	263	199	389
Reference margin, USD/ton	211	350	247	221	371
Additional margin***, USD/ton	409	159	174	227	127
Biomass-based diesel (D4) RIN, USD/gal	0.58	0.35	0.53	0.53	0.65
Palm oil price****, USD/ton	654	792	683	733	768
Crude palm oil's share of total feedstock, %	39	46	41	38	48

* FAME seasonal vs. CPO BMD 3rd (Crude Palm Oil Bursa Malaysia Derivatives 3rd month futures price) + 70 $/t freight to ARA (Amsterdam-Rotterdam-Antwerp)
** SME US Gulf Coast vs. SBO CBOT 1st (Soybean Oil Chicago Board of Trade 1st month futures price)
*** Includes full impact of US BTC (Blender's Tax Credit) in 10-12/14 and 2014
**** CPO BMD 3rd

Renewable Products' comparable operating profit totaled EUR 141 million during the fourth quarter, compared to EUR 94 million in the fourth quarter of 2013. The result was impacted by a significantly lower reference margin, which had a negative impact of EUR 71 million on operating profit compared to the fourth quarter of 2013. This was compensated for by stronger additional margin, which had a positive impact of EUR 120 million on the result. Reintroduction of the US Blender's Tax Credit contributed to the additional margin by EUR 89 million. Sales volumes totaled 537,000 tons, a 10% decrease on the record-high sales in the corresponding period last year. The decline in sales volumes reflected the major eight-week turnaround at the Singapore NEXBTL refinery in September-October. Approximately 81% (50%) of sales volumes went to Europe and Asia-Pacific during the fourth quarter of 2014 and 19% (50%) to North America. Renewable diesel production achieved an average capacity utilization rate of 98% (104%) during the quarter. Feedstock mix optimization was successful and the proportion of waste and residue inputs, such as animal fat and palm fatty acid distillate (PFAD), was 61% on average. Renewable Products’ comparable return on net assets was 13.3% (15.2%) at the end of December based on the previous 12 months.

Crude palm oil (CPO) prices declined 5% versus 2013, but the decline was smaller than in mineral oil prices. Abnormal weather conditions in the CPO producing areas such as droughts during first half of 2014 and exceptional flooding in December reduced the competitiveness of CPO in comparison with soybean oil (SBO). SBO prices dropped almost 20% due to a historically high soybean crop in Latin America and in the US. As a result SBO/CPO price difference narrowed significantly from USD 240/ton level to below USD 80/ton. Rapeseed oil (RSO) prices also showed a large decline of 16% versus 2013 as favorable weather conditions allowed Europe to have a very good rapeseed crop.

Due to relatively stable European biodiesel mandates and weaker mineral oil prices, European Fatty Acid Methyl Ester prices (FAME) declined 14% year-on-year. In the US, soy methyl ester (SME) price declined 28% versus 2013 primarily due to the uncertainty regarding the US 2014 biofuels mandate. The US Environmental Protection Agency (EPA) announced in November that the mandate decision had been delayed and would be officially released during the course of 2015. As the price spread between SME and SBO was reduced by almost half, the US SME producers' margins turned negative on average.

Renewable Products' full-year comparable operating profit was EUR 239 million (273 million). The significantly lower reference margin during 2014 had a negative impact of EUR 217 million on the segment’s operating profit year-on-year. This was partly compensated for by higher additional margin, which had a positive impact of EUR 145 million on the operating profit, and higher sales volume, which had a positive impact of EUR 37 million. The reintroduction of the US Blender's Tax Credit for 2014 contributed EUR 89 million to the additional margin.

Production

	10-12/14	10-12/13	7-9/14	2014	2013
NEXBTL, 1,000 ton	510	543	522	2,111	1,896
Other products, 1,000 ton	40	41	36	144	132
Utilization rate, %	98	104	99	102	91

Sales

	10-12/14	10-12/13	7-9/14	2014	2013
NEXBTL, 1,000 ton	537	599	517	2,104	1,938
Share of sales volumes to Europe & APAC, %	81	50	73	73	56
Share of sales volumes to North America, %	19	50	27	27	44

Oil Retail

Key financials

	10-12/14	10-12/13	7-9/14	2014	2013
Revenue, MEUR	1,046	1,120	1,153	4,294	4,532
Comparable EBITDA, MEUR	14	22	33	94	105
Comparable operating profit, MEUR	8	15	26	68	77
IFRS operating profit, MEUR	8	15	26	68	120
Net assets, MEUR	201	255	271	201	255
Comparable return on net assets*, %	27.6	26.4	28.8	27.6	26.4

* Last 12 months

Oil Retail's fourth-quarter comparable operating profit was EUR 8 million compared to EUR 15 million in the fourth quarter of 2013. Station network sales volumes continued to grow, but direct sales volumes declined compared to the corresponding period in 2013. Unit margins were under pressure especially in Finland and Northwest Russia, and this had a negative impact of EUR 8 million on the segment’s fourth-quarter comparable operating profit. The sales in Northwest Russia continued normally, but the weaker ruble had a negative impact of EUR 1 million on the result compared to the corresponding period last year. Fixed costs and depreciations were approx. EUR 1 million lower year-on-year. Oil Retail's comparable return on net assets was 27.6% (26.4%) at the end of 2014 on a rolling 12-month basis.

Oil Retail's markets remain competitive. Traffic fuel demand is seasonally lower during the winter period. Demand for both gasoline and diesel is on a downward trend in Finland, while the markets in the Baltic countries and Northwest Russia are gradually growing.

Oil Retail's full-year comparable operating profit was EUR 68 million (77 million). Lower unit margins weakened the result by EUR 9 million year-on-year mostly in Northwest Russia and Finland. The weaker ruble had a negative impact of EUR 3 million on the result in Northwest Russia compared to the previous year. Higher sales volumes and lower fixed costs improved the segment's comparable operating profit by EUR 5 million from the year 2013. Net assets declined year-on-year due to lower ruble and working capital.

Sales volumes by main product categories, million liters

	10-12/14	10-12/13	7-9/14	2014	2013
Gasoline station sales	276	277	313	1,134	1,151
Diesel station sales	393	376	395	1,526	1,491
Heating oil	163	164	153	600	635

Net sales by market area, MEUR

	10-12/14	10-12/13	7-9/14	2014	2013
Finland	721	800	800	3,022	3,239
Northwest Russia	70	92	96	335	361
Baltic countries	255	217	255	929	900

Others

Key financials

	10-12/14	10-12/13	7-9/14	2014	2013
Comparable operating profit, MEUR	-2	-11	4	-7	-31
IFRS operating profit, MEUR	-6	-14	-1	-13	-26

The Others segment consists of the engineering and technology solutions company Neste Jacobs, 60/40-owned by Neste Oil and Jacobs Engineering; Nynas, a joint venture 50/50-owned by Neste Oil and Petróleos de Venezuela; and common corporate costs. The comparable operating profit of the Others segment totaled EUR -2 million (-11 million) in the fourth quarter; joint arrangements accounted for EUR 1 million (-9 million) of this figure.

The full-year comparable operating profit for the Others segment totaled EUR -7 million (-31 million); of which Nynas accounted for EUR 11 million (-10 million).

Annual General Meeting

Neste Oil's Annual General Meeting (AGM) was held in Helsinki on 3 April 2014. The AGM adopted the company's financial statements and consolidated financial statements for 2013 and discharged the Board of Directors and the President & CEO from liability for 2013. The AGM also approved the Board of Directors' proposal regarding the distribution of the company's profit for 2013. A dividend of EUR 0.65 per share was paid on 15 April 2014.

In accordance with the proposal made by the Shareholders' Nomination Board, the AGM confirmed the membership of the Board of Directors at seven members, and the following were re-elected to serve until the end of the next AGM: Mr. Jorma Eloranta, Ms. Maija-Liisa Friman, Mr. Per-Arne Blomquist, Ms. Laura Raitio, Mr. Willem Schoeber, and Ms. Kirsi Sormunen. Mr. Jean-Baptiste Renard was elected as a new Board member. Mr. Eloranta was re-elected as Chair and Ms. Friman as Vice Chair. The AGM decided to keep the remuneration paid to Board members unchanged.

Convening after the Annual General Meeting, the Board of Directors elected the members of its two Committees. Jorma Eloranta was elected Chair and Maija-Liisa Friman and Ms. Laura Raitio as members of the Personnel and Remuneration Committee. Per-Arne Blomquist was elected Chair and Jean-Baptiste Renard, Willem Schoeber, and Kirsi Sormunen as members of the Audit Committee.

In accordance with a proposal by the Board of Directors, PricewaterhouseCoopers Oy were appointed as the company's Auditor, with Authorized Public Accountant Mr. Markku Katajisto as the principle responsible auditor, until the end of the next AGM. Payment for their services shall be made in accordance with their invoice approved by the Company.

In accordance with a proposal by the Board of Directors, the Company's Articles of Association were amended as follows:

a. Remove the requirement contained in Article 4 that a person who has reached the age of 68 cannot be elected to the Board of Directors and keep Article 4 otherwise unchanged.

b. Amend Article 10 to read as follows:

"10 § Notice of a General Meeting of Shareholders

Notices convening a General Meeting of Shareholders are issued by the Board of Directors. Notices shall be delivered by publishing them on the Company's Web site no earlier than two (2) months and no later than three (3) weeks prior to a meeting and at least nine (9) days prior to the record date set for the meeting. In addition, the Company shall publish details on the date and location of the meeting, together with the address of the Company's Web site, in one or more newspapers within the same period of time.

To participate in a General Meeting of Shareholders, a shareholder must register with the Company by the date specified in the notice, which date shall not be earlier than ten (10) days before the General Meeting of Shareholders. Since the Company's shares are included in the book-entry system, the provisions of the Finnish Companies Act concerning the right to participate in General Meetings of Shareholders shall also be taken into account.

The General Meetings of Shareholders shall be held in Espoo, Helsinki, or Vantaa."

In accordance with a proposal by the Board of Directors, the AGM authorized the Board to decide the purchase of the Company's own shares ('Buyback authorization') under the following terms:

Under this authorization, the Board shall be authorized to decide the purchase of and/or take as security a maximum of 2,000,000 Company shares using the Company's unrestricted equity. The number of shares shall be equivalent to approximately 0.78% of the Company's total shares.

Shares may be purchased in one or more lots. The purchase price shall be at least the lowest price paid for Company shares in regulated trading at the time of purchase and no more than the highest price paid for Company shares in regulated trading at the time of purchase. In connection with the buyback of Company shares, derivative, share lending, or other agreements that are normal within the framework of capital markets may take place in accordance with legislative and regulatory requirements and at a price determined by the market. The authorization shall allow the Board to decide to purchase shares otherwise than in proportion to shareholders' current holdings (directed buyback).

Shares so purchased can be used as consideration in possible acquisitions or in other arrangements that are part of the Company's business, to finance investments, as part of the Company's incentive program, or be retained, conveyed, or cancelled by the Company.

The Board of Directors shall decide the other terms related to the buyback of Company shares. The Buyback authorization shall remain in force for eighteen (18) months from the decision taken by the AGM.

In accordance with a proposal by the Board of Directors, the AGM authorized the Board to decide the conveyance of the treasury shares held by the Company under the following terms:

Under this authorization, the Board shall be authorized to take one or more decisions concerning the distribution of the treasury shares held by the Company, with the proviso that the number of shares thereby conveyed totals a maximum of 2,000,000 shares, equivalent to approximately 0.78% of all the Company's shares.

The treasury shares held by the Company can be distributed to the Company's shareholders in proportion to the shares they already own or via a directed share issue that bypasses shareholders' pre-emptive rights if the Company has a weighty financial reason for doing so, such as using the shares in question as consideration in possible acquisitions or in other arrangements that are part of the Company's business, to finance investments, or as part of the Company's incentive program.

The treasury shares held by the Company can be conveyed against payment or distributed free of charge. A directed share issue can only be made free of charge if there is a particularly weighty financial reason, in respect of the Company's interests and those of all its shareholders, for doing so.

The Board will also be responsible for the other terms and conditions of a share issue. The authorization shall remain in force until 30 June 2017.

Shares, share trading, and ownership

Neste Oil’s shares are traded on NASDAQ Helsinki Ltd. The share price closed the year 2014 at EUR 20.06, up by 39.6% compared to the end of 2013. The total shareholder return (TSR) was 44.1% (51.0%) in 2014. At its highest during 2014, the share price reached EUR 20.32, while at its lowest the price stood at EUR 13.24. Market capitalization was EUR 5.1 billion as of 31 December 2014. An average of 0.9 million shares were traded daily, representing 0.4% of the company’s shares.

Neste Oil’s share capital registered with the Company Register as of 31 December 2014 totaled EUR 40 million, and the total number of shares outstanding was 256,403,686. As resolved by the AGM held on 3 April 2014, the Board of Directors was authorized to purchase and/or take as security a maximum of 2,000,000 company shares using the company's unrestricted equity. At the end of December 2014, Neste Oil held 1,000,000 treasury shares purchased under this authorization. The Board of Directors has no authorization to issue convertible bonds, share options, or new shares.

As of the end of the year, the Finnish State owned 50.1% (50.1% at the end of 2013) of outstanding shares, foreign institutions 25.1% (17.2%), Finnish institutions 12.5% (17.8%), and Finnish households 12.3% (14.9%).

Personnel

Neste Oil employed an average of 4,989 (5,097) employees in 2014, of which 1,512 (1,452) were based outside Finland. As of the end of 2014, the company had 4,833 employees (5,049), of which 1,524 (1,477) were located outside Finland.

Health, safety, and the environment

Neste Oil's safety performance developed positively in 2014. Improvement in safety performance was supported by a development program focused on safety leadership and increasing safety awareness among Neste Oil employees and contractors.

People safety performance improved clearly during 2014. The total recordable injury frequency (TRIF, number of incidents per million hours worked) was 2.7 (4.3).The figure includes both Neste Oil's own and contractors' personnel. The corporate target for 2014 was below 3.3. TRIF related to Neste Oil's own personnel improved from 3.4 (2013) to 1.4 as the contractor TRIF stayed at the same level compared to previous year. Process safety level improved slightly. Process Safety Events Rate (PSER) remained at 3.0, but the severity of incidents was lower. The corporate PSER target for 2014 was 3.0.

Operational environmental emissions were in substantial compliance at all sites. Permitted levels were exceeded eight times, but all were of a minor nature. No serious environmental incidents resulting in liability occurred at Neste Oil's refineries or other production facilities in 2014.

European biofuels market is regulated by the European Renewable Energy Directive (RED). Neste Oil's internal procedures are in compliance with the directive's requirements, and the company's sustainability verification scheme was approved by the European Commission in January 2014.

In April 2014, The Forest Trust (TFT), a non-profit organization focused on preventing deforestation, released its first report on verification of Neste Oil's No-deforestation guidelines among the palm oil suppliers. The verification covers risk assessment of supply chain and goes beyond Neste Oil's own operations to identify potential sustainability risks linked to the company's suppliers. According to the report, Neste Oil has done an excellent job in due diligence and supplier vetting; none of the mills selling certified raw material to Neste Oil was identified as having a high risk for undesirable land use change.

The 100% palm oil certification rate reached in 2013 was continued in 2014. Neste Oil retained its position in a number of sustainability indexes during 2014, and was included in the Dow Jones Sustainability World Index (DJSI World) for the eighth year in succession and on The Global 100 list of the world's most sustainable companies for the ninth year in succession. For the first time, the company was also included in the more demanding Dow Jones Sustainability Europe Index. Neste Oil was also rated among the top performers in the oil & gas sector by CDP Forest, which reviews industries using forest risk commodities.

Research and development

Broadening both the renewable and fossil feedstock base has been a key research topic in 2014. In addition, exploring growth opportunities beyond the current product portfolio, even beyond traffic fuels, has been a new growing area of interest. In 2014 the new product launches comprised a low sulphur marine fuel and the high quality Futura branded fuels in the Baltic countries and Russia. Efficiency improvements at the company's oil refineries and renewable refineries continued as a key focus area of technology development. Neste Oil's R&D expenditure totaled EUR 40 million (40 million) in 2014. As in the previous years, majority of the R&D expenditure was devoted to feedstock research. In 2014 the waste and residue based feedstock increased by more than 30% to 1.6 (1.2) million tons and accounted already for 62% (52%) of the total NEXBTL feed. At the same time the overall NEXBTL production volume increased to 2.1 (1.9) million tons. Especially lower grade waste and residue feedstock e.g. used cooking oil and low quality animal fat quantities were increased.

Main published events during 2014

On 20 February, Neste Oil announced that it had agreed on a business transfer under which Neste Oil will transfer the ship management functions of Neste Shipping to Norwegian-based OSM Group AS. The outsourcing of ship management functions is part of Neste Oil's plan to exit the shipping business announced on 19 September 2013.

On 28 April, Neste Oil and AGA announced that they had signed a long-term hydrogen supply agreement covering Neste Oil's Porvoo refinery, under which AGA will invest in a new hydrogen production unit at the refinery.

On 29 April, Neste Oil announced that it had completed the arrangements to sell its key vessels to companies owned by Finland's National Emergency Supply Agency and Ilmarinen and outsource its ship management functions to OSM Ship Management Finland Oy.

On 30 April, Neste Oil announced that it had signed a new EUR 1.5 billion multi-currency revolving credit facility with a syndicate of 20 core relationship banks. The new facility refinances the Group's existing EUR 1.5 billion facility dating from December 2010, and will be used for general corporate purposes.

On 12 May, Neste Oil announced that Diesel Production Line 4 at the Porvoo refinery would be shut down for maintenance because of an unexpected mechanical failure in one of the line's process units.

On 29 August, Neste Oil announced that it expected repair work on the damaged hydrogen unit at Porvoo would take until the end of October and that the incident was likely to have an impact totaling approximately EUR 60 million on the company's comparable operating profit. The improved oil products market was expected to contribute some EUR 30 million by way of compensating for this impact. Neste Oil revised its guidance, stating that it expected its comparable operating profit for 2014 to come in at under EUR 400 million.

On 8 September, Neste Oil announced that the company's Shareholders' Nomination Board had been appointed, with the following members: Eero Heliövaara, Director General of the Prime Minister's Office's Ownership Steering Department (Chair); Timo Ritakallio, Deputy CEO of Ilmarinen Mutual Pension Insurance Company; Reima Rytsölä, Chief Investment Officer of Varma Mutual Pension Insurance Company; and Jorma Eloranta, the Chair of Neste Oil's Board of Directors. On 10 September, Neste Oil announced that it is to build a biopropane unit at its refinery in Rotterdam. The project started immediately and the plan is to begin sales of biopropane at the end of 2016. The total value of the investment is approximately EUR 60 million.

On 11 September, Neste Oil held a Capital Markets Day in London and highlighted the company's goal of being the Baltic Sea downstream champion and growing in global renewable feedstock-based markets. Neste Oil is targeting a strong cash flow to facilitate investments in improving productivity and growth, reduce its debt, and ensure stable dividends. Investors were also updated about plans to extend the NEXBTL product family into completely new applications outside traffic fuels. New NEXBTL applications are expected to develop into a significant business by the end of the decade. Neste Oil's financial targets and dividend policy remain unchanged.

On 7 October, Neste Oil announced that it is to make major investments in Finland, integrate the operations of its Finnish refineries, and reduce personnel. Neste Oil is planning to initiate a major development program to rationalize its operations. Investments totaling approx. EUR 500 million are to be made in growth and optimizing production at the Porvoo and Naantali refineries in Finland. The plan is to closely integrate refinery operations at Porvoo and Naantali to achieve better operational and cost efficiency. The impact of these changes, together with changes already implemented, are expected to reduce Neste Oil’s labor requirement by approx. 250 employees, primarily in Finland. Neste Oil issued an invitation to personnel to take part in statutory employer-employee negotiations covering these changes. Neste Oil was also investigating the future of the electricity distribution system at the Porvoo refinery. The project to modernize energy generation at the Porvoo refinery has been modified and the plan now is to implement the power plant investment, valued at more than EUR 250 million, through a joint venture with Veolia and Borealis.

On 26 November, Neste Oil announced that it had completed the statutory employer-employee negotiations commenced on 7 October, 2014. As the result of the negotiations, Neste Oil's personnel will be reduced by 203 employees in Finland by the end of 2016.

On 18 December; Neste Oil announced that it had agreed to sell all shares of Kilpilahden Sähkönsiirto Oy to InfraVia European Fund II, an infrastructure fund managed by InfraVia. The sale will produce a capital gain of approximately EUR 80 million for Neste Oil. The transaction was expected to be completed during the first quarter of 2015. The Neste Oil's decision to investigate the future of the electricity distribution network at the Porvoo refinery was first announced on 7 October 2014.

On 20 December, Neste Oil announced that the company had revised its guidance and now expected the Group's full-year comparable operating profit to be above EUR 550 million in 2014. Previously the company expected it to be above EUR 400 million. The revised guidance was a result of better than expected business performance during the fourth quarter, as well as an insurance compensation for the Porvoo refinery hydrogen unit damage, and reintroduction of the Blender's Tax Credit (BTC) in the US.

Events after the reporting period

On 20 January, Neste Oil announced that the Shareholders' Nomination Board, established by Neste Oil Corporation's Annual General Meeting (AGM), will propose to the AGM to be held on 1 April 2015 that the company's Board of Directors should comprise the following members: Mr. Jorma Eloranta should be re-elected as Chair and Ms. Maija-Liisa Friman as Vice Chair of the Board. In addition, Board members Ms. Laura Raitio, Mr. Jean-Baptiste Renard, Mr. Willem Schoeber, and Ms. Kirsi Sormunen should be re-elected for a further term of office. The Shareholders' Nomination Board's candidate to serve as a new Board member is Marco Wirén.

Potential risks

The oil market has been and is expected to continue to be very volatile. Oil refiners are exposed to a variety of political and economic trends and events, as well as natural phenomena that affect the short- and long-term supply of and demand for the products that they produce and sell. The political crisis in Ukraine has increased general uncertainty in the European energy market, but has not materially impacted oil and gas supply.

Uncertainty continues to be focused on the development of the world economy, which is likely to have a material impact on the demand for petroleum products generally and diesel fuel in particular.

Sudden and unplanned outages at Neste Oil's production units or facilities continue to represent an inherent operational risk.

Rapid and large changes in feedstock and product prices may lead to significant inventory gains or losses, or changes in working capital, and may have a material impact on the company's IFRS operating profit and net cash from operations.

The implementation of biofuel legislation in the EU, North America, and other key market areas may influence the speed at which the demand for these fuels develops. Over the longer term, failure to protect Neste Oil's proprietary technology or the introduction and implementation of competing technologies may have a negative impact on the company's results. Margins in the Renewable Products business can be volatile in various markets due to rapidly changing feedstock and product prices, and affect the profitability of the business as a result.

Over the longer term, access to funding and rising capital costs, as well as challenges in procuring and developing new competitive and reasonably priced raw materials, may impact the company's results.

The key market drivers for Neste Oil's financial performance are refining margins, the price differential between Russian Export Blend (REB) and Brent crude, the USD/EUR exchange rate, the price differentials between different vegetable oils and between vegetable and mineral oils, and biodiesel margins.

Neste Oil's risk management aims to mitigate or eliminate the above-mentioned potential risks. For more detailed information on Neste Oil's risks and risk management, please refer to the Annual Report and the Notes to the Financial Statements.

Outlook

Developments in the global economy have been reflected in the oil, renewable fuel, and renewable feedstock markets; and volatility in these markets is expected to continue.

Global oil demand is anticipated to continue increasing, but growth estimates are generally slightly below 1 million bbl/d for 2015. The forward reference refining margin is currently reasonably strong. However, the refining capacity growth of more than 1 million bbl/d in Asia and Middle East is expected to create some pressure on global product supply demand balance particularly during the second half of the year. Transatlantic supply demand balance is also dependent on the planned and unplanned refinery shutdowns. Gasoline margins are currently supported by contango buying, and the coming driving season typically supports gasoline market in the spring. Middle distillate imports from Russia, the Middle East, and the US are expected to remain on a high level also in 2015.

Vegetable oil price differentials are expected to vary, depending on crop outlooks, weather phenomena, and variations in demand for different feedstocks, but no fundamental changes in the drivers influencing long-term average feedstock price differentials are expected. Feedstock prices have been on a downward trend, but vegetable oil price differentials have remained narrower than the historical average. Market volatility in feedstock and oil prices is expected to continue, which will have an impact on the Renewable Products segment's profitability.

In 2015, the Group's investments are expected to total approx. EUR 450 million, including some EUR 100 million for a major turnaround at the Porvoo refinery. The Porvoo turnaround is scheduled to start in April 2015 and is expected to last for approx. 8 weeks. Product inventory of approx. EUR 200 million is planned to be built in anticipation of the turnaround. The turnaround is expected to have an approx. EUR 70 million negative impact on Oil Products segment's comparable operating profit.

Crude oil price changes, supply and demand balances, together with uncertainties related to political decision-making on biofuel mandates, the US Blender's Tax Credit and other incentives will be reflected in the oil and renewable fuel markets.

Based on the above, Neste Oil expects the Group's full-year 2015 comparable operating profit to be robust, although probably lower than that reached in 2014.

Dividend distribution proposal

Neste Oil's dividend policy is to distribute at least one third of its comparable net profit in the form of a dividend. The parent company's distributable equity as of 31 December 2014 amounted to EUR 1,123 million, and there have been no material changes in the company's financial position since the end of the financial year. The Board of Directors will propose to the Annual General Meeting that Neste Oil Corporation pays a cash dividend of EUR 0.65 per share (0.65) for 2014, totaling EUR 166 million (167 million) based on the number of outstanding shares.

The proposed dividend represents a yield of 3.2% (at year-end 2014 share price of EUR 20.06) and 41% of the comparable net profit in 2014.

Reporting date for the company's first-quarter 2015 results

Neste Oil will publish its first-quarter results on 24 April 2015 at approximately 9:00 a.m. EET.

Espoo, 3 February 2015

Neste Oil Corporation
Board of Directors

Further information:

Matti Lievonen, President & CEO, tel. +358 10 458 11
Jyrki Mäki-Kala, CFO, tel. +358 10 458 4098
Investor Relations, tel. +358 10 458 5292

News conference and conference call

A press conference in Finnish on 2014 results will be held today, 4 February 2015, at 11:30 a.m. EET at the company's headquarters at Keilaranta 21, Espoo. www.nesteoil.com will feature English versions of the presentation materials. A conference call in English for investors and analysts will be held on 4 February 2015 at 3 p.m. Finland / 1 p.m. London / 8 a.m. New York. The call-in numbers are as follows: Finland: +358 (0)9 2310 1620, Europe: +44 (0)20 3427 1916, US: +1 646 254 3366, using access code 5331558. The conference call can be followed at the company's web site. An instant replay of the call will be available until 11 February 2015 at +358 (0)9 2310 1650 for Finland at +44 (0)20 3427 0598 for Europe and +1 347 366 9565 for the US, using access code 5331558#.

The preceding information contains, or may be deemed to contain, “forward-looking statements”. These statements relate to future events or our future financial performance, including, but not limited to, strategic plans, potential growth, planned operational changes, expected capital expenditures, future cash sources and requirements, liquidity and cost savings that involve known and unknown risks, uncertainties, and other factors that may cause Neste Oil Corporation’s or its businesses’ actual results, levels of activity, performance or achievements to be materially different from those expressed or implied by any forward-looking statements. In some cases, such forward-looking statements can be identified by terminology such as “may,” “will,” “could,” “would,” “should,” “expect,” “plan,” “anticipate,” “intend,” “believe,” “estimate,” “predict,” “potential,” or “continue,” or the negative of those terms or other comparable terminology. By their nature, forward-looking statements involve risks and uncertainties because they relate to events and depend on circumstances that may or may not occur in the future. Future results may vary from the results expressed in, or implied by, the forward-looking statements, possibly to a material degree. All forward-looking statements made in this report are based on information presently available to management and Neste Oil Corporation assumes no obligation to update any forward-looking statements. Nothing in this report constitutes investment advice and this report shall not constitute an offer to sell or the solicitation of an offer to buy any securities or otherwise to engage in any investment activity.

10-12/2014 and 10-12/2013 unaudited, full year 2014 and 2013 audited

FINANCIAL STATEMENT SUMMARY AND NOTES TO THE FINANCIAL STATEMENT

The figures in the tables are exact figures and consequently the sum of individual figures may deviate from the sum presented.

CONSOLIDATED STATEMENT OF INCOME

MEUR	Note	10-12/2014*	Restated 10-12/2013*	1-12/2014*	Restated 1-12/2013*
Revenue	3	**3,552**	4,516	**15,011**	17,238
Other income		**44**	12	**57**	79
Share of profit (loss) of joint ventures		**1**	-11	**7**	-9
Materials and services		**-3,368**	-4,060	**-13,932**	-15,597
Employee benefit costs		**-94**	-91	**-339**	-354
Depreciation, amortization and impairments	3	**-85**	-82	**-330**	-323
Other expenses		**-76**	-99	**-324**	-402
Operating profit		**-27**	185	**150**	632
Financial income and expenses					
Financial income		**1**	0	**4**	2
Financial expenses		**-14**	-21	**-75**	-81
Exchange rate and fair value gains and losses		**8**	3	**-1**	8
Total financial income and expenses		**-5**	-18	**-72**	-71
Profit before income taxes		**-32**	167	**78**	561
Income tax expense		**10**	26	**-18**	-37
Profit for the period		**-23**	193	**60**	524
Profit attributable to:					
Owners of the parent		**-23**	193	**57**	523
Non-controlling interests		**1**	0	**3**	1
		-23	193	**60**	524
Earnings per share from profit attributable to the owners of the parent basic and diluted (in euro per share)		**-0.09**	0.75	**0.22**	2.04

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

MEUR	10-12/2014	10-12/2013	1-12/2014	1-12/2013
Profit for the period	**-23**	193	**60**	524
Other comprehensive income net of tax:				
Items that will not be reclassified to profit or loss				
Remeasurements on defined benefit plans	**-33**	-6	**-55**	-1
Items that may be reclassified subsequently to profit or loss				
Translation differences	**-26**	-16	**-30**	-33
Cash flow hedges				
recorded in equity	**-27**	2	**-48**	10
transferred to income statement	**8**	-9	**1**	-19
Net investment hedges	**0**	0	**0**	0
Share of other comprehensive income of investments accounted for using the equity method	**-5**	0	**-9**	-1
Total	**-51**	-23	**-86**	-43
Other comprehensive income for the period, net of tax	**-85**	-29	**-141**	-44
Total comprehensive income for the period	**-107**	164	**-81**	480
Total comprehensive income attributable to:				
Owners of the parent	**-108**	164	**-84**	479
Non-controlling interests	**1**	0	**3**	1
	-107	164	**-81**	480

* The Group has adopted the new IFRS 11 Joint Arrangements standard on 1 January 2014 and the comparatives for 2013 have been restated. Upon the preparation of annual accounts 2014, some presentation changes were made retrospectively quarterly in 2013 and 2014: the product swaps previously included in Revenue are now netted with the corresponding expenses in Materials and Services based on IAS 18 and additionally some other sales related expenses (e.g. freights), previously included in 'Other Expenses', are presented now in 'Materials and Services' quarterly in 2013 and 2014. Please see note 4.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

MEUR	Note	31 Dec 2014	Restated 31 Dec 2013*
ASSETS			
Non-current assets			
Intangible assets	7	**62**	62
Property, plant and equipment	7	**3,667**	3,743
Investments in joint ventures		**195**	224
Non-current receivables		**50**	3
Deferred tax assets		**55**	29
Derivative financial instruments	9	**25**	22
Available-for-sale financial assets		**5**	4
Total non-current assets		**4,058**	4,087
Current assets			
Inventories		**1,055**	1,468
Trade and other receivables		**887**	947
Derivative financial instruments	9	**144**	34
Cash and cash equivalents		**246**	506
Total current assets		**2,333**	2,955
Assets classified as held for sale	6	**103**	0
Total assets		**6,494**	7,043
EQUITY			
Capital and reserves attributable to the owners of the parent			
Share capital		**40**	40
Other equity	2	**2,601**	2,868
Total		**2,641**	2,908
Non-controlling interest		**18**	16
Total equity		**2,659**	2,924
LIABILITIES			
Non-current liabilities			
Interest-bearing liabilities		**1,245**	1,586
Deferred tax liabilities		**265**	266
Provisions		**21**	37
Pension liabilities		**155**	93
Derivative financial instruments	9	**5**	7
Other non-current liabilities		**1**	7
Total non-current liabilities		**1,691**	1,996
Current liabilities			
Interest-bearing liabilities		**622**	171
Current tax liabilities		**4**	49
Derivative financial instruments	9	**128**	25
Trade and other payables		**1,388**	1,877
Total current liabilities		**2,141**	2,122
Liabilities related to assets held for sale	6	**2**	0
Total liabilities		**3,835**	4,119
Total equity and liabilities		**6,494**	7,043

* The Group has adopted the new IFRS 11 Joint Arrangements standard on 1 January 2014. The comparative figures for 2013 have been restated.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

MEUR	10-12/2014	10-12/2013	1-12/2014	1-12/2013
Cash flow from operating activities				
Profit before income taxes	**-32**	167	**78**	561
Adjustments, total	**33**	101	**325**	360
Change in working capital	**370**	386	**-33**	100
Cash generated from operations	**370**	654	**369**	1,021
Finance cost, net	**-20**	-13	**-44**	-98
Income taxes paid	**0**	-12	**-77**	-84
Net cash generated from operating activities	**351**	629	**248**	839
Cash flows from investing activities				
Capital expenditure	**-115**	-72	**-272**	-214
Acquisition of other shares	**0**	0	**0**	0
Proceeds from sales of shares in subsidiaries	**0**	0	**0**	75
Proceeds from sales of fixed assets	**2**	1	**4**	2
Proceeds from capital repayments in joint arrangements	**0**	0	**18**	0
Change in long-term receivables and other investments [1)]	**-2**	7	**-56**	57
Cash flows from investing activities	**-114**	-64	**-306**	-80
Cash flow before financing activities	**237**	565	**-59**	759
Cash flows from financing activities				
Net change in loans and other financing activities	**-166**	-145	**-23**	-557
Purchase of treasury shares	**0**	0	**-15**	0
Dividends paid to the owners of the parent	**0**	0	**-167**	-97
Dividends paid to non-controlling interests	**0**	0	**0**	-1
Cash flows from financing activities	**-166**	-145	**-205**	-655
Net increase (+)/decrease (-) in cash and cash equivalents	**71**	420	**-263**	104

[1)] Including penalty payment in Q1 2014 to Finnish Customs totaling approximately EUR 44 million.

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

MEUR	Share capital	Reserve fund	Fair value and other reserves	Translation differences	Actuarial gains and losses	Treasury shares	Retained earnings	Owners of the parent	Non-controlling interests	Total equity
Total equity at 1 January 2013	40	18	10	2	-29	0	2,483	2,524	16	2,540
Profit for the period							523	523	1	524
Other comprehensive income for the period			-10	-33	-1			-44		-44
Total comprehensive income for the period			-10	-33	-1		523	479	1	480
Dividend paid							-97	-97	-1	-98
Share-based compensation							2	2		2
Transfer from retained earnings		0					0	0		0
Total equity at 31 December 2013	40	18	0	-31	-30	0	2,911	2,908	16	2,924

MEUR	Share capital	Reserve fund	Fair value and other reserves	Translation differences	Actuarial gains and losses	Treasury shares	Retained earnings	Owners of the parent	Non-controlling interests	Total equity
Total equity at 1 January 2014	**40**	**18**	**0**	**-31**	**-30**	**0**	**2,911**	**2,908**	**16**	**2,924**
Profit for the period							**57**	**57**	**3**	**60**
Other comprehensive income for the period			**-56**	**-30**	**-55**			**-141**		**-141**
Total comprehensive income for the period			**-56**	**-30**	**-55**		**57**	**-84**	**3**	**-81**
Dividend paid							**-167**	**-167**	**0**	**-167**
Share-based compensation							**-1**	**-1**		**-1**
Transfer from retained earnings		**1**					**-1**	**0**		**0**
Purchase of treasury shares						**-15**		**-15**		**-15**
Total equity at 31 December 2014	**40**	**19**	**-56**	**-61**	**-85**	**-15**	**2,800**	**2,641**	**18**	**2,659**

KEY FINANCIAL INDICATORS

	31 Dec 2014	31 Dec 2013
Capital employed, MEUR	**4,526**	4,682
Interest-bearing net debt, MEUR	**1,621**	1,252
Capital expenditure and investment in shares, MEUR	**418**	214
Return on average capital employed, after tax, ROACE %	**10.1**	11.7
Return on capital employed, pre-tax, ROCE %	**3.3**	13.4
Return on equity %	**2.1**	19.2
Equity per share, EUR	**10.34**	11.36
Cash flow per share, EUR	**0.97**	3.28
Price/earnings ratio (P/E)	**89.62**	7.04
Equity-to-assets ratio, %	**41.0**	41.6
Leverage ratio, %	**37.9**	30.0
Gearing, %	**60.9**	42.8
Dividend per share [1]	**0.65** [1]	0.65
Dividend payout ratio, % [1]	**290.4** [1]	31.8
Dividend yield, % [1]	**3.2** [1]	4.5
Average number of shares	**255,532,039**	255,967,244
Number of shares at the end of the period	**255,403,686**	255,982,212
Average number of personnel	**4,989**	5,097

[1] Board of Directors proposal to the Annual General Meeting

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by EU. The condensed interim report should be read in conjunction with the consolidated financial statements for the year ended 31 December 2013. The accounting policies adopted are consistent with those of the Group's annual financial statements for the year ended 31 December 2013, with the exception of the adoption of new IFRS standards and IFRIC interpretations effective during 2014 that are relevant to its operations. The IFRS principles require the management to make estimates and assumptions when preparing financial statements. Although these estimates and assumptions are based on the management´s best knowledge of today, the final outcome may differ from the estimated values presented in the financial statements.

The Group applies the following new standards as of 1 January 2014:

- IFRS 10 Consolidated Financial Statements
- IFRS 11 Joint Arrangements
- IFRS 12 Disclosure of Interests in Other Entities

The Group has adopted the new IFRS 10 Consolidated Financial Statement and IFRS 11 Joint Arrangements as of 1 January 2014. Under IFRS 11 there are two types of joint arrangements: joint ventures and joint operations. The IFRS 11 standard only permits the equity method in consolidation of joint ventures and requires that a joint operator accounts for its share of the joint operations assets, liabilities, revenue, expenses and cash flow. The Group's joint ventures are consolidated using the equity method and therefore the adoption of IFRS 11 did not change their accounting treatment. For joint operations the Group no longer uses the equity method but instead consolidates its share of the joint operations assets, liabilities, revenues, expenses and cash flow on a line by line bases. The joint operations have an immaterial impact on the Group's financial position. The comparative information for 2013 has been restated according to the transition rules.

Other new standards and amendments did not have a material impact on the reported income statement, statement of financial position or notes.

2. TREASURY SHARES

In 2007 Neste Oil entered into an agreement with a third party service provider concerning the administration of the share-based management share performance arrangement for key management personnel. As part of the agreement, the service provider purchased a total of 500,000 Neste Oil shares in February 2007 in order to hedge part of Neste Oil's cash flow risk in relation to the possible future payment of the rewards. Despite the legal form of the hedging arrangement, it has been accounted for as if the share purchases had been conducted directly by Neste Oil, as required by IFRS 2 Share based payments and IFRS 10 Consolidation. The consolidated statement of financial position and the consolidated changes in total equity reflect the substance of the arrangement with a deduction amounting to EUR 12 million in equity. This amount represents the consideration paid for the shares by the third party service provider.

As at 31 December 2013 there were 421,474 shares accounted as treasury shares. In March 2014 Neste Oil decided to assign 202,391 shares. At the date of the transfer, the value of the shares was EUR 3 million. In November 2014 Neste Oil terminated an agreement with the third party service provider. The remaining own shares totaling 219,083 were sold and EUR 4 million was returned into equity. This amount represents the value of the shares sold by the third party service provider.

In the Annual General Meeting on 3 April 2014 the Board of Directors was authorized to decide the purchase of and/or take as security a maximum of 2,000,000 company shares using the company's unrestricted equity. As of 31 December 2014 Neste Oil Corporation held a total of 1,000,000 treasury shares, and the acquisition cost of EUR 15 million has been deducted from equity.

3. SEGMENT INFORMATION

Neste Oil's operations are grouped into four reporting segments: Oil Products, Renewable Products, Oil Retail and Others. Others segment consists of Group administration, shared service functions, Research and Technology, Neste Jacobs and Nynas AB. The performance of the reporting segments are reviewed regularly by the chief operating decision maker, Neste Oil President & CEO, to assess performance and to decide on allocation of resources.

REVENUE

MEUR	10-12/2014	10-12/2013	1-12/2014	1-12/2013
Oil Products	**2,652**	3,398	**11,285**	13,041
Renewable Products	**575**	732	**2,269**	2,493
Oil Retail	**1,046**	1,120	**4,294**	4,532
Others	**63**	49	**238**	206
Eliminations	**-785**	-783	**-3,075**	-3,034
Total	**3,552**	4,516	**15,011**	17,238

OPERATING PROFIT

MEUR	10-12/2014	10-12/2013	1-12/2014	1-12/2013
Oil Products	**-181**	93	**-110**	286
Renewable Products	**153**	93	**207**	252
Oil Retail	**8**	15	**68**	120
Others	**-6**	-14	**-13**	-26
Eliminations	**-2**	-2	**-3**	0
Total	**-27**	185	**150**	632

COMPARABLE OPERATING PROFIT

MEUR	10-12/2014	10-12/2013	1-12/2014	1-12/2013
Oil Products	**109**	67	**285**	275
Renewable Products	**141**	94	**239**	273
Oil Retail	**8**	15	**68**	77
Others	**-2**	-11	**-7**	-31
Eliminations	**-2**	-2	**-3**	2
Total	**254**	163	**583**	596

DEPRECIATION, AMORTIZATION AND IMPAIRMENTS

MEUR	10-12/2014	10-12/2013	1-12/2014	1-12/2013
Oil Products	**50**	48	**193**	185
Renewable Products	**25**	24	**96**	98
Oil Retail	**6**	7	**26**	28
Others	**4**	3	**15**	13
Eliminations	**0**	0	**0**	-1
Total	**85**	82	**330**	323

CAPITAL EXPENDITURE AND INVESTMENTS IN SHARES

MEUR	10-12/2014	10-12/2013	1-12/2014	1-12/2013
Oil Products	**114**	47	**276**	142
Renewable Products	**48**	6	**113**	21
Oil Retail	**4**	12	**19**	31
Others	**5**	7	**18**	20
Eliminations	**0**	0	**-9**	0
Total	**171**	72	**418**	214

TOTAL ASSETS

MEUR	31 Dec 2014	31 Dec 2013
Oil Products	**3,264**	3,721
Renewable Products	**2,198**	2,043
Oil Retail	**472**	556
Others	**418**	419
Unallocated assets	**420**	596
Eliminations	**-278**	-292
Total	**6,494**	7,043

NET ASSETS

MEUR	31 Dec 2014	31 Dec 2013
Oil Products	**2,160**	2,163
Renewable Products	**1,923**	1,768
Oil Retail	**201**	255
Others	**190**	259
Eliminations	**-6**	-2
Total	**4,469**	4,443

TOTAL LIABILITIES MEUR	31 Dec 2014	31 Dec 2013
Oil Products	**1,104**	1,558
Renewable Products	**276**	275
Oil Retail	**271**	301
Others	**228**	160
Unallocated liabilities	**2,229**	2,115
Eliminations	**-273**	-290
Total	**3,835**	4,119

RETURN ON NET ASSETS, %	31 Dec 2014	31 Dec 2013
Oil Products	**-4.8**	12.1
Renewable Products	**11.5**	14.0
Oil Retail	**27.5**	41.2

COMPARABLE RETURN ON NET ASSETS, %	31 Dec 2014	31 Dec 2013
Oil Products	**12.4**	11.6
Renewable Products	**13.3**	15.2
Oil Retail	**27.6**	26.4

QUARTERLY SEGMENT INFORMATION

QUARTERLY REVENUE MEUR	10-12/2014	7-9/2014	4-6/2014	1-3/2014	10-12/2013	7-9/2013	4-6/2013	1-3/2013
Oil Products	**2,652**	**2,879**	**3,124**	**2,630**	3,398	3,425	2,952	3,266
Renewable Products	**575**	**560**	**603**	**531**	732	713	535	513
Oil Retail	**1,046**	**1,153**	**1,076**	**1,019**	1,120	1,174	1,085	1,153
Others	**63**	**58**	**60**	**58**	49	51	54	52
Eliminations	**-785**	**-803**	**-759**	**-728**	-783	-784	-700	-767
Total	**3,552**	**3,846**	**4,104**	**3,510**	4,516	4,579	3,926	4,217

QUARTERLY OPERATING PROFIT MEUR	10-12/2014	7-9/2014	4-6/2014	1-3/2014	10-12/2013	7-9/2013	4-6/2013	1-3/2013
Oil Products	**-181**	**11**	**46**	**13**	93	104	10	79
Renewable Products	**153**	**20**	**2**	**32**	93	116	34	9
Oil Retail	**8**	**26**	**20**	**15**	15	29	65	11
Others	**-6**	**-1**	**2**	**-8**	-14	0	0	-12
Eliminations	**-2**	**-3**	**-1**	**2**	-2	0	3	-1
Total	**-27**	**53**	**69**	**55**	185	249	112	86

QUARTERLY COMPARABLE OPERATING PROFIT MEUR	10-12/2014	7-9/2014	4-6/2014	1-3/2014	10-12/2013	7-9/2013	4-6/2013	1-3/2013
Oil Products	**109**	**110**	**33**	**33**	67	67	30	111
Renewable Products	**141**	**52**	**31**	**15**	94	120	33	26
Oil Retail	**8**	**26**	**20**	**15**	15	29	22	11
Others	**-2**	**4**	**2**	**-10**	-11	0	-8	-12
Eliminations	**-2**	**-3**	**-1**	**2**	-2	1	4	-1
Total	**254**	**190**	**85**	**55**	163	217	81	135

QUARTERLY DEPRECIATION, AMORTIZATION AND IMPAIRMENTS MEUR	10-12/2014	7-9/2014	4-6/2014	1-3/2014	10-12/2013	7-9/2013	4-6/2013	1-3/2013
Oil Products	**50**	**47**	**49**	**47**	48	46	46	45
Renewable Products	**25**	**24**	**24**	**24**	24	24	25	25
Oil Retail	**6**	**7**	**7**	**7**	7	6	7	8
Others	**4**	**4**	**4**	**3**	3	4	3	3
Eliminations	**0**	**0**	**0**	**0**	0	0	0	-1
Total	**85**	**82**	**83**	**81**	82	80	81	80

QUARTERLY CAPITAL EXPENDITURE AND INVESTMENTS IN SHARES MEUR	10-12/2014	7-9/2014	4-6/2014	1-3/2014	10-12/2013	7-9/2013	4-6/2013	1-3/2013
Oil Products	**114**	**74**	**55**	**33**	47	27	44	24
Renewable Products	**48**	**22**	**40**	**4**	6	2	8	5
Oil Retail	**4**	**6**	**7**	**3**	12	9	9	1
Others	**5**	**6**	**4**	**3**	7	4	5	4
Eliminations	**0**	**0**	**-9**	**0**	0	0	0	0
Total	**171**	**107**	**97**	**43**	72	42	66	34

RECONCILIATION BETWEEN COMPARABLE OPERATING PROFIT AND OPERATING PROFIT

Neste Oil has revised the method used to calculate its comparable operating profit and switched to using non-recurring items from the Q3 2014 interim report onwards.
The comparative figures for 2013 have been restated.

Group

MEUR	10-12/2014	10-12/2013	7-9/2014	1-12/2014	1-12/2013
COMPARABLE OPERATING PROFIT	254	163	190	583	596
- inventory gains/losses	-322	16	-169	-492	-19
- changes in the fair value of open oil derivatives	49	4	38	74	4
- non-recurring items	-8	2	-5	-16	51
capital gains and losses	1	1	0	-2	43
insurance and other compensations	0	6	0	0	13
others	-9	-5	-5	-14	-5
OPERATING PROFIT (IFRS)	-27	185	53	150	632

Oil Products

MEUR	10-12/2014	10-12/2013	7-9/2014	1-12/2014	1-12/2013
COMPARABLE OPERATING PROFIT	109	67	110	285	275
- inventory gains/losses	-269	29	-114	-381	16
- changes in the fair value of open oil derivatives	-16	-8	15	-5	-10
- non-recurring items	-5	5	0	-9	5
capital gains and losses	1	0	0	-4	0
insurance and other compensations	0	6	0	0	6
others	-5	-1	0	-5	-1
OPERATING PROFIT (IFRS)	-181	93	11	-110	286

Renewable Products

MEUR	10-12/2014	10-12/2013	7-9/2014	1-12/2014	1-12/2013
COMPARABLE OPERATING PROFIT	141	94	52	239	273
- inventory gains/losses	-53	-13	-55	-111	-35
- changes in the fair value of open oil derivatives	65	12	23	79	14
- non-recurring items	0	0	0	0	0
capital gains and losses	0	0	0	0	0
insurance and other compensations	0	0	0	0	0
others	0	0	0	0	0
OPERATING PROFIT (IFRS)	153	93	20	207	252

Oil Retail

MEUR	10-12/2014	10-12/2013	7-9/2014	1-12/2014	1-12/2013
COMPARABLE OPERATING PROFIT	8	15	26	68	77
- inventory gains/losses	0	0	0	0	0
- changes in the fair value of open oil derivatives	0	0	0	0	0
- non-recurring items	0	0	0	0	43
capital gains and losses	0	1	0	0	44
insurance and other compensations	0	0	0	0	0
others	0	-1	0	0	-1
OPERATING PROFIT (IFRS)	8	15	26	68	120

Others

MEUR	10-12/2014	10-12/2013	7-9/2014	1-12/2014	1-12/2013
COMPARABLE OPERATING PROFIT	-2	-11	4	-7	-31
- inventory gains/losses	0	0	0	0	0
- changes in the fair value of open oil derivatives	0	0	0	0	0
- non-recurring items	-3	-3	-5	-6	5
capital gains and losses	0	0	0	3	1
insurance and other compensations	0	0	0	0	7
others	-3	-3	-5	-9	-3
OPERATING PROFIT (IFRS)	-6	-14	-1	-13	-26

4. PRESENTATION CHANGES

MEUR	7-9/2014	4-6/2014	1-3/2014	1-12/2014	10-12/2013	7-9/2013	4-6/2013	1-3/2013	1-12/2013
Reported Revenue	3,982	4,248	3,654	15,011	4,604	4,630	3,970	4,258	17,462
Presentation of product swaps	-136	-144	-144	0	-95	-51	-44	-41	-230
First time adoption of IFRS 11	0	0	0	0	7	0	0	0	7
Restated Revenue	3,846	4,104	3,510	15,011	4,516	4,579	3,926	4,217	17,238

MEUR	7-9/2014	4-6/2014	1-3/2014	1-12/2014	10-12/2013	7-9/2013	4-6/2013	1-3/2013	1-12/2013
Reported Materials and Services	-3,621	-3,826	-3,253	-13,932	-4,043	-4,051	-3,563	-3,767	-15,424
Presentation of product swaps	136	144	144	0	95	51	44	41	230
Presentation of sales related other expenses	-100	-95	-94	0	-109	-98	-98	-95	-401
First time adoption of IFRS 11	0	0	0	0	-3	0	0	0	-3
Restated Materials and Services	-3,585	-3,776	-3,203	-13,932	-4,060	-4,098	-3,617	-3,821	-15,597

MEUR	7-9/2014	4-6/2014	1-3/2014	1-12/2014	10-12/2013	7-9/2013	4-6/2013	1-3/2013	1-12/2013
Reported Other Expenses	-162	-195	-179	-324	-205	-178	-180	-237	-800
Presentation of sales related other expenses	100	95	94	0	109	98	98	95	401
First time adoption of IFRS 11	0	0	0	0	-3	0	0	0	-3
Restated Other Expenses	-62	-100	-85	-324	-99	-80	-82	-142	-402

5. ACQUISITIONS AND DISPOSALS

In the first quarter 2014 Neste Oil sold its 100% interest in its subsidiary Neste LPG AB. The sale was completed on 31 March 2014 and a capital gain amounting to EUR 2 million resulting from the transaction has been included in the consolidated financial statements. The operations were part of the Oil Retail segment.

In the second quarter 2013 Neste Oil sold its 100% interest in its subsidiary Neste Polska Sp. z o.o. The sale was completed on 2 April 2013 and a capital gain amounting to EUR 48 million resulting from the transaction has been included in the consolidated financial statements. The operations were part of the Oil Retail segment.

6. ASSETS HELD FOR SALE

The assets and liabilities related to Kilpilahden Sähkönsiirto Oy have been presented as held for sale following the approval of the Group's management on 18 December 2014 to sell all shares of Kilpilahden Sähkönsiirto Oy to InfraVia European Fund II, an infrastructure fund managed by InfraVia. The transaction was completed on 2 January 2015. The operations are part of the Oil Products segment.

Assets classified as held for sale

MEUR	2014
Property, plant and equipment	99
Trade and other receivables	4
Total	103

Liabilities related to assets held for sale

MEUR	2014
Trade and other payables	2
Total	2

7. CHANGES IN INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT AND CAPITAL COMMITMENTS

CHANGES IN INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT MEUR	31 Dec 2014	31 Dec 2013
Opening balance at 1 January 2013		3,930
Change in accounting policy (IFRS 11)		2
Opening balance	**3,805**	3,932
Depreciation, amortization and impairments	**-330**	-323
Capital expenditure	**418**	214
Disposals	**-35**	-7
Assets classified as held for sale	**-99**	0
Translation differences	**-30**	-11
Closing balance	**3,729**	3,805

CAPITAL COMMITMENTS MEUR	31 Dec 2014	31 Dec 2013
Commitments to purchase property, plant and equipment	**51**	36
Total	**51**	36

8. INTEREST BEARING NET DEBT AND LIQUIDITY

Interest bearing net debt MEUR	31 Dec 2014	31 Dec 2013
Short term interest bearing liabilities	**622**	171
Long term interest bearing liabilities	**1,245**	1,587
Interest bearing liabilities	**1,866**	1,758
Cash and cash equivalents [1)]	**-246**	-506
Interest bearing net debt	**1,621**	1,252

[1)] includes interest-bearing receivables EUR 29 million on 31 December 2014

Liquidity, unused committed credit facilities and debt programs MEUR	31 Dec 2014	31 Dec 2013
Cash and cash equivalents	**246**	506
Unused committed credit facilities	**1,603**	1,650
Total	**1,849**	2,156
In addition: Unused CP programmes (not committed)	**345**	400

9. DERIVATIVE FINANCIAL INSTRUMENTS

The Group has not made any significant changes in policies regarding risk management during the reporting period. Aspects of the Group´s financial risk management objective and policies are consistent with those disclosed in the consolidated financial statements for the year ended 31 December 2014.

Interest rate and currency derivative contracts and share forward contracts MEUR	**31 Dec 2014**		31 Dec 2013	
	Nominal value	**Net fair value**	Nominal value	Net fair value
Interest rate swaps				
Hedge accounting	**750**	**22**	750	17
Non-hedge accounting	**0**	**0**	50	0
Currency derivatives				
Hedge accounting	**1,125**	**-49**	1,045	10
Non-hedge accounting	**804**	**-11**	391	2

Commodity derivative contracts	**31 Dec 2014**			31 Dec 2013		
	Volume GWh	**Volume million bbl**	**Net fair value Meur**	Volume GWh	Volume million bbl	Net fair value Meur
Sales contracts						
Hedge accounting	**0**	**0**	**0**	0	0	0
Non-hedge accounting	**0**	**8**	**135**	0	7	-8
Purchase contracts						
Hedge accounting	**0**	**0**	**0**	0	0	0
Non-hedge accounting	**2,691**	**8**	**-60**	1,627	9	3

Commodity derivative contracts include oil, vegetable oil, electricity and gas derivative contracts.

The fair values of derivative financial instruments subject to public trading are based on market prices as of the balance sheet date. The fair values of other derivative financial instruments are based on the present value of cash flows resulting from the contracts, and, in respect of options, on evaluation models. The amounts also include unsettled closed positions. Derivative financial instruments are mainly used to manage the Group's currency, interest rate and price risk.

Carrying amounts of financial assets and liabilities by measurement categories

Financial assets and liabilities divided by categories were as follows as of December 31, 2014:

Balance sheet item	**Financial assets/liabilities at fair value through income statement**		**Loans and receivables**	**Available-for-sale financial assets**	**Financial liabilities measured at amortized cost**	**Carrying amounts by balance sheet item**	**Fair value**
	Hedge accounting	Non-hedge accounting					
Non-current financial assets							
Non-current receivables			50			50	0
Derivative financial instruments	25	0				25	25
Available-for-sale financial assets				5		5	0
Current financial assets							
Trade and other receivables, excluding prepayments			875			875	0
Derivative financial instruments	3	141				144	144
Cash and cash equivalents			246			246	0
Carrying amount by category	28	141	1,171	5	0	1,345	169
Non-current financial liabilities							
Interest-bearing liabilities					1,245	1,245	1,305
Derivative financial instruments	5	1				5	5
Other non-current liabilities					1	1	0
Current financial liabilities							
Interest-bearing liabilities					622	622	626
Derivative financial instruments	50	77				128	128
Trade and other payables, excluding non-financial liabilities					1,388	1,388	0
Carrying amount by category	55	78	0	0	3,255	3,389	2,064

Financial instruments that are measured in the balance sheet at fair value are presented according to following fair value measurement hierarchy:

Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities

Level 2: inputs other than quoted price included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)

Level 3: inputs for the assets or liability that is not based on observable market data (unobservable inputs).

Fair value hierarchy, MEUR

Financial assets	**Level 1**	**Level 2**	**Level 3**	**Total**
Non-current derivative financial instruments	0	25	0	25
Current derivative financial instruments	27	117	0	144

Financial liabilities	**Level 1**	**Level 2**	**Level 3**	**Total**
Non-current derivative financial instruments	0	6	0	6
Current derivative financial instruments	28	100	0	128

During the twelve-month period ended 31 Decemberer 2014, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

The fair values of non-current interest-bearing liabilities that are carried at amortised cost, but for which fair value is disclosed, are determined by using the discounted cash flow method employing market interest rates or market values at the balance sheet date. Non-current interest-bearing liabilities are classified into fair value measurement hierarchy level 2.

10. RELATED PARTY TRANSACTIONS

The group has a related party relationship with its subsidiaries, joint arrangements and the entities controlled by Neste Oil's controlling shareholder the State of Finland. Related party includes also the members of the Board of Directors, the President and CEO and other members of the Neste Executive Board (key management persons), close members of the families of the mentioned key management persons and entities controlled or jointly controlled by the mentioned key management persons or close members of those persons' families.

Parent company of the Group is Neste Oil Corporation. The transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated during consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below. All related party transactions are on arm's length basis. The reporting of related party transactions has been aligned.

Transactions carried out with joint arrangements	1-12/2014	1-12/2013
Sales of goods and services	**150**	146
Purchases of goods and services	**99**	109
Receivables	**5**	58
Financial income and expenses	**0**	0
Liabilities	**8**	61

11. CONTINGENT LIABILITIES

MEUR	31 Dec 2014	31 Dec 2013
Contingent liabilities		
On own behalf for commitments		
Real estate mortgages	**17**	17
Pledged assets	**0**	0
Other contingent liabilities	**107**	16
Total	**125**	33
On behalf of joint arrangements		
Guarantees	**1**	1
Total	**1**	1
On behalf of others		
Guarantees	**1**	2
Other contingent liabilities	**2**	3
Total	**3**	5
Total	**129**	39

MEUR	31 Dec 2014	31 Dec 2013
Operating lease liabilities		
Due within one year	**53**	58
Due between one and five years	**48**	82
Due later than five years	**64**	66
Total	**164**	206

The Group's operating lease commitments primarily relate to time charter vessels, land and office space.

Other contingent liabilities
Neste Oil Corporation has a collective contingent liability with Fortum Heat and Gas Oy of the demerged Fortum Oil and Gas Oy's liabilities based on the Finnish Companies Act's Chapter 17 Paragraph 16.6.

Calculation of key financial indicators

Calculation of key financial indicators

Operating profit	=		Operating profit includes the revenue from the sale of goods and services, other income such as gain from sale of shares or non-financial assets, share of profit (loss) of joint ventures, less losses from sale of shares or non-financial assets, as well as expenses related to production, marketing and selling activities, administration, depreciation, amortization, and impairment charges. Realized and unrealized gains or losses on oil, vegetable oil, electricity and gas derivative contracts together with realized gains and losses from foreign currency and oil derivative contracts hedging cash flows of commercial sales and purchases that have been recycled in the income statement, are also included in operating profit.
Comparable operating profit	=		Operating profit -/+ inventory gains/losses -/+ non-recurring items - unrealized change in fair value of oil, vegetable oil, electricity and gas derivative contracts. Inventory gains/losses include the change in fair value of all trading inventories.
Comparable net profit	=		Profit for the period attributable to the equity holders of the company, adjusted for inventory gains/losses, non-recurring items and unrealized gains/losses on oil, vegetable oil, electricity and gas derivative contracts, net of tax.
Return on equity, (ROE) %	=	100 x	$\dfrac{\text{Profit before taxes - taxes}}{\text{Total equity average}}$
Return on capital employed, pre-tax (ROCE) %	=	100 x	$\dfrac{\text{Profit before taxes + interest and other financial expenses}}{\text{Capital employed average}}$
Return on average capital employed, after-tax (ROACE) %	=	100 x	$\dfrac{\text{Profit for the period (adjusted for inventory gains/losses, non-recurring items and unrealized gains/losses on oil, vegetable oil, electricity and gas derivative contracts, net of tax) + non-controlling interests + interest expenses and other financial expenses related to interest-bearing liabilities (net of tax)}}{\text{Capital employed average}}$
Capital employed	=		Total assets - interest-free liabilities - deferred tax liabilities - provisions
Interest-bearing net debt	=		Interest-bearing liabilities - cash and cash equivalents
Leverage ratio, %	=	100 x	$\dfrac{\text{Interest-bearing net debt}}{\text{Interest bearing net debt + total equity}}$
Gearing, %	=	100 x	$\dfrac{\text{Interest-bearing net debt}}{\text{Total equity}}$
Equity-to-assets ratio, %	=	100 x	$\dfrac{\text{Total equity}}{\text{Total assets - advances received}}$
Return on net assets, %	=	100 x	$\dfrac{\text{Segment operating profit}}{\text{Average segment net assets}}$
Comparable return on net assets, %	=	100 x	$\dfrac{\text{Segment comparable operating profit}}{\text{Average segment net assets}}$
Segment net assets	=		Property, plant and equipment, intangible assets, investments in joint ventures including shareholder loans, pension assets, inventories and interest-free receivables and liabilities allocated to the business segment, provisions and pension liabilities
Research and development expenditure	=		Research and development expenditure comprise of the expenses of the Research & Technology unit serving all business areas of the Group, as well as research and technology expenses incurred in business areas, which are included in the consolidated income statement. Depreciation and amortization are included in the figure. The expenses are presented as gross, before deducting grants received.

Calculation of share-related indicators

Earnings per share (EPS)	=		$\frac{\text{Profit for the period attributable to the equity holders of the company}}{\text{Adjusted average number of shares during the period}}$
Comparable earnings per share	=		$\frac{\text{Comparable net profit for the period attributable to the equity holders of the company}}{\text{Adjusted average number of shares during the period}}$
Equity per share	=		$\frac{\text{Shareholder's equity attributable to the equity holders of the company}}{\text{Adjusted average number of shares at the end of the period}}$
Cash flow per share	=		$\frac{\text{Net cash generated from operating activities}}{\text{Adjusted average number of shares during the period}}$
Price / earnings ratio (P/E)	=		$\frac{\text{Share price at the end of the period}}{\text{Earnings per share}}$
Dividend payout ratio, %	=	100 x	$\frac{\text{Dividend per share}}{\text{Earnings per share}}$
Dividend yield, %	=	100 x	$\frac{\text{Dividend per share}}{\text{Share price at the end of the period}}$
Average share price	=		$\frac{\text{Amount traded in euros during the period}}{\text{Number of shares traded during the period}}$
Market capitalization at the end of the period	=		Number of shares at the end of the period x share price at the end of the period
Trading volume	=		Number of shares traded during the period, and number of shares traded during the period in relation to the weighted average number of shares during the period

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