

Keeping Things Simple

Sakari Toivola
Executive Vice President, Oil Retail

Capital Markets Day
29 September 2009

NESTE OIL

refining the future

Business Environment

Demand

Economic slowdown has reduced demand in 2009*

- Finland: gasoline -2 %, diesel -4 % (over 10% in trucking)
- The Baltics and Northwest Russia: -10-15%, Poland: flat

Competition

Tough competition in a transparent market

- Volumes are shifting from attended to unattended stations in Finland and around the Baltic Rim where our competitiveness has increased thanks to our unattended station concept and strong brand

Margin

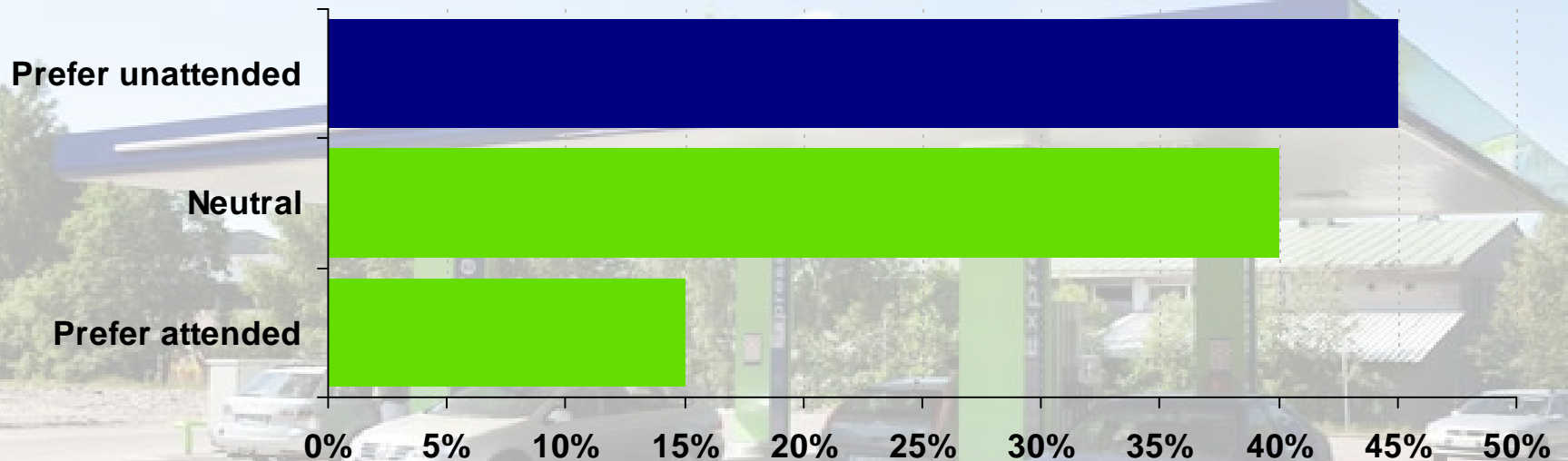
Flat margins expected

- Tight market share competition and falling demand

**) compared to 2008*

NESTE OIL

Finnish Customers Seem To Prefer Unattended Stations



Source: Web-based customer survey, summer 2009, n = 1282

NESTE OIL

Oil Retail's Top Priorities

**Customer loyalty
and market
position**

Optimal pricing

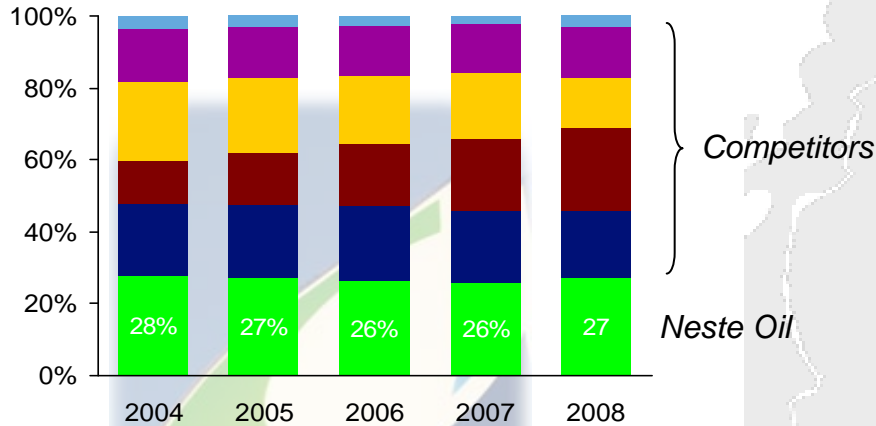
Maximize profitability

Neste Oil brand

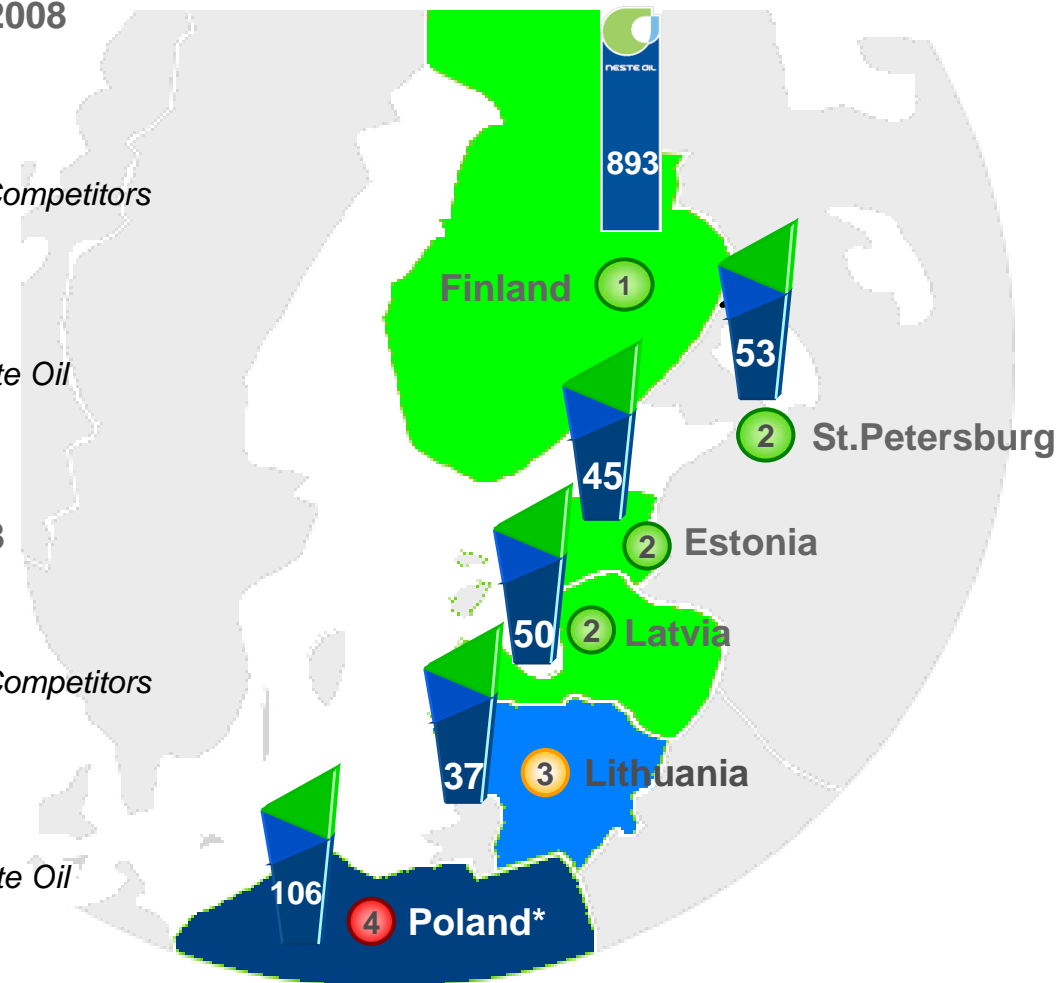
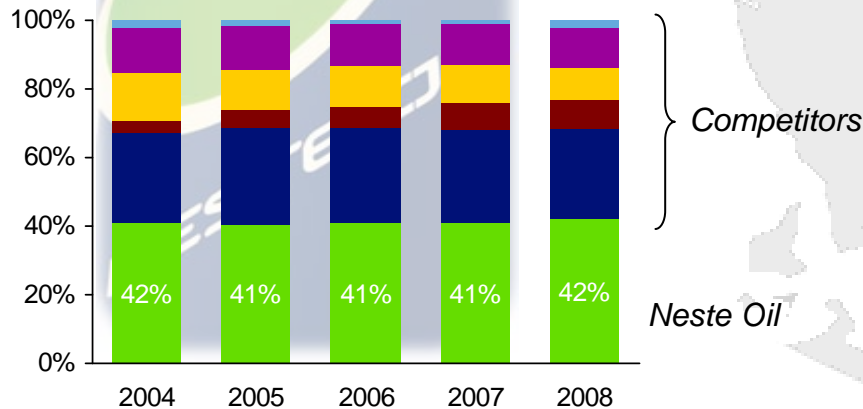
Lowest unit cost

Leader In Finland – Second In St. Petersburg

Gasoline market shares in Finland, 2004-2008



Diesel market shares in Finland, 2004-2008



● = market position

*in present market areas

Targeting Lower Unit Costs

- Unit costs are the most important profitability driver in the retail business
- In general, unattended stations are the most cost-efficient due to their low fixed costs
- Fixed costs of an unattended site are roughly 1/3 compared to those of attended stations
- Our unit costs in Finland are already the lowest in the sector

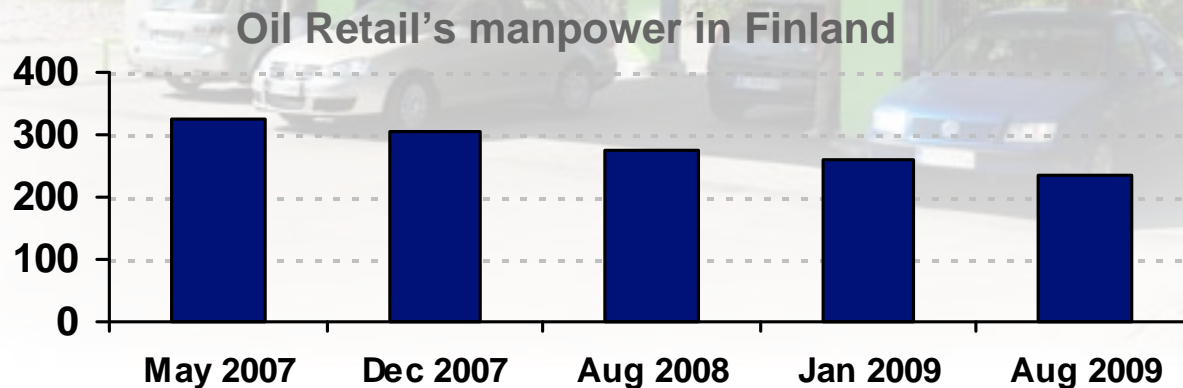
	Unit cost €/ton*
Neste Oil	0,75
Competitor 1	0,83
Competitor 2	0,85
Competitor 3	1,16

* Source: financial statements and FOGF

- The unattended site concept has made us competitive in the Baltics, where demand is down but our volumes have remained healthy

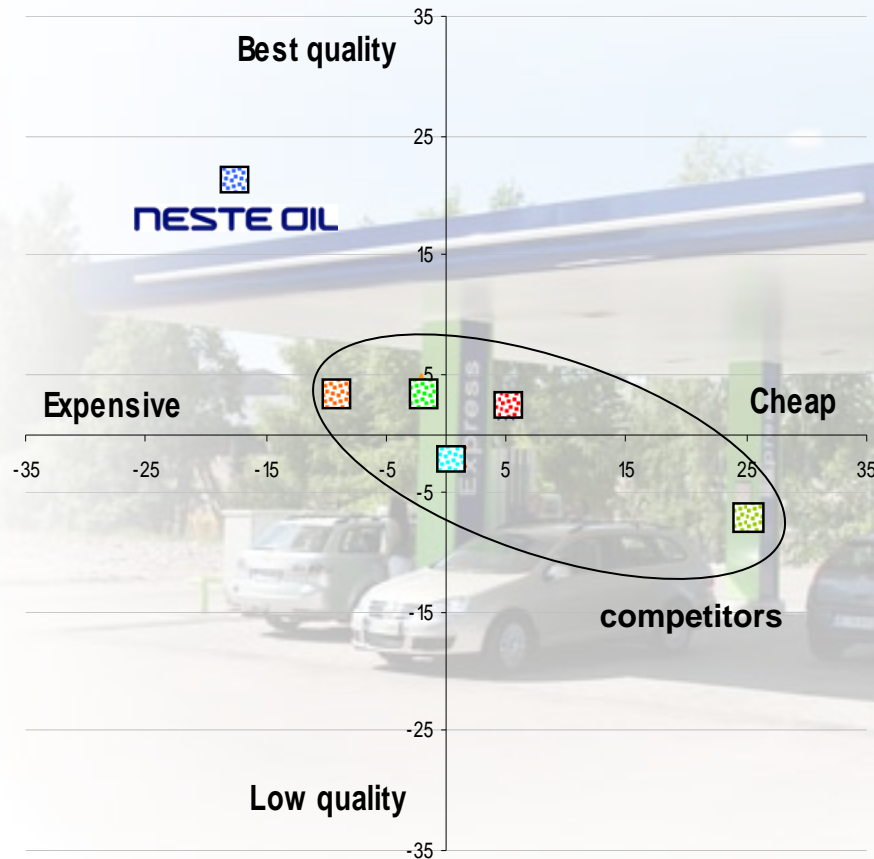
Cost Savings In The Finnish Organization

- Project was started in 2007 to strengthen our position in Finland by
 - Improving cost efficiency
 - Revitalizing our brand image
 - Optimizing the network
- Target of saving EUR 10 million in fixed costs by 2010 will be met
- Headcount will drop by 40% (personnel have accounted for roughly 30% of fixed costs)
- Other savings will come from caretaking, trucking freights, maintenance, etc.
- Some of these savings have already materialized and are improving Retail's profitability in 2009



Neste Oil Brand

Fuel price-quality image in Finland



- Oil Retail is the spearhead for the Neste Oil brand
- Target is to be the leader in fuels and forecourt quality
- Good results from revamping image and quality of sites in Finland
- Strong brand helps differentiate our product

Source: Taloustutkimus research, June 2009

NESTE OIL



refining the future

NESTE OIL