29.10.2010

Interim Report for January-September 2010

Neste Oil's Interim Report for January–September 2010

- Refining margins and operating profit improved in the third quarter

Third quarter in brief:

- Comparable operating profit of EUR 57 million (Q3/2009: 42 million)
- IFRS operating profit of EUR 143 million (Q3/2009: 113 million)
- Total refining margin of USD 7.48/bbl (Q3/2009: 5.97)
- Net cash from operations of EUR 5 million (Q3/2009: 162 million)
- Investments totaled EUR 190 million (Q3/2009: 216 million)
- Start-up of the renewable diesel plant in Singapore proceeded well, with operations scheduled to begin during the fourth quarter

President & CEO Matti Lievonen:
"As we anticipated in July, the Oil Products segment reported a good result in the third quarter. This was thanks to our focus on diesel fuel, which saw higher margins, good operational performance at our refineries, and a strong contribution by the base oils business compared to the same period in 2009. I'm also pleased to report improved profitability at Oil Retail, which underlines the success of our efforts to enhance cost efficiency. These programs have been implemented across the Group and we expect their results to be in line with what we indicated last year.

Our first world-scale renewable diesel plant in Singapore is due to start up in the near future and will mark an important strategic milestone for Neste Oil. The plant will be ramped-up in steps to the full capacity."

Further information:
Matti Lievonen, President & CEO, tel. +358 10 458 11
Ilkka Salonen, CFO, tel. +358 10 458 4490
Investor Relations, tel. +358 10 458 5132

News conference and conference call
A press conference in Finnish on the third quarter results will be held today, 29 October 2010, at 11:30 am EET at the company's headquarters, 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 29 October 2010 at 3:00 pm Finnish / 1:00 pm London / 8:00 am New York. The call-in numbers are as follows: Europe: +44 (0)20 3140 8286, US +1 718 354 1152 (confirmation code: 2472238). The conference call can be followed at company's website. An instant replay of the call will be available until 5 November 2010 at +44 (0)20 7111 1244 for Europe and +1 347 366 9565 USA for the US (confirmation code: 2472238#).

NESTE OIL FINANCIAL STATEMENTS, 1 JANUARY – 30 SEPTEMBER 2010
Quarterly figures are unaudited, full-year figures are audited
Figures in parentheses refer to the corresponding period for 2009, unless otherwise stated.

KEY FIGURES

EUR million (unless otherwise noted)

	7-9/10	7-9/09	4-6/10	1-9/10	1-9/09	2009
Revenue	3,065	2,500	2,576	8,366	7,145	9,636
Operating profit before depreciation	207	171	-1	361	495	569
Depreciation, amortization, and impairments	64	58	62	184	169	234
Operating profit	143	113	-63	177	326	335
Comparable operating profit *	57	42	5	150	145	116
Profit before income tax	136	102	-70	154	292	296
Earnings per share, EUR	0.42	0.29	-0.20	0.48	0.87	0.86
Investments	190	216	374	754	600	863
Net cash from operating activities	5	162	243	622	402	177

	30 Sep 2010	30 Sep 2009	31 Dec 2009
Total equity	2,333	2,231	2,222
Interest-bearing net debt	2,117	1,414	1,918
Capital employed	4,505	3,714	4,257
Return on capital employed pre-tax (ROCE), %	5.7	12.6	9.0
Return on average capital employed after tax (ROACE)**, %	2.6	5.1	2.5
Return on equity (ROE), %	7.2	13.6	10.2
Equity per share, EUR	9.07	8.68	8.64
Cash flow per share, EUR	2.43	1.57	0.69
Equity-to-assets ratio, %	37.6	41.8	39.1
Leverage (Net debt to capital), %	47.6	38.8	46.3
Gearing, %	90.7	63.4	86.3

* Comparable operating profit is calculated by excluding inventory gains/losses, capital gains/losses, and unrealized changes in the fair value of oil and freight derivative contracts from the reported operating profit. Inventory gains/losses include changes in the fair value of all trading inventories.
** Rolling 12 months

The Group's third-quarter result

Neste Oil's third-quarter sales in 2010 totaled EUR 3,065 million (2,500 million). Thanks to a higher total refining margin compared to the same period in 2009, the Group's comparable operating profit increased to EUR 57 million (42 million). In addition to Oil Products, Oil Retail recorded a higher comparable operating profit year-on-year, whereas Renewable Fuels and Others posted lower profits.

Oil Products' third-quarter comparable operating profit was EUR 45 million (15 million), Renewable Fuels' EUR -12 million (-6 million) and Oil Retail's EUR 23 million (19 million). The comparable operating profit of the Others segment totaled EUR 2 million (16 million) and included EUR 4 million (19 million) from associated companies and joint ventures. This decrease mainly resulted from lower volumes at Nynas AB.

The Group's third-quarter IFRS operating profit was EUR 143 million (113 million), which was impacted by inventory gains totaling EUR 86 million (62 million). Pre-tax profit was EUR 136 million (102 million), profit for the period EUR 110 million (74 million) and earnings per share EUR 0.42 (0.29).

The Group's January-September 2010 results

Neste Oil's sales during January-September 2010 totaled EUR 8,366 million (7,145 million). The Group's comparable operating profit was EUR 150 million (145 million), including EUR 47 million from an insurance compensation payment received in February and a negative impact of EUR 65 million from the Porvoo refinery maintenance turnaround in April and May.

Oil Products' nine-month comparable operating profit was EUR 100 million (116 million), Renewable Fuels' EUR -52 million (-19 million), Oil Retail's EUR 42 million (45 million), and Others' EUR 61 million (3 million). Profits from associated companies and joint ventures totaled EUR 16 million (21 million).

The IFRS operating profit during January-September was EUR 177 million (326 million).This was negatively impacted by the transfer of the Neste Oil Pension Fund to insurance companies. Inventory gains amounted to EUR 60 million compared to EUR 203 million in the first nine months of 2009. Pre-tax profit amounted to EUR 154 million (292 million), profit for the period EUR 124 million (224 million), and earnings per share EUR 0.48 (0.87).

Given the capital-intensive nature of its business, Neste Oil uses return on average capital employed after tax (ROACE) as its primary financial target. ROACE figures are based on comparable results. As of the end of September, the rolling twelve-month ROACE was 2.6% (2009 financial year: 2.5%)

	7-9/10	7-9/09	4-6/10	1-9/10	1-9/09	2009
COMPARABLE OPERATING PROFIT	57	42	5	150	145	116
- inventory gains/losses	86	62	-42	60	203	261
- changes in the fair value of open oil derivatives	-2	8	27	18	-23	-43
- capital gains/losses	2	1	-53	-51	1	1
OPERATING PROFIT	143	113	-63	177	326	335

Cash flow, investments, and financing

Neste Oil Group's net cash from operating activities between January and September was strong at EUR 622 million (402 million), resulting from the release of funds from working capital and a EUR 85 million positive impact related to the transfer of the liabilities of the Neste Oil Pension Fund to insurance companies.

Investments totaled EUR 754 million during the first nine months (600 million), of which EUR 110 million was related to the major maintenance turnaround at the Porvoo refinery. Oil Products' capital spending was EUR 235 million (139 million), Renewable Fuels' EUR 435 million (431 million), and Oil Retail's EUR 23 million (19 million). Investments in the Others segment totaled EUR 61 million (11 million), of which EUR 51 million related to a non-cash purchase of the company's head office building, a transaction that formed part of the transfer of the liabilities associated with the Neste Oil Pension Fund.

Interest-bearing net debt was EUR 2,117 million as of the end of September compared to EUR 1,918 at the end of 2009. Net financial expenses between January and September were EUR 23 million (34 million). The average interest rate of borrowings at the end of September was 2.8%, and the average maturity 3.6 years.

The equity-to-assets ratio was 37.6% (31 Dec 2009: 39.1%), the leverage ratio 47.6% (31 Dec 2009: 46.3%), and the gearing ratio 90.7% (31 Dec 2009: 86.3%).

The Group's cash and cash equivalents and committed, unutilized credit facilities amounted to EUR 1,400 million as of the end of the September (31 Dec 2009: 1,407 million). The company issued a EUR 300 million bond, with a maturity of 5 years and a coupon of 4.875% at the end of June. There are no financial covenants in 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.

Strategy implementation

Neste Oil continued to implement its clean fuel strategy during the first nine months of 2010. The company's capital projects consist of new plants designed to increase production of renewable diesel and high-quality base oil.

Strategic projects

Investments in the two major 800,000 t/a renewable diesel plants in Singapore and Rotterdam is proceeding according to plan. Start-up procedures at the Singapore plant have proceeded smoothly and the plant is expected to come on stream in the fourth quarter. The Rotterdam plant is also proceeding well and is expected to start up towards the end of the first half of 2011. The Singapore plant is on-budget at EUR 550 million, while the Rotterdam plant is expected to come in under its EUR 670 million budget.

Neste Oil has a 45% stake in a JV that is building a 400,000 t/a base oil plant in Bahrain. The project is proceeding on-schedule and on-budget, and the plant is scheduled to be completed in the second half of 2011. Neste Oil's share of the investment cost is EUR 130 million.

Market overview

Crude oil prices increased until early August on the back of strong financial markets and supply disruptions, but then retreated as a result of increasing supply, high global oil stocks, and concerns over a slowdown in economic recovery. Brent Dated traded between USD 70/bbl and USD 85/bbl during the quarter. In late August, prices started to increase again, boosted by stronger demand and the weakening US dollar, with Brent Dated ending the quarter at USD 80/bbl. The price differential between heavier and lighter crude widened in July, as a result of low volumes of North Sea crude during seasonal maintenance work, but narrowed again and were only marginal in September.

Refining margins fell in July, particularly in Northwest Europe where refineries ramped up after maintenance outages and increased supplies were met by limited demand. They rose in August as middle distillates, in particular, improved on tighter supplies, but fell again in late September as product prices failed to keep pace with increasing crude prices.

Gasoline margins declined during the quarter, in line with typical seasonal patterns, with the end of the driving season and a switch to winter grades occurring toward the end of the quarter. Inventories in North America were relatively high compared to historical levels, whereas those in Europe were normal.

Margins for middle distillates strengthened throughout the quarter. At the beginning of the quarter, the diesel market benefited from increased contango storage. In September, middle distillate prices were lifted by pre-stocking ahead of the winter and maintenance-related supply tightness, and margins strengthened despite higher crude prices.

Margins for low-sulfur fuel oils improved in July, supported by increased use at power plants. In August, margins started weakening again as supplies increased.

The price differential between different biofeedstocks widened somewhat, and prices increased in the third quarter. Progress in finalizing biofuel legislation has been little slower than anticipated both in Europe and the US.

The Finnish oil retail market saw a 6–7% increase in heavy vehicle traffic and a 2–3% increase in light vehicle traffic between July and August. Demand recovery in Estonia and Lithuania benefited from market development there. Volumes also grew in Northwestern Russia.

Oil tanker freight rates were stable, but soft throughout the third quarter.

Key drivers

	7-9/10	7-9/09	4-6/10	1-9/10	1-9/09	2009	Oct 10	Oct 09
Reference refining margin, USD/bbl	3.52	2.20	5.23	4.26	3.62	3.14	5.11	2.50
Neste Oil total refining margin, USD/bbl	7.48	5.97	7.35	7.55	7.80	7.35	n.a.	n.a.
Urals-Brent price differential, USD/bbl	-0.92	-0.46	-1.80	-1.36	-0.85	-0.81	-1.27	-0.44
NWE Gasoline margin, USD/bbl	7.60	10.09	11.11	10.15	9.77	9.26	8.8	8.36
NWE Diesel margin, USD/bbl	13.77	9.24	14.79	13.27	11.53	11.18	16.7	11.63
NWE Heavy fuel oil margin, USD/bbl	-10.35	-5.95	-10.46	-9.24	-7.78	-7.44	11.9	-6.39
Brent Dated crude oil, USD/bbl	76.86	68.27	78.31	77.14	57.15	61.51	82.73	72.75
USD/EUR, market rate	1.29	1.43	1.27	1.32	1.52	1.39	1.39	1.48
USD/EUR, hedged	1.39	1.40	1.38	1.37	1.43	1.41	n.a.	n.a.
Crude freights, WS points (TD7)	99	70	119	113	191	81	102	77

Production and sales

Neste Oil's total production in the third quarter was 3.8 million tons (3.7 million), of which NExBTL renewable diesel accounted for 0.1 million tons (0.1 million).

Neste Oil's production, by plant (1,000 t)

	7-9/10	7-9/09	4-6/10	1-9/10	1-9/09	2009
Porvoo refinery	2,999	2,939	1,499	7,397	8,516	11,520
Naantali refinery	619	651	632	1,822	1,781	2,438
Beringen polyalfaolefin plant	11	10	8	33	26	35
Edmonton iso-octane plant (Neste Oil's share)	54	70	60	162	197	256
NExBTL plants	99	74	50	218	149	219

The Porvoo refinery operated at an average capacity utilization rate of 90% (84%) in the third quarter, while the utilization rate of the Naantali refinery was 84% (91%), impacted by a small fire in August. The proportion of Russian Export Blend in Neste Oil's total refinery input was 67% (64%) during the third quarter. Refinery production costs totaled USD 3.2/bbl (3.8).

Neste Oil's sales from in-house production, by product category (1,000 t)

	7-9/10	%	7-9/09	%	4-6/10	%	1-9/10	%	1-9/09	%	2009	%
Motor gasoline	1,069	*29*	1,146	*32*	747	*27*	2,896	*28*	3,380	*32*	4,218	*30*
Gasoline components	66	*2*	62	*2*	74	*3*	186	*2*	219	*2*	270	*2*
Diesel fuel	1,393	*37*	1,292	*37*	1,043	*37*	3,944	*38*	3,779	*36*	5,228	*37*
Jet fuel	205	*5*	136	*4*	83	*3*	428	*4*	422	*4*	613	*4*
Base oils	78	*2*	66	*2*	76	*3*	231	*2*	195	*2*	257	*2*
Heating oil	131	*4*	99	*3*	134	*5*	532	*5*	453	*4*	631	*4*
Heavy fuel oil	289	*8*	308	*9*	166	*6*	667	*7*	1,008	*9*	1,300	*9*
LPG	35	*1*	27	*1*	51	*2*	177	*2*	169	*2*	220	*2*
NExBTL renewable diesel	102	*3*	68	*2*	72	*2*	211	*2*	143	*1*	209	*1*
Other products	370	*9*	318	*8*	339	*12*	979	*10*	850	*8*	1,232	*9*
TOTAL	3,739	*100*	3,522	*100*	2,785	*100*	10,251	*100*	10,619	*100*	14,178	*100*

Neste Oil's sales from in-house production, by market area (1,000 t)

	7-9/10	%	7-9/09	%	4-6/10	%	1-9/10	%	1-9/09	%	2009	%
Finland	1,962	*52*	1,831	*52*	1,628	*59*	5,607	*55*	5,546	*53*	7,580	*53*
Other Nordic countries	735	*20*	580	*16*	568	*20*	1,878	*18*	1,627	*15*	2,210	*16*
Other Europe	625	*17*	692	*20*	402	*14*	1,951	*19*	1,860	*17*	2,488	*18*
USA & Canada	366	*10*	357	*10*	178	*6*	714	*7*	1,457	*14*	1,686	*12*
Other countries	52	*1*	62	*2*	9	*1*	101	*1*	130	*1*	214	*1*
TOTAL	3,739	*100*	3,522	*100*	2,785	*100*	10,251	*100*	10,619	*100*	14,178	*100*

SEGMENT REVIEWS

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

Oil Products

	7-9/10	7-9/09	4-6/10	1-9/10	1-9/09	2009
Revenue, MEUR	2,491	1,971	2,064	6,827	5,644	7,631
Comparable operating profit, MEUR	45	15	-3	100	116	105
IFRS operating profit, MEUR	116	80	-18	163	291	318
Total refining margin, USD/bbl	7.48	5.97	7.35	7.55	8.65	7.35

Oil Products’ comparable operating profit for the third quarter was EUR 45 million compared to EUR 15 million during the same quarter in 2009. The increase was the result of higher refining margins and better performance in the base oils business. The total refining margin of USD 7.48/bbl in the third quarter was clearly better than the USD 5.97/bbl recorded during the same quarter in 2009. Total refining margin was supported by higher year-on-year diesel margins in particular.

The base oils business benefited from improved demand and margins, whereas gasoline components performance was stable. The profitability of the oil tanker chartering business improved slightly, despite soft freight rates.

Oil Products’ comparable return on net assets was 4.9% (6.0%) in the third quarter.

Renewable Fuels

	7-9/10	7-9/09	4-6/10	1-9/10	1-9/09	2009
Revenue, MEUR	120	59	60	216	121	182
Comparable operating profit, MEUR	-12	-6	-23	-52	-19	-29
IFRS operating profit, MEUR	2	-1	-19	-32	-13	-24

Renewable Fuels’ comparable operating profit was EUR -12 million in the third quarter, compared to EUR -6 million in the same quarter of 2009. This decrease resulted from costs related to increased activity at the Singapore plant before its start-up in the fourth quarter, and a higher than planned level of activities at the site in Rotterdam. Costs were lower compared to the previous quarter due to some costs being delayed to the following quarter. Renewable diesel margins were somewhat weaker in the third quarter year-on-year due to a narrow price differential between different biofeedstocks. The price premium commanded by high-quality renewable diesel remained healthy.

Renewable Fuels’ comparable return on net assets was -5.9% (-4.7%) in the third quarter.

Oil Retail

	7-9/10	7-9/09	4-6/10	1-9/10	1-9/09	2009
Revenue, MEUR	917	789	884	2,650	2,207	2,998
Comparable operating profit, MEUR	23	19	13	42	45	50
IFRS operating profit, MEUR	24	19	14	44	44	50
Total sales volume*, 1,000 m3	1,023	986	973	3,029	2,973	4,002
- gasoline station sales, 1,000 m3	362	374	341	998	1,073	1,405
- diesel station sales, 1,000 m3	365	340	347	1,044	986	1,331
- heating oil, 1,000 m3	156	156	143	520	514	714
- heavy fuel oil, 1,000 m3	69	57	70	242	208	287

* includes both station and terminal sales

Oil Retail posted a third-quarter comparable operating profit of EUR 23 million compared to EUR 19 million in the same period in 2009. Performance benefited from increased demand for diesel in Finland and Russia, as well as stronger economic development in the Baltic countries.

Oil Retail's comparable return on net assets was 18.1% (18.8%) in the third quarter.

Shares, share trading, and ownership

Neste Oil's shares are traded on NASDAQ OMX Helsinki Ltd. The share price closed the third quarter at EUR 11.46. At its highest during the quarter, the share price reached EUR 12.60, while at its lowest the price stood at EUR 10.62. Market capitalization was EUR 2.9 billion as of 30 September 2010. An average of 856,000 shares were traded daily, representing 0.3% of the company's shares.

Neste Oil's share capital registered with the Company Register as of 30 September 2010 totaled EUR 40 million, and the total number of shares outstanding is 256,403,686. The company does not hold any of its own shares, and the Board of Directors has no authorization to buy back company shares or to issue convertible bonds, share options, or new shares.

As of the end of September, the Finnish State owned 50.1% (50.1%) of outstanding shares, foreign institutions 16.8% (17.0%), Finnish institutions 19.6% (18.5%), and Finnish households 13.4% (14.4%).

Personnel

Neste Oil employed an average of 5,078 (5,336) employees during January and September, of which 1,452 (1,311) are based outside Finland. As of the end of September, the company had 4,921 employees (5,205), of which 1,437 (1,371) are located outside Finland.

Health, safety, and the environment

The main indicator for safety performance used by Neste Oil – total recordable injury frequency (TRIF, number of cases per million hours worked) for all work done for the company, combining the company's own personnel and contractors – stood at 4.3 (2.8) at the end of September. The target for 2010 is below 3. Lost workday injury frequency (LWIF) stood at 2.9 (2.0). The target is below 1.

Safety performance at the renewable diesel sites in Singapore and Rotterdam has continued to be good. TRIF performance in Singapore was 0.95 and the LWIF figure was 0.22 at the end of September, as measured from the start of the project. Over 11 million hours have been worked there without any injuries resulting in lost working days. The TRIF for the Rotterdam project was 2.8 and the LWIF 2.5, and some 1.5 million hours have been worked there without any lost working day injuries. The safety indicator figures for these projects are not included in Neste Oil's overall safety numbers.

Neste Oil is prioritizing the broader utilization of proactive safety tools to maintain and further improve safety performance and culture. A total of 16,300 (+ 5,000 during the Porvoo turnaround) safety observation tours have been conducted this year. Safety performance improved in the third quarter, resulting in a TRIF of 2.8 and a LWIF of 2.5.

Implementation of best safety procedures across the company will continue to be a priority during the remainder of 2010.

Neste Oil's voluntary scheme for Renewable Energy Directive (RED) compliance has been filed with the European Commission for registration. The scheme is intended to ensure the eligibility of Neste Oil's biofuels on the European market.

In September, Neste Oil was once again accepted for inclusion in the Dow Jones Sustainability World Index, for the fourth year in succession. DJSI World is the world's most important sustainability index and features 318 companies. Companies are required to demonstrate continuous improvement every year with regard to sustainability for inclusion. In addition, Neste Oil has been awarded 'Best in Class' recognition for its social accountability by the Norwegian banking group, Storebrand, featured in the Ethibel Pioneer Investment Register, and included four times in Innovest's Global 100 list of the world's most sustainable corporations. Forest Footprint Disclosure (FFD) has ranked Neste Oil as the best performer in the oil & gas sector.

Events after the reporting period

Neste Oil and Stora Enso announced on 11 October that their joint venture, NSE Biofuels Oy, is to commence environmental impact assessments for a commercial-scale biorefinery at Porvoo or Imatra in Finland. The two locations are seen as potential alternative sites for a unit capable of producing approximately 200,000 t/a of premium-quality renewable diesel from wood biomass.

Potential short-term and long-term 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 largest uncertainty over the short term continues to be the pace of the recovery 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 a short-term operational risk.

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

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 growth plans.

The implementation of biofuel legislation in the EU and other key market areas may influence the speed at which the demand for these fuels develops. Risks also include any problems or delays in completing the company's NExBTL renewable diesel investments or failure to capture the anticipated benefits from these investments. Over the longer term, failure to protect Neste Oil's proprietary technology or the introduction and implementation of competing renewable fuel technologies or hybrid and electric engines may have a negative impact on the company's results.

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

For more detailed information on Neste Oil's risks and risk management, please refer to the company's Annual Report and Financial Statements for 2009.

Outlook

There have been no major changes in the oil market since the previous outlook was published in July. The International Energy Agency has increased its global oil demand estimates for 2010 and 2011, but this is not expected to result in a sudden or significant strengthening of refining margins due to high inventories.

Neste Oil anticipates that it will benefit from a somewhat stronger diesel market during the remainder of 2010, thanks to high shutdown activity and other temporary outages in the early part of the quarter, and increasing demand for the fuel. The outlook for gasoline margins is softer, mainly due to seasonality. In terms of crude price differentials, the Urals discount to Brent is expected to average around USD 1.0 /bbl during the rest of the year. Neste Oil's reference refining margin in this environment is expected to somewhat increase in the fourth quarter compared to the third.

Neste Oil's new renewable diesel plant in Singapore is anticipated to come on-stream during the fourth quarter. The ramp-up of the plant will be carried out in steps to full capacity and there will be a time lag before output reaches the sales channel due to logistics reasons. Together with full costs and depreciation, this will mean that the Renewable Fuels segment will book a loss in the fourth quarter. The Renewable Energy Directive (RED) shall be incorporated into the national legislation of member states by 5 December. Implementation of the directive is now under way in member states.

Oil Retail is likely to face tougher price competition in Finland and other markets in the fourth quarter.

The Group's fixed costs in 2010 are estimated to be similar to those in 2009.

The Group's cash investments in 2010 are expected to be around EUR 920 million (870 million), of which strategic investments will account for EUR 580 million (670 million), maintenance investments EUR 310 million (160 million), and productivity investments EUR 30 million (40 million).

Espoo, 28 October 2010

Neste Oil Corporation
Board of Directors

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.

CONSOLIDATED INCOME STATEMENT

MEUR	Note	7-9/2010	7-9/2009	1-9/2010	1-9/2009	1-12/2009	Last 12 months
Revenue	3	**3,065**	2,500	**8,366**	7,145	9,636	10,857
Other income		**7**	9	**71**	23	29	77
Share of profit (loss) of associates and joint ventures	3	**4**	19	**16**	21	20	15
Materials and services		**-2,677**	-2,164	**-7,411**	-5,987	-8,167	-9,591
Employee benefit costs		**-69**	-59	**-295**	-221	-301	-375
Depreciation, amortization and impairments	3	**-64**	-58	**-184**	-169	-234	-249
Other expenses		**-123**	-134	**-386**	-486	-648	-548
Operating profit		**143**	113	**177**	326	335	186
Financial income and expenses							
Financial income		**4**	2	**8**	6	10	12
Financial expenses		**-11**	-11	**-33**	-36	-44	-41
Exchange rate and fair value gains and losses		**0**	-2	**2**	-4	-5	1
Total financial income and expenses		**-7**	-11	**-23**	-34	-39	-28
Profit before income taxes		**136**	102	**154**	292	296	158
Income tax expense		**-26**	-28	**-30**	-68	-71	-33
Profit for the period		**110**	74	**124**	224	225	125
Profit attributable to:							
Owners of the parent		**109**	74	**122**	222	221	121
Non-controlling interests		**1**	0	**2**	2	4	4
		110	74	**124**	224	225	125
Earnings per share from profit attributable to the owners of the parent basic and diluted (in euro per share)		**0.42**	0.29	**0.48**	0.87	0.86	0.47

STATEMENT OF COMPREHENSIVE INCOME

MEUR	7-9/2010	7-9/2009	1-9/2010	1-9/2009	1-12/2009	Last 12 months
Profit for the period	**110**	74	**124**	224	225	125
Other comprehensive income for the period, net of tax:						
Translation differences	**-12**	9	**32**	6	9	35
Cash flow hedges						
recorded in equity	**50**	9	**6**	5	3	4
transferred to income statement	**12**	-4	**20**	26	15	9
Net investment hedges	**-1**	0	**-3**	0	0	-3
Hedging reserves in associates and joint ventures	**0**	0	**1**	-2	-2	1
Other comprehensive income for the period, net of tax	**49**	14	**56**	35	25	46
Total comprehensive income for the period	**159**	88	**180**	259	250	171
Total comprehensive income attributable to:						
Owners of the parent	**158**	85	**178**	254	246	170
Non-controlling interests	**1**	0	**2**	2	4	4
	159	85	**180**	256	250	174

CONSOLIDATED BALANCE SHEET

MEUR	Note	30 Sep 2010	30 Sep 2009	31 Dec 2009
ASSETS				
Non-current assets				
Intangible assets	5	**46**	49	48
Property, plant and equipment	5	**3,764**	3,069	3,235
Investments in associates and joint ventures		**296**	202	216
Non-current receivables		**7**	3	3
Pension assets		**0**	111	111
Deferred tax assets		**18**	12	11
Derivative financial instruments	6	**32**	10	3
Available-for-sale financial assets		**3**	2	1
Total non-current assets		**4,166**	3,458	3,628
Current assets				
Inventories		**1,125**	932	1,148
Trade and other receivables		**796**	769	757
Derivative financial instruments	6	**82**	115	50
Cash and cash equivalents		**55**	69	117
Total current assets		**2,058**	1,885	2,072
Total assets		**6,224**	5,343	5,700
EQUITY				
Capital and reserves attributable to the owners of the parent				
Share capital		**40**	40	40
Other equity	2	**2,281**	2,181	2,170
Total		**2,321**	2,221	2,210
Non-controlling interests		**12**	10	12
Total equity		**2,333**	2,231	2,222
LIABILITIES				
Non-current liabilities				
Interest-bearing liabilities		**1,869**	1,213	1,590
Deferred tax liabilities		**346**	325	328
Provisions		**17**	26	22
Pension liabilities		**37**	10	10
Derivative financial instruments	6	**19**	27	15
Other non-current liabilities		**1**	0	0
Total non-current liabilities		**2,289**	1,601	1,965
Current liabilities				
Interest-bearing liabilities		**303**	270	445
Current tax liabilities		**19**	14	5
Derivative financial instruments	6	**38**	84	83
Trade and other payables		**1,242**	1,143	980
Total current liabilities		**1,602**	1,511	1,513
Total liabilities		**3,891**	3,112	3,478
Total equity and liabilities		**6,224**	5,343	5,700

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

	Attributable to equity holders of the Company						
MEUR	Share capital	Reserve fund	Fair value and other reserves	Translation differences	Retained earnings	Non-controlling interests	Total equity
Total equity at 1 January 2009	40	10	-7	-54	2,182	8	2,179
Dividend paid					-205		-205
Share-based compensation			-2				-2
Transfer from retained earnings		1			-1		0
Changes in non-controlling interests						0	0
Total comprehensive income for the period			29	6	222	2	259
Total equity at 30 September 2009	40	11	20	-48	2,198	10	2,231

MEUR	Share capital	Reserve fund	Fair value and other reserves	Translation differences	Retained earnings	Non-controlling interests	Total equity
Total equity at 1 January 2010	40	11	9	-45	2,195	12	2,222
Dividend paid					-64	-2	-66
Share-based compensation					-3		-3
Transfer from retained earnings		1	-5		4		0
Changes in non-controlling interests						0	0
Total comprehensive income for the period		1	27	28	122	2	180
Total equity at 30 September 2010	40	13	31	-17	2,254	12	2,333

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

MEUR	**7-9/2010**	7-9/2009	**1-9/2010**	1-9/2009	1-12/2009
Cash flow from operating activities					
Profit before taxes	**136**	102	**154**	292	296
Adjustments, total	**73**	26	**306**	187	268
Change in working capital	**-104**	27	**233**	-105	-450
Cash generated from operations	**105**	155	**693**	374	114
Finance cost, net	**-95**	0	**-62**	-9	20
Income taxes paid	**-5**	7	**-9**	37	43
Net cash generated from operating activities	**5**	162	**622**	402	177
Capital expenditure	**-177**	-184	**-699**	-568	-816
Acquisition of shares in subsidiaries	**0**	-	**-8**	-	-
Acquisition of associates and joint ventures	**-13**	-32	**-44**	-32	-47
Acquisition of other shares	**0**	-	**-3**	-	0
Proceeds from sales of shares in subsidiaries	**-**	0	**6**	0	-
Proceeds from sales of fixed assets	**2**	1	**3**	6	7
Change in other investments	**-5**	48	**17**	-13	-29
Cash flow before financing activities	**-188**	-5	**-106**	-205	-708
Net change in loans and other financing activities	**187**	-33	**109**	424	975
Dividends paid to the owners of the parent	**-**	0	**-64**	-205	-205
Dividends paid to non-controlling interests	**-**	-	**-2**	-	-
Net increase (+)/decrease (-) in cash and cash equivalents	**-1**	-38	**-63**	14	62

KEY FINANCIAL INDICATORS

	30 Sep 2010	30 Sep 2009	31 Dec 2009	Last 12 months
Capital employed, MEUR	**4,505**	3,714	4,257	4,505
Interest-bearing net debt, MEUR	**2,117**	1,414	1,918	-
Capital expenditure and investment in shares, MEUR	**754**	600	863	1,017
Return on average capital employed, after tax, ROACE %	**-**	-	2.5	2.6
Return on capital employed, pre-tax, ROCE %	**5.7**	12.6	9.0	4.8
Return on equity, %	**7.2**	13.6	10.2	5.4
Equity per share, EUR	**9.07**	8.68	8.64	-
Cash flow per share, EUR	**2.43**	1.57	0.69	1.55
Equity-to-assets ratio, %	**37.6**	41.8	39.1	-
Leverage ratio, %	**47.6**	38.8	46.3	-
Gearing, %	**90.7**	63.4	86.3	-
Average number of shares	255,913,686	255,903,686	255,903,960	255,911,439
Number of shares at the end of the period	255,913,686	255,903,686	255,913,686	255,913,686
Average number of personnel	**5,078**	5,336	5,286	-

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 accounting policies adopted are consistent with those of the Group's annual financial statements for the year ended 31 December 2009, with the exception of the following changes due to the adoption of the new and revised IFRS standards and IFRIC interpretations.

- IFRS 3 (revised), Business combinations. Neste Oil applies the revised standard to business combinations taking place on or after 1 January 2010.
- IAS 27 (revised), Consolidated and Separate Financial Statements
- IAS 39 (amendment) Financial Instruments: Recognition and Measurement - Eligible hedged items
- IFRS 2 (amendment) Share-based Payment - Group cash-settled transactions
- IFRIC 17 Distributions of Non-cash Assets to Owners
- Annual improvements 2009.

The above mentioned amendments do not have a material impact on the reported income statement, balance sheet 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, which will take place partly in Neste Oil shares and partly in cash during 2013. 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 SIC-12, Consolidation - Special purpose entities.

The consolidated balance sheet 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 30 September 2010 there were 490,000 shares accounted for as treasury shares.

3. SEGMENT INFORMATION

Neste Oil's operations are grouped into four segments: Oil Products, Renewable Fuels, Oil Retail and Others.
Group administration, shared service functions as well as Research and Technology, Neste Jacobs, Nynas AB and also as of Q2/2010 NSE Biofuels Oy are included in the Others segment. The comparative figures have been adjusted accordingly.

REVENUE						Last 12
MEUR	**7-9/2010**	7-9/2009	**1-9/2010**	1-9/2009	1-12/2009	months
Oil Products	**2,491**	1,971	**6,827**	5,644	7,631	8,814
Renewable Fuels	**120**	59	**216**	121	182	277
Oil Retail	**917**	789	**2,650**	2,207	2,998	3,441
Others	**38**	37	**132**	120	164	176
Eliminations	**-501**	-356	**-1,459**	-947	-1,339	-1,851
Total	**3,065**	2,500	**8,366**	7,145	9,636	10,857

OPERATING PROFIT						Last 12
MEUR	**7-9/2010**	7-9/2009	**1-9/2010**	1-9/2009	1-12/2009	months
Oil Products	**116**	80	**163**	291	318	190
Renewable Fuels	**2**	-1	**-32**	-13	-24	-43
Oil Retail	**24**	19	**44**	44	50	50
Others	**2**	17	**3**	4	-7	-8
Eliminations	**-1**	-2	**-1**	0	-2	-3
Total	**143**	113	**177**	326	335	186

COMPARABLE OPERATING PROFIT						Last 12
MEUR	**7-9/2010**	7-9/2009	**1-9/2010**	1-9/2009	1-12/2009	months
Oil Products	**45**	15	**100**	116	105	89
Renewable Fuels	**-12**	-6	**-52**	-19	-29	-62
Oil Retail	**23**	19	**42**	45	50	47
Others	**2**	16	**61**	3	-8	50
Eliminations	**-1**	-2	**-1**	0	-2	-3
Total	**57**	42	**150**	145	116	121

DEPRECIATION, AMORTIZATION AND IMPAIRMENTS						Last 12
MEUR	**7-9/2010**	7-9/2009	**1-9/2010**	1-9/2009	1-12/2009	months
Oil Products	**48**	43	**137**	130	178	185
Renewable Fuels	**5**	4	**15**	8	14	21
Oil Retail	**8**	8	**24**	23	31	32
Others	**3**	3	**8**	8	11	11
Total	**64**	58	**184**	169	234	249

CAPITAL EXPENDITURE AND INVESTMENTS IN SHARES						Last 12
MEUR	**7-9/2010**	7-9/2009	**1-9/2010**	1-9/2009	1-12/2009	months
Oil Products	**23**	45	**235**	139	198	294
Renewable Fuels	**157**	158	**435**	431	619	623
Oil Retail	**8**	9	**23**	19	29	33
Others	**2**	4	**61**	11	17	67
Total	**190**	216	**754**	600	863	1,017

TOTAL ASSETS	**30 Sep**	30 Sep	31 Dec
MEUR	**2010**	2009	2009
Oil Products	**3,699**	3,597	3,750
Renewable Fuels	**1,575**	869	1,065
Oil Retail	**572**	544	545
Others	**380**	301	296
Unallocated assets	**220**	207	234
Eliminations	**-222**	-175	-190
Total	**6,224**	5,343	5,700

NET ASSETS MEUR	30 Sep 2010	30 Sep 2009	31 Dec 2009
Oil Products	**2,610**	2,573	2,943
Renewable Fuels	**1,468**	752	925
Oil Retail	**316**	308	305
Others	**299**	249	249
Eliminations	**-2**	4	1
Total	**4,691**	3,886	4,423

RETURN ON NET ASSETS, %	30 Sep 2010	30 Sep 2009	31 Dec 2009	Last 12 months
Oil Products	**8.0**	15.1	12.0	7.0
Renewable Fuels	**-3.6**	-3.2	-3.9	-3.9
Oil Retail	**19.0**	18.4	15.8	16.2

COMPARABLE RETURN ON NET ASSETS, %	30 Sep 2010	30 Sep 2009	31 Dec 2009	Last 12 months
Oil Products	**4.9**	6.0	4.0	3.3
Renewable Fuels	**-5.9**	-4.7	-4.7	-5.7
Oil Retail	**18.1**	18.8	15.8	15.2

QUARTERLY SEGMENT INFORMATION

QUARTERLY REVENUE MEUR	7-9/2010	4-6/2010	1-3/2010	10-12/2009	7-9/2009	4-6/2009	1-3/2009
Oil Products	**2,491**	**2,064**	**2,272**	1,987	1,971	2,091	1,582
Renewable Fuels	**120**	**60**	**36**	61	59	38	24
Oil Retail	**917**	**884**	**849**	791	789	727	691
Others	**38**	**45**	**49**	44	37	41	42
Eliminations	**-501**	**-477**	**-481**	-392	-356	-305	-286
Total	**3,065**	**2,576**	**2,725**	2,491	2,500	2,592	2,053

QUARTERLY OPERATING PROFIT MEUR	7-9/2010	4-6/2010	1-3/2010	10-12/2009	7-9/2009	4-6/2009	1-3/2009
Oil Products	**116**	**-18**	**65**	27	80	105	106
Renewable Fuels	**2**	**-19**	**-15**	-11	-1	-2	-10
Oil Retail	**24**	**14**	**6**	6	19	13	12
Others	**2**	**-42**	**43**	-11	17	-2	-11
Eliminations	**-1**	**2**	**-2**	-2	-2	4	-2
Total	**143**	**-63**	**97**	9	113	118	95

QUARTERLY COMPARABLE OPERATING PROFIT MEUR	7-9/2010	4-6/2010	1-3/2010	10-12/2009	7-9/2009	4-6/2009	1-3/2009
Oil Products	**45**	**-3**	**58**	-11	15	37	64
Renewable Fuels	**-12**	**-23**	**-17**	-10	-6	-6	-7
Oil Retail	**23**	**13**	**6**	5	19	14	12
Others	**2**	**16**	**43**	-11	16	-2	-11
Eliminations	**-1**	**2**	**-2**	-2	-2	4	-2
Total	**57**	**5**	**88**	-29	42	47	56

QUARTERLY DEPRECIATION, AMORTIZATION AND IMPAIRMENTS MEUR	7-9/2010	4-6/2010	1-3/2010	10-12/2009	7-9/2009	4-6/2009	1-3/2009
Oil Products	**48**	**47**	**42**	48	43	43	44
Renewable Fuels	**5**	**5**	**5**	6	4	2	2
Oil Retail	**8**	**8**	**8**	8	8	8	7
Others	**3**	**2**	**3**	3	3	3	2
Total	**64**	**62**	**58**	65	58	56	55

QUARTERLY CAPITAL EXPENDITURE AND INVESTMENTS IN SHARES MEUR	7-9/2010	4-6/2010	1-3/2010	10-12/2009	7-9/2009	4-6/2009	1-3/2009
Oil Products	**23**	**158**	**54**	59	45	51	43
Renewable Fuels	**157**	**149**	**129**	188	158	150	123
Oil Retail	**8**	**13**	**2**	10	9	6	4
Others	**2**	**54**	**5**	6	4	3	4
Total	**190**	**374**	**190**	263	216	210	174

4. ACQUISITIONS

UAB Neste Lietuva, subsidiary of Neste Oil Group, acquired 100% of the shares and voting rights of UAB Alexela Oil, currently named UAB Automatines Degalines, which operates 22 unmanned fuel stations in Lithuania. The acquisition was closed on 28 May 2010. Neste Oil strengthens its position on the retail market in Lithuania, as the acquisition complements the company's existing network of 37 stations in the country.

The profit of UAB Alexela Oil included in the Neste Oil's consolidated income statement 1 January - 30 September 2010 is immaterial. Also, the management estimates that UAB Alexela Oil's effect on Neste Oil's consolidated revenue or profit for the period would have been immaterial as at 30 September 2010, had the acquisition taken place on 1 January 2010.

Assets and liabilities of UAB Alexela Oil

MEUR	Acquired fair value	Acquired book value
Intangible and tangible assets	7	5
Current assets	3	3
Cash and cash equivalents	0	0
Total assets	10	8
Trade and other payables	2	1
Total liabilities	2	1
Acquired net assets	8	7
Purchase consideration		8
Goodwill		0
Purchase consideration settled in cash		8
Cash and cash equivalents in UAB Alexela Oil		0
Cash outflow on acquisition		8

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

CHANGES IN INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT MEUR	**30 Sep 2010**	30 Sep 2009	31 Dec 2009
Opening balance	**3,283**	2,726	2,726
Depreciation, amortization and impairments	**-184**	-169	-234
Capital expenditure	**699**	568	820
Disposals	**-1**	-5	-21
Increases through business combinations	**6**	-2	0
Translation differences	**7**	0	-8
Closing balance	**3,810**	3,118	3,283

CAPITAL COMMITMENTS MEUR	**30 Sep 2010**	30 Sep 2009	31 Dec 2009
Commitments to purchase property, plant and equipment	**184**	591	431
Total	**184**	591	431

Capital commitments include EUR 78 million future commitments related to energy and utility supply agreements, which will be accounted for as finance leases.

6. DERIVATIVE FINANCIAL INSTRUMENTS

Interest rate and currency derivative contracts and share forward contracts MEUR	30 Sep 2010 Nominal value	30 Sep 2010 Net fair value	30 Sep 2009 Nominal value	30 Sep 2009 Net fair value	31 Dec 2009 Nominal value	31 Dec 2009 Net fair value
Interest rate swaps	**723**	**8**	723	-17	723	-13
Forward foreign exchange contracts	**1,612**	**50**	1,345	44	1,759	-7
Currency options						
Purchased	**63**	**-1**	59	2	115	-1
Written	**55**	**1**	51	2	114	2
Share forward contracts	**0**	**0**	9	-4	9	-4

Commodity derivative contracts	30 Sep 2010 Volume million bbl	30 Sep 2010 Net fair value Meur	30 Sep 2009 Volume million bbl	30 Sep 2009 Net fair value Meur	31 Dec 2009 Volume million bbl	31 Dec 2009 Net fair value Meur
Sales contracts	**15**	**-6**	27	-5	18	-32
Purchase contracts	**8**	**3**	21	-8	7	10
Purchased options	**2**	**-11**	2	-8	1	-8
Written options	**2**	**11**	2	8	1	8

Commodity derivative contracts include oil, freight and palmoil 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.

7. RELATED PARTY TRANSACTIONS

Details of transactions between the Group and associates/joint ventures are disclosed below.

Transactions carried out with associates and joint ventures	1-9/2010	1-9/2009	1-12/2009
Sales of goods and services	**75**	53	70
Purchases of goods and services	**43**	37	48
Receivables	**31**	13	23
Financial income and expenses	**0**	0	0
Liabilities	**1**	9	2

8. CONTINGENT LIABILITIES

MEUR	30 Sep 2010	30 Sep 2009	31 Dec 2009
Contingent liabilities			
On own behalf for commitments			
Real estate mortgages	**26**	26	26
Pledged assets	**2**	3	2
Other contingent liabilities	**40**	47	48
Total	**68**	76	76
On behalf of associates and joint ventures			
Guarantees	**4**	4	4
Other contingent liabilities	**1**	2	2
Total	**5**	6	6
On behalf of others			
Guarantees	**14**	18	18
Total	**14**	18	18
Total	**87**	100	100

MEUR	30 Sep 2010	30 Sep 2009	31 Dec 2009
Operating lease liabilities			
Due within one year	**60**	88	82
Due between one and five years	**141**	172	166
Due later than five years	**110**	124	120
Total	**311**	384	368

The Group's operating lease commitments primarily relate to time charter vessels, land and office space. In 2008 the lease commitments included operating leases contained in hydrogen supply agreements. Based on updated information the hydrogen supply agreements have been reassessed in 2009 and will be accounted for as take-or-pay contracts. The previous years figures concerning operating lease liabilities have been restated accordingly.

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 associates and 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 and freight 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 -/+ gains/losses from sale of shares and non-financial assets - unrealized change in fair value of oil and freight derivative contracts. Inventory gains/losses include the change in fair value of all trading inventories.
Return on equity, (ROE)%	=	100 x	Profit before taxes - taxes / Total equity average
Return on capital employed, pre-tax (ROCE) %	=	100 x	Profit before taxes + interest and other financial expenses / Capital employed average
Return on average capital employed, after-tax (ROACE) %	=	100 x	Profit for the period (adjusted for inventory gains/losses, gains/losses from sale of shares and non-financial assets and unrealized gains/losses on oil and freight derivative contracts, net of tax) + minority interest + interest expenses and other financial expenses related to interest-bearing liabilities (net of tax) / 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	Interest-bearing net debt / Interest bearing net debt + total equity
Gearing, %	=	100 x	Interest-bearing net debt / Total equity
Equity-to-assets ratio, %	=	100 x	Total equity / Total assets - advances received
Return on net assets, %	=	100 x	Segment operating profit / Average segment net assets
Comparable return on net assets, %	=	100 x	Segment comparable operating profit / Average segment net assets
Segment net assets	=		Property, plant and equipment, intangible assets, investment in associates and joint ventures including shareholder loans, pension assets, inventories and interest-free receivables and liabilities allocated to the business segment, provisions and pension liabilities

Calculation of share-related indicators

Earnings per share (EPS)	=		Profit for the period attributable to the equity holders of the company / Adjusted average number of shares during the period
Equity per share	=		Shareholder's equity attributable to the equity holders of the company / Adjusted average number of shares at the end of the period
Cash flow per share	=		Net cash generated from operating activities / Adjusted average number of shares during the period