

Investor presentation

May 2013

NESTE OIL



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Disclaimer

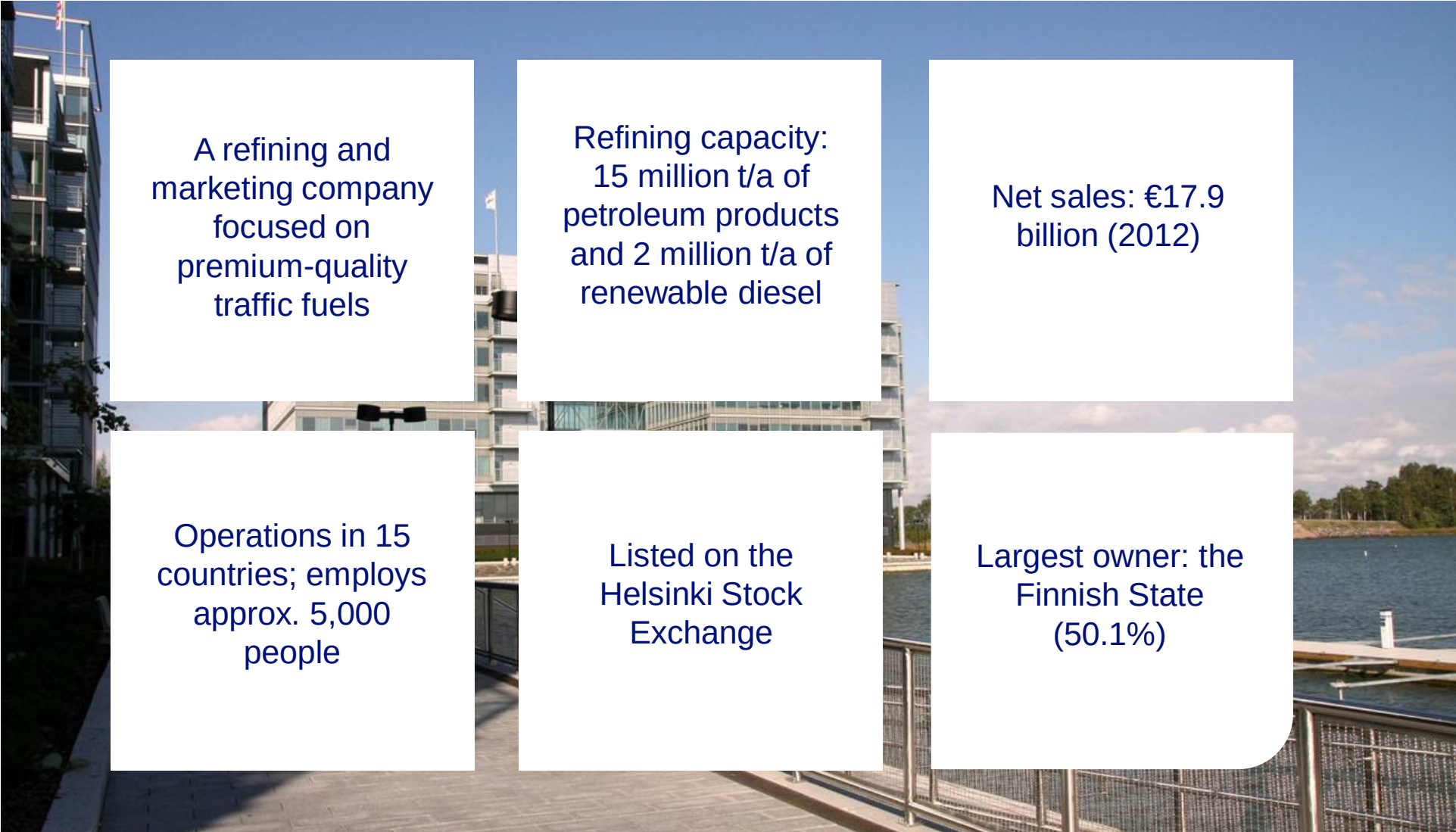
The following information contains, or may be deemed to contain, “forward-looking statements”. These statements relate to future events or our future financial performance, including, but not limited to, strategic plans, potential growth, planned operational changes, expected capital expenditures, future 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 following forward-looking statements, possibly to a material degree. All forward-looking statements made in this presentation are based on information presently available to management and Neste Oil Corporation assumes no obligation to update any forward-looking statements. Nothing in this presentation constitutes investment advice and this presentation 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.

Neste Oil in brief

NESTE OIL



Neste Oil in Brief

The background of the slide is a photograph of a modern, multi-story building with a glass facade, situated next to a body of water. The building has several balconies and a flagpole. The sky is blue with some light clouds. The water is calm, and there's a railing in the foreground.

A refining and marketing company focused on premium-quality traffic fuels

Refining capacity:
15 million t/a of petroleum products and 2 million t/a of renewable diesel

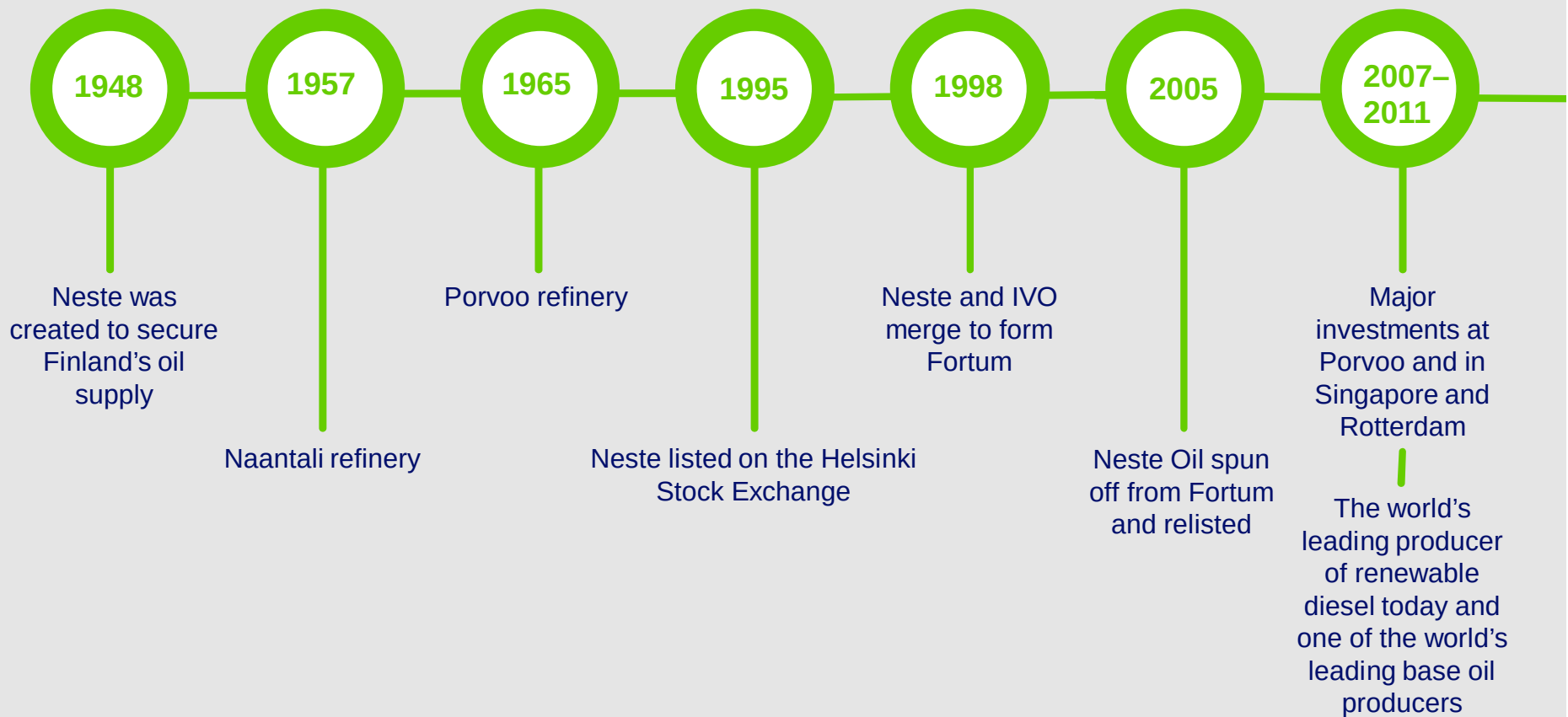
Net sales: €17.9 billion (2012)

Operations in 15 countries; employs approx. 5,000 people

Listed on the Helsinki Stock Exchange

Largest owner: the Finnish State (50.1%)

History of Neste Oil



Neste Oil worldwide



Our values

Responsibility

Excellence

Innovation

Cooperation

NESTE OIL

Strategy

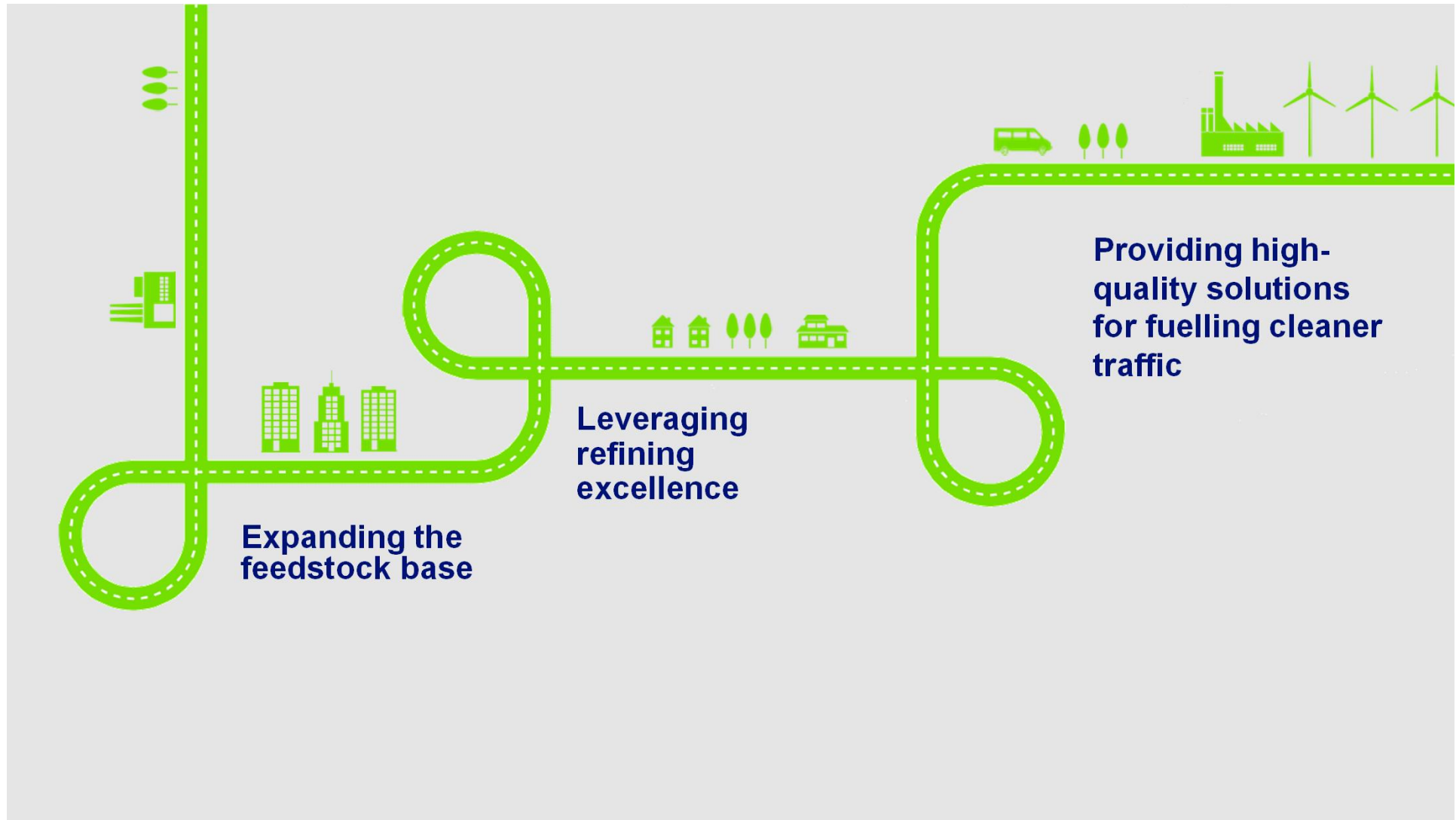
NESTE OIL



Our vision

**To be the
preferred
partner for
cleaner traffic
fuel solutions**

Neste Oil's strategy



Neste Oil's strengths



Strong market
position

Cutting edge
R&D

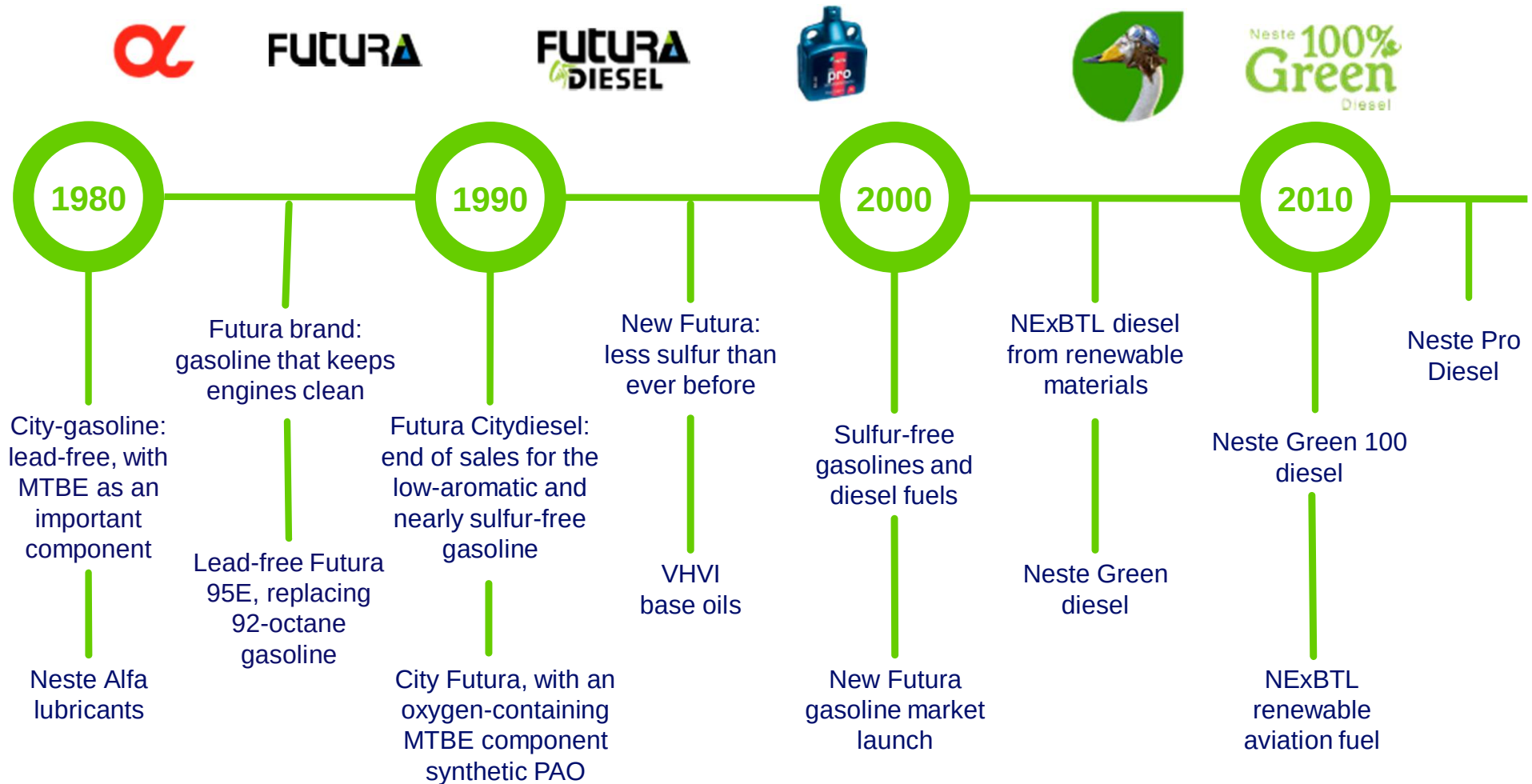
Sustainable
business model

Premium-
quality products

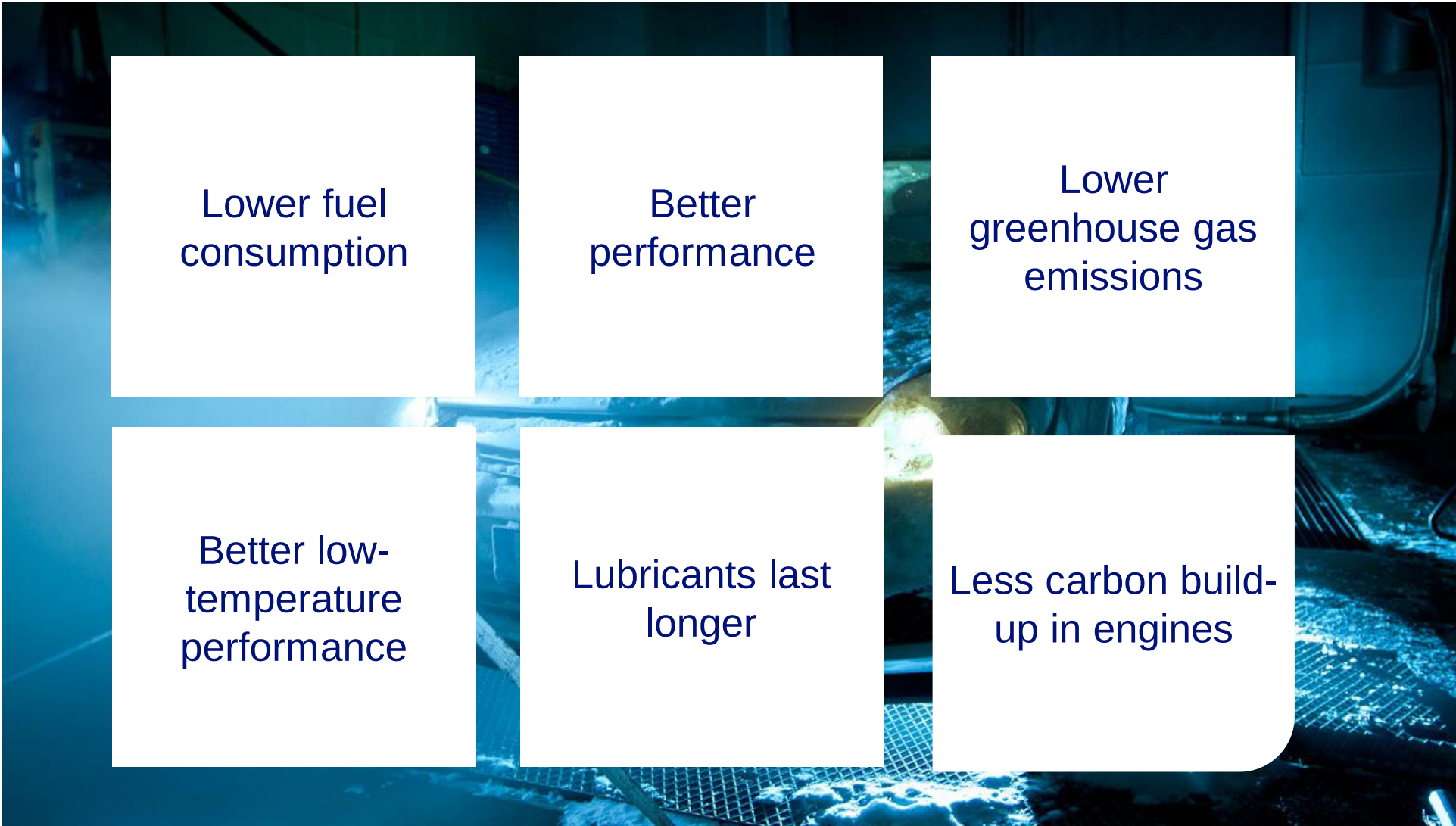
Competitive advantage from cutting-edge R&D

- 
- In-house Research and Development Unit develops refining processes, catalysts, and new technologies and products
 - Current research is focused on developing new renewable feedstocks and technologies for refining them
 - Neste Oil collaborates with some of the world's leading research institutions and companies
 - Neste Oil owns 60% of Neste Jacobs
 - The largest and most experienced oil and chemical industry engineering company in the Nordic region, employing close to 1,000 engineering professionals

Cleaner products along the way



Latest innovation: Neste Pro Diesel



Lower fuel
consumption

Better
performance

Lower
greenhouse gas
emissions

Better low-
temperature
performance

Lubricants last
longer

Less carbon build-
up in engines

Business

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Neste Oil's business areas

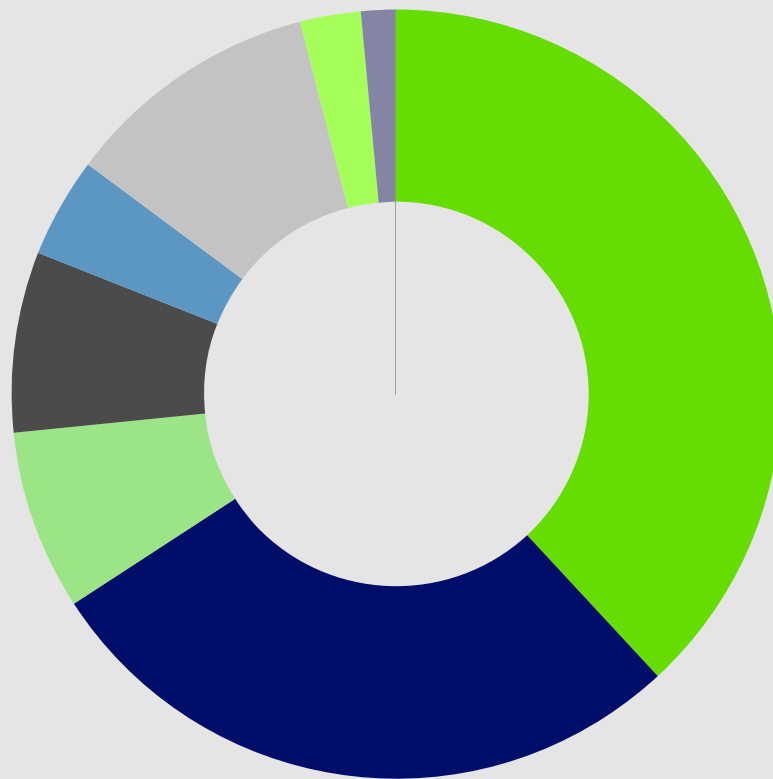
Oil Products and Renewables



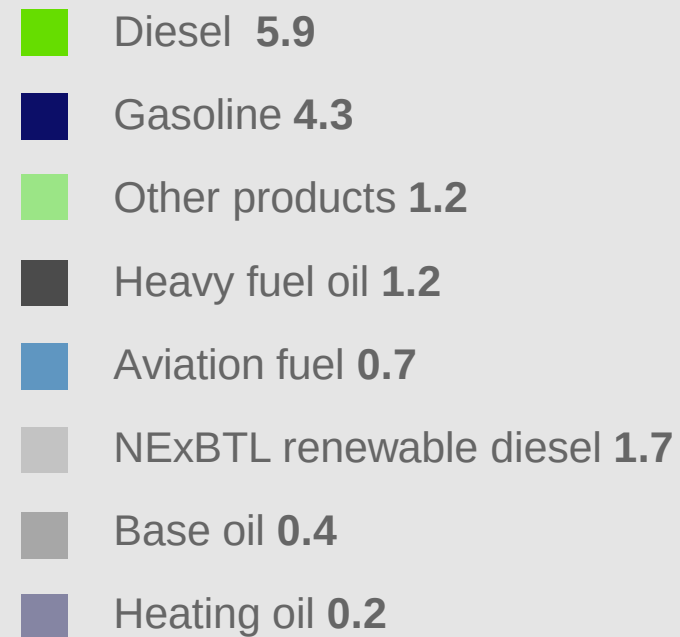
Oil Retail



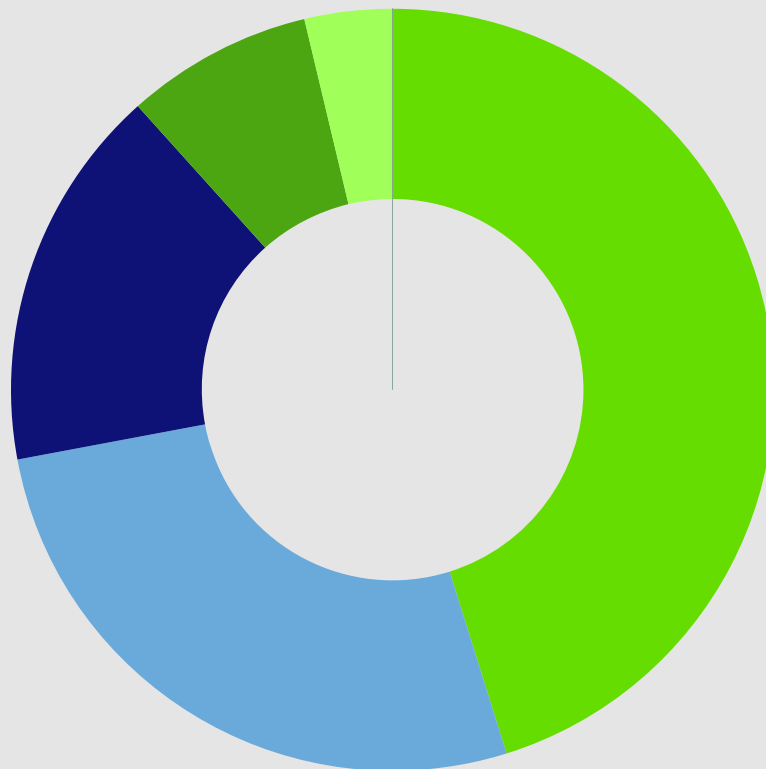
Product range



Sales, million tons (2012)



Markets



Sales,
million tons (2012)

- Finland 7.1
- Rest of Europe 4.2
- Other Nordic countries 2.6
- US and Canada 1.2
- Rest of the world 0.6

Neste Oil's growth areas



NExBTL
renewable diesel



Other renewable
applications



Premium-
quality base oil



Oil retail

Neste Oil's investments

NExBTL-projects

Location	Capacity	Investment	Operational
Porvoo # 1	190,000 t/a	EUR 100 million	2007
Porvoo # 2	190,000 t/a	> EUR 100 million	2009
Singapore	800,000 t/a	EUR 550 million	2010
Rotterdam	800,000 t/a	EUR 670 million	2011

Other refining projects

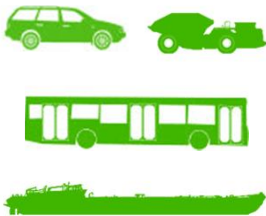
Location	Capacity	Investment	Operational
Bahrain (base oil)	400,000 t/a	EUR 135 million	2011
Porvoo isomerization unit	600,000 t/a	EUR 65 million	2015

NExBTL product family – 100% bioproducts

Flexible feedstock: a wide range of vegetable oils and animal fats



**Renewable
NExBTL diesel**



**Renewable
NExBTL
jet fuel**



**Renewable
naphtha**



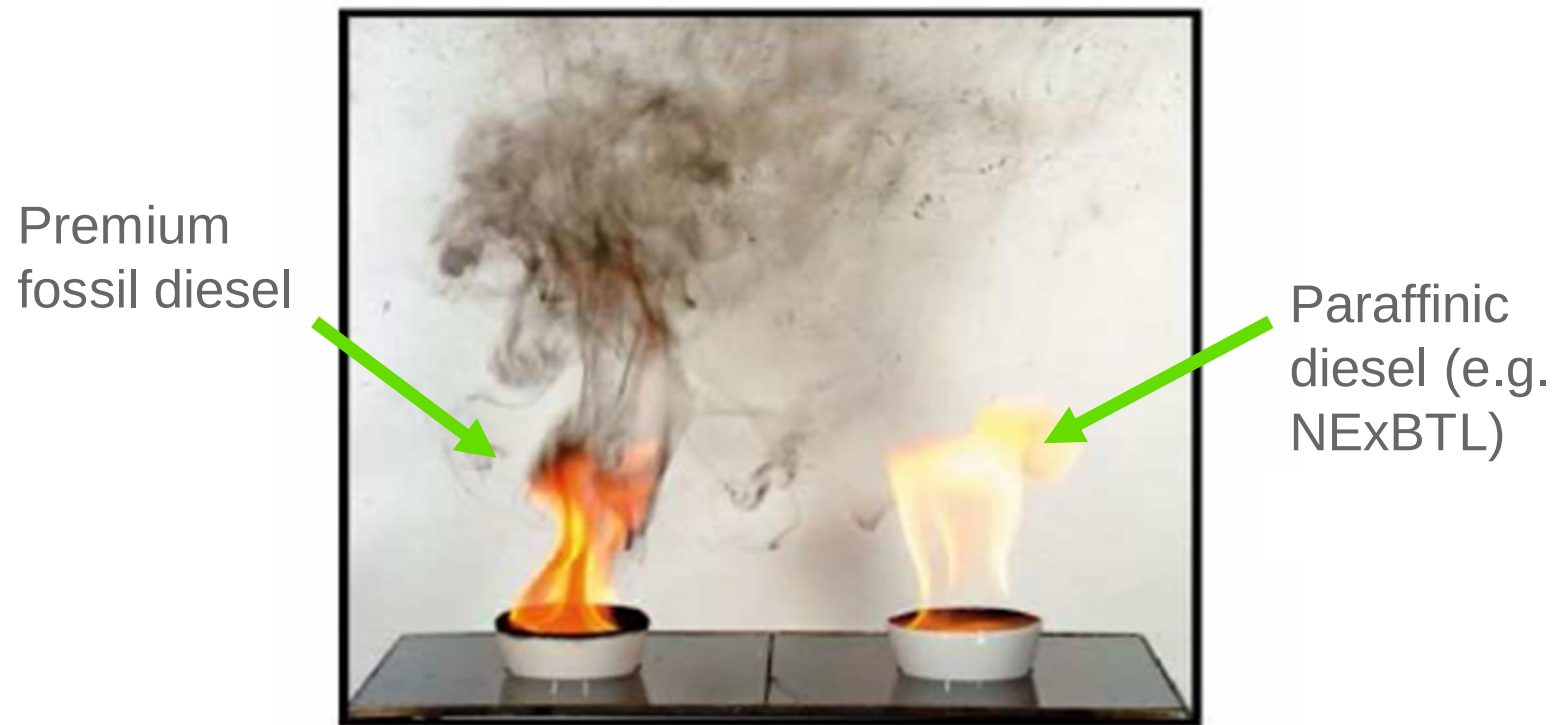
**Renewable
propane**



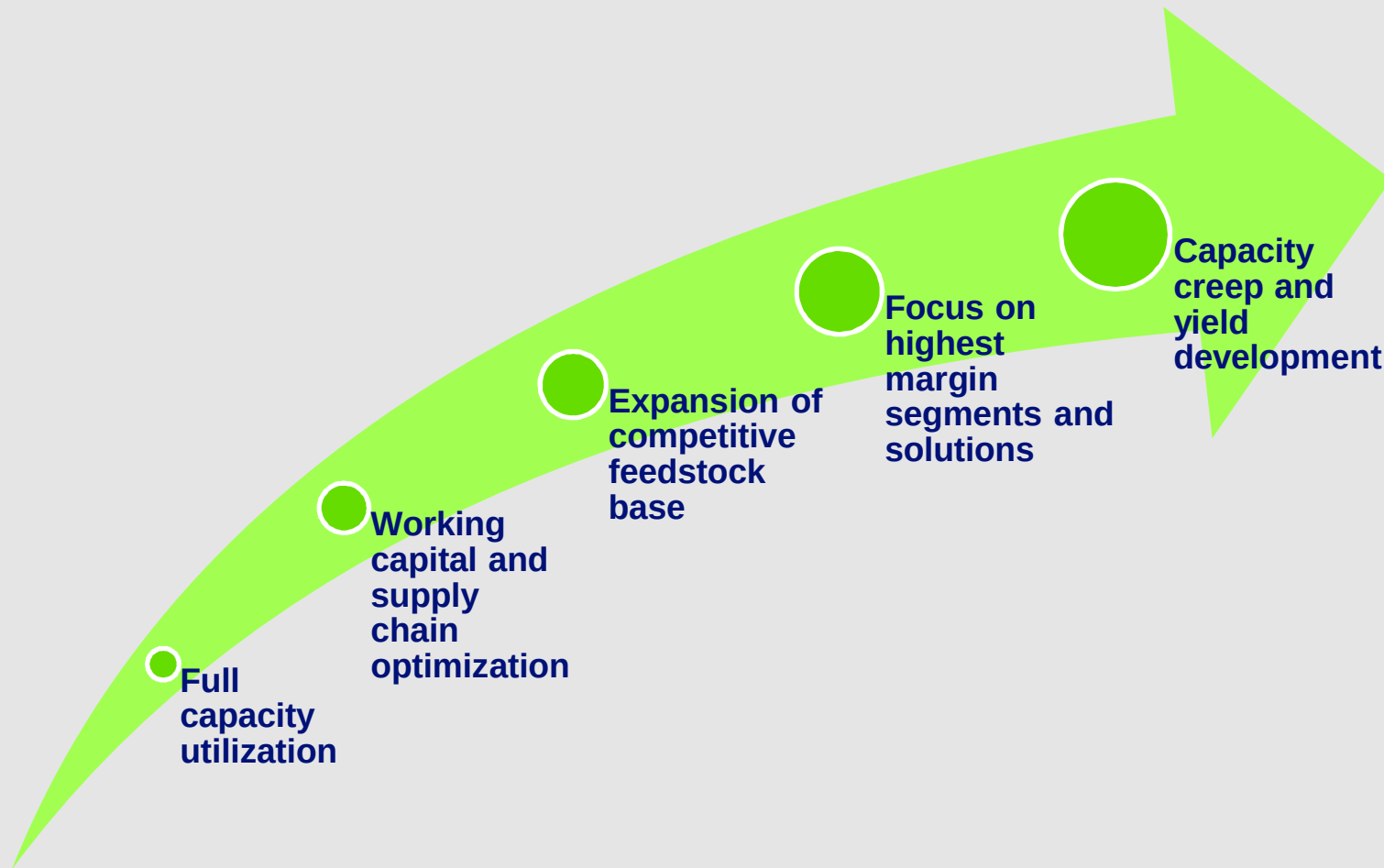
NExBTL renewable diesel

- Produced from vegetable oil and waste fat
- Using NExBTL reduces greenhouse gas and tailpipe emissions significantly
- Compatible with existing distribution systems and engines
- Meets even the toughest manufacturer requirements
- Sold to oil companies in Europe and North America

Visible difference in combustion

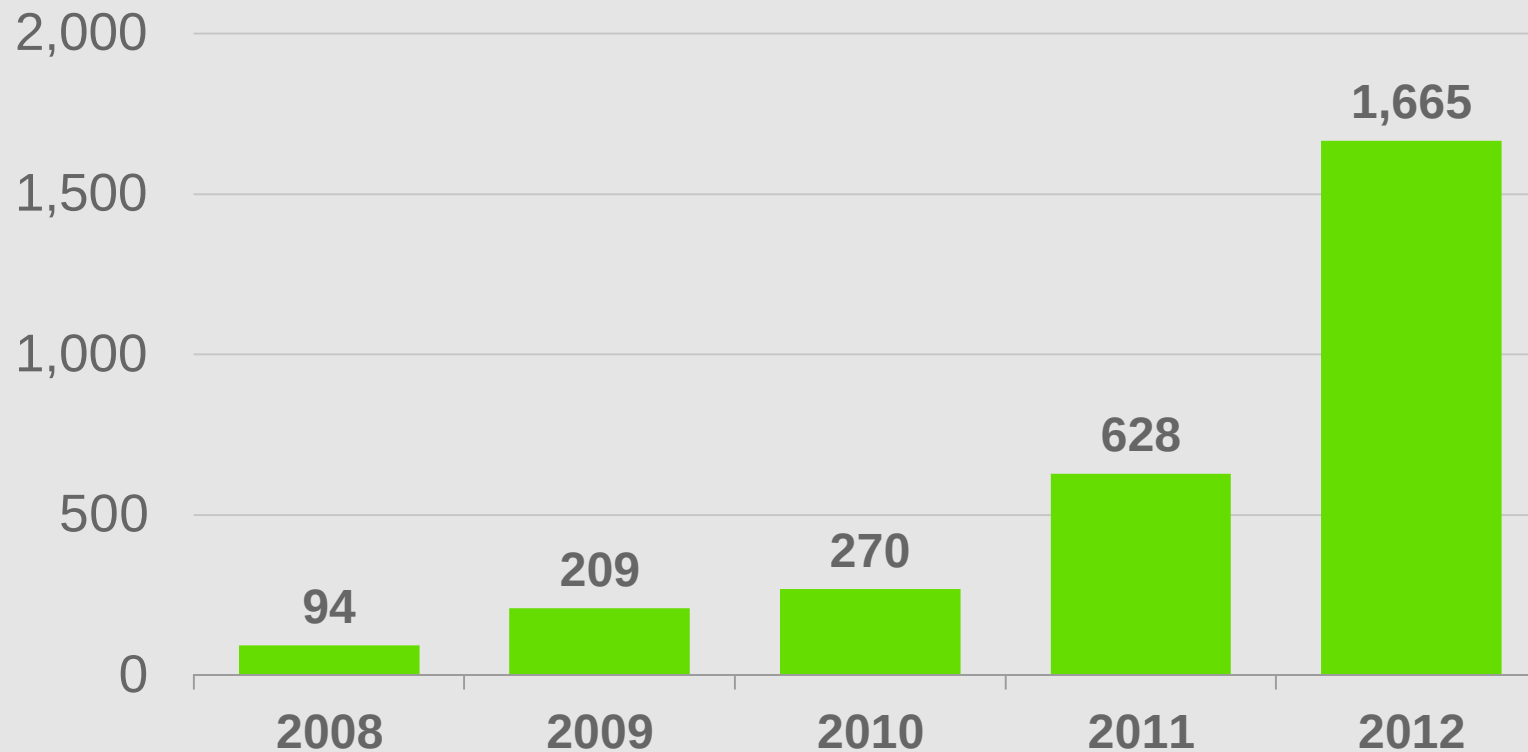


Driving growth and profitability in Renewable Fuels



Sales in Renewable Fuels

NExBTL sales by year, 1,000 tons

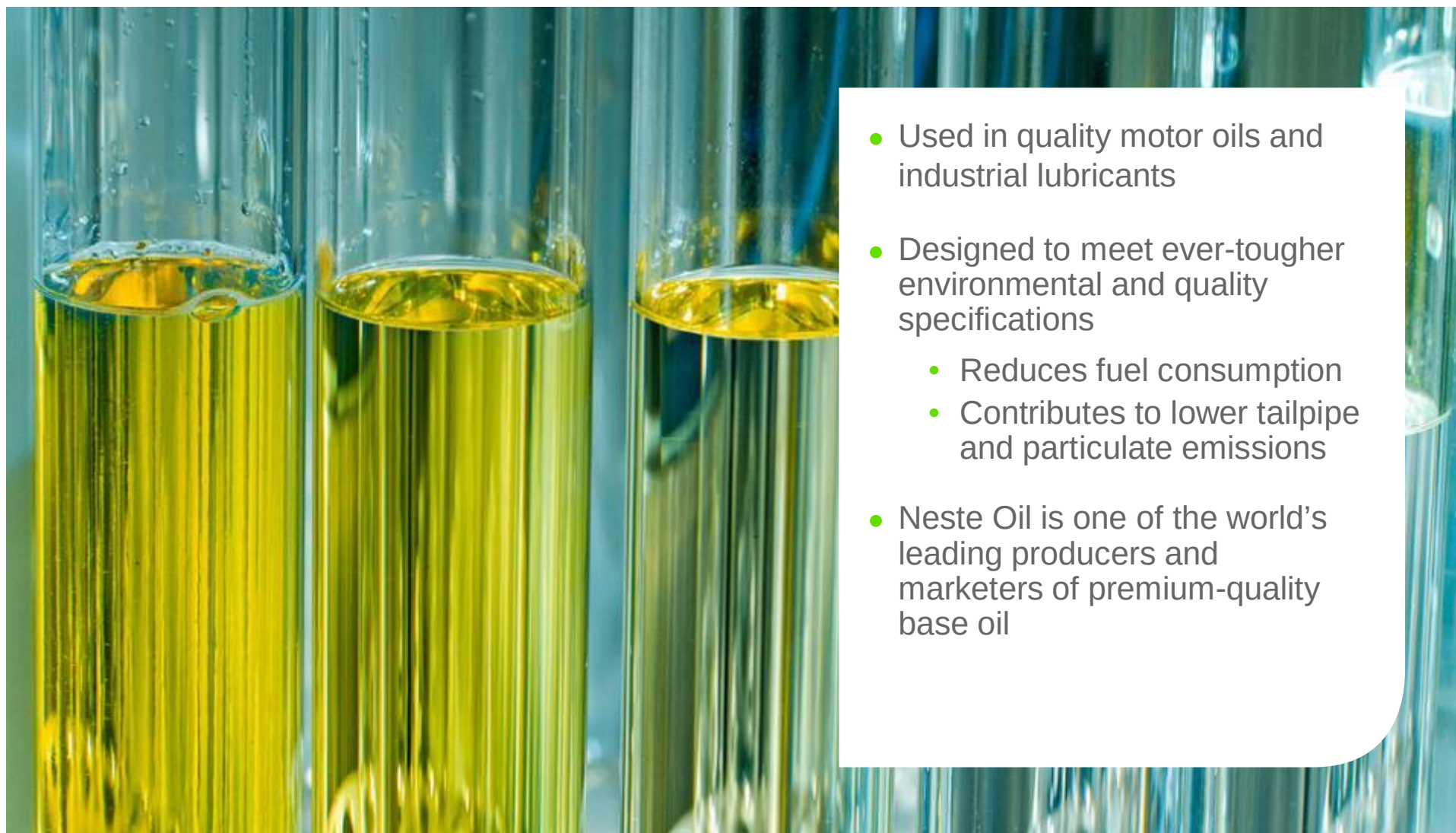


NExBTL renewable aviation fuel

- Offers airlines an easy way to cut their emissions
- Compatible with existing aircraft engines
- Performance demonstrated on over 1,000 Lufthansa flights
- Capable of being produced in commercial volumes
- Offers Neste Oil future growth opportunities

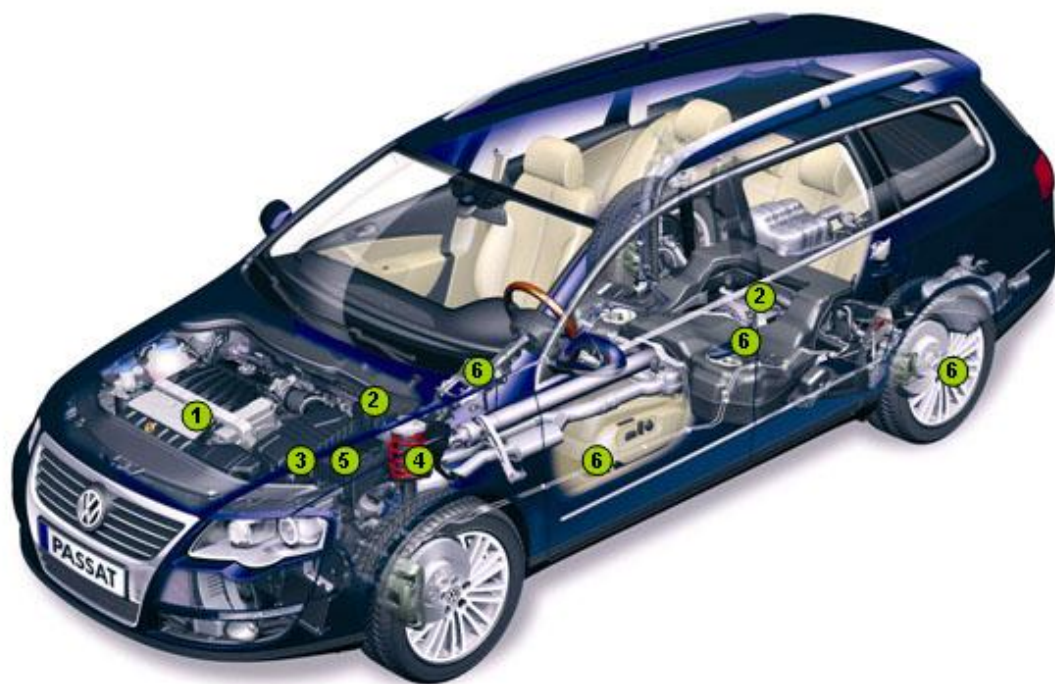


Premium-quality NEXBASE® base oil



- Used in quality motor oils and industrial lubricants
- Designed to meet ever-tougher environmental and quality specifications
 - Reduces fuel consumption
 - Contributes to lower tailpipe and particulate emissions
- Neste Oil is one of the world's leading producers and marketers of premium-quality base oil

Uses of premium-quality base oils



1. Engine Oil
2. Driveline Fluids
3. Power Steering Fluid
4. Shock Absorber Fluid
5. Gear Oil
6. Greases

Oil Retail in brief



Finland's leading service station network and one of the top three in the Baltic countries, and the St. Petersburg region

Direct sales of major petroleum products

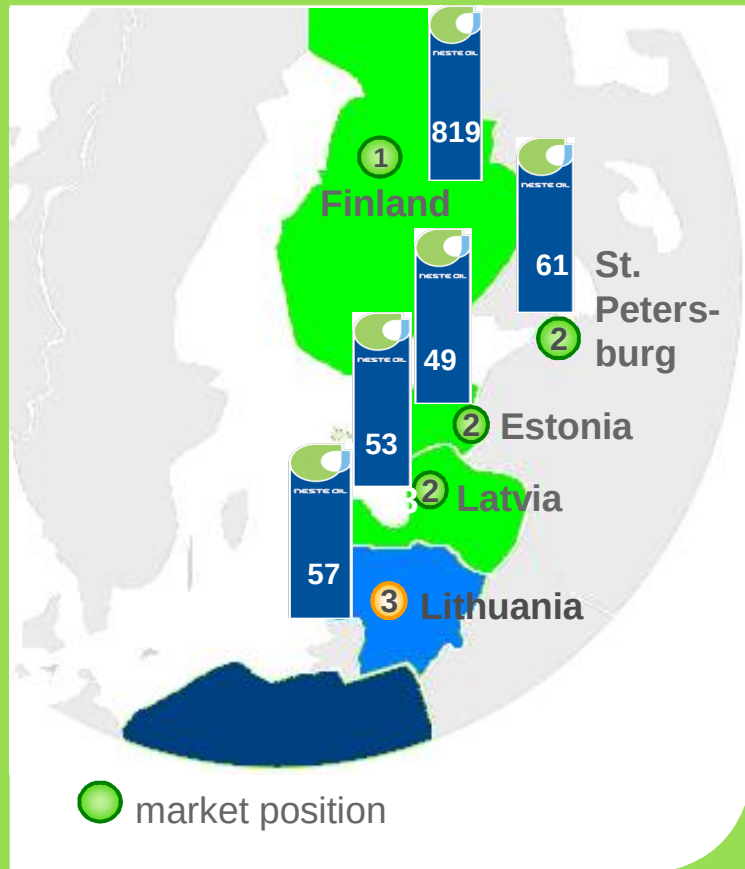
Captive marketing channel for Neste Oil's premium-quality, low-emission products

Aims to achieve a leading position in selected markets

Major marketer and supplier of petroleum products in Northwest Russia, Estonia, Latvia, Lithuania, and Poland

Spearhead for the Neste Oil brand

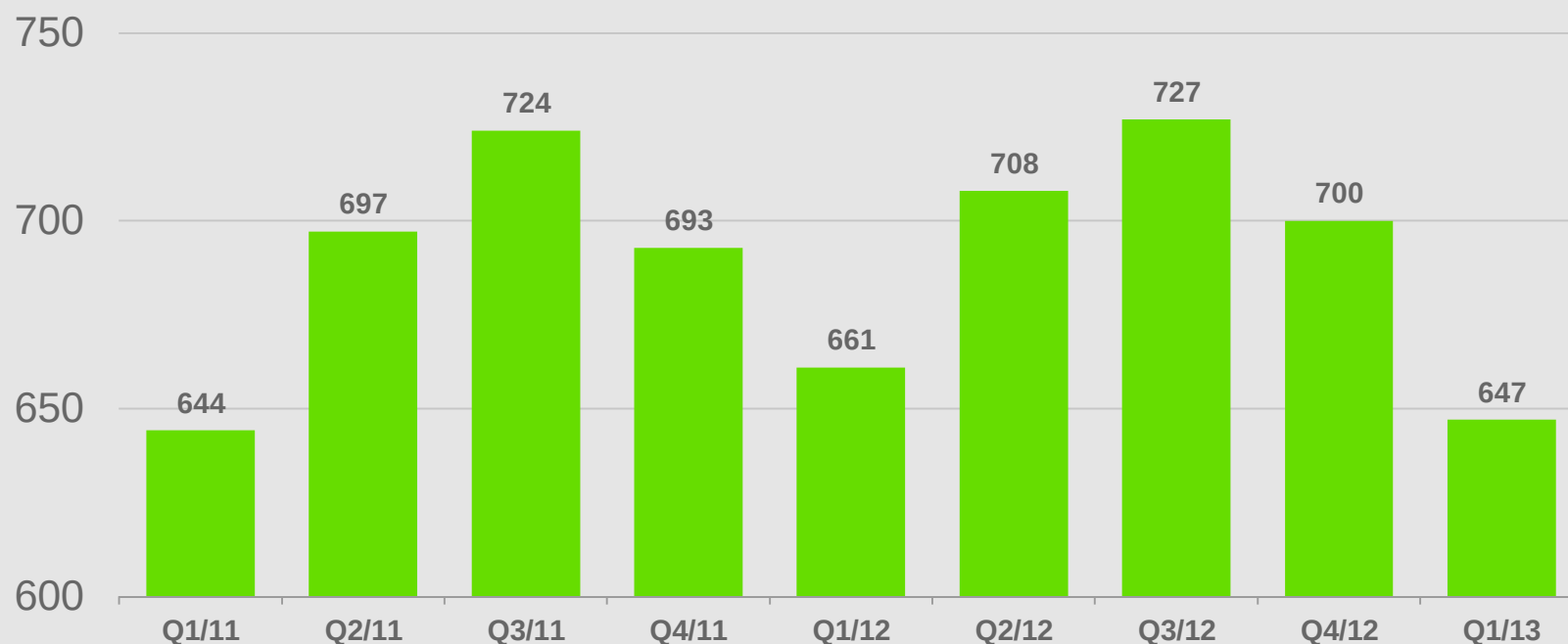
Oil Retail's station network



- Market leader in Finland, a growing force around the Baltic Rim
- Polish retail network to be sold to Shell
- Neste Oil station network consists of:
 - Neste Oil stations
 - Neste Oil Express stations
 - Neste Oil Truck stations

Oil Retail sales volumes

Sales volume (gasoline + diesel) by quarter 1,000 m³



Feedstock development

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Renewable feedstock



**Palm oil, stearin,
palm fatty acid
distillate (PFAD)**



**Waste animal fat
from the meat
processing
industry**



**Waste fat from
the fish
processing
industry**



Camelina oil



Jatropha oil



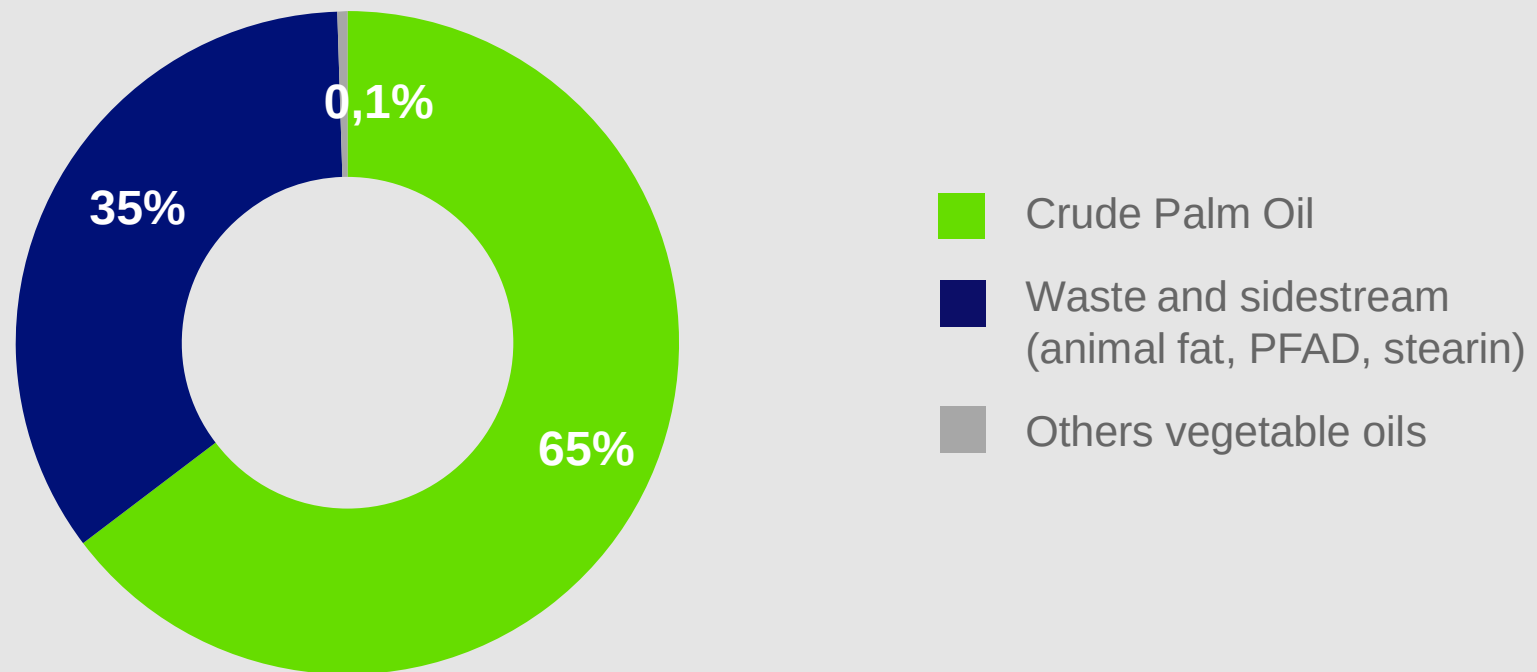
Soybean oil



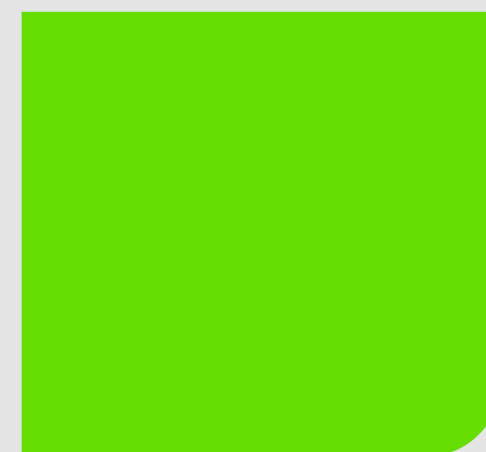
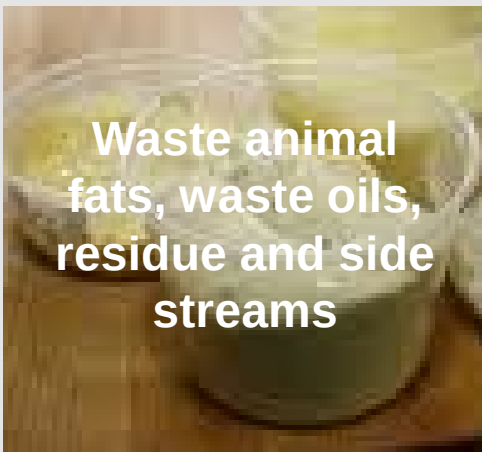
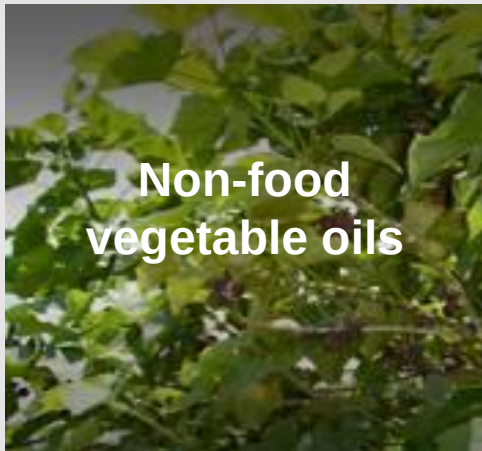
Rapeseed oil

Feedstock

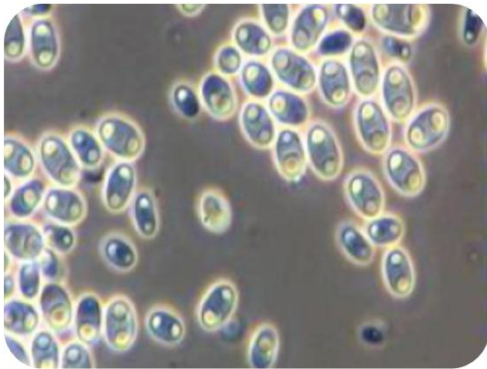
Neste Oil's renewable feedstock mix in 2012



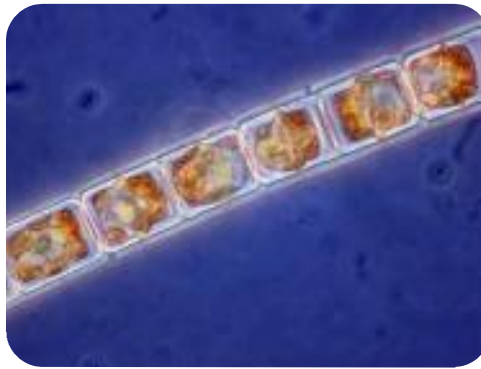
New raw materials and process alternatives



Potential future raw materials



Microbial oil



Algae oil

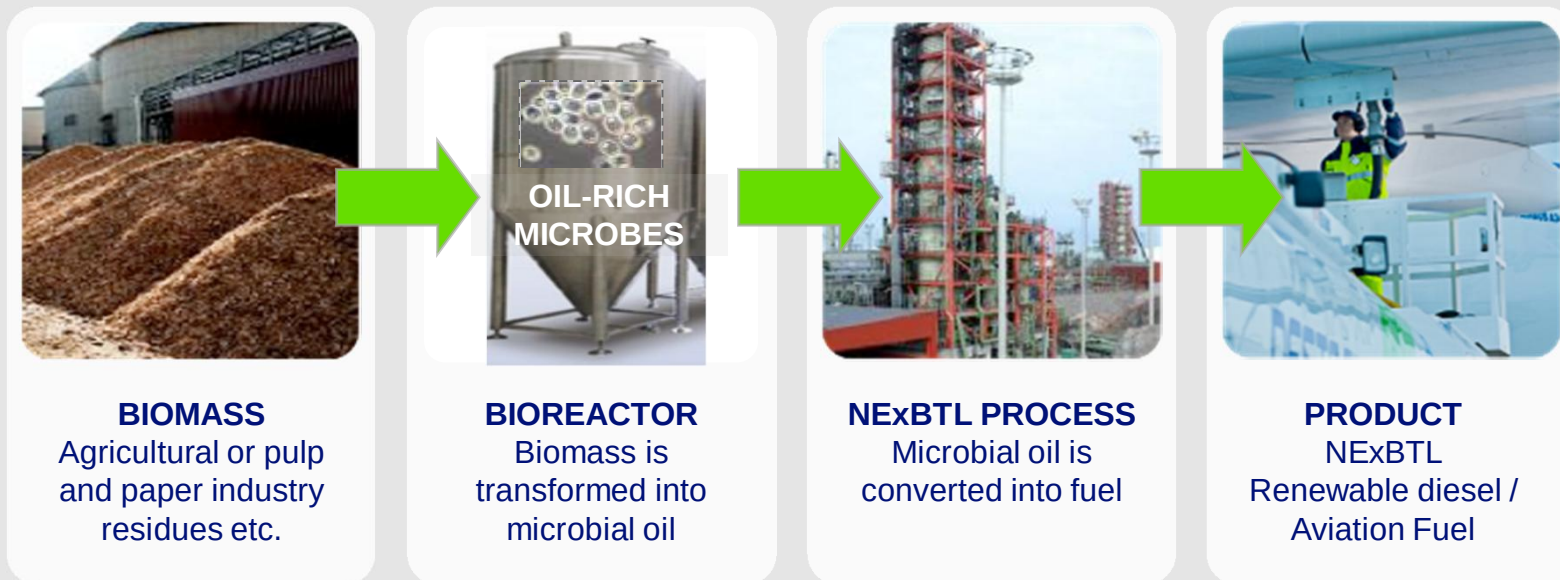


**Biowax from forest
harvesting waste**

- Cooperation with over 20 research institutions around the world.
- 70% of Neste Oil's R&D costs (~EUR 42 million in 2012) directed to researching renewable raw materials and the refining technologies.
- The first ever pilot plant in Europe to produce waste-based microbial oil commenced at Neste Oil's Porvoo refinery in Finland.

Europe's first pilot plant for waste and residue-based microbial oil

Neste Oil is investing in a pilot plant in Finland to produce microbial oil from waste and residue streams



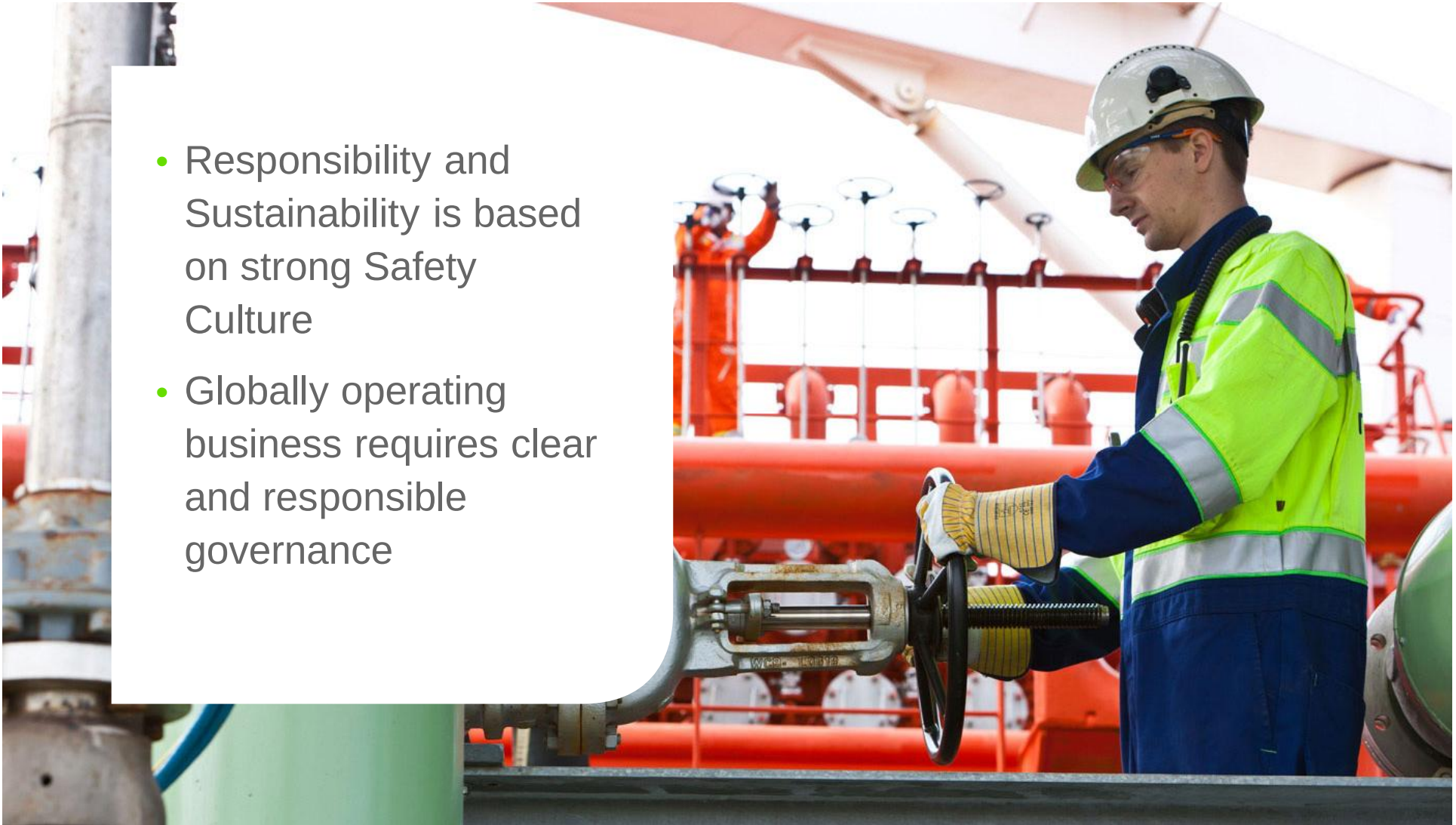
Sustainability

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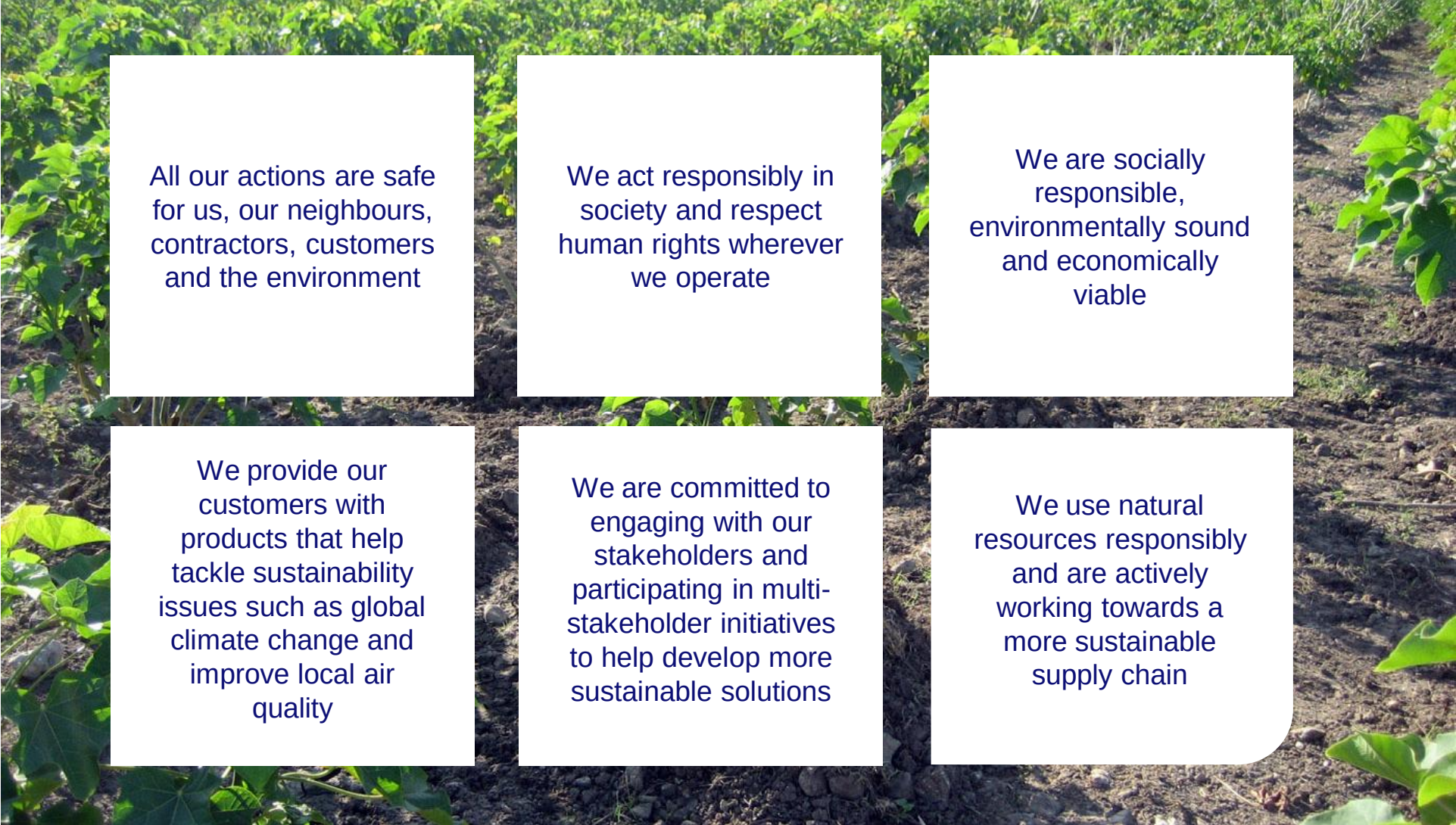


"Safety – Sustainability – Responsibility" in global business environment

- Responsibility and Sustainability is based on strong Safety Culture
- Globally operating business requires clear and responsible governance



Our sustainability policy



All our actions are safe for us, our neighbours, contractors, customers and the environment

We act responsibly in society and respect human rights wherever we operate

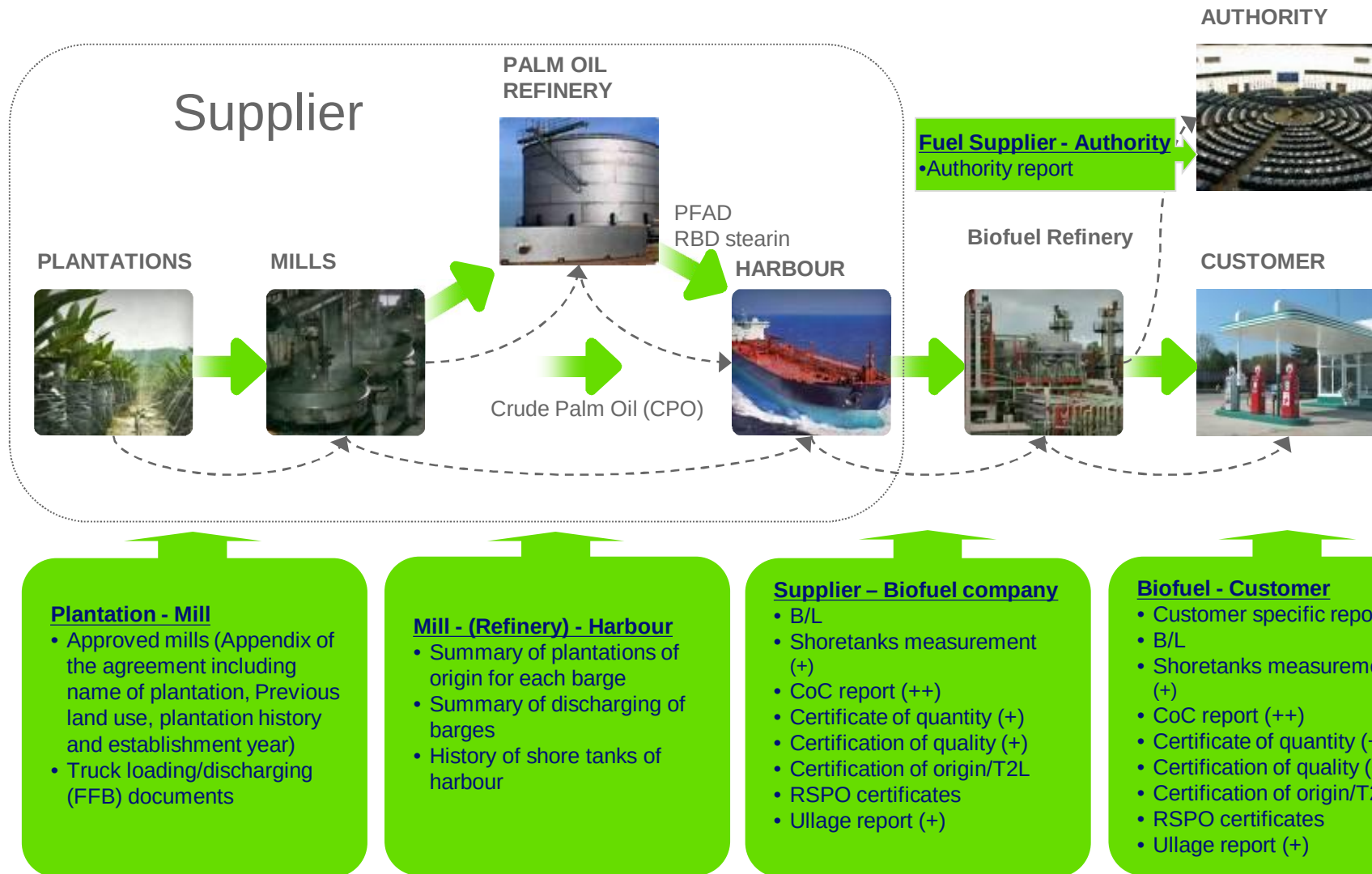
We are socially responsible, environmentally sound and economically viable

We provide our customers with products that help tackle sustainability issues such as global climate change and improve local air quality

We are committed to engaging with our stakeholders and participating in multi-stakeholder initiatives to help develop more sustainable solutions

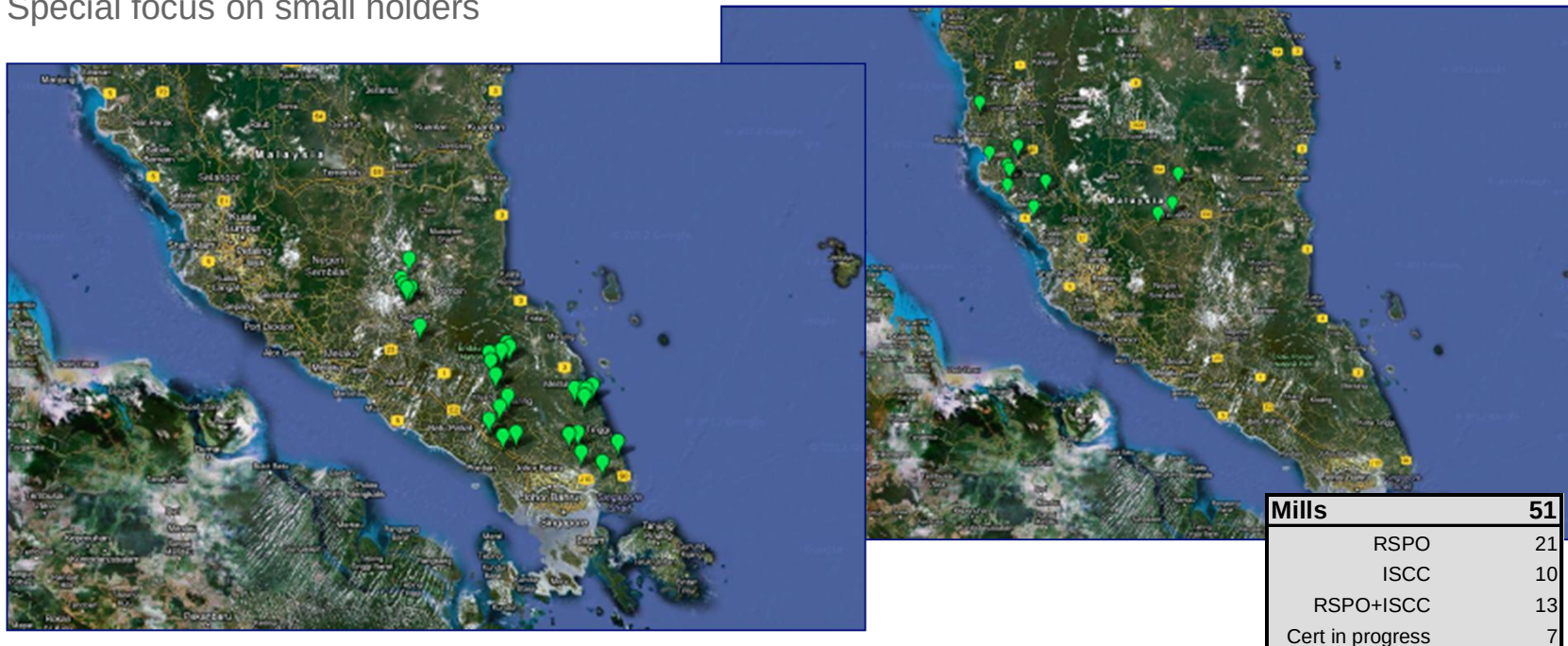
We use natural resources responsibly and are actively working towards a more sustainable supply chain

Case Palm Oil: Full traceability



Mill and Estate Mapping for supply chain management

- All palm oil is traceable to its origin
- Monitoring and collecting data to ensure compliance with legislation and sustainable operations in general: Estate history, certifications, sustainability activities etc
- GHG assessments for all supplies; milling process, agricultural practices
- Special focus on small holders



March, 2012

Sustainability and transparency valued by experts



Production and logistics

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Neste Oil's production sites



Neste Oil's refineries in Finland

Porvoo refinery

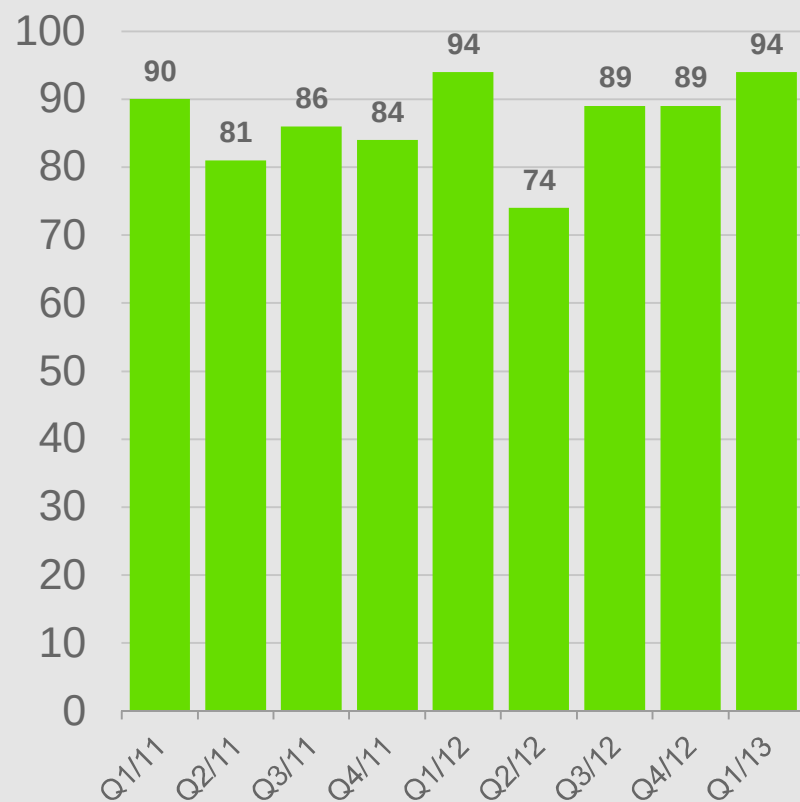
- On stream in 1965
- One of Europe's most advanced and versatile refineries
- Output concentrated on premium-quality, low-emission traffic fuels
- Crude oil distillation capacity of approx. 206,000 bbl/d; produces approx. 12 million tons of petroleum products annually
- Employs around 1,000 people
- Nelson complexity index 12.1

Naantali refinery

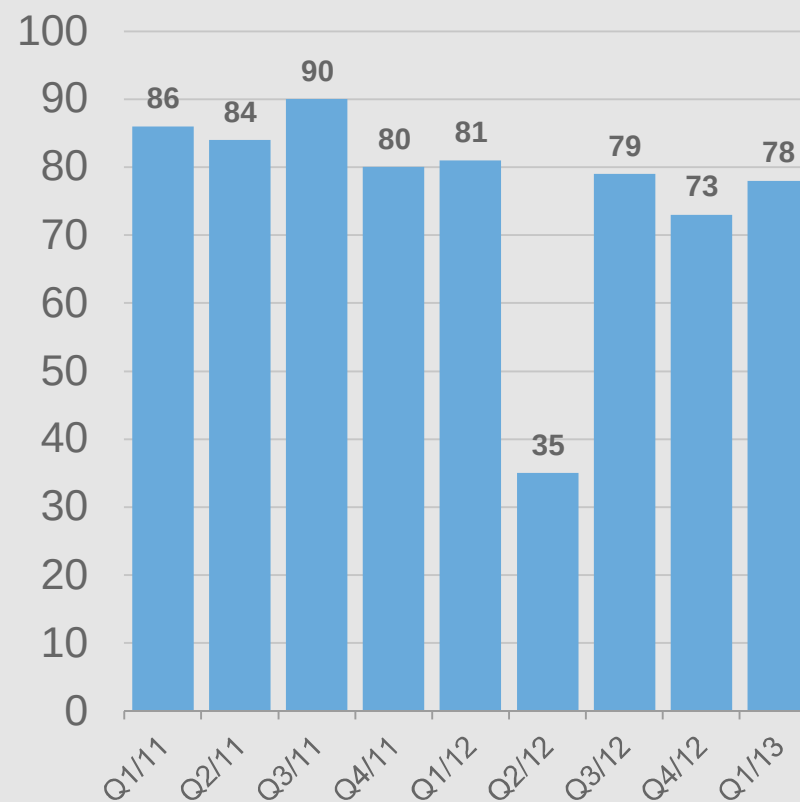
- On stream in 1957
- Main products include traffic fuels and specialty products such as bitumen, solvents, and small-engine gasoline
- Higher refining margin than refineries of similar size, thanks to its specialty product output
- Crude oil distillation capacity of approx. 58,000 bbl/d; produces approx. 3 million tons of petroleum products annually
- Employs around 400 people
- Nelson complexity index 7.1

Refinery capacity utilization

Porvoo,
per cent



Naantali,
per cent



NExBTL refinery in Singapore



- On stream in 2010
- Produces NExBTL renewable diesel for the European and North American markets
- Refining capacity of approx. 800,000 t/a
- Feedstocks include palm oil, palm oil by-products such as stearin, and waste animal fat
- Employs around 120 people

NExBTL refinery in Rotterdam



- On stream in September 2011
- Produces NExBTL renewable diesel for the European and North American markets
- Refining capacity of approx. 800,000 t/a
- Feedstocks include palm oil, palm oil by-products such as stearin, and waste animal fat
- Employs around 150 people

Neste Oil fleet



- Comprises 22 vessels with a combined tonnage of around 750,000 dwt
- Carries close to 30 million tons of crude oil, petroleum products, and chemicals annually
- Operations focused on the Baltic, the North Sea, and the North Atlantic

Neste Shipping fleet

Crude & dirty



Stena Arctica -05, FI,
117000 DWT, 1A S



Mastera -03, FI,
106208 DWT, 1A S



Tempera -02, FI,
106034 DWT, 1A S



Sten Nordic -06, NIS,
16613 DWT, 1A



Sten Bothnia -08, NIS,
16611 DWT, 1A



Ternholm -05, NIS,
14796 DWT, 1A

Clean



Palva -07, FI,
74999 DWT, 1A



Stena Poseidon -07, FI,
74999 DWT, 1A



Futura -04, FI,
25084 DWT, 1A S



Neste -05, FI,
25080 DWT, 1A S



Jurmo -04, FI,
25049 DWT, 1A S



Purha -03, FI,
25000 DWT, 1A S



Sten Suomi -08, NIS,
16619 DWT, 1A



Sten Aurora -07, NIS,
16600 DWT, 1A



Sten Hidra -07, NIS,
16600 dwt, 1A



Ternvik -01, DIS,
14804 DWT, 1A



Ternhav -02, DIS,
14781 DWT, 1A



Kiisla -04, FI,
14750 DWT, 1A S



Suula -05, FI,
14665 DWT, 1A S



Astoria -99, S,
12712 DWT, 1A



Scorpius -06, DIS,
11249 DWT, 1A



Tarndal -98, NIS,
8300 DWT, 1A S

Tugs



Esko -81, FI, 1A



Ukko -02, FI, 1A



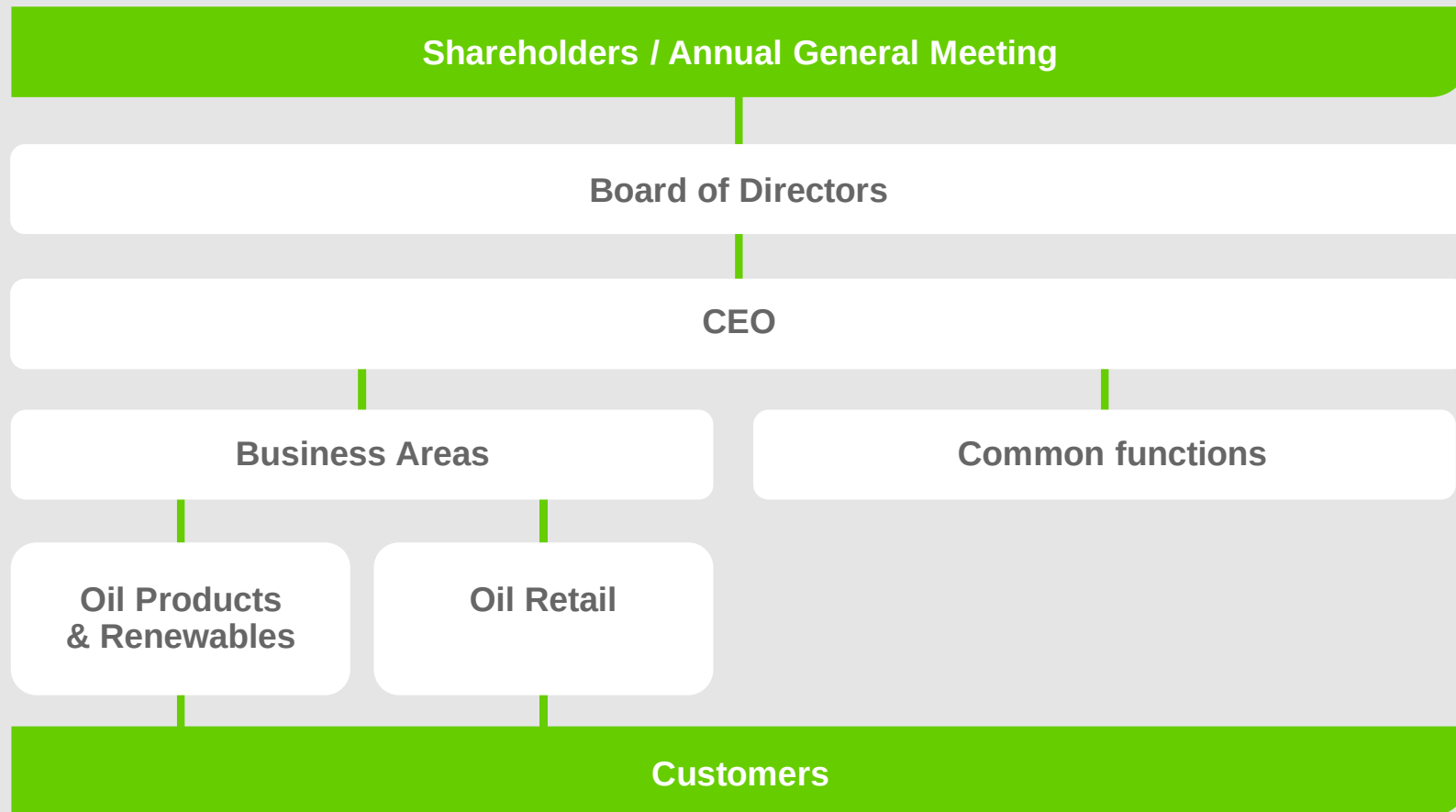
Ahti -02, FI, 1A

Organization

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Organization



Neste Executive Board

CEO: Matti Lievonen

Common functions

Production & Logistics Ilkka Poranen

Finance Jyrki Mäki-Kala

Human Resources Hannele Jakosuo-Jansson

HSE Simo Honkanen

Technology Lars Peter Lindfors

Communications, Marketing, Public Affairs O. Kammonen

Strategy Tuomas Hyyryläinen

Legal Affairs Matti Hautakangas (Secretary, not a member)

Business Areas

**Oil Products
and
Renewables**

**Matti
Lehmus**

Oil Retail

**Sakari
Toivola**

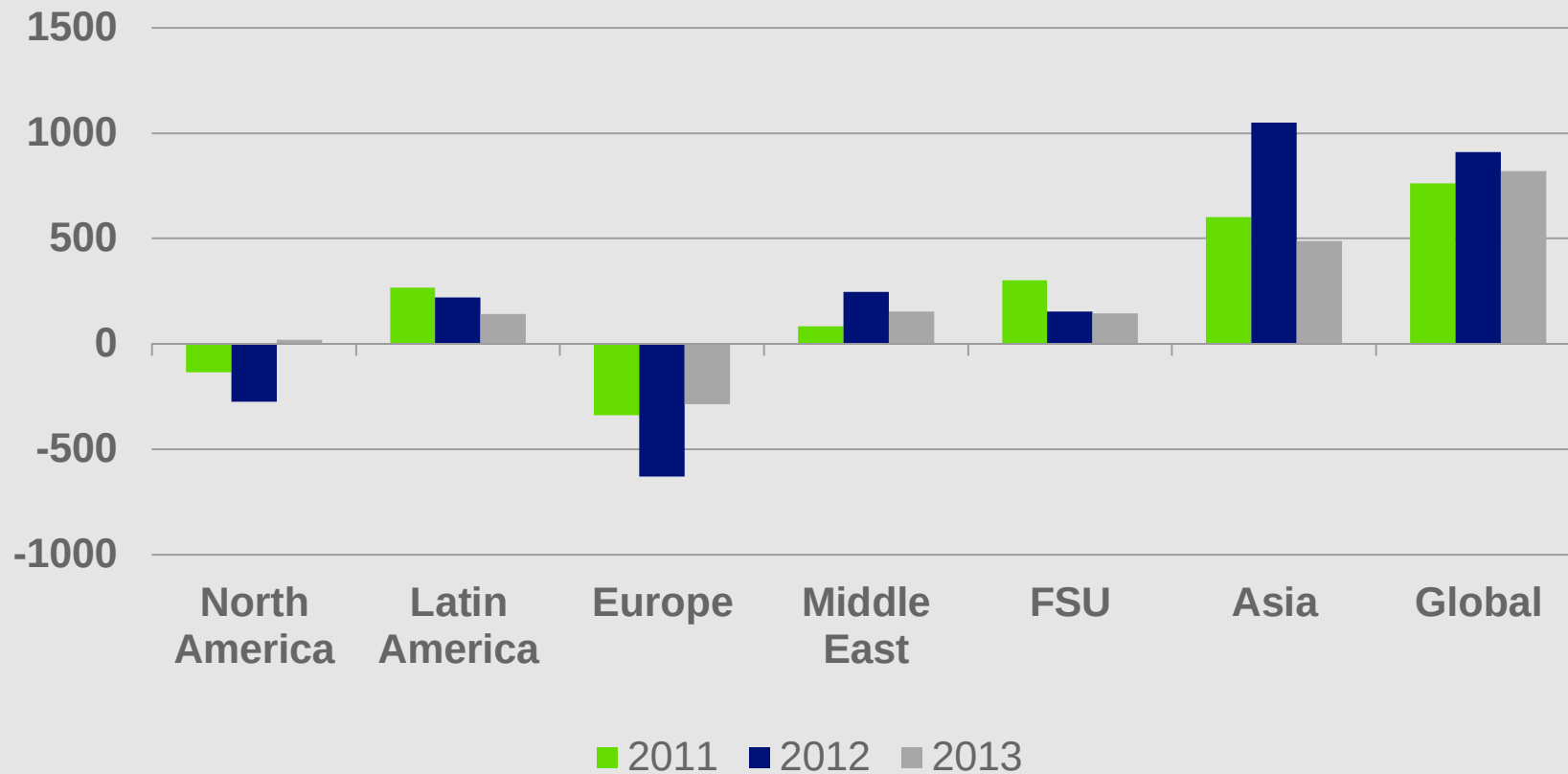
Market development

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Global oil demand

Global oil demand growth, thousands barrels per day



European trends

Transport sector

- Largest energy consumer, 31% of total, rising to 33% by 2030
- Largest oil consumer: 60% of total, rising to over 64% by 2030

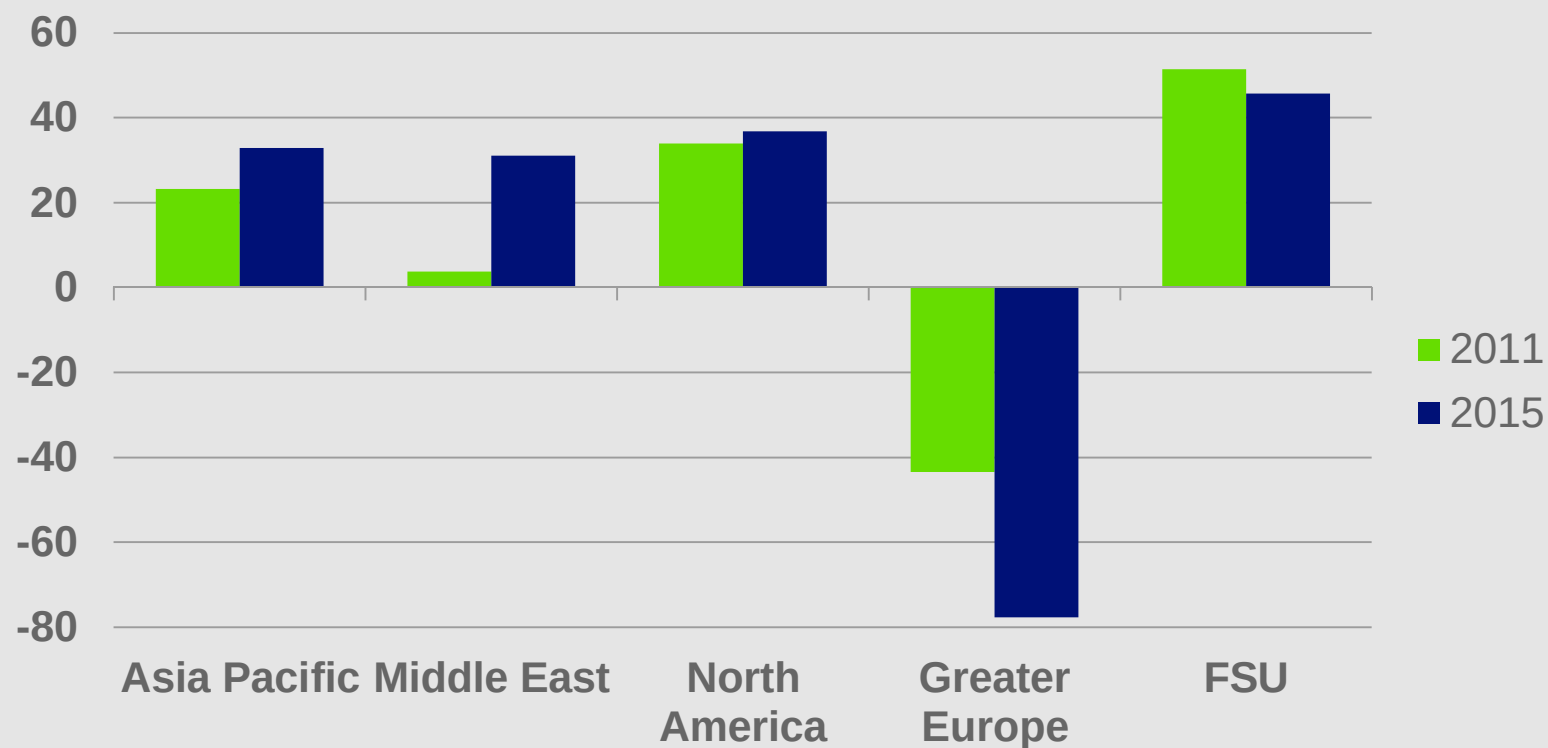
Road transport dominates

- Over 80% of total transport energy consumption
- By 2030, cars and trucks will account for some 50% of total European oil consumption unless alternative transportation fuels emerge

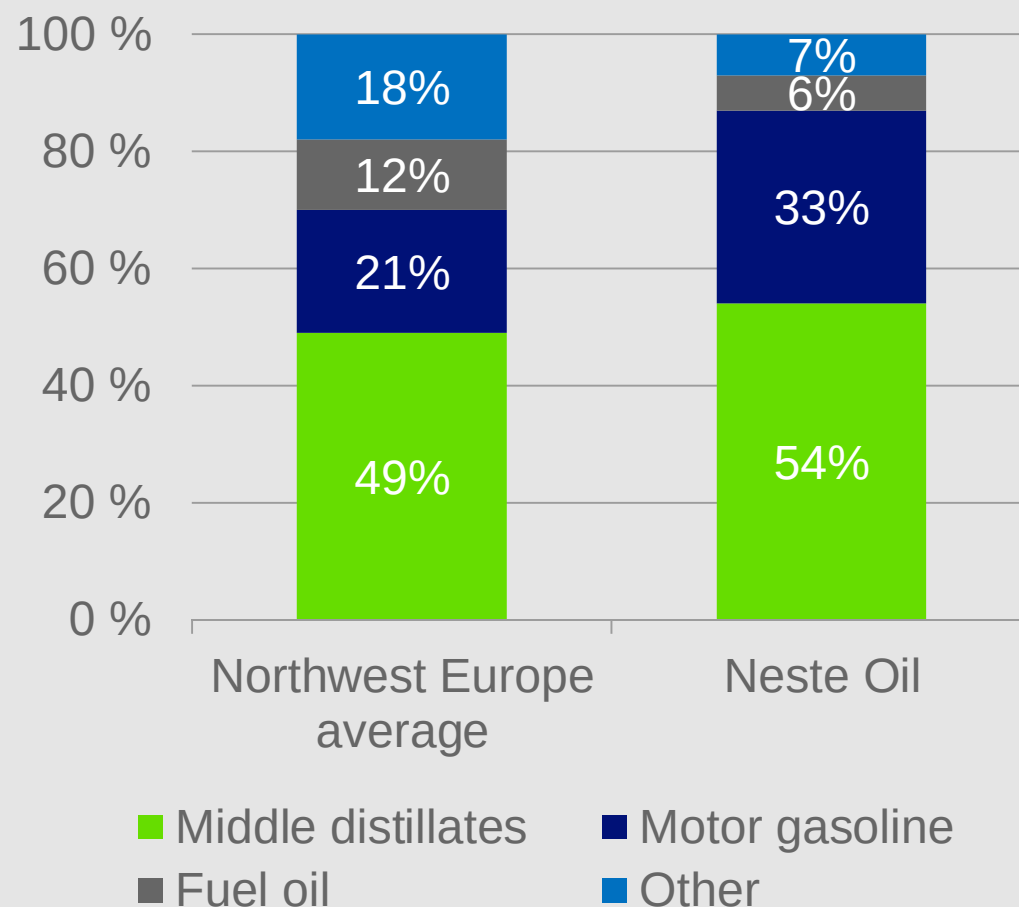
**Similar trends
around the world**

Middle distillate balances

Regional diesel/gasoil balances,
million tons



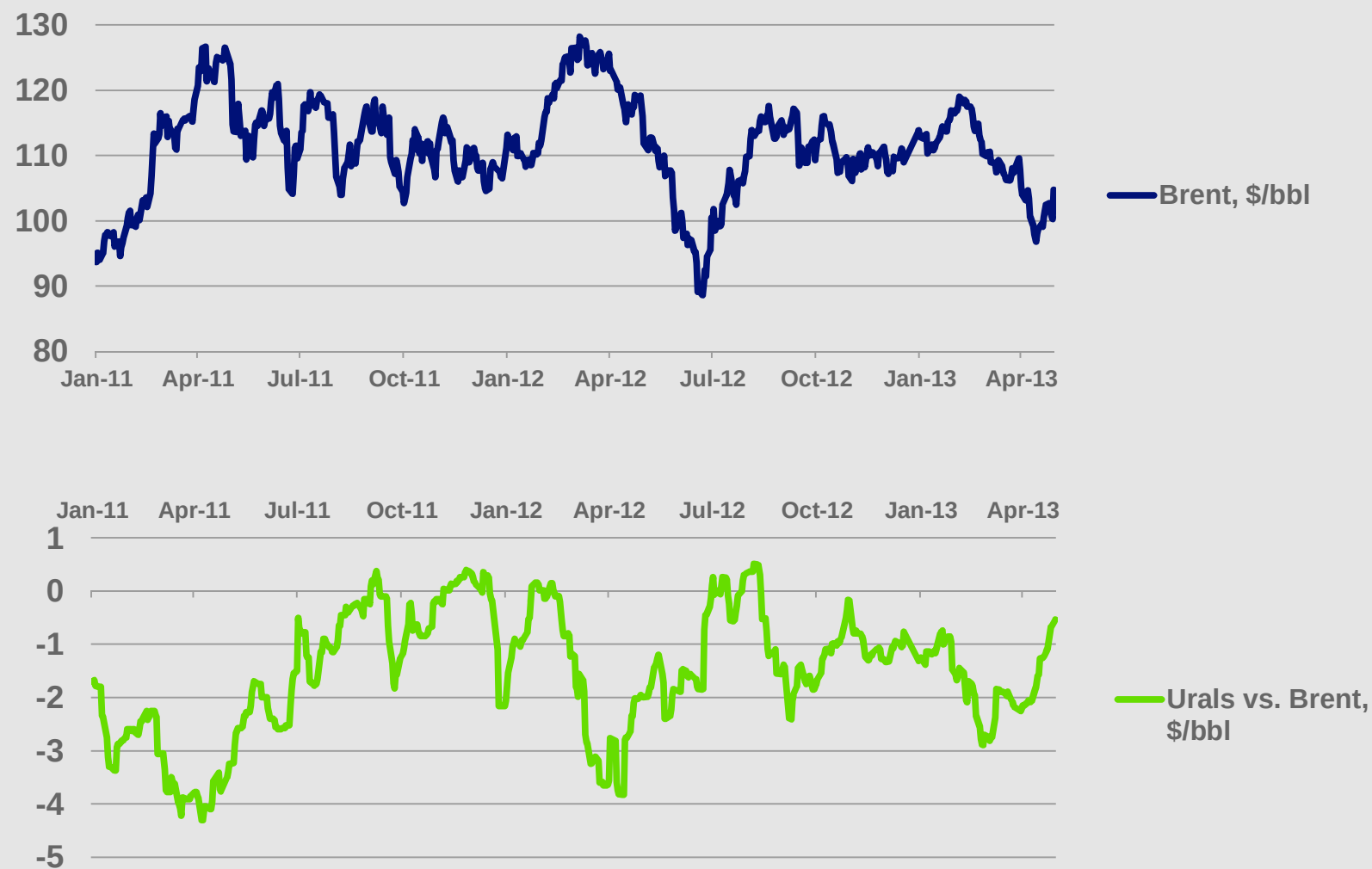
Complexity makes the difference



- High share of **middle distillates**
- Low share of **fuel oil**

Source: NWE 2012 data from WoodMackenzie

Crude oil price development



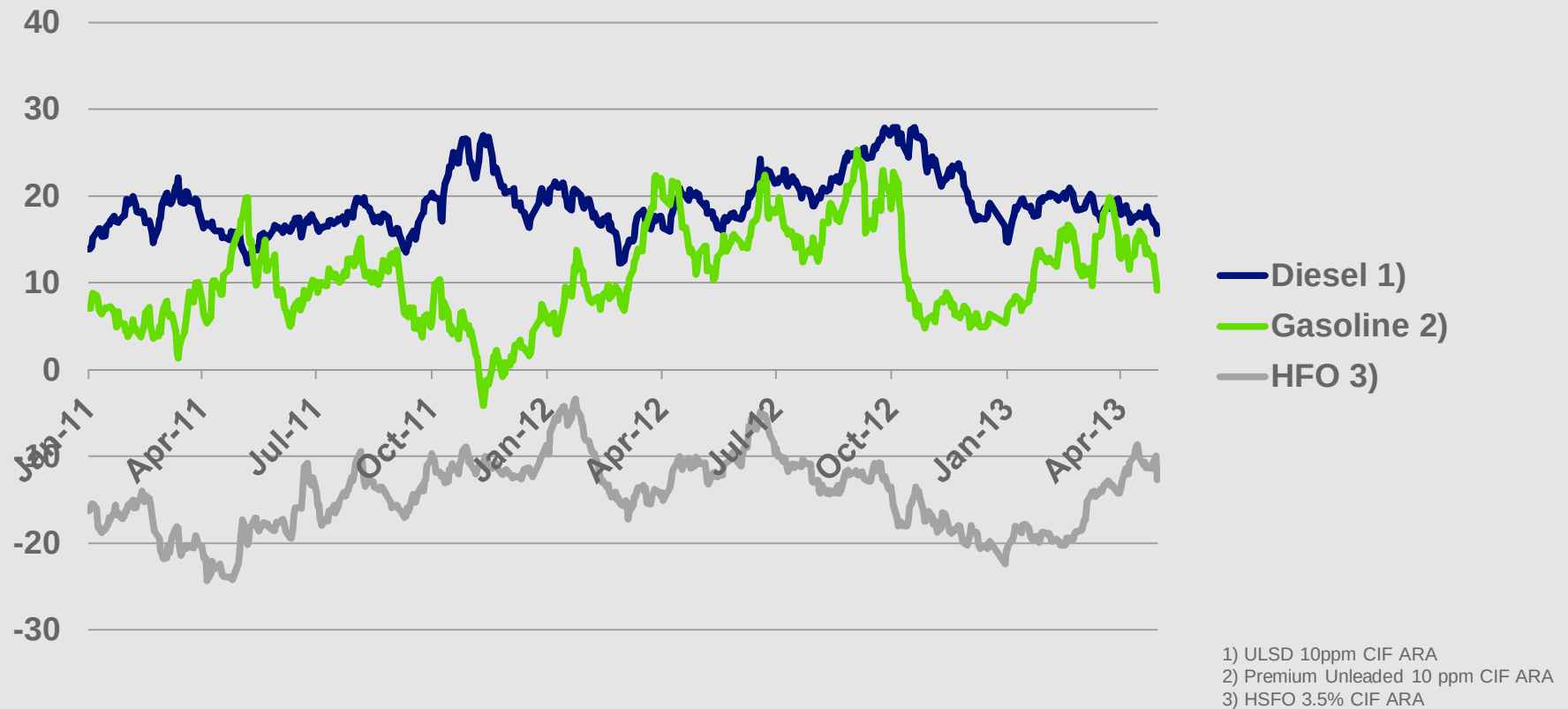
Properties of crude oils

	API gravity	Sulfur
Brent dated	38 °	0.4%
Fortis (sets Brent dtd quote)	38 °	0.6%
Urals	31 °	1.3%
WTI	40 °	0.3%

- API gravity is a measure of how heavy or light a petroleum liquid is compared to water
- Crude oil is classified as light, medium or heavy according to its measured API gravity
 1. Light crude oil is defined as having an API gravity higher than 31.1 °API
 2. Medium oil is defined as having an API gravity between 22.3 °API and 31.1 °API
 3. Heavy oil is defined as having an API gravity below 22.3 °API

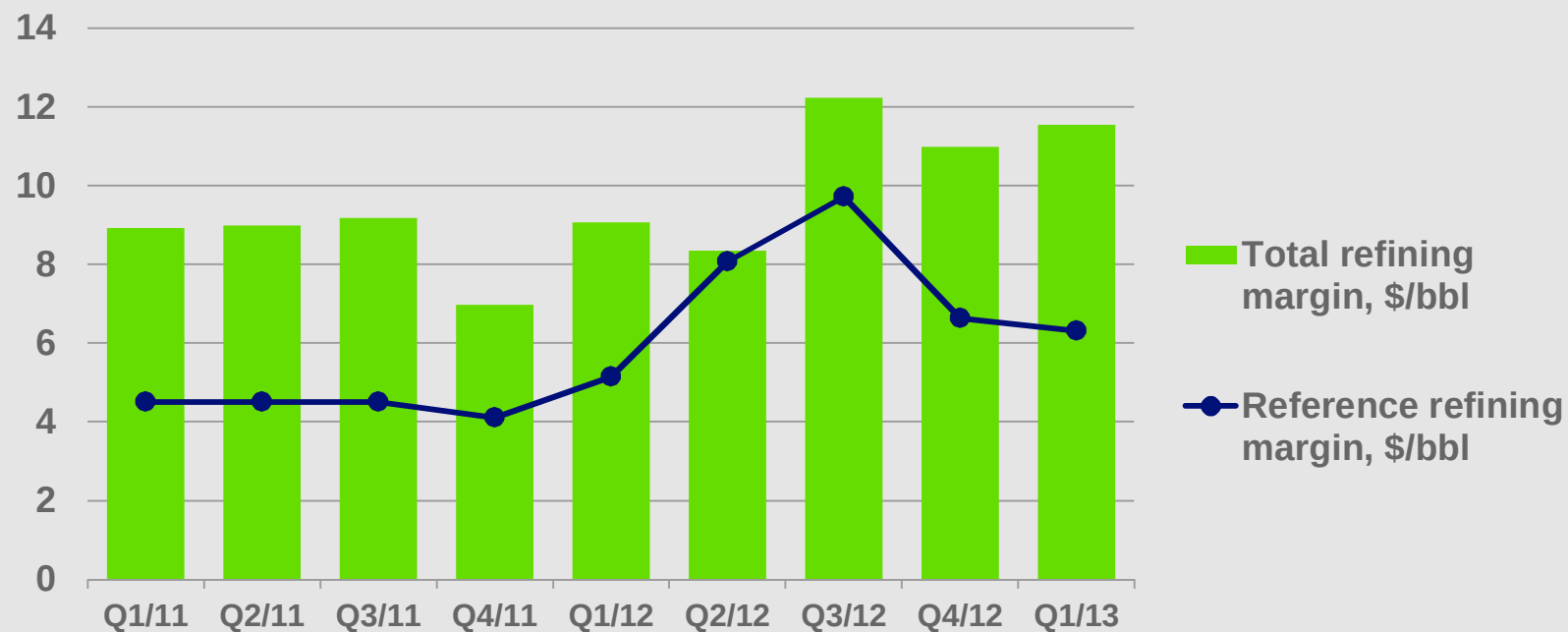
Margins in Oil Products

Product margins,
price difference to Brent Dated, USD/bbl

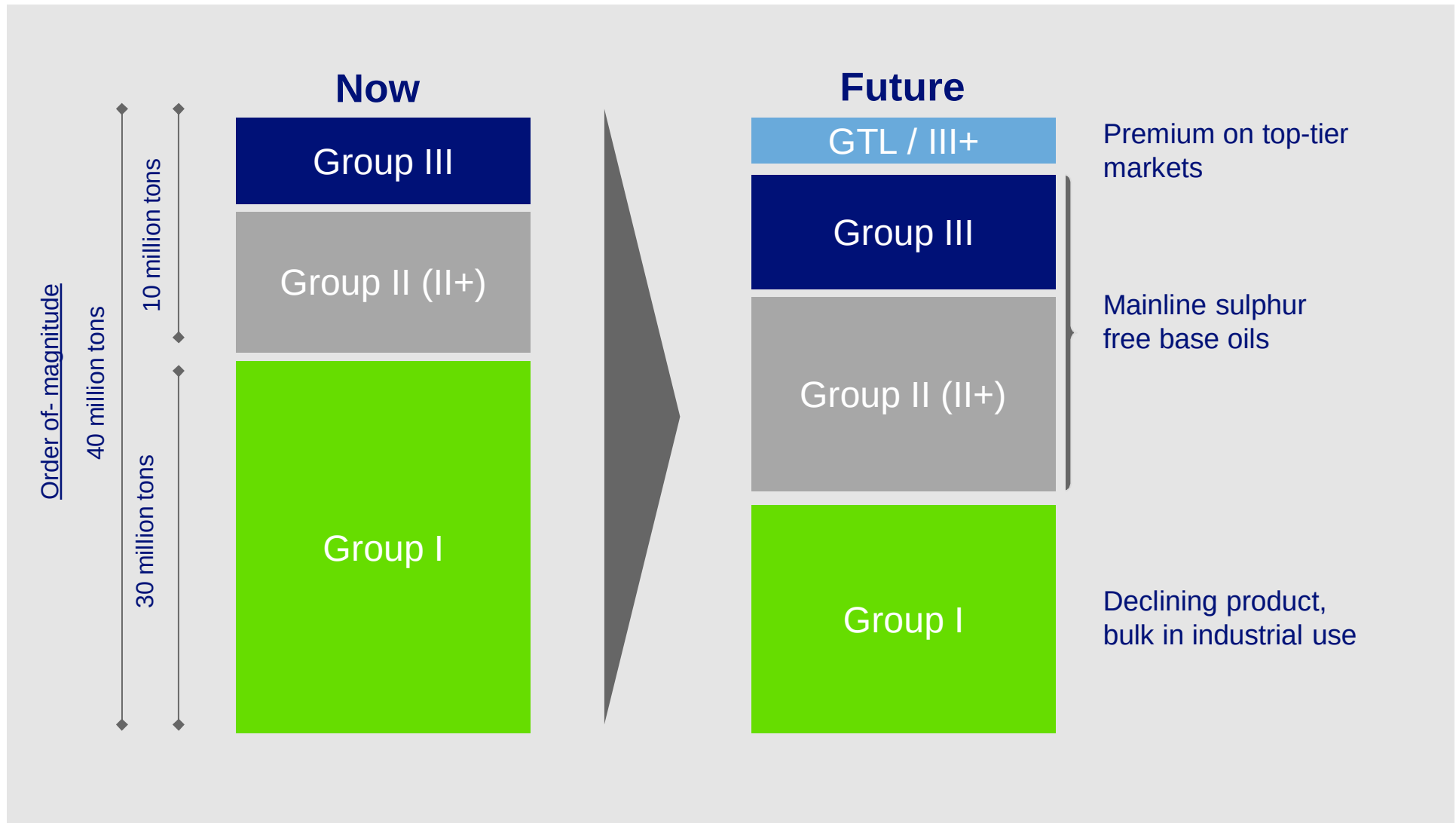


Margins in Oil Products

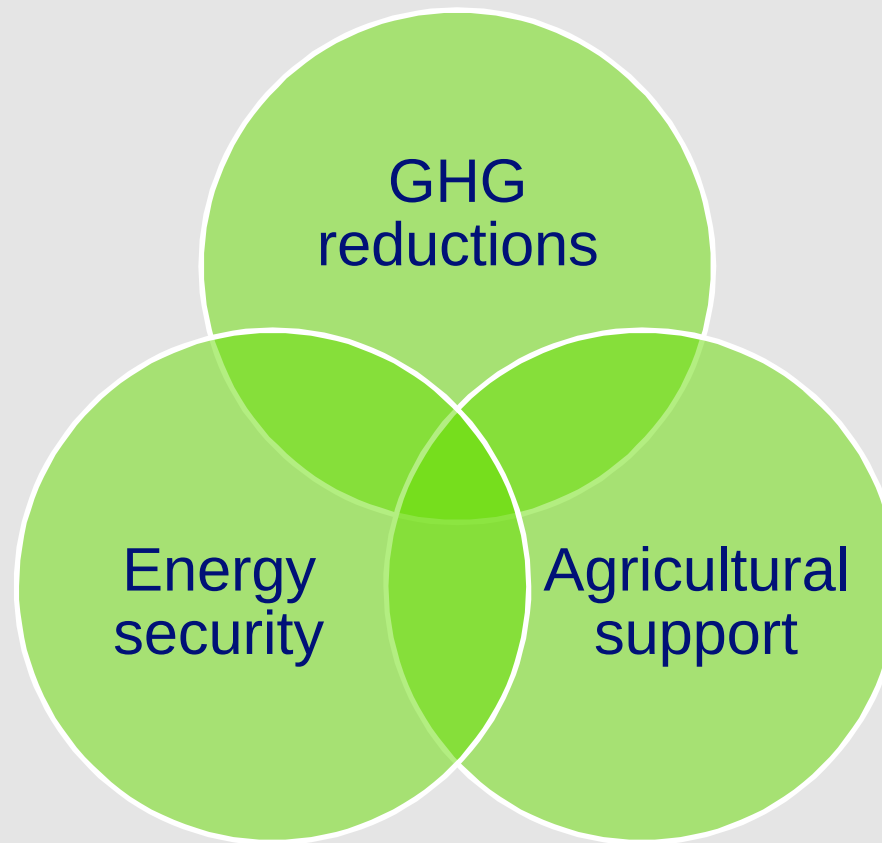
Neste Oil's refining margins, dollars per barrel



Base oils market evolution

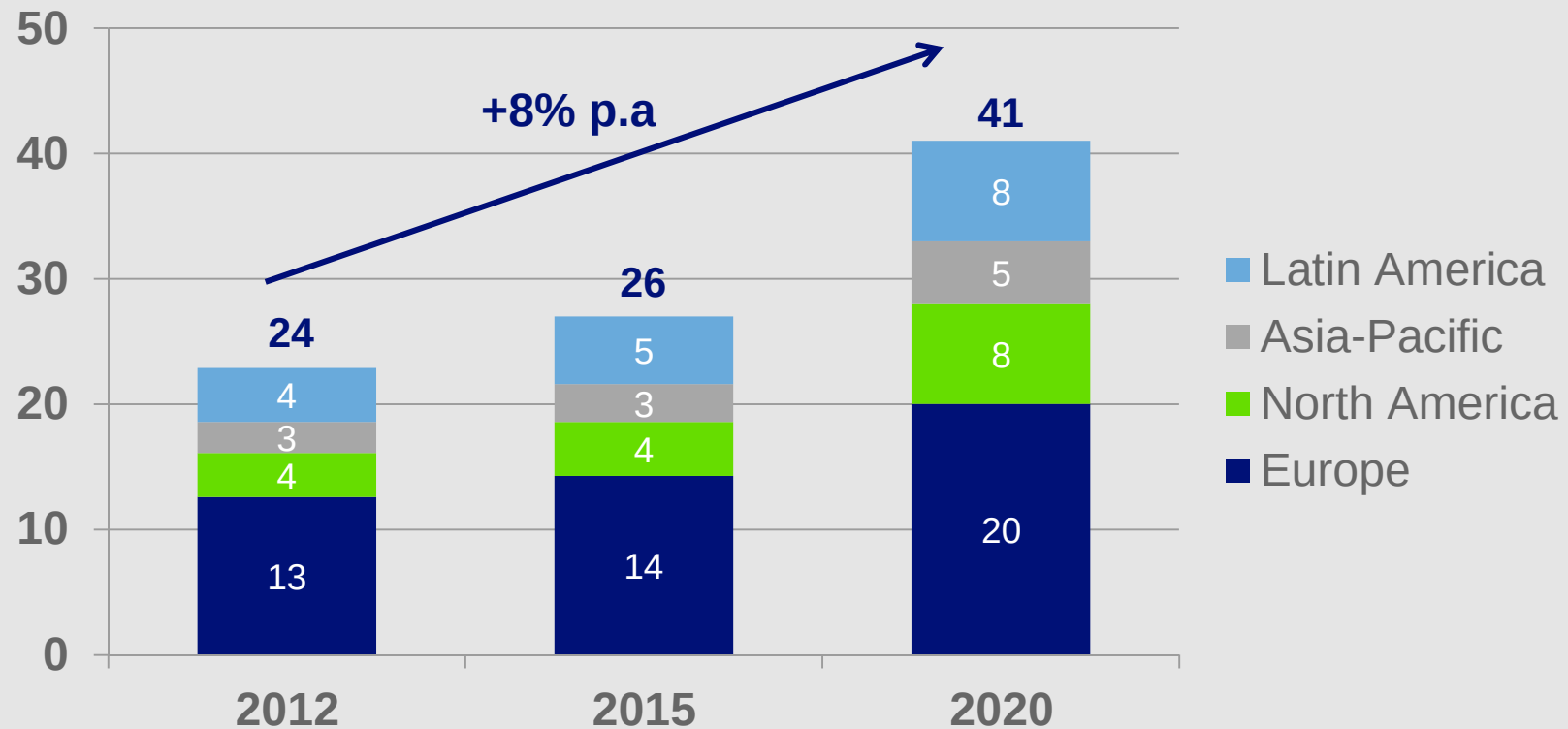


Three policy forces driving biofuels



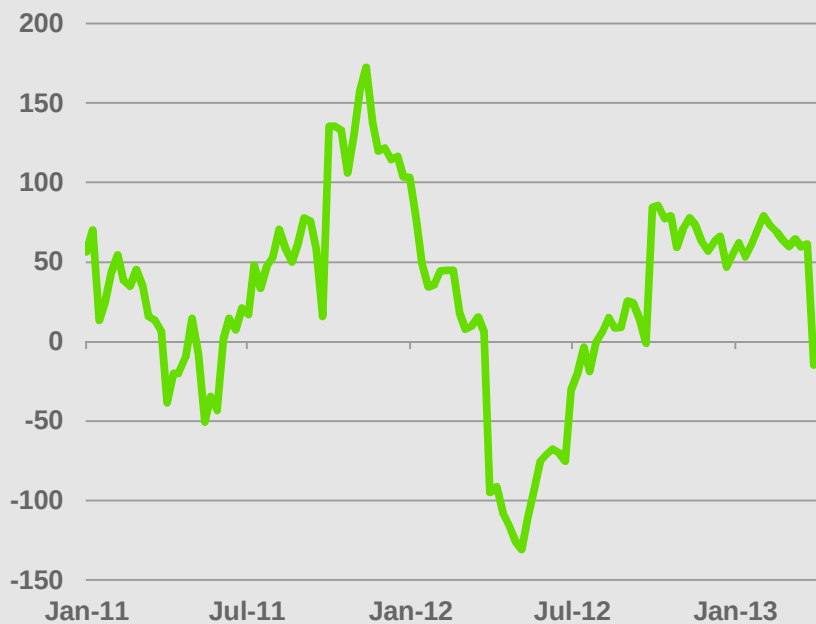
Global biodiesel demand

Bio/renewable diesel demand, million tons



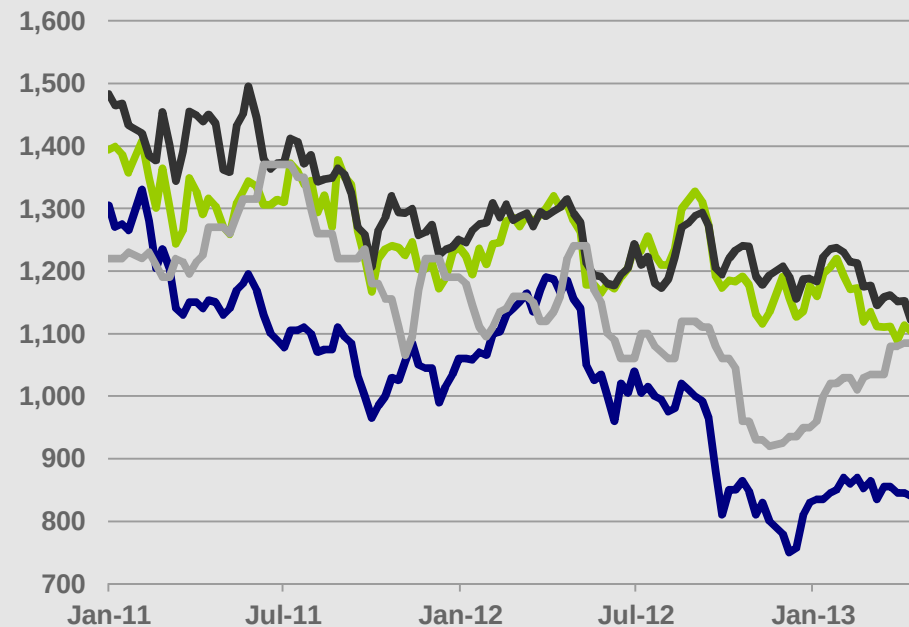
Margin drivers in Renewable Fuels

FAME, vegetable oil and animal fat prices, dollars per ton



— FAME seasonal* vs. RSO

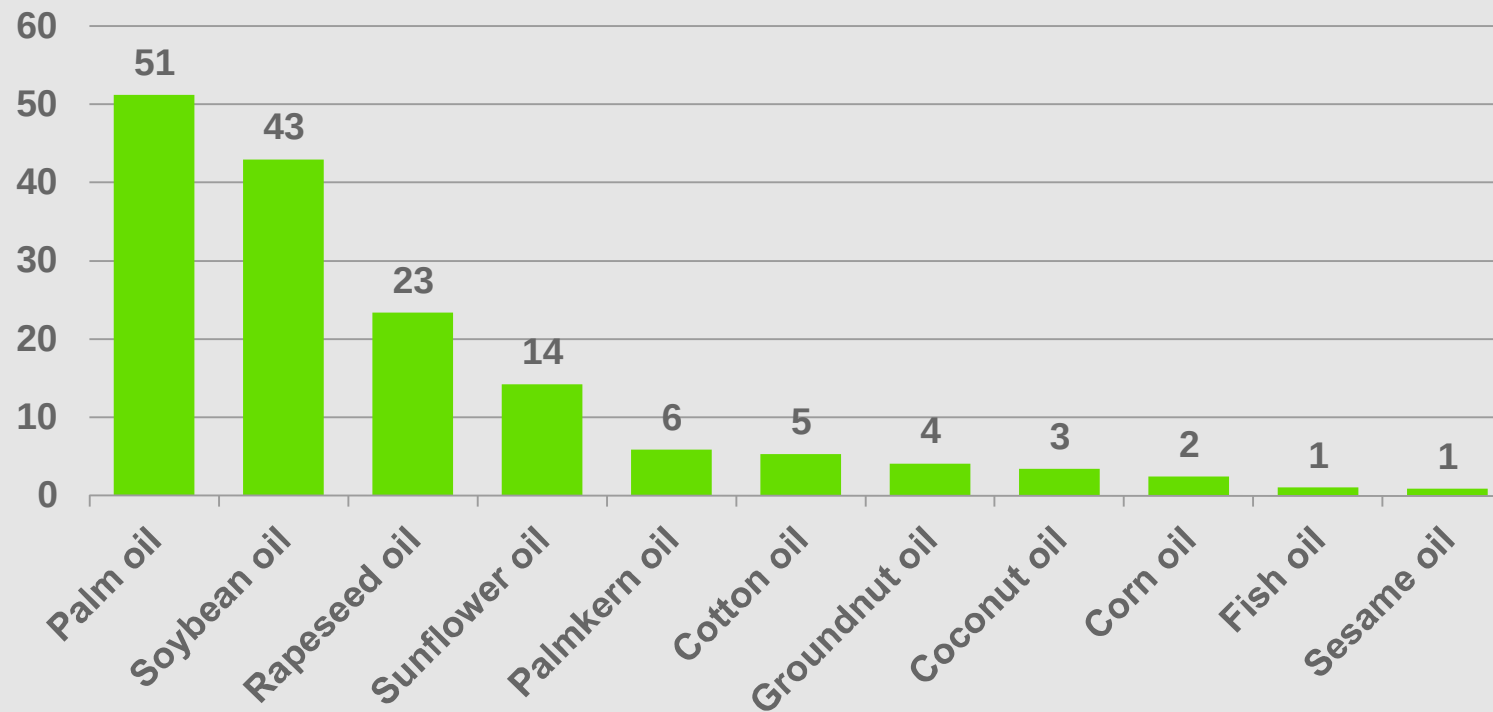
*Since 1 July 2012 FAME RED quotations



— SBO — RSO — CPO — AF

Vegetable oil production

**World production of major oils & fats,
million tons in 2011/2012**



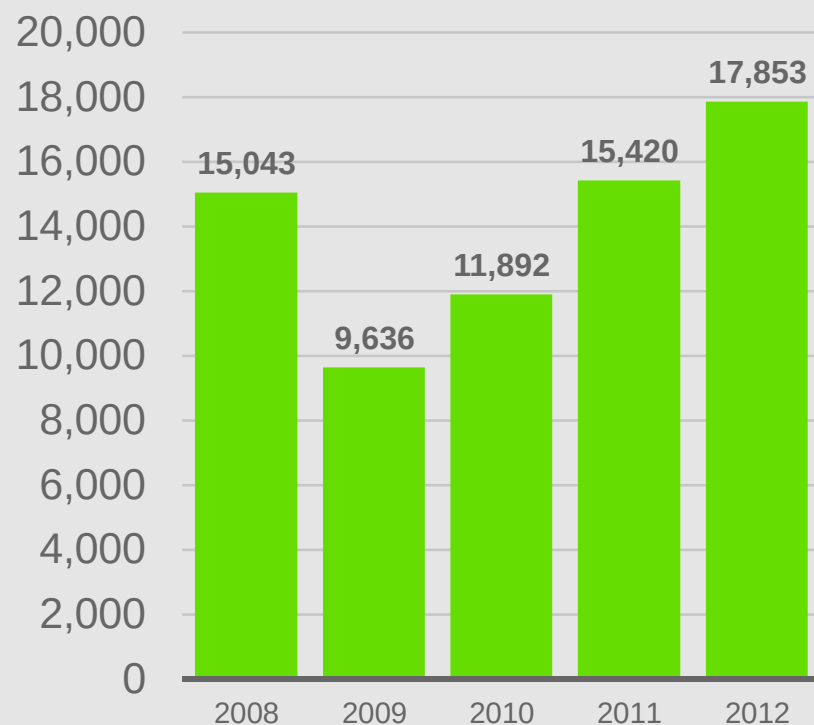
Financials

NESTE OIL

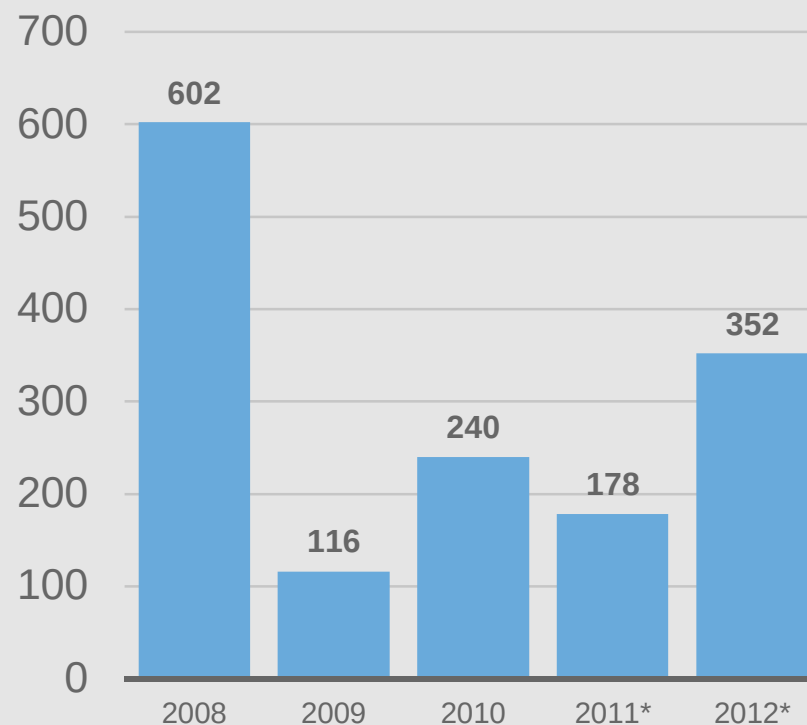


Annual key figures

Revenue,
millions of euros



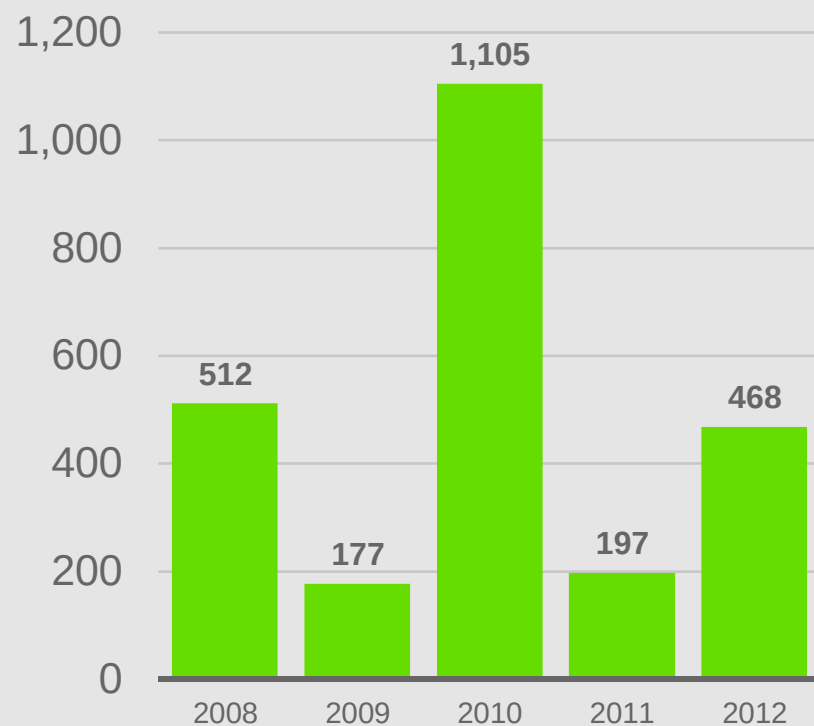
Comparable operating profit,
millions of euros



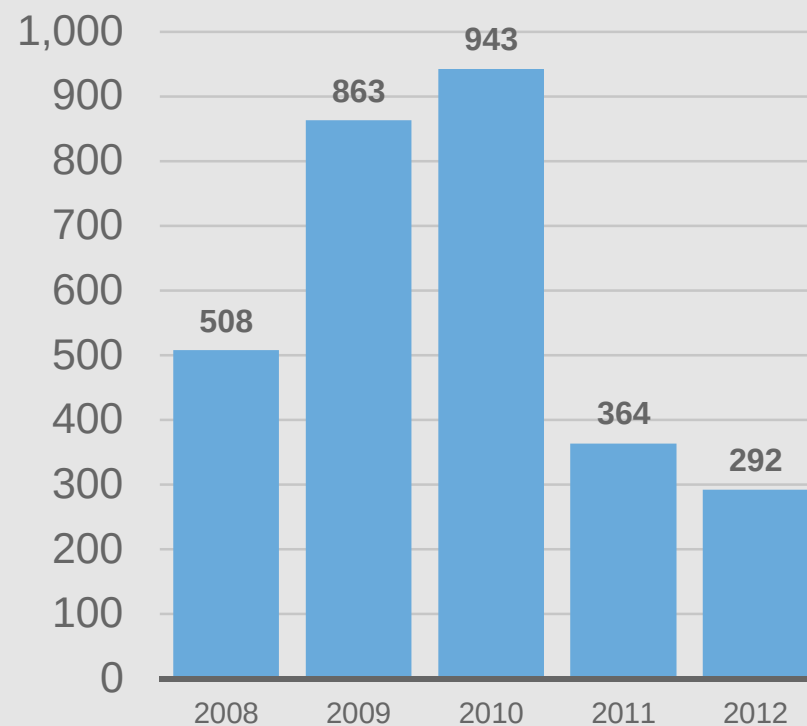
* Neste Oil updated the method used to calculate its comparable operating profit. Comparative figures in 2011 have been reclassified

Annual key figures

Cash flow from operations,
millions of euros

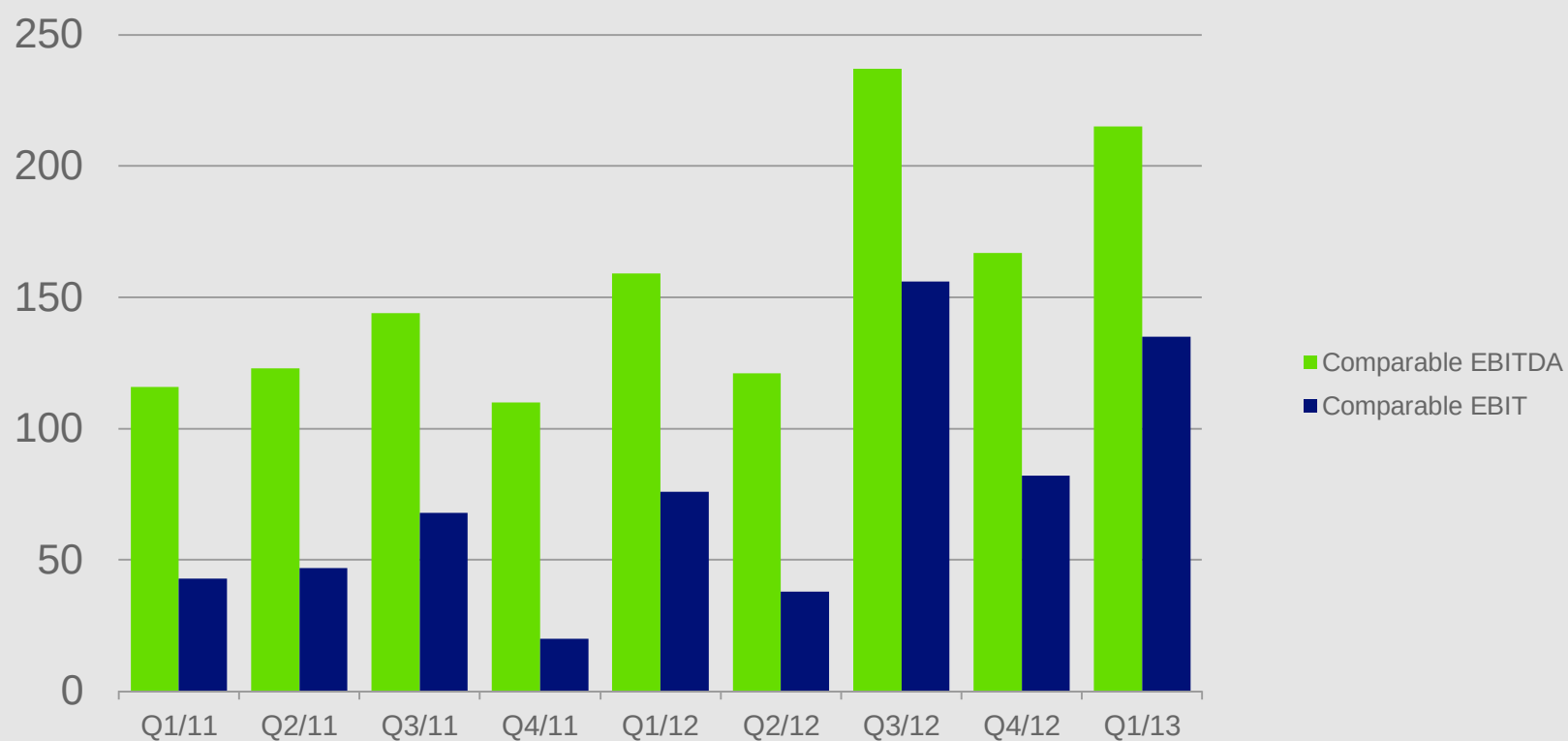


Investments,
millions of euros



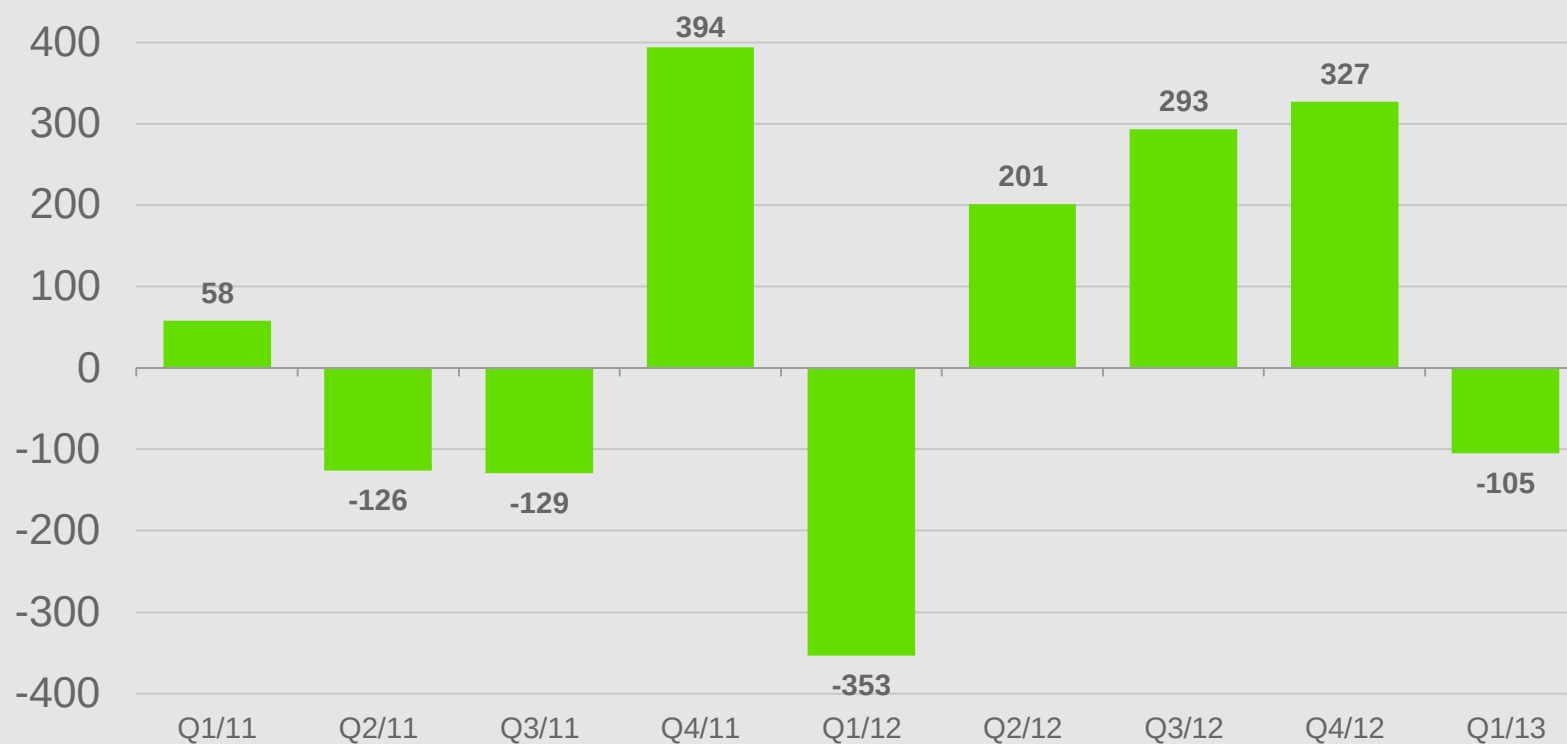
Comparable EBITDA & EBIT

By quarter,
millions of euros



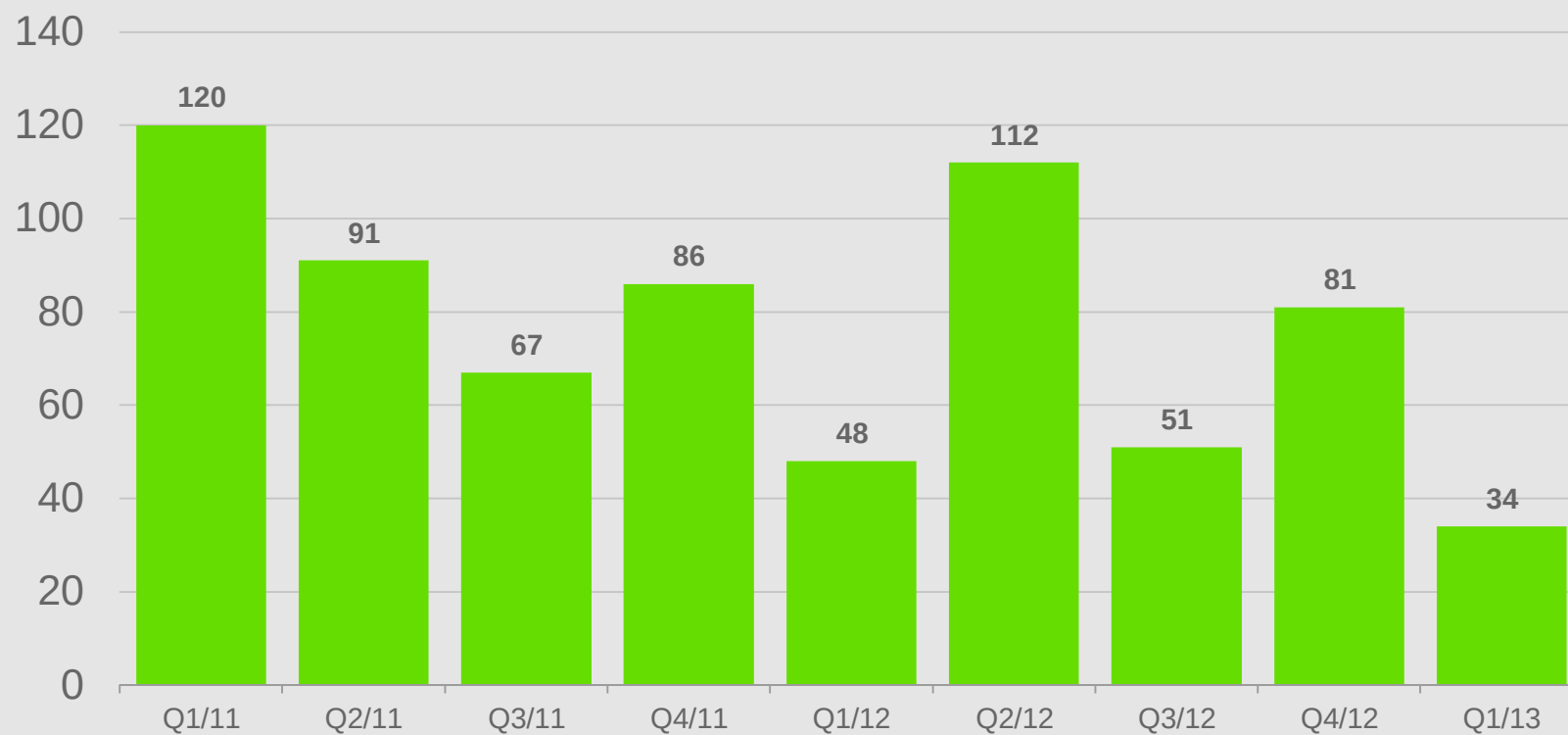
Cash flow

By quarter,
millions of euros



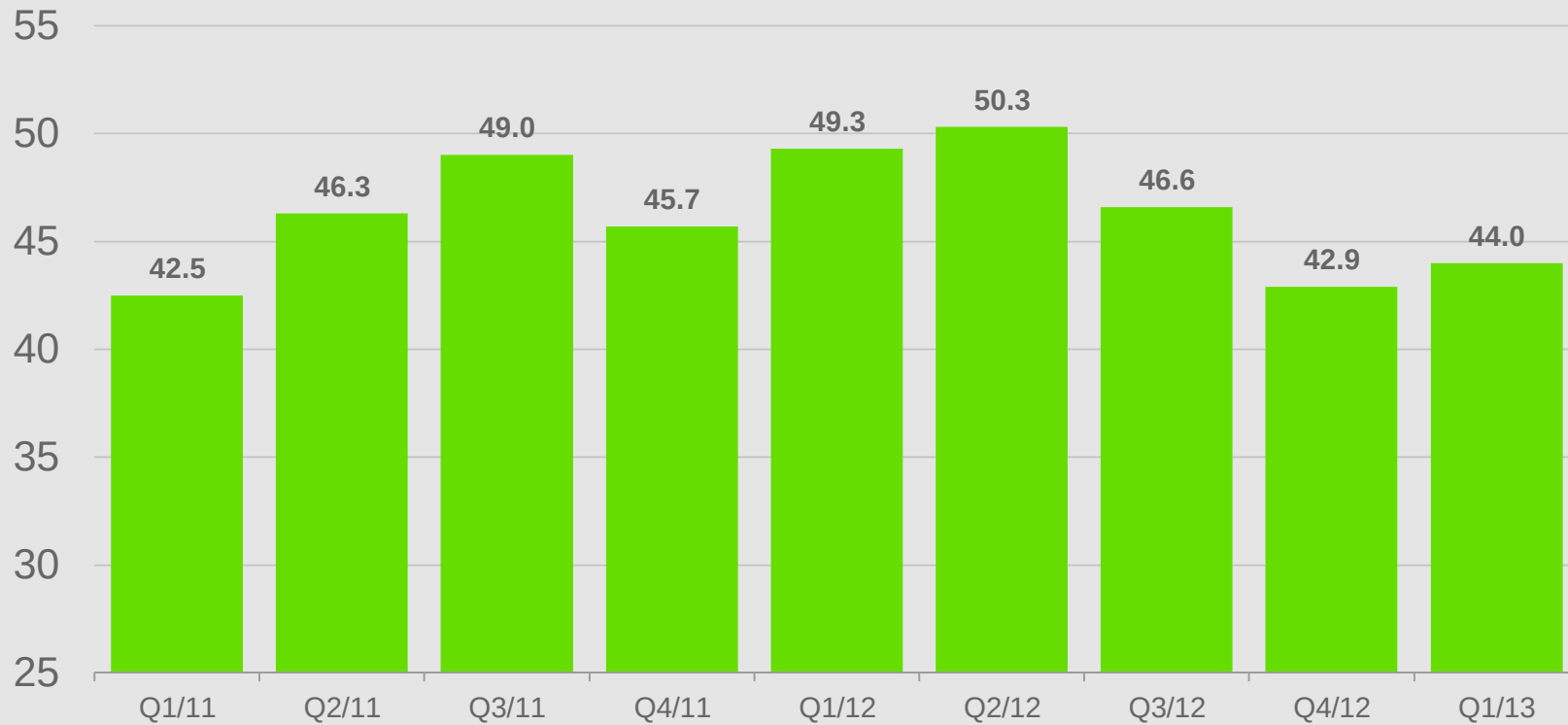
Investments

By quarter,
millions of euros



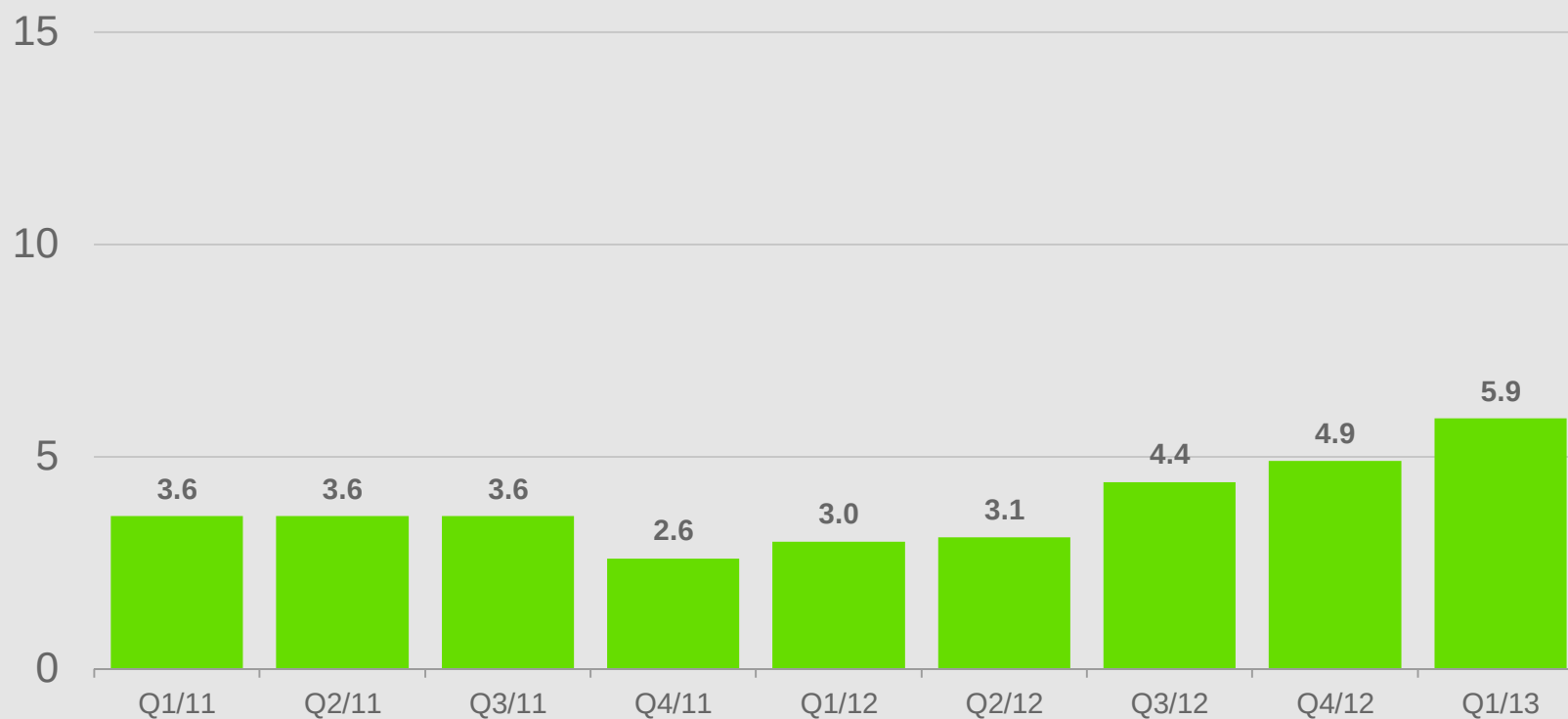
Leverage

By quarter, %
target range: 25-50%



ROACE

By quarter, %
target: at least 15% after tax



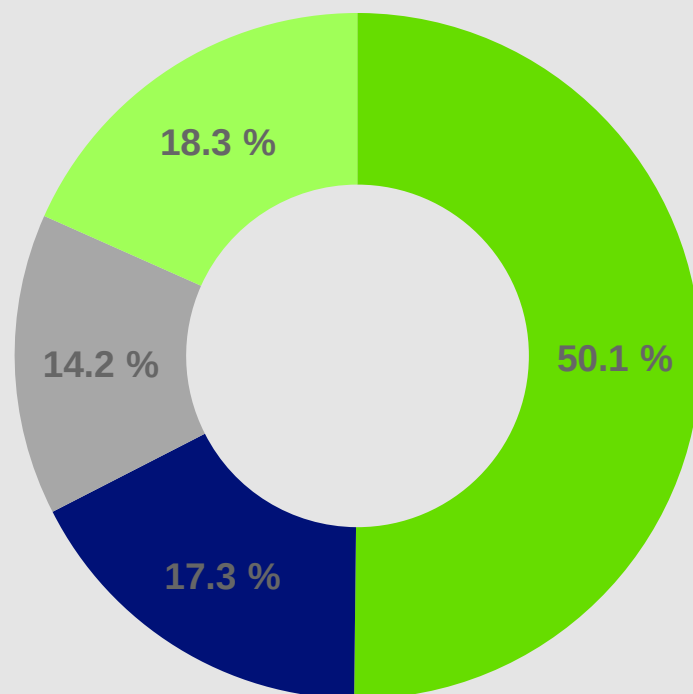
Share price

Neste Oil share price development, euros



Shareholder structure

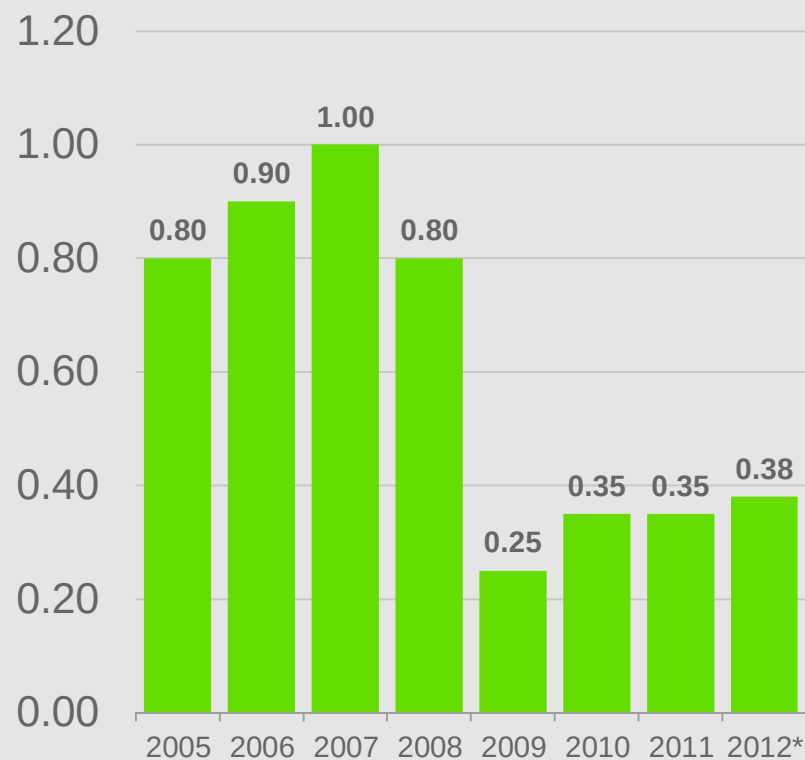
77,320
shareholders (30 April 2012)



- State of Finland
- Finnish institutions
- Households
- Non-Finnish shareholders

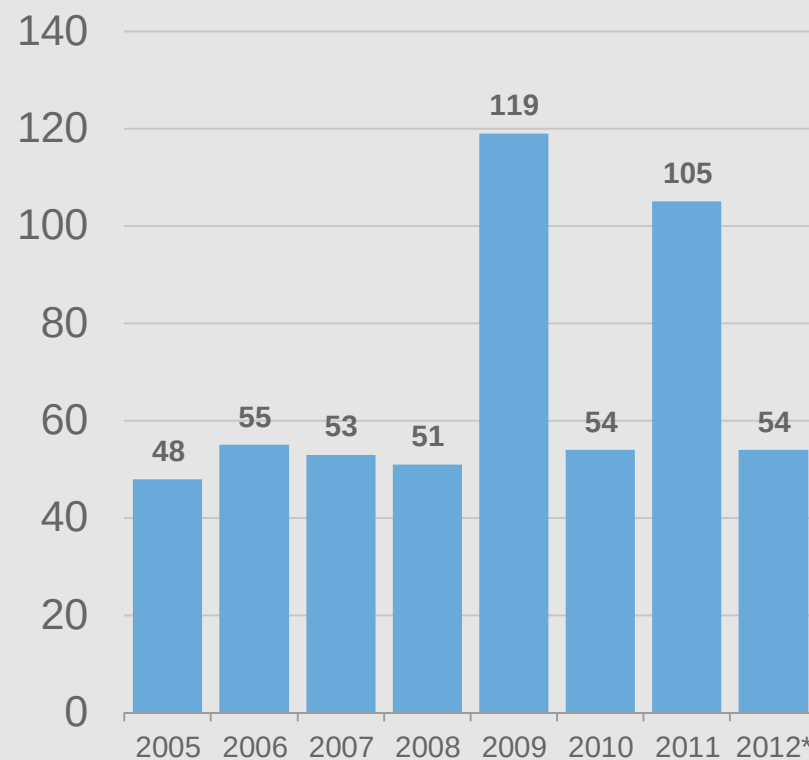
Dividend

**Payout,
euros per share**



*Dividend proposal

**Payout from comparable net profit,
per cent****



**Neste Oil's dividend payout ratio is at least one third of comparable net profit

Funding

NESTE OIL



Credit programs & bonds Q1/13

Revolving Credit Facility

- ✓ **EUR 1.5 billion**
- ✓ **Maturity: March 2016**
- ✓ **Mandated Lead Arrangers:** Barclays Capital, BNP Paribas, Crédit Agricole CIB, Danske Bank, Skandinaviska Enskilda Banken AB (publ), Nordea Bank Finland Plc, Pohjola Bank plc and The Bank of Tokyo-Mitsubishi UFJ, Ltd

Commercial Paper Program

- ✓ **EUR 400 million** unsecured short term notes with maturities less than one year
- ✓ **Dealers:** Pohjola Bank, Nordea, Danske Bank, Skandinaviska Enskilda Banken AB (publ), Svenska Handelsbanken AB (publ) and Swedbank AB (publ), Helsinki Branch

Financial Institutions

- ✓ **Investment loans** from EIB and NIB totaling EUR 280 million (2008-2011)
- ✓ **Loans from financial** institutions totaling EUR 515 million (2008-2009)
- ✓ **Overdraft facilities** totaling €150 million

Bond Issues

7-year fixed rate note 1/2009

- ✓ **Size:** EUR 300 million
- ✓ **Coupon:** 6.00% (issue price 99.463%, MS + 300bps)
- ✓ **Arrangers:** Danske, Nordea Markets, Pohjola

5-year fixed rate note 1/2010

- ✓ **Size:** EUR 300 million
- ✓ **Coupon:** 4.875% (issue price 99.532%, MS + 290bps)
- ✓ **Arrangers:** BNP Paribas, DB, Nordea

5 year fixed rate note 1/2012

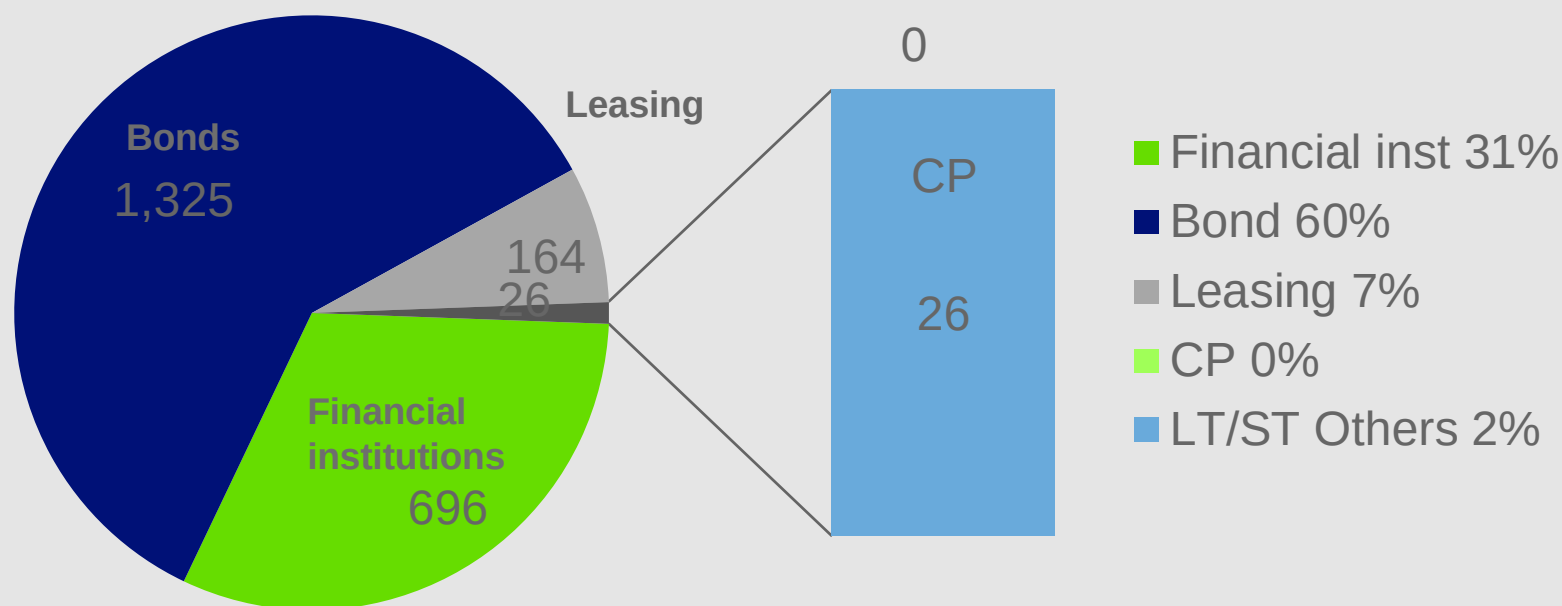
- ✓ **Size:** EUR 250 million
- ✓ **Coupon:** 4.00% (issue price 99.711%, MS + 240bps)
- ✓ **Arrangers:** Danske Markets & Pohjola Markets

7 year fixed rate note 2/2012

- ✓ **Size:** EUR 400 million
- ✓ **Coupon:** 4.00% (issue price 99.533%, MS + 270bps)
- ✓ **Arrangers:** Nordea & SEB

Funding sources Q1/13

EUR Million



Interest bearing liabilities totaling EUR 2,213 million of which EUR 391 million short term debt

Debt structure Q1/13

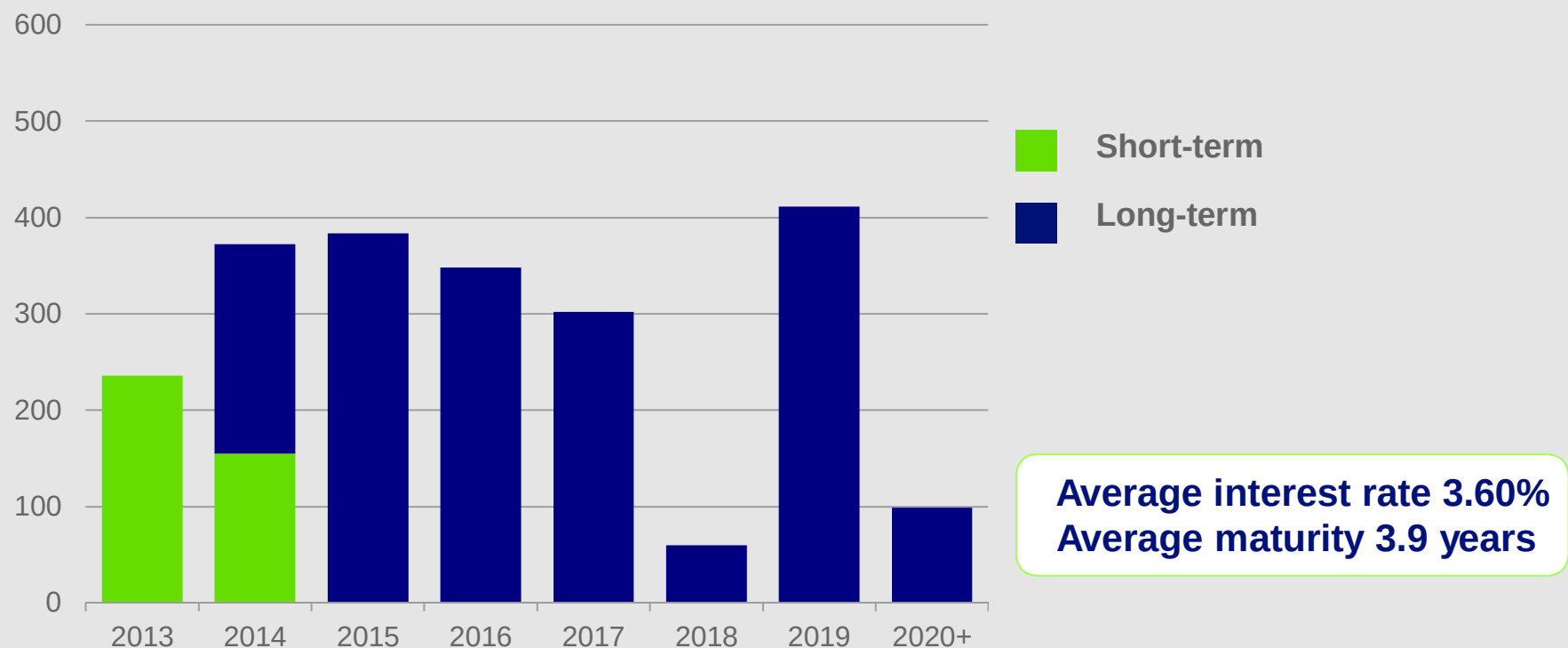
- Interest-bearing net debt EUR 2,027 million
- Total interest-bearing liabilities EUR 2,213 million
- Short-term interest bearing liabilities EUR 391 million

Material Funding Arrangements

	<u>Size(€m)</u>	<u>Maturity</u>
✓ Bank overdrafts	EUR 150	< 1 yr
✓ Domestic CP	EUR 400	< 1 yr
✓ Bilateral loans	EUR 200	2013
✓ RCF (bilateral)	EUR 75	2013
✓ Bilateral bank loan	EUR 200	2014
✓ EIB	EUR 150	2014
✓ NIB	EUR 130	2015=>
✓ Bond Issue 2010	EUR 300	2015
✓ RCF	EUR 1,500	2016
✓ Bond Issue 2009	EUR 300	2016
✓ Bond Issue 1/2012	EUR 250	2017
✓ Bond Issue 2/2012	EUR 400	2019

Debt maturity profile

Debt maturity profile at the end of Q1 2013 millions of euros



Financial risk management

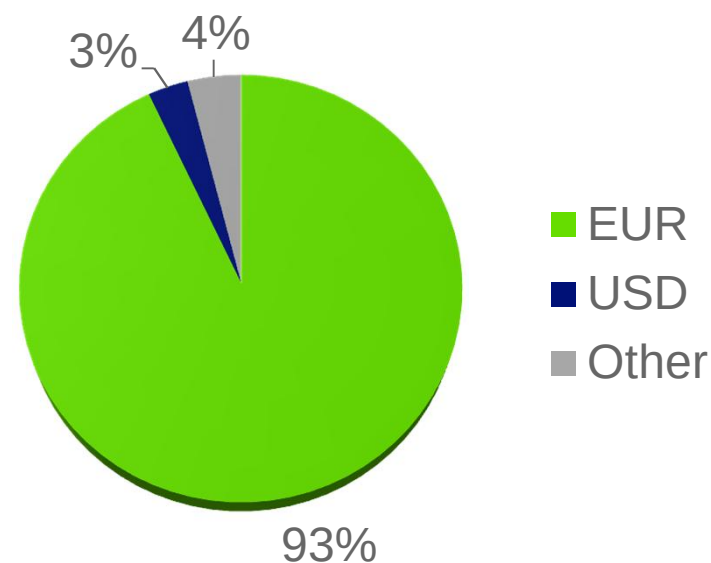
➤ Foreign Exchange Risks

- ✓ Policy is to hedge the estimated net cash flow on rolling basis:
 - ✓ On average 80% of the next 6 months
 - ✓ On average 40% of the following 6 months
- ✓ Both option and forward strategies in use

➤ Interest Rate Risks

- ✓ Average interest rate of the loan portfolio is 3.6%
- ✓ Flow risk is EUR 9 million ¹⁾
- ✓ Duration benchmark of the loan portfolio is 12 months

**Interest bearing debt
by currency**



1) The change in interest expenses within one year if interest rates change 1%

Q4 / 2012

key figures

NESTE OIL



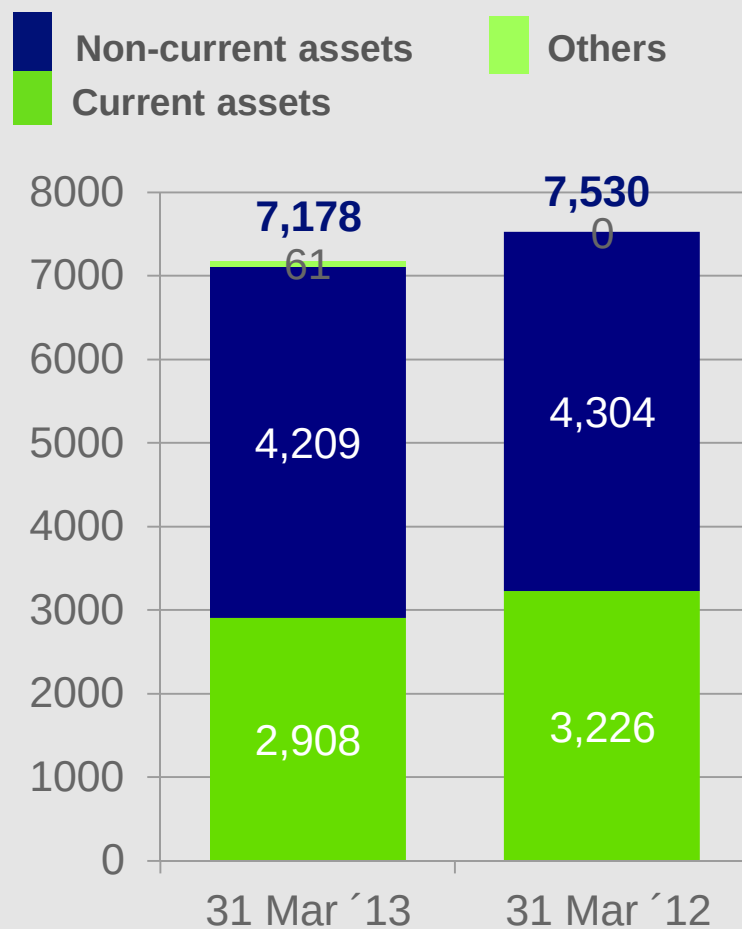
Key Figures

MEUR	Q1/2013	Q1/2012	2012
Revenue	4,258	4,454	17,853
IFRS Operating profit	86	191	324
Comparable operating profit	135	79	355
Profit before taxes	65	169	233
Profit for the period	47	123	159
Comparable net profit for the period	83	36	180
Earnings per share, EUR	0.18	0.48	0.61
Net cash from operating activities	-105	-353	468
Investments	34	48	292

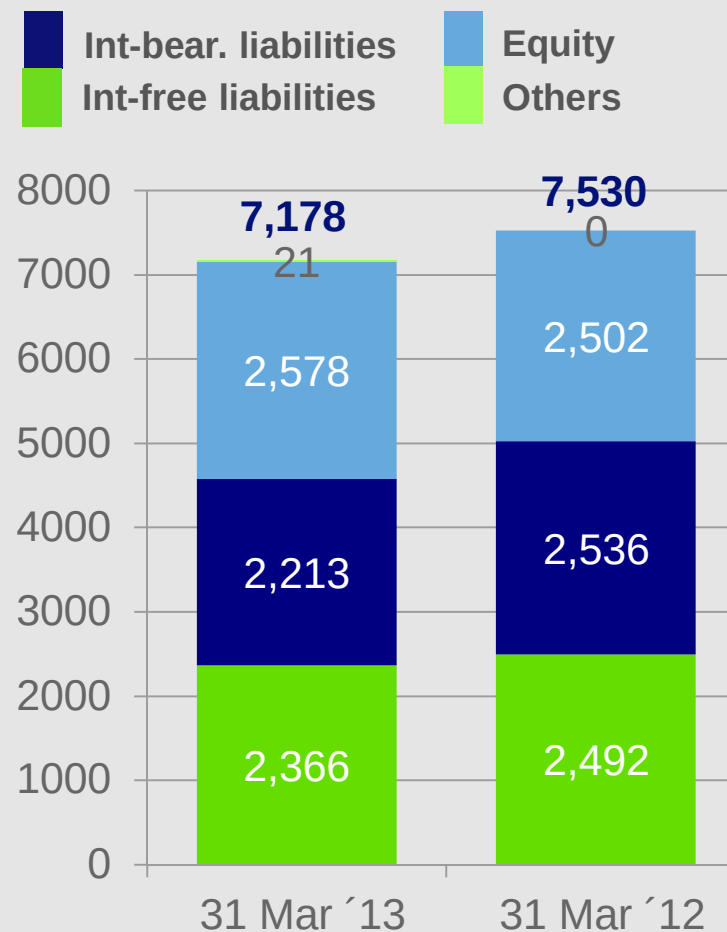
	31 Mar 2013	31 Mar 2012
Interest-bearing net debt	2,027	2,442
ROCE (pre-tax), %	7.0	15.5
ROE, %	7.4	19.8

Balance Sheet

Total assets



Total equity & liabilities



Balance Sheet

	31 Mar 2013	31 Mar 2012
Capital Employed, MEUR	4,791	5,037
Equity-to-assets, %	36.0	33.3
Leverage, %	44.0	49.4
Gearing, %	78.6	97.6

Cash Flow

MEUR	Q1/13	Q1/12	2012
Profit before taxes	65	169	233
Adjustments total	126	63	423
Change in working capital	-272	-533	-44
Cash from operations	-81	-301	612
Net finance costs	-1	-39	-106
Taxes	-23	-13	-38
Net cash from operations	-105	-353	468
Capital expenditure and investments in shares	-34	-48	-292
Other	44	39	84
Cash flow before financing activities	-95	-362	260
Net change in loans	-129	-152	-65
Dividends paid	-	-	-90
Net increase/decrease in cash	-224	-210	105

Refinery Production Costs, Porvoo & Naantali

		Q1/12	Q2/12	Q3/12	Q4/12	Q1/13	2012
Refined Products	Million Barrels	28.1	24.2	27.2	26.5	27.2	106.3
Exchange Rate	EUR/USD	1.32	1.28	1.25	1.30	1.32	1.28
Utilities costs	EUR Million	64.4	66.4	64.1	61.2	62.8	256.1
	\$/bbl	3.0	3.5	2.9	3.0	3.1	3.1
Fixed costs	EUR Million	49.8	58.1	45.2	59.9	52.8	213.1
	\$/bbl	2.3	3.1	2.1	2.9	2.6	2.6
External sales	EUR Million	-27.8	-27.2	-22.1	-27.5	-23.9	-104.7
	\$/bbl	-1.3	-1.4	-1.0	-1.3	-1.2	-1.3
Total	EUR Million	86.4	97.3	87.3	93.6	91.7	364.5
	\$/bbl	4.0	5.1	4.0	4.6	4.5	4.4

Oil Products

- Complex refiners expected to remain the most competitive
- Porvoo PL4 currently being shut down for maintenance for up to eight weeks.
- Gasoline production reduced by unplanned maintenance in April
- Base oils market likely to remain under pressure due to sluggish demand

Renewable Fuels

- Renewable Fuel's full-year comparable operating profit is expected to improve from 2012 and to be positive
- Focus on sales, feedstock, and production optimization



Company Outlook

- Guidance remains unchanged
- Neste Oil expects comparable operating profit to improve from 2012, assuming that reference refining margin remains at the level of approx. USD 5 /bbl and that Renewable Fuels' result will develop as expected





refining the future

NESTE OIL