Interim Report
January-March 2007

refining the future

NESTE OIL'S INTERIM REPORT FOR JANUARY-MARCH 2007
- Comparable operating profit 33% higher at EUR 158 million

First-quarter performance in brief:
- Sales of EUR 2,457 million (Q1/06: 2,796 million)
- Comparable operating profit of EUR 158 million (Q1/06: 119 million)
- Operating profit of EUR 164 million (Q1/06: 153 million)
- Earnings per share of EUR 0.46 (Q1/06: 0.44)
- Cash flow from operations of EUR -107 million (Q1/06: -150 million)
- Net debt of EUR 987 million (Q1/06: 1,272 million)
- Total refining margin rose to USD 9.62 /bbl (Q1/06: 8.52)

President & CEO Risto Rinne:
"We had a very good first quarter. Our refineries ran smoothly and we were supported by an exceptionally strong gasoline market. Thanks to our unique refining capability, we could benefit from the strong gasoline demand in the US market, and California in particular. In addition, the contribution made by our base oils business was again very positive."

"The start-up of our new diesel production line has progressed to the oil-in phase, and construction of our first NExBTL Renewable Diesel plant has continued according to plan. Studying the potential of new, cost-effective feedstocks represents a key element in our strategy. In line with this, we announced a joint research program to utilize forest biomass in biodiesel production."

Further information:

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News conference and conference call

A press conference in Finnish on the first-quarter results for 2007 will be held today, 26 April 2007, at 11:30 am EET in the Mirror Room at Hotel Kämp, Pohjoisesplanadi 29, Helsinki. www.nesteoil.com will feature English versions of the presentation materials.

An international conference call for investors and analysts will be held today, 26 April 2007, at 3:00 pm Finland / 1:00 pm London / 8:00 am New York. The call-in numbers are as follows: Europe: +44 (0)20 7162 0025, US: +1 334 323 6201. Use the password: Neste Oil. An instant replay of the call will be available until 3 May 2007 at +44 (0)20 7031 4064 for Europe and +1 954 334 0342 for the US, using access code 746216.

NESTE OIL FINANCIAL STATEMENTS, 1 JANUARY – 31 MARCH 2007
Unaudited

Figures in parentheses refer to the first quarter of 2006, unless otherwise stated.

KEY FIGURES

EUR million (unless otherwise noted)

	1–3/07	1–3/06	2006	LTM
Sales	2,457	2,796	12,734	12,395
Operating profit before depreciation	203	191	1,007	1,019
Depreciation, amortization and impairment charges	39	38	153	154
Operating profit	164	153	854	865
Comparable operating profit *	158	119	597	636
Profit before income tax	161	153	841	849
Earnings per share, EUR	0.46	0.44	2.46	2.48
Capital expenditure and investment in shares	100	112	535	523
Net cash from operating activities	-107	-150	512	555

	31 March 2007	31 March 2006	31 Dec 2006	LTM
Total equity	1,959	1,606	2,097	-
Interest-bearing net debt	987	1,272	722	-
Capital employed	3,002	2,959	2,890	3,002
Return on capital employed pre-tax, %	22.4	22.7	31.9	29.1
Return on average capital employed,%	-	-	15.4	15.9
Return on equity, %	23.3	28.0	34.3	36.0
Equity per share, EUR	7.63	6.24	8.15	-
Cash flow per share, EUR	-0.42	-0.59	2.00	2.16
Equity-to-assets ratio, %	43.6	36.5	48.4	-
Leverage ratio, %	33.5	44.2	25.6	-
Gearing, %	50.4	79.2	34.4	-

* Comparable operating profit is calculated by excluding inventory gains/losses, gains/losses from sales of fixed assets, and unrealized changes in the fair value of oil and freight derivative contracts from the reported operating profit.

The Group's first-quarter results

Sales at the Neste Oil Group totaled EUR 2,457 million in the first quarter. The drop in sales compared to the first quarter last year (2,796 million) was mainly caused by the divestment of the Group's stake in Eastex Crude Company.

The first-quarter operating profit totaled EUR 164 million (153 million).

Comparable operating profit increased by 33% to EUR 158 million (119 million). The main contributors here were the company's stronger refining margin, result from iso-octane sales to California, and improved performance at the Group's joint venture, Nynäs Petroleum, compared to the first quarter of 2006. In addition, EUR/USD hedges were more favorable than a year ago.

Oil Refining's comparable operating profit in the first quarter was EUR 134 million (94 million, Oil Retail's EUR 11 million (12 million), and Shipping's EUR 21 million (22 million).

Profit before taxes was EUR 161 million (153 million), and taxes for the period totaled EUR 43 million (41 million). The effective tax rate was 27% (27%).

Net profit for the period was EUR 118 million (112 million) and earnings per share EUR 0.46 (0.44)

Given the capital-intensive and volatile nature of its business, Neste Oil uses return on average capital employed after tax (ROACE) as its primary financial indicator. At the end of March, the rolling twelve-month ROACE was 15.9% (financial period 2006: 15.4%).

	1-3/07	1-3/06	2006	LTM
COMPARABLE OPERATING PROFIT	158	119	597	636
- changes in the fair value of open				
Oil derivative positions	-26	-8	-9	-27
- inventory gains	29	42	56	43
- gains from sales of fixed assets	3	0	210	213
OPERATING PROFIT	164	153	854	865

Capital expenditure

Investments totaled EUR 100 million (112 million) in the first quarter. Oil Refining's investments accounted for EUR 90 million, Oil Retail EUR 7 million, and Shipping EUR 1 million.

Depreciation in the first quarter was EUR 39 million (38million).

Financing

Interest-bearing net debt totaled EUR 987 million at the end of March (31 Dec 2006: 722 million). This increase was mainly caused by higher net working capital. Net financial expenses between January and March were EUR 3 million (0 million).

The average interest rate of borrowings at the end of March was 4.2%, and the average maturity 4.2 years.

Net cash from operating activities between January and March was EUR -107 million (-150 million).

The equity-to-assets ratio was 43.6% (31 Dec 2006: 48.4%), the gearing ratio 50.4% (31 Dec 2006: 34.4%), and the leverage ratio 33.5% (31 Dec 2006: 25.6%).

Cash and cash equivalents and committed, unutilized credit facilities amounted to EUR 1,575 million at the end of March (31 Dec 2006: 1,667 million).

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

Market overview

The first quarter was dominated by an exceptionally strong gasoline market in the US in particular. The seasonal increase in the demand for gasoline started significantly earlier than in previous years, resulting in stronger margins towards the end of the quarter. In addition to higher demand, planned and unplanned refinery maintenance outages cut gasoline production and boosted margins further.

Refining margins were weak in January, but improved quickly during the quarter supported by strengthening gasoline margins. The international reference refining margin in North West Europe, IEA Brent Cracking, averaged USD 3.61 /bbl (2.89).

Crude oil prices were also pushed up by stronger gasoline demand. After a sharp drop early in the quarter, Brent Dated rose to almost USD 70 /bbl. Affected also by increased political tension, Brent Dated averaged USD 57.75 /bbl (61.75) during the first quarter. The price differential between Urals and Brent Dated narrowed during the quarter, and averaged USD -3.56 /bbl (-4.06).

Demand for diesel and jet fuel remained healthy, and their price differential to crude stayed wide and steady. The winter was unseasonably warm in Europe, and colder weather arrived in US heating regions late, in February. Distillates inventory levels, nevertheless, dropped significantly in the first quarter.

The market for low-sulfur fuel oil continued to be soft. Warm weather, high natural gas stocks, and low prices all held back demand. No shortages were encountered in high-sulfur fuel oil exports from Russia, but good bunker demand and exports to Southeast Asia kept the high-sulfur fuel oil market tighter than the low-sulfur market.

European capacity in the first-generation methyl ester biodiesel (FAME) area has increased rapidly during recent years, and has led to oversupply and weaker performance for producers. At the same time, concerns regarding raw material availability are growing, highlighting the importance of feedstock flexibility. The need for better-quality biodiesel is obvious if higher bio content is to be achieved without compromising on fuel quality or automotive industry requirements.

There continues to be strong demand for high-quality lubricant base oils, such as EHVI (Enhanced High Viscosity Index).

The situation in the oil retail market has remained essentially unchanged with fierce competition in the Finnish market and growth in the Baltic Rim.

North Sea crude freight rates were over 10% higher and Baltic Sea freights roughly unchanged compared to the first quarter of 2006.

Key drivers

	1-3/07	1-3/06	2006	1-24 April 2007
IEA Brent cracking margin, USD/bbl	3.61	2.89	3.73	6.11
Neste Oil's total refining margin, USD/bbl	9.62	8.58	9.11	n.a.
Urals - Brent price differential, USD/bbl	-3.56	-4.06	-4.28	-3.65
Brent dated crude oil, USD/bbl	57.75	61.75	65.14	67.56
Crude freight rates, Aframax WS points	160	142	145	141

SEGMENT REVIEWS

Neste Oil's businesses are grouped into four segments: Oil Refining, Oil Retail, Shipping, and Other. The biodiesel business is included in Oil Refining.

Oil Refining

Oil Refining recorded an operating profit of EUR 138 million (129 million) and a comparable operating profit of EUR 134 million (94 million).

The segment's results were positively impacted by stronger total refining margin and good performance in the gasoline components business and at Nynäs Petroleum.

Neste Oil's total refining margin increased to USD 9.62 a barrel (8.58), while the benchmark margin – IEA Brent cracking – averaged USD 3.61 a barrel (2.89). Strong base oil performance and good productivity at the company's refineries supported the total refining margin.

Oil Refining's comparable return on net assets (annualized) at the end of March was 21.0% (18.0%).

Key figures

	1-3/07	1-3/06	2006	LTM
Sales, MEUR	1,929	2,308	10,768	10,389
Operating profit, MEUR	138	129	671	680
Comparable operating profit, MEUR	134	94	533	573
Capital expenditure, MEUR	90	105	478	463
Total refining margin USD/bbl	9.62	8.58	9.11	9.37

Production

Neste Oil refined 3.5 million tons (3.4 million) of crude oil and other feedstocks at its refineries in the first quarter, of which 2.8 million tons (2.8 million) were refined at Porvoo and 0.7 million tons (0.6 million) at Naantali. The company also produced 0.2 million tons (0.2 million) of EHVI, iso-octane, PAO, and ETBE at its plants in Porvoo, Edmonton, Beringen and Sines.

Crude distillation capacity utilization at the Porvoo refinery reached 97.0% (100%) in the first quarter, and 99.3% (93.8%) at Naantali.

Some 42% (47%) of total refinery input comprised heavier Russian Export Blend in the first quarter.

Sales

Sales volumes in Finland totaled 2.1 million tons in the first quarter (2.1 million), and export volumes 1.2 million tons (1.2 million).

Gasoline exports to the US and Canada increased by over 50% compared to 2006, thanks to the strong US gasoline market.

Neste Oil's wholesale market share of key petroleum products in Finland rose compared to early 2006, and averaged 84% in January-February 2007 (79%).

Base oil sales volumes were lower, but margins remained strong.

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

	1-3/07	1-3/06	2006
Motor gasoline and components	1,024	1,080	4,974
Diesel fuel	1,117	1,136	4,821
Jet fuel	175	162	702
Base oils	74	81	302
Heating oil	247	249	684
Heavy fuel oil	326	352	1,069
NExBTL Renewable Diesel	0	0	0
Other products	360	316	1,543
TOTAL	3,323	3,376	14,095

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

	1–3/07	1–3/06	2006
Finland	2,146	2,139	8,083
Other Nordic countries	355	425	1,906
Other Europe	448	541	2,420
Russia & the Baltic countries	4	4	53
USA & Canada	334	219	1,417
Other countries	36	48	216
TOTAL	3,323	3,376	14,095

Oil Retail

Oil Retail recorded an operating profit of EUR 11 million (13 million) and a comparable operating profit of EUR 11 million (12 million).

Increased sales volumes in the Baltic Rim contributed positively to the comparable operating profit, whereas higher costs linked to expanding the outlet network in the Baltic Rim, together with lower gasoline volumes in Finland, had a negative effect.

It should be noted that the first quarter of 2007 is not fully comparable with the corresponding period of 2006, because of the disposal of number of traffic station properties in 2006. Rental and other income from these properties are no longer included in Oil Retail's results.

Oil Retail's comparable return on net assets (annualized) at the end of March was 13.4% (12.8%).

Key figures

	1-3/07	1-3/06	2006	LTM
Sales, MEUR	774	812	3,280	3,242
Operating profit, MEUR	11	13	138	136
Comparable operating profit, MEUR	11	12	65	64
Capital expenditure, MEUR	7	5	44	46
Product sales volume, 1,000 m3	1,144	1,149	4,424	4,419

Tough competition has continued in the Finnish gasoline retail market, and gasoline sales were lower compared to the first quarter of 2006. Diesel sales, however, increased somewhat.

An exceptionally warm winter had a negative impact on the demand for heating oil. Aviation fuel volumes showed good growth, but LPG volumes were lower as a result of production restrictions in the steel industry.

Sales volumes increased in the Baltic Rim by 17% compared to the first quarter of 2006. Margins remained at 2006 levels, except in Northwest Russia, where they were substantially stronger. Neste Oil continued to expand its network in the Baltic Rim, bringing the number of outlets to 241 (211).

Oil Retail will continue to invest in growth in the Baltic Rim, and in Northwestern Russia in particular, whereas investments in Finland will be targeted at refreshing the look and feel of outlets.

Oil Retail sales volumes (1,000 m3)

	1-3/07	1-3/06	2006	2005
Gasoline	342	323	1,452	1,353
Diesel fuel	416	356	1,510	1,364
Heating oil	226	297	932	887
Heavy fuel oil	160	173	530	511
TOTAL	1,144	1,149	4,424	4,115

Oil Retail sales by market area (1,000 m3)

FINLAND	1-3/07	1-3/06	2006	2005
Gasoline	142	154	652	686
Diesel fuel	259	247	1,008	971
Heating oil	218	253	814	873
Heavy fuel oil	160	173	530	511
TOTAL	779	827	3,004	3,041

BALTIC RIM	1-3/07	1-3/06	2006	2005
Gasoline	200	169	800	668
Diesel fuel	157	109	502	394
Heating oil	8	44	118	13
TOTAL	365	322	1,420	1,075
LPG (1000 t)	65	67	254	235

Shipping

Shipping recorded an operating profit of EUR 23 million (20 million) and a comparable operating profit of EUR 21 million (22 million).

Higher crude freight rates were largely offset by increased time-charter costs. The fleet utilization rate remained high at 95%, but was slightly lower than in the equivalent period last year (97%). Utilization was negatively impacted by repair work on the M/S Propontis, a time-chartered crude carrier.

Shipping's comparable return on net assets (annualized) at the end of March was 27.7% (27.3%).

Key figures

	1-3/07	1-3/06	2006	LTM
Sales, MEUR	110	86	293	317
Operating profit, MEUR	23	20	78	81
Comparable operating profit, MEUR	21	22	32	31
Capital expenditure, MEUR	1	1	10	10
Deliveries total, millions of tons	9.4	8.1	34.4	35.7
Fleet utilization rate, %	95	97	94	94

Shipping's fleet carried a total of 9.4 million tons (8.1 million). Crude shipments stood at 5.9 million tons (4.7 million) and product shipments at 3.5 million tons (3.4 million).

North Sea crude freight rates averaged 160 Worldscale points (142) in the first quarter. Crude freight rates from Primorsk were close to the same level seen in the previous year.

Three new time-chartered vessels joined the fleet in the first quarter. The Stena Arctica is a 117,000 dwt Aframax crude tanker, and the two 75,000 dwt Panamax tankers, the Stena Poseidon and the Palva, are used for gasoline deliveries to North America.

Shares, share trading, and ownership

A total of 137,950,535 Neste Oil shares were traded in the first quarter, totaling EUR 3.3 billion. The share price reached EUR 26.61 at its highest and EUR 21.82 at its lowest, and closed the quarter at EUR 25.80 or 72% above the subscription price in April 2005, giving the company a market capitalization of EUR 6.6 billion as of 31 March 2007. A total of 2.2 million shares were traded on daily on average, equivalent to 0.8% of the Company's shares.

Neste Oil's share capital registered with the Company Register as of 31 March 2007 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.

At the end of March, the Finnish state owned 50.1% of outstanding shares, foreign institutions 28.9%, Finnish institutions 14.2%, and Finnish households 6.8%.

Annual General Meeting

Neste Oil's Annual General Meeting was held on 21 March 2007 in Helsinki. The AGM approved the Board of Directors' dividend proposal of EUR 0.90 per share.

In accordance with the proposal made by the Nomination Committee, the AGM decided that the Board of Directors will comprise eight members, and the following were reelected: Mr. Timo Peltola as Chairman, Mr. Mikael von Frenckell as Vice Chairman, and Ms. Ainomaija Haarla, Ms. Nina Linander, Mr. Pekka Timonen, and Ms. Maarit Toivanen-Koivisto as members. The following new members were elected, also in accordance with the proposal made by the Nomination Committee: Mr. Antti Tanskanen and Mr. Michiel A.M. Boersma. A more detailed presentation of the Board can be consulted at the company's website, www.nesteoil.com. The Board's term of office will last until the end of the next AGM.

The AGM also confirmed that the Supervisory Board comprises eight members and reelected the following members to another term of office: Mr. Klaus Hellberg (Chairman), Mr. Markku Laukkanen (Vice Chairman), Mr. Mikael Forss, Ms. Heidi Hautala, Ms. Satu Lähteenmäki, Mr. Markus Mustajärvi, and Ms. Jutta Urpilainen. Ms. Marjo Matikainen-Kallström was elected as a new member. The Supervisory Board's term of office will last until the end of the next AGM.

In accordance with a proposal by the Board of Directors, Ernst & Young Oy, Authorized Public Accountants, were appointed as the company's Auditor, with Authorized Public Accountant Anna-Maija Simola as Auditor, until the end of the next AGM.

The AGM decided to establish a Nomination Committee to prepare proposals covering the members of the Board of Directors and their remuneration for consideration by the next AGM. The Nomination Committee will comprise the Chairman of the Board, as an expert member, together with representatives of the company's three largest shareholders. The right to appoint shareholder representatives on this Committee will lie with the three shareholders holding the largest number of votes associated with all the company's shares on the first day of November

2007. The Nomination Committee will present their proposal to the Board of Directors by 1 February prior to the AGM at the latest.

Personnel

Neste Oil employed an average of 4,594 (4,502) employees in the first quarter. At the end of March, Neste Oil had 4,657 employees (March 2006: 4,518).

Health, safety, and the environment

The main indicator for safety performance used by Neste Oil – cumulative lost workday injury frequency (LWIF, number of cases per million hours worked) for all work done for the company, combining the company's own personnel and contractors – stood at 3.4 at the end of March 2007. Performance in this area continues to improve.

The Group-wide ‘Act Safe’ project, focusing on enhancing safety management and safety culture, has progressed according to plan. The objective is to achieve performance comparable with other world-class safety performers.

The company has successfully fulfilled all the requirements related to carbon dioxide emissions in 2006. Emissions have been verified and reported, and the company will be able to surrender allowances equal to its total emissions in 2006 by the end of April 2007.

Neste Oil has contributed to joint work carried out within the framework of the European oil companies’ organization, Concawe; and the company's project for meeting the requirements of the EU's new REACH chemical legislation, has progressed according to plan. The company has begun implementing REACH, which will come into force on 1 June 2007.

Neste Oil was selected in January for the Global 100, a list of the world’s 100 most responsible companies, based on an analysis of 1,800 publicly traded companies by Innovest Strategic Value Advisors. The companies included in the Global 100 are considered to have developed the best capabilities in their respective industries to manage environment, social, and governance risks, and take advantage of new business opportunities in these areas.

Norwegian banking group, Storebrand, awarded Neste Oil ‘Best in Class’ recognition for its social accountability on 8 March, based on an analysis of oil and gas companies carried out in 2006. Storebrand grants the award to companies that it has identified as representing the best investment opportunities in terms of environmental and social responsibility. Companies recognized in this way are approved as socially responsible investments (SRIs) by the bank.

Strategy implementation and investment projects

Neste Oil's clean fuel strategy is designed to make the company the world's leading producer of renewable diesel. The company is reviewing alternatives for continuing investments in new conversion capacity at its existing refineries following the completion of the new diesel production line at the Porvoo refinery (Diesel Project). The foundation of Neste Oil's strategy will remain based on the company's ability to use its unique refining know-how to produce high-quality fuels for cleaner traffic from a variety of lower-cost feedstocks.

Diesel Project

The start-up phase of the new diesel line continued but was somewhat delayed by a fire in February.

The project represents a total investment of over EUR 700 million. The profitability of the new line is expected to be good, and Neste Oil anticipates that it will contribute an additional refining margin of more than USD 2 /bbl on its total output of approximately 100 million barrels a year.

The new diesel line will increase Neste Oil's annual production capacity of sulfur-free diesel by over 1 million tons a year, and reduce production of heavy fuel oil. The Porvoo refinery will also be able to switch completely to using heavier, sourer crude input.

NExBTL Renewable Diesel

Neste Oil aims to become the world's leading producer of renewable diesel. The cornerstone of this strategy is the company's proprietary NExBTL technology, which produces a premium-quality fuel that clearly outperforms both existing biodiesel and crude oil-based diesel currently on the market. The technology is based on a long-term R&D effort and can use practically any vegetable oil or animal fat as raw material.

Neste Oil plans to build a number of NExBTL Renewable Diesel production facilities in various market areas, either alone or with partners, over the next few years. In addition, the company is committed to further research and development in the biofuels area, with the aim of utilizing a wider range of renewable raw materials. As part of this, a joint project with Stora Enso in the area of wood-based biodiesel production was announced in March 2007.

The construction of the first NExBTL plant at the Porvoo refinery has proceeded as planned, and the facility is expected to enter production in summer 2007. The plant will have an annual production capacity of 170,000 tons of NExBTL Renewable Diesel. This will be followed by another NExBTL plant at Porvoo. This second plant will have the same capacity, 170,000 t/a, as the first unit and is scheduled to be commissioned at the end of 2008.

Planning work on a jointly owned NExBTL plant with OMV in Austria is continuing, and an Environmental Impact Assessment (EIA) is due to start in the next few weeks.

Divestments

In February, Neste Oil announced that it will sell its aviation business in Latvia to Statoil.

Outlook

The key market drivers of 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. Short-term changes in crude oil prices impact Neste Oil's financial results mainly in the form of inventory gains or losses.

There continues to be a global need for high-quality refining capacity and many investment projects have been announced. However, increased costs and lack of resources have resulted in project delays and cancellations, and it now seems that global conversion capacity may not grow as fast as earlier anticipated. This should benefit refining companies with complex capacity.

In 2007, demand for gasoline has been exceptionally strong. As a result of demand and current low inventories - further supported by normal seasonality – the gasoline market is expected to stay strong in the second quarter. The growing use of ethanol in the US gasoline market is likely to lead to high demand for certain high-quality blending components, such as iso-octane.

The start-up of the new diesel production line at the Porvoo refinery (Diesel Project) has progressed to the oil-in phase. Production of the new line will gradually increase during the summer, and its contribution to Neste Oil's total refining margin is expected to be visible from the third quarter.

The first plant producing NExBTL Renewable Diesel is expected to start in the summer as planned.

Price competition has again tightened in the Finnish retail market, whereas demand continues to grow in the Baltic Rim.

Shipping freight rates are expected to remain at the same level as last year. Increasing tanker capacity in all categories will keep competition tight. Neste Oil's shipping volumes are expected to increase slightly due to the Group's larger fleet capacity.

The Group's capital expenditure is expected to be somewhat over EUR 300 million in 2007.

Reporting date for the second-quarter 2007 results

Neste Oil will publish its second-quarter results on 3 August 2007 at approximately 9:00 a.m. EET.

Espoo, 25 April 2007

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 [1)]

MEUR	**1-3/2007**	1-3/2006	1-12/2006	Last 12 months
Sales	**2,457**	2,796	12,734	12,395
Other income	**8**	5	238	241
Share of profit (loss) of associates and joint ventures	**1**	-4	39	44
Materials and services	**-2,017**	-2,404	-11,183	-10,796
Employee benefit costs	**-63**	-56	-224	-231
Depreciation, amortization and impairment charges	**-39**	-38	-153	-154
Other expenses	**-183**	-146	-597	-634
Operating profit	**164**	153	854	865
Financial income and expenses				
Financial income	**2**	1	8	9
Financial expenses	**-4**	-1	-16	-19
Exchange rate and fair value gains and losses	**-1**	0	-5	-6
Total financial income and expenses	**-3**	0	-13	-16
Profit before income taxes	**161**	153	841	849
Income tax expense	**-43**	-41	-205	-207
Profit for the period	**118**	112	636	642
Attributable to:				
Equity holders of the company	**117**	112	631	636
Minority interest	**1**	0	5	6
	118	112	636	642
Earnings per share from profit attributable to the equity holders of the Company basic and diluted (in euro per share)	**0.46**	0.44	2.46	2.48

[1)] Neste Oil closed the divestment of its 70 % holding in Eastex Crude Company in mid February. The company has been consolidated as a subsidiary in Neste Oil consolidated financial statements until the closing date and included in the Refining segment. The company had an insignificant impact on Neste Oil's results, but has contributed significant revenues, accounting for EUR 1.8 billion of Neste Oil's total consolidated sales of EUR 12.7 billion in 2006.
In 2007, Eastex Crude Company accounted for EUR 151 million of Neste Oil's sales (Q1/2006: EUR 414 million).

CONSOLIDATED BALANCE SHEET

MEUR	**31 March 2007**	31 March 2006	31 Dec 2006
ASSETS			
Non-current assets			
Intangible assets	**37**	49	38
Property, plant and equipment	**2,368**	2,081	2,310
Investments in associates and joint ventures	**158**	123	161
Long-term interest-bearing receivables	**2**	14	3
Pension assets	**76**	67	73
Deferred tax assets	**5**	22	8
Derivative financial instruments	**27**	15	22
Other financial assets	**3**	2	3
Total non-current assets	**2,676**	2,373	2,618
Current assets			
Inventories	**851**	798	697
Trade and other receivables	**839**	889	808
Derivative financial instruments	**98**	161	77
Cash and cash equivalents	**55**	81	62
Total current assets	**1,843**	1,929	1,644
Non-currents assets classified as held for sale [2)]	**0**	100	78
Total assets	**4,519**	4,402	4,340
EQUITY			
Capital and reserves attributable to the equity holders of the company			
Share capital	**40**	40	40
Other equity	**1,913**	1,559	2,049
Total	**1,953**	1,599	2,089
Minority interest	**6**	7	8
Total equity	**1,959**	1,606	2,097
LIABILITIES			
Non-current liabilities			
Interest-bearing liabilities	**633**	1,039	516
Deferred tax liabilities	**235**	224	239
Provisions	**6**	16	12
Pension liabilities	**12**	13	12
Derivative financial instruments	**22**	12	21
Other non-current liabilities	**6**	11	4
Total non-current liabilities	**914**	1,315	804
Current liabilities			
Interest-bearing liabilities	**409**	314	267
Current tax liabilities	**52**	18	43
Derivative financial instruments	**103**	166	38
Trade and other payables	**1,082**	983	1,027
Total current liabilities	**1,646**	1,481	1,375
Liabilities directly associated with non-current assets classified as held for sale [2)]	**0**	0	64
Total liabilities	**2,560**	2,796	2,243
Total equity and liabilities	**4,519**	4,402	4,340

[2)] Non-current assets classified as held for sale comprise of the carrying amount of Eastex Crude Company at 31 December 2006, and the fair value of Ibn Zahr shares at 31 March 2006.

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

MEUR	Attributable to equity holders of the company: Share capital	Reserve fund	Fair value and other reserves	Translation differences	Retained earnings	Minority	Total
Total equity at 1 January 2006	40	9	-33	8	1,581	7	1,612
Dividend paid					-205		-205
Income and expense recognized directly in equity							
Translation differences and other changes				-3			-3
Cash flow hedges							
recorded in equity, net of taxes			37				37
transferred to income statement, net of tax			-11				-11
Net investment hedges, net of taxes				1			1
Available for sale investments							
recognized in equity, net of tax			63				63
removed from equity and recognized in income statement, net of tax							0
Change in minority							0
Items recognized directly in equity			*89*	*-2*	*0*	*0*	*87*
Profit for the period					112		112
Total recognized income and expenses			*89*	*-2*	*112*	*0*	*199*
Total equity at 31 March 2006	40	9	56	6	1,488	7	1,606

	Share capital	Reserve fund	Fair value and other reserves	Translation differences	Retained earnings	Minority	Total
Total equity at 1 January 2007	40	9	26	3	2,011	8	2,097
Dividend paid					-231		-231
Treasury shares [3]					-12		-12
Income and expense recognized directly in equity							
Translation differences and other changes		1		-6	-1		-6
Cash flow hedges							
recorded in equity, net of taxes			-16				-16
transferred to income statement, net of tax			10				10
Net investment hedges, net of taxes				1			1
Share-based compensation			1				1
Change in minority						-3	-3
Items recognized directly in equity		*1*	*-5*	*-5*	*-1*	*-3*	*-13*
Profit for the period					117	1	118
Total recognized income and expenses		*1*	*-5*	*-5*	*116*	*-2*	*105*
Total equity at 31 March 2007	40	10	21	-2	1,884	6	1,959

[3] Neste Oil has entered into an agreement with a third party service provider concerning the administration of the new share-based long-term incentive plan for key management personnel. As part of the agreement, the service provider has 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 future payment of the rewards, which take place partly in Neste Oil shares and partly in cash during 2010 and 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.

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

MEUR	1-3/2007	1-3/2006	1-12/2006
Cash flow from operating activities			
Profit before taxes	**161**	153	841
Adjustments, total	**60**	53	-85
Change in working capital	**-297**	-327	-106
Cash generated from operations	**-76**	-121	650
Finance cost, net	**1**	-1	-7
Income taxes paid	**-32**	-28	-131
Net cash from operating activities	**-107**	-150	512
Capital expenditures	**-100**	-111	-526
Acquisition of shares	**0**	-1	-9
Proceeds from sales of fixed assets	**3**	1	77
Proceeds from sales of shares	**-5**	0	201
Change in other investments	**-65**	-24	20
Cash flow before financing activities	**-274**	-285	275
Net change in loans and other financing activities	**260**	482	-74
Dividends paid to the equity holders of the company	**0**	-195	-205
Net increase (+)/decrease (-) in cash and marketable securities	**-14**	2	-4

KEY RATIOS

	31 March 2007	31 March 2006	31 Dec 2006	Last 12 months
Capital employed, MEUR	**3,002**	2,959	2,890	3,002
Interest-bearing net debt, MEUR	**987**	1,272	722	-
Capital expenditure and investments in shares, MEUR	**100**	112	535	523
Return on average capital employed, after tax, ROACE %	**-**	-	15.4	15.9
Return on capital employed, pre-tax, ROCE %	**22.4**	22.7	31.9	29.1
Return on equity, %	**23.3**	28.0	34.3	36.0
Equity per share, EUR	**7.63**	6.24	8.15	-
Cash flow per share, EUR	**-0.42**	-0.59	2.00	2.16
Equity-to-assets ratio, %	**43.6**	36.5	48.4	-
Gearing, %	**50.4**	79.2	34.4	-
Leverage ratio, %	**33.5**	44.2	25.6	-
Average number of shares	256,178,164	256,403,686	256,403,686	256,348,078
Number of shares at the end of the period	255,903,686	256,403,686	256,403,686	255,903,686
Average number of employees	**4,594**	4,502	4,678	-

CHANGES IN INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT	31 March 2007	31 March 2006	31 Dec 2006
Opening balance	**2,348**	2,059	2,059
Depreciation, amortization and impairment	**-39**	-38	-153
Capital expenditure	**100**	111	526
Disposals	**-3**	-1	-22
Disposal of a subsidiary	**0**	0	-39
Classified as assets held for sale	**0**	0	-10
Translation differences	**-1**	-1	-13
Closing balance	**2,405**	2,130	2,348

SEGMENT INFORMATION

Neste Oil's businesses are grouped into four segments for external reporting purposes: Oil Refining, Oil Retail, Shipping and Other. The biodiesel business is included in Oil Refining, Other segment includes corporate centre.

SALES

MEUR	1-3/2007	1-3/2006	1-12/2006	Last 12 months
Oil Refining	**1,929**	2,308	10,768	10,389
Oil Retail	**774**	812	3,280	3,242
Shipping	**110**	86	293	317
Other	**5**	3	16	18
Eliminations	**-361**	-413	-1,623	-1,571
Total	**2,457**	2,796	12,734	12,395

OPERATING PROFIT

MEUR	1-3/2007	1-3/2006	1-12/2006	Last 12 months
Oil Refining	**138**	129	671	680
Oil Retail	**11**	13	138	136
Shipping	**23**	20	78	81
Other	**-9**	-9	-35	-35
Eliminations	**1**	0	2	3
Total	**164**	153	854	865

COMPARABLE OPERATING PROFIT

MEUR	1-3/2007	1-3/2006	1-12/2006	Last 12 months
Oil Refining	**134**	94	533	573
Oil Retail	**11**	12	65	64
Shipping	**21**	22	32	31
Other	**-9**	-9	-35	-35
Eliminations	**1**	0	2	3
Total	**158**	119	597	636

DEPRECIATION, AMORTIZATION AND WRITE-DOWNS

MEUR	1-3/2007	1-3/2006	1-12/2006	Last 12 months
Oil Refining	**28**	25	105	108
Oil Retail	**6**	7	27	26
Shipping	**4**	6	18	16
Other	**1**	0	3	4
Total	**39**	38	153	154

SHARE OF PROFITS IN ASSOCIATED COMPANIES AND JOINT VENTURES

MEUR	1-3/2007	1-3/2006	1-12/2006	Last 12 months
Oil Refining	**1**	-4	39	44
Oil Retail	**0**	0	0	0
Shipping	**0**	0	0	0
Other	**0**	0	0	0
Total	**1**	-4	39	44

NET ASSETS

MEUR	31 Marc 2007	31 March 2006	31 Dec 2006
Oil Refining	**2,723**	2,282	2,389
Oil Retail	**319**	373	336
Shipping	**309**	318	298
Other	**6**	-10	10
Eliminations	**-1**	-3	-1
Total	**3,356**	2,960	3,032

RETURN ON NET ASSETS, %

	31 March 2007	30 March 2006	31 Dec 2006	Last 12 months
Oil Refining	**21.6**	24.7	29.9	28.2
Oil Retail	**13.4**	13.9	37.2	37.8
Shipping	**30.3**	24.8	25.0	26.3

COMPARABLE RETURN ON NET ASSETS, %

	31 March 2007	30 March 2006	31 Dec 2006	Last 12 months
Oil Refining	**21.0**	18.0	23.8	24.0
Oil Retail	**13.4**	12.8	17.5	17.8
Shipping	**27.7**	27.3	10.3	10.1

QUARTERLY SALES

MEUR	**1-3/2007**	10-12/2006	7-9/2006	4-6/2006	1-3/2006
Oil Refining	**1,929**	2,431	2,973	3,056	2,308
Oil Retail	**774**	810	841	817	812
Shipping	**110**	73	65	69	86
Other	**5**	4	4	5	3
Eliminations	**-361**	-362	-419	-429	-413
Total	**2,457**	2,956	3,464	3,518	2,796

QUARTERLY OPERATING PROFIT

MEUR	**1-3/2007**	10-12/2006	7-9/2006	4-6/2006	1-3/2006
Oil Refining	**138**	81	227	234	129
Oil Retail	**11**	85	23	17	13
Shipping	**23**	9	11	38	20
Other	**-9**	-9	-8	-9	-9
Eliminations	**1**	1	1	0	0
Total	**164**	167	254	280	153

QUARTERLY COMPARABLE OPERATING PROFIT

MEUR	**1-3/2007**	10-12/2006	7-9/2006	4-6/2006	1-3/2006
Oil Refining	**134**	78	183	178	94
Oil Retail	**11**	16	22	15	12
Shipping	**21**	1	4	5	22
Other	**-9**	-9	-8	-9	-9
Eliminations	**1**	1	1	0	0
Total	**158**	87	202	189	119

QUARTERLY DEPRECIATION, AMORTIZATION AND WRITE-DOWNS

MEUR	**1-3/2007**	10-12/2006	7-9/2006	4-6/2006	1-3/2006
Oil Refining	**28**	30	25	25	25
Oil Retail	**6**	6	7	7	7
Shipping	**4**	3	5	4	6
Other	**1**	1	1	1	0
Total	**39**	40	38	37	38

QUARTERLY SHARE OF PROFITS IN ASSOCIATED COMPANIES AND JOINT VENTURES

MEUR	**1-3/2007**	10-12/2006	7-9/2006	4-6/2006	1-3/2006
Oil Refining	**1**	12	20	11	-4
Oil Retail	**0**	0	0	0	0
Shipping	**0**	0	0	0	0
Other	**0**	0	0	0	0
Total	**1**	12	20	11	-4

CONTINGENT LIABILITIES

MEUR	**31 March 2007**	31 March 2006	31 Dec 2006
Contingent liabilities			
On own behalf			
For debt			
Pledges	**8**	5	8
Real estate mortgages	**25**	28	25
For other commitments			
Real estate mortages	**0**	1	0
Other contingent liabilities	**29**	19	28
Total	**62**	53	61
On behalf of associated companies			
Pledges and real estate mortgages	**0**	0	0
Guarantees	**6**	8	6
Other contingent liabilities	**0**	2	1
Total	**6**	10	7
On behalf of others			
Guarantees	**5**	2	6
Other contingent liabilities	**1**	1	1
Total	**6**	3	7
Total	**74**	66	75

MEUR	**31 March 2007**	31 March 2006	31 Dec 2006
Operating lease liabilities			
Due within a year	**134**	70	117
Due later than one year and not later than 5 years	**205**	65	191
Due later than five years	**145**	61	165
Total	**484**	196	473

MEUR	**31 March 2007**	31 March 2006	31 Dec 2006
Commitments			
Commitments to purchase property, plant and equipment	**47**	76	44
Commitments to purchase intangible assets	**2**	2	2
Total	**49**	78	46

Derivative financial instruments	**31 March 2007**		31 March 2006		31 Dec 2006	
Interest rate and currency derivative contracts and share forward contracts **MEUR**	**Nominal value**	**Net fair value**	Nominal value	Net fair value	Nominal value	Net fair value
Interest rate swaps	**301**	**2**	307	1	301	2
Forward foreign exchange contracts	**1,263**	**15**	1,178	0	992	23
Currency options						
Purchased	**277**	**1**	784	-14	290	4
Written	**226**	**4**	784	6	274	5
Share forward contracts	**17**	**4**	8	4	8	1

Oil and freight derivative contracts	**Volume 1 000 bbl**	**Net fair value Meur**	Volume 1 000 bbl	Net fair value Meur	Volume 1 000 bbl	Net fair value Meur
Sales contracts	**94,162**	**-71**	53,608	73	79,094	29
Purchase contracts	**108,381**	**46**	103,321	-67	106,339	-25
Purchased options	**1,313**	**0**	7,047	-6	0	0
Written options	**1,118**	**0**	5,870	5	0	0

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.

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.

ACCOUNTING PRINCIPLES

This interim report has been prepared in accordance with IAS 34, Interim Financial Reporting, and applying the accounting principles applied in the annual financial statements for the financial period 2006.

Calculation of key figures

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 profits (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 sales of fixed assets and investments - unrealized change in fair value of oil and freight derivative contracts
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 year (adjusted for inventory gains/losses, gains/losses from sales of shares or 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 taxes) / 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, pension assets, inventories and interest-free receivables and liabilities allocated to the business segment, provisions and pension liabilities

Calculation of key share ratios

Earnings per share (EPS)	=	Profit for the year 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