Interim Report
January-March 2008

refining the future

NESTE OIL'S INTERIM REPORT FOR JANUARY-MARCH 2008
- Comparable operating profit 25% lower compared to Q1/07 at EUR 119 million

The first quarter in brief:
- Sales of EUR 3,297 million (Q1/07: 2,457 million)
- Comparable operating profit of EUR 119 million (Q1/07: 158 million)
- Operating profit of EUR 204 million (Q1/07: 164 million)
- Earnings per share of EUR 0.56 (Q1/07: 0.46)
- Cash flow from operations of EUR -113 million (Q1/07: -107 million)
- Net debt of EUR 1,212 million (Q1/07: 987 million)
- Total refining margin of USD 11.91 /bbl (Q1/07: 9.62)

President & CEO Risto Rinne:
"The new diesel line at Porvoo strengthened our total refining margin, as we expected it to. Nevertheless, our first-quarter result was lower than that of last year, as Specialty Products' and Shipping's markets were much softer. We also suffered from the weak US dollar."

"Diesel margins were very strong, but gasoline margins have stayed weak for much longer into the spring than normally. Weak gasoline demand in the US market led to lower refinery runs, which also resulted in reduced diesel output. Neste Oil has prioritized diesel production for many years, and we were able to benefit from the tighter diesel market."

"We have carried out planned maintenance shutdowns at some units in April; and due to the fire that took place on the new diesel line in early April, our diesel output will suffer through May."

Further information:

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News conference and conference call

A press conference in Finnish on the first-quarter results for 2008 will be held today, 24 April 2008, at 10:00 am EET at Neste Oil headquarters, Keilaranta 21, Espoo. www.nesteoil.com will feature English versions of the presentation materials.

An international conference call for investors and analysts will be held on the same day 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 3023 4426, US: +1 866 966 5335. Use the password: Neste Oil. A webcast of the call can be found at http://phx.corporate-ir.net/phoenix.zhtml?p=irol-eventDetails&c=189806&eventID=1824616. An instant replay will be available for one week at +44 (0)20 8196 1998 for Europe and +1 866 583 1035 for the US, using access code 725434.

NESTE OIL FINANCIAL STATEMENTS, 1 JANUARY – 31 MARCH 2008
Unaudited

Figures in parentheses refer to the first quarter of 2007, unless otherwise stated.

KEY FIGURES

EUR million (unless otherwise noted)

	1–3/08	1–3/07	2007	Last 12 months
Sales	3,297	2,457	12,103	12,943
Operating profit before depreciation	263	203	996	1,056
Depreciation, amortization and impairment charges	59	39	195	215
Operating profit	204	164	801	841
Comparable operating profit *	119	158	626	587
Profit before income tax	191	161	763	793
Earnings per share, EUR	0.56	0.46	2.25	2.35
Investments	82	100	334	316
Net cash from operating activities	-113	-107	541	535

	31 March 2008	31 March 2007	31 Dec 2007	LTM
Total equity	2,316	1,959	2,427	-
Interest-bearing net debt	1,212	987	755	-
Capital employed	3,591	3,002	3,234	3,591
Return on capital employed pre-tax (ROCE), %	24.0	22.4	26.2	25.6
Return on average capital employed (ROACE),%	-	-	15.5	14.1
Return on equity (ROE), %	24.2	23.3	25.6	28.3
Equity per share, EUR	9.03	7.63	9.47	-
Cash flow per share, EUR	-0.44	-0.42	2.11	2.09
Equity-to-assets ratio, %	44.2	43.6	49.9	-
Leverage ratio, %	34.3	33.5	23.7	-
Gearing, %	52.3	50.4	31.1	-

* 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 3,297 million (2,457 million) in the first quarter. The increase of 34% was largely due to higher petroleum product prices.

The first-quarter operating profit totaled EUR 204 million (164 million) and includes an inventory gain of EUR 75 million (29 million).

The Group's comparable operating profit was EUR 119 million (158 million) in the first quarter, as a result of higher costs and depreciation and the negative impact of the weak US dollar. In addition, Specialty Products and Shipping both showed lower profitability. These more than diluted the positive contribution resulting from the Group's higher total refining margin.

Oil Refining's comparable operating profit in the first quarter was EUR 97 million (106 million), Renewable Fuels' EUR 2 million (-5 million), Specialty Products' EUR 8 million (32 million), Oil Retail's EUR 9 million (11 million), and Shipping's EUR 9 million (21 million).

The Group's profit before taxes was EUR 191 million (161 million), and net profit for the period was EUR 143 million (118 million). Earnings per share were EUR 0.56 (0.46).

Given the capital-intensive nature of its business, Neste Oil uses return on average capital employed after tax (ROACE) as its primary financial indicator. As of the end of March, the rolling twelve-month ROACE was 14.1%, which is below the target of at least 15% over the cycle (financial period 2007: 15.5%).

	1-3/08	1-3/07	2007	LTM
COMPARABLE OPERATING PROFIT	119	158	626	587
- changes in the fair value of open oil derivative positions	2	-26	-5	23
- inventory gains	75	29	174	220
- gains from sales of fixed assets	8	3	6	11
OPERATING PROFIT	204	164	801	841

Capital expenditure and financing

Investments totaled EUR 82 million (100 million) in the first quarter. Oil Refining's investments accounted for EUR 32 million, Renewable Fuels 27 million, Specialty Products 1 million, Oil Retail EUR 8 million, and Shipping EUR 0 million.

Depreciation in the first quarter increased to EUR 59 million (39 million), mainly as a result of the commissioning of the new diesel line and renewable diesel plant at Porvoo.

Interest-bearing net debt totaled EUR 1,212 million at the end of March (31 Dec 2007: 755 million). This increase was mainly caused by the payment of the Group's annual dividend and higher net working capital. Net financial expenses between January and March were EUR 13 million (3 million).

The average interest rate of borrowings at the end of March was 4.5%, and the average maturity 4.5 years.

Net cash from operating activities between January and March was EUR -113 million (-107 million).

The equity-to-assets ratio was 44.2% (31 Dec 2007: 49.9%), the gearing ratio 52.3% (31 Dec 2007: 31.1%), and the leverage ratio 34.3% (31 Dec 2007: 23.7%).

Cash and cash equivalents and committed, unutilized credit facilities amounted to EUR 1,088 million at the end of March (31 Dec 2007: 1,492 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

Crude oil prices again reached record-high levels during the first quarter. Low refinery runs helped crude oil stocks build significantly, but this did not have any real impact on prices. Brent Dated reached an all-time high of USD 109.09 /bbl in March, while its average during the first quarter as a whole was USD 96.90/bbl (57.75). The price differential between Brent Dated and Urals remained unchanged from the end of 2007, averaging USD -2.91 /bbl (-3.56).

Refining margins were generally weak, although volatile. A stronger distillate market supported margins towards the end of the quarter. The international reference refining margin used in North West Europe, IEA Brent Cracking, averaged USD 2.87/bbl (3.70).

High pump prices and a slowing US economy reduced gasoline demand compared to the first quarter of 2007. Despite low refinery runs, gasoline inventories increased rapidly and only began to decline in March. Increased ethanol blending also impacted gasoline margins, which remained relatively low during the first quarter. The soft gasoline market had a negative impact on demand for high-octane gasoline components, such as iso-octane.

Inventories of middle distillates moved down and the supply situation tightened significantly. In addition to a strong market for diesel fuel in Europe, distillates were also in demand as a result of cold weather and problems in the power generation industry in Asia. Reduced refinery runs and high crude oil prices pushed distillate prices up, and diesel and jet fuel margins reached all-time highs during the quarter.

Heavy fuel oil margins declined, as large Russian export volumes put pressure on the high-sulfur market and utility demand for low-sulfur heavy fuel oil was very limited.

Producers of the first-generation biodiesel (FAME) have continued to suffer from poor economics due to high and volatile feedstock prices, and overcapacity has kept utilization rates low. Concerns are also growing about inherent quality problems with these fuels. Demand for Neste Oil's NExBTL renewable diesel has stayed strong, thanks to its excellent properties.

European Commission has proposed a renewable energy directive for biofuels which includes sustainability criteria and a mandatory volume target based on energy content. Neste Oil supports strict sustainability criteria for biofuels and equal treatment of technologies and feedstocks based on the criteria.

Demand for high-quality lubricant base oils, such as EHVI (Enhanced High Viscosity Index) remains strong.

The situation in the Finnish oil retail market appears to have eased somewhat, due to consolidation in 2007. Growth in the Baltic Rim markets slowed a little during the first quarter.

Both North Sea and Baltic crude freight rates were some 10% lower compared to the first quarter of 2007. The mild winter meant that there were no ice premiums on the Baltic crude market.

Key drivers

	1-3/08	1-3/07	April 08	4-6/07	2007
IEA Brent cracking margin, USD/bbl	2.87	3.70	[6.32]	7.80	5.09
Neste Oil's total refining margin, USD/bbl	11.91	9.62	n.a.	11.92	10.46
Urals - Brent price differential, USD/bbl	-2.91	-3.56	[-3.84]	-3.45	-3.10
Brent dated crude oil, USD/bbl	96.90	57.75	[106.95]	68.76	72.52
USD/EUR exchange rate	1.50	1.30	[1.58]	1.36	1.38

Sales and production

Sales from in-house production (in 1,000 tons and % of total)

	1-3/08	%	1-3/07	%	2007	%
Motor gasoline	794	*24*	927	*28*	4,384	*31*
Gasoline components	78	*3*	97	*3*	357	*3*
Diesel fuel	1,383	*42*	1,117	*34*	5,137	*36*
Jet fuel	137	*4*	175	*5*	729	*5*
Base oils	82	*2*	74	*2*	304	*2*
Heating oil	180	*6*	247	*7*	764	*5*
Heavy fuel oil	207	*6*	326	*10*	1,097	*8*
LPG	98	*3*	87	*3*	317	*2*
NExBTL renewable diesel	18	*1*	0	*0*	28	*0*
Other products	304	*9*	273	*8*	1,215	*8*
TOTAL	3,281	*100*	3,323	*100*	14,332	*100*

Sales from in-house production by market area (in 1,000 tons and % of total)

	1-3/08	%	1-3/07	%	2007	%
Finland	1,767	*54*	2,146	*65*	8,053	*56*
Other Nordic countries	426	*13*	355	*11*	2,059	*14*
Other Europe	752	*23*	452	*13*	2,399	*17*
USA & Canada	266	*8*	334	*10*	1,703	*12*
Other countries	70	*2*	36	*1*	118	*1*
TOTAL	3,281	*100*	3,323	*100*	14,332	*100*

Diesel sales were up by 24% on the first quarter of 2007, thanks to the new diesel line at Porvoo. Domestic sales were 18% lower year-on-year. This was mainly due to the mild winter, which reduced energy usage. The weak gasoline market resulted in 20% lower sales to the North American market.

Neste Oil refined 3.8 million tons (3.5 million) of crude oil and feedstocks at its refineries in the first quarter, of which 3.1 million tons (2.8 million) at Porvoo and 0.7 million tons (0.7 million) at Naantali. The Porvoo refinery operated at a crude distillation capacity utilization rate of 94% (91%) during the quarter; while Naantali reached 99% (93%) capacity utilization.

The proportion of Russian Export Blend in Neste Oil’s total refinery input increased to 64% (42%) in the first quarter.

SEGMENT RESULTS

Neste Oil's businesses are grouped into six segments: Oil Refining, Renewable Fuels (formerly Biodiesel), Specialty Products, Oil Retail, Shipping, and Other.

Oil Refining

	1-3/08	1-3/07	2007	LTM
Sales, MEUR	2,546	1,782	9,348	10,112
Operating profit, MEUR	186	107	640	719
Comparable operating profit, MEUR	97	106	484	475
Capital expenditure, MEUR	32	72	193	153
Total refining margin USD/bbl	11.91	9.62	10.46	10.97

Oil Refining posted an operating profit of EUR 186 million (107 million) and a comparable operating profit of EUR 97 million (106 million).

Performance benefited from a higher total refining margin, but this was offset by higher fixed costs and depreciation, as well as the weak US dollar.

The total refining margin increased to USD 11.91/bbl (9.62), mainly thanks to the new diesel line and a strong diesel market. The benchmark margin – IEA Brent Cracking – was weaker than at the same time last year and averaged USD 2.87/bbl (3.70).

Oil Refining's rolling 12-month comparable return on net assets at the end of March was 21.3%.

Renewable Fuels

	1-3/08	1-3/07	2007	LTM
Sales, MEUR	23	2	40	61
Operating profit, MEUR	1	-3	-12	-8
Comparable operating profit, MEUR	2	-5	-13	-6
Capital expenditure, MEUR	27	17	69	79

Renewable Fuels posted an operating profit of EUR 1 million (-3 million) and a comparable operating profit of EUR 2 million (-5 million) in the first quarter.

The positive contribution made by the operations of the first renewable diesel plant was offset by the segment's development and growth project costs.

Renewable Fuels' rolling 12-month comparable return on net assets at the end of March was -4.8%.

Specialty Products

	1-3/08	1-3/07	2007	LTM
Sales, MEUR	166	166	649	649
Operating profit, MEUR	5	31	122	96
Comparable operating profit, MEUR	8	32	109	85
Capital expenditure, MEUR	1	1	5	5

Specialty Products posted an operating profit of EUR 5 million (31 million) and a comparable operating profit of EUR 8 million (32 million) in the first quarter.

Both the gasoline components and base oil businesses suffered from low margins during the first quarter. Iso-octane economics were poor as a result of weak demand for gasoline and high-octane components. Margins were further depressed by higher butane prices, used as feedstock.

Rapidly increased feedstock prices also put pressure on base oil margins.

Specialty Products' rolling 12-month comparable return on net assets at the end of March was 25.0%.

Oil Retail

	1-3/08	1-3/07	2007	LTM
Sales, MEUR	948	774	3,435	3,609
Operating profit, MEUR	11	11	60	60
Comparable operating profit, MEUR	9	11	59	57
Capital expenditure, MEUR	8	7	51	52
Total sales volume*, 1,000 m3	1,056	1,144	4,519	4,419
- gasoline station sales, 1,000 m3	334	322	1,457	1,469
- diesel station sales, 1,000 m3	336	318	1,334	1,352
- heating oil, 1,000 m3	198	226	763	735
- heavy fuel oil, 1,000 m3	97	160	473	410

*includes both station and terminal sales

Oil Retail recorded an operating profit of EUR 11 million (11 million) and a comparable operating profit of EUR 9 million (11 million) in the first quarter.

Neste Oil was able to increase its market share of gasoline sales in Finland, although overall gasoline consumption was lower compared to the first quarter of 2007. Diesel demand, however, continued to increase steadily, and resulted in higher diesel sales through stations.

The rapid increase in oil prices put pressure on retail margins in the Baltic Rim area. The opening of new stations outside Finland increased fixed costs.

At the end of the quarter, Neste Oil had 898 (895) outlets in Finland and 271 (241) around the Baltic Rim.

Oil Retail's rolling 12-month comparable return on net assets at the end of March was 16.3%.

Shipping

	1-3/08	1-3/07	2007	LTM
Sales, MEUR	100	110	394	384
Operating profit, MEUR	7	23	30	14
Comparable operating profit, MEUR	9	21	28	16
Capital expenditure, MEUR	0	1	2	1
Fleet utilization rate, %	97	95	94	95

Shipping recorded an operating profit of EUR 7 million (23 million) and a comparable operating profit of EUR 9 million (21 million).

Growing tanker capacity has continued to put pressure on freight rates. Other negative factors came in the form of lack of ice premiums on the Baltic market and high bunker prices. The fleet utilization rate remained very high at 97% (95%).

Shipping's rolling 12-month comparable return on net assets at the end of March was 5.3%.

Shares, share trading, and ownership

A total of 108,376,984 Neste Oil shares were traded in the first quarter, totaling EUR 2.4 billion. The share price reached EUR 24.90 at its highest and EUR 19.14 at its lowest, and closed the quarter at EUR 22.14, giving the company a market capitalization of EUR 5.7 billion as of 31 March 2008. An average of 1.7 million shares was traded daily, equivalent to 0.7% of the shares outstanding.

Neste Oil's share capital registered with the Company Register as of 31 March 2008 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 26.2%, Finnish institutions 16.3%, and Finnish households 7.4%.

Annual General Meeting

Neste Oil's Annual General Meeting (AGM) was held on 14 March 2008 in Helsinki. The AGM adopted the company's financial statements and consolidated financial statements for 2007 and discharged the Supervisory Board, Board of Directors, and President & CEO from liability for 2007. The AGM also approved the Board of Directors' proposed dividend of EUR 1.00 per share, which was paid on 28 March 2008.

The AGM confirmed the membership of the Board of Directors at eight members, and the following were re-elected to serve until the end of the next AGM: Mr. Timo Peltola as Chairman, Mr. Mikael von Frenckell as Vice Chairman, Mr. Michiel A.M. Boersma, Ms. Ainomaija Haarla, Ms. Nina Linander, Mr. Antti Tanskanen, and Ms. Maarit Toivanen-Koivisto. Mr. Markku Tapio was elected as a new member. A more detailed presentation of the Board can be consulted at the company's website, www.nesteoil.com. The AGM also confirmed that the Supervisory Board shall comprise eight members and the following members were elected to serve until the end of the next AGM: Ms. Heidi Hautala as Chairman, Mr. Hannes Manninen as Vice Chairman, Mr. Esko Ahonen, Mr. Mikael Forss, Mr. Timo Heinonen, Mr. Markus Mustajärvi, Ms. Jutta Urpilainen, and Ms. Anne-Mari Virolainen. Ms. Hautala, Mr. Forss, Mr. Mustajärvi, and Ms. Urpilainen were re-elected, and Mr. Manninen, Mr. Ahonen, Mr. Heinonen, and Ms. Virolainen were elected for the first time. Members are all Finnish Members of Parliament, with the exception of Mr. Mikael Forss, who is a Director at the Social Insurance Institution of Finland.

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 responsible auditor, until the end of the next AGM.

Following a proposal by the State of Finland, 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 3 November preceding the AGM. The Nomination Committee will present their proposal to the Board of Directors by 2 February prior to the AGM at the latest.

Personnel

Neste Oil employed an average of 4,912 (4,594) employees in the first quarter. At the end of March, Neste Oil had 5,114 employees (March 2007: 4,657). The acquisition of Rintekno increased the number of personnel by more than 200.

Health, safety, and the environment

Neste Oil's new indicator for safety performance – total recordable injury frequency (TRIF, number of cases per million hours worked) for all work done for the company by the company's own personnel and contractors – stood at 5.0 (5.7) at the end of March. The target for 2008 as a whole is below 5.

Finland's Supreme Court fined Neste Oil EUR 500,000 for damage caused to the environment as a result of an oil leak in 2001. The case concerns a spillage of approximately 300 cubic meters of oil at the company's Naantali refinery in December 2001 while the oil was being transferred. The Turku Court of Appeal and the Turun seutu District Court had previously rejected the prosecution's call for a fine to be awarded against the company.

Strategy implementation

Neste Oil will continue to implement its clean fuel strategy in 2008 by reviewing further investments in international renewable diesel production and in new conversion capacity at its refineries in Finland to increase diesel production. There are also good prospects for increasing base oil capacity and expanding Oil Retail's operations in the Baltic Rim.

NExBTL renewable diesel

The cornerstone of Neste Oil's growth strategy is the company's proprietary NExBTL technology, which produces a premium-quality renewable diesel fuel that clearly outperforms both existing biodiesel (FAME) products and crude oil-based diesel products currently on the market. NExBTL renewable diesel can be produced from almost any vegetable oil or animal fat.

A second NExBTL plant is under construction at Porvoo and scheduled to be commissioned in 2009. The capital cost of the second unit is estimated at more than EUR 100 million. The plant will have the same capacity, 170,000 t/a, as Porvoo's first unit. Construction of an 800,000 t/a NExBTL renewable diesel plant in Singapore started in March. The capital cost of the project is budgeted at EUR 550 million, and it is expected to be completed by the end of 2010. A project with OMV to jointly build a NExBTL plant in Austria is awaiting completion of the lengthy Environmental Impact Assessment process required under local legislation.

Public discussion on the sustainability of biofuel feedstocks has continued. Neste Oil has emphasized the importance of sustainability throughout the entire value chain. The company's policy is not to procure feedstock obtained from high-biodiversity land (forest with no significant human intervention) or land with a high carbon stock, such as tropical wetlands.

The company will continue to be active in R&D in the renewable fuels area, with an aim of switching to new non-food feedstocks such as wood residue and new type of non-edible oils as soon as possible. The Neste Oil and Stora Enso joint programme to develop wood residue gasification and gas cleaning technology for the production of renewable diesel feedstock is progressing according to plan. Construction work on the demonstration plant at Stora Enso's Varkaus Mill in Finland started in March, and Foster Wheeler has been selected to supply gasification and testing equipment. The plant is expected to be operational in early 2009. Laboratory tests are under way at VTT Technical Research Centre of Finland, the project's main research and testing partner.

Other

Neste Oil's subsidiary, Neste Jacobs, acquired the Rintekno engineering company in February. Following the acquisition, Neste Jacobs is the leading provider of engineering services for the chemical and biotechnology industries in the Nordic region.

Events after the reporting period

The disagreement between Neste Oil and YIT has been brought to the court of arbitration for a decision. The disagreement is related to the final financial settlement for the mechanical installation work of diesel production line 4, which was completed at Neste Oil's Porvoo oil refinery last summer. Neste Oil's claims against YIT Industrial and Network Services amount to around EUR 36 million and YIT has presented counter claims against Neste Oil for an amount of around EUR 25 million. Both parties contest the claims made against each other.

A fire took place at Neste Oil's production line 4 at the Porvoo refinery on Friday 4 April. The fire was the result of a leakage in a heat exchanger and lasted some 50 minutes. The fire damaged cabling and the table-top of the line's distillation column and it will delay the completion of the line's maintenance shutdown through May.

Potential short-term and long-term risks

The oil market continues 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 uncertainties during the remainder of 2008 are related to high crude oil price and the economic slowdown in the US, which are likely to have an impact on the demand for petroleum products and gasoline in particular. Sudden and unplanned outages at Neste Oil's production units or facilities also represent a short-term risk.

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 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 2007.

Outlook

The International Energy Agency has revised its estimate for global oil demand growth downwards in April, due to lower economic growth. Refining margins for complex refineries are forecast to stay healthy.

Gasoline margins have been lower compared to 2007. US inventories have been declining for the last six weeks, which might have a positive impact on the market. However, the normal seasonal demand growth for gasoline may be weaker than in the last couple of years.

The increasing demand for diesel fuel in transportation and the tighter diesel market are likely to keep diesel margins high.

The shutdown of the new diesel line at the Porvoo refinery through May is estimated to have a negative impact of EUR 40 million on the Group's second-quarter comparable operating profit. Scheduled maintenance in other units was also carried out at Porvoo during April.

Base oil demand is expected to stay strong and margins to improve.

The weak US dollar will continue to have a material negative impact on the Group's results in 2008.

Subject to final investment decisions, the Group's capital expenditure is expected to be approximately EUR 500 million in 2008.

Reporting date for the second-quarter 2008 results

Neste Oil will publish its second-quarter results on 31 July 2008 at approximately 9:00 a.m. EET.

Espoo, 23 April 2008

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	1-3/2008	1-3/2007	1-12/2007	Last 12 months
Sales	3	**3,297**	2,457	12,103	12,943
Other income		**16**	8	27	35
Share of profit (loss) of associates and joint ventures	3	**1**	1	39	39
Materials and services		**-2,816**	-2,017	-10,279	-11,078
Employee benefit costs		**-75**	-63	-256	-268
Depreciation, amortization and impairments	3	**-59**	-39	-195	-215
Other expenses		**-160**	-183	-638	-615
Operating profit		**204**	164	801	841
Financial income and expenses					
Financial income		**2**	2	8	8
Financial expenses		**-13**	-4	-40	-49
Exchange rate and fair value gains and losses		**-2**	-1	-6	-7
Total financial income and expenses		**-13**	-3	-38	-48
Profit before income taxes		**191**	161	763	793
Income tax expense		**-48**	-43	-183	-188
Profit for the period		**143**	118	580	605
Attributable to:					
Equity holders of the company		**142**	117	577	602
Minority interest		**1**	1	3	3
		143	118	580	605
Earnings per share from profit attributable to the equity holders of the Company basic and diluted (in euro per share)		**0.56**	0.46	2.25	2.35

CONSOLIDATED BALANCE SHEET

MEUR	Note	**31 March 2008**	31 March 2007	31 Dec 2007
ASSETS				
Non-current assets				
Intangible assets	5	**53**	37	41
Property, plant and equipment	5	**2,444**	2,368	2,436
Investments in associates and joint ventures		**181**	158	178
Non-current receivables		**5**	2	3
Pension assets		**82**	76	81
Deferred tax assets		**6**	5	7
Derivative financial instruments	6	**20**	27	22
Available-for-sale financial assets		**2**	3	2
Total non-current assets		**2,793**	2,676	2,770
Current assets				
Inventories		**1,221**	851	968
Trade and other receivables		**1,012**	839	955
Derivative financial instruments	6	**157**	98	126
Cash and cash equivalents		**63**	55	52
Total current assets		**2,453**	1,843	2,101
Total assets		**5,246**	4,519	4,871
EQUITY				
Capital and reserves attributable to the equity holders of the company				
Share capital		**40**	40	40
Other equity	2	**2,270**	1,913	2,383
Total		**2,310**	1,953	2,423
Minority interest		**6**	6	4
Total equity		**2,316**	1,959	2,427
LIABILITIES				
Non-current liabilities				
Interest-bearing liabilities		**1,111**	633	662
Deferred tax liabilities		**299**	235	289
Provisions		**15**	6	8
Pension liabilities		**11**	12	11
Derivative financial instruments	6	**24**	22	22
Other non-current liabilities		**2**	6	5
Total non-current liabilities		**1,462**	914	997
Current liabilities				
Interest-bearing liabilities		**164**	409	145
Current tax liabilities		**22**	52	14
Derivative financial instruments	6	**86**	103	77
Trade and other payables		**1,196**	1,082	1,211
Total current liabilities		**1,468**	1,646	1,447
Total liabilities		**2,930**	2,560	2,444
Total equity and liabilities		**5,246**	4,519	4,871

CONSOLIDATED STATEMENT OF CHANGES IN TOTAL EQUITY

MEUR	Note	Share capital	Reserve fund	Fair value and other reserves	Translation differences	Retained earnings	Minority interest	Total equity
		Attributable to equity holders of the Company						
Total equity at 1 January 2007		40	9	26	3	2,011	8	2,097
Dividend paid						-231		-231
Treasury shares	2					-12		-12
Income and expenses recognized directly in equity								
Translation differences and other changes			1		-6	-1		-6
Cash flow hedges								
recorded in equity, net of tax				-16				-16
transferred to income statement, net of tax				10				10
Net investment hedges, net of tax					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

MEUR	Note	Share capital	Reserve fund	Fair value and other reserves	Translation differences	Retained earnings	Minority interest	Total equity
Total equity at 1 January 2008		40	10	42	-11	2,342	4	2,427
Dividend paid						-256		-256
Income and expenses recognized directly in equity								
Translation differences and other changes			1		-17			-16
Cash flow hedges								
recorded in equity, net of tax				1				1
transferred to income statement, net of tax				17				17
Net investment hedges, net of tax					0			0
Share-based compensation				-1				-1
Change in minority							1	1
Items recognized directly in equity			*1*	*17*	*-17*	*0*	*1*	*2*
Profit for the period						142	1	143
Total recognized income and expenses			*1*	*17*	*-17*	*142*	*2*	*145*
Total equity at 31 March 2008		40	11	59	-28	2,228	6	2,316

CONDENSED CONSOLIDATED CASH FLOW STATEMENT

MEUR	Note	**1-3/2008**	1-3/2007	1-12/2007
Cash flow from operating activities				
Profit before taxes		**191**	161	763
Adjustments, total		**78**	60	184
Change in working capital		**-337**	-297	-189
Cash generated from operations		**-68**	-76	758
Finance cost, net		**-23**	1	-40
Income taxes paid		**-22**	-32	-177
Net cash generated from operating activities		**-113**	-107	541
Capital expenditure		**-75**	-100	-334
Acquisition of subsidiary	4	**-7**	0	0
Proceeds from sales of fixed assets		**2**	3	14
Proceeds from sales of shares		**7**	-5	-5
Change in other investments		**-24**	-65	-22
Cash flow before financing activities		**-210**	-274	194
Net change in loans and other financing activities		**468**	260	20
Dividends paid to the equity holders of the company		**-245**	0	-231
Net increase (+)/decrease (-) in cash and cash equivalents		**13**	-14	-17

KEY FINANCIAL INDICATORS

	31 March 2008	31 March 2007	31 Dec 2007	Last 12 months
Capital employed, MEUR	**3,591**	3,002	3,234	3,591
Interest-bearing net debt, MEUR	**1,212**	987	755	-
Capital expenditure and acquisition of subsidiary, MEUR	**82**	100	334	316
Return on average capital employed, after tax, ROACE %	-	-	15.5	14.1
Return on capital employed, pre-tax, ROCE %	**24.0**	22.4	26.2	25.6
Return on equity, %	**24.2**	23.3	25.6	28.3
Equity per share, EUR	**9.03**	7.63	9.47	-
Cash flow per share, EUR	**-0.44**	-0.42	2.11	2.09
Equity-to-assets ratio, %	**44.2**	43.6	49.9	-
Gearing, %	**52.3**	50.4	31.1	-
Leverage ratio, %	**34.3**	33.5	23.7	-
Average number of shares	255,903,686	256,178,164	255,971,365	255,903,686
Number of shares at the end of the period	255,903,686	255,903,686	255,903,686	255,903,686
Average number of personnel	**4,912**	4,594	4,810	-

NOTES TO THE CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

1. BASIS OF PREPARATION AND ACCOUNTING POLICIES

The interim financial statements have been prepared in accordance with IAS 34, Interim Financial Reporting, as adopted by EU. The interim report should be read in conjunction with the annual financial statements for the period ended 31 December 2007.
The accounting policies adopted are consistent with those of the Group's annual financial statements for the year ended 31 December 2007 with the exception that the Group applies IFRS 8 Operating Segments as of 1 January 2008.

The following interpretations are mandatory for the financial year ending 31 December 2008, but not relevant for the Group:
- IFRIC 11 - IFRS 2 Group and Treasury Shares
- IFRIC 12 - Service Concession Arrangements.

2. TREASURY SHARES

In 2007 Neste Oil entered into an agreement with a third party service provider concerning the administration of the new 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 future payment of the rewards, which will 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.

3. SEGMENT INFORMATION

Neste Oil's reporting segments are the five business divisions Oil Refining, Renewable Fuels, Specialty Products, Oil Retail and Shipping as well as Other segment consisting of Group administration, shared service functions as well as Research and Technology and Neste Jacobs.

SALES MEUR	**1-3/2008**	1-3/2007	1-12/2007	Last 12 months
Oil Refining	**2,546**	1,782	9,348	10,112
Renewable Fuels	**23**	2	40	61
Specialty Products	**166**	166	649	649
Oil Retail	**948**	774	3,435	3,609
Shipping	**100**	110	394	384
Other	**31**	23	93	101
Eliminations	**-517**	-400	-1,856	-1,973
Total	**3,297**	2,457	12,103	12,943

OPERATING PROFIT MEUR	**1-3/2008**	1-3/2007	1-12/2007	Last 12 months
Oil Refining	**186**	107	640	719
Renewable Fuels	**1**	-3	-12	-8
Specialty Products	**5**	31	122	96
Oil Retail	**11**	11	60	60
Shipping	**7**	23	30	14
Other	**-9**	-6	-37	-40
Eliminations	**3**	1	-2	0
Total	**204**	164	801	841

COMPARABLE OPERATING PROFIT MEUR	**1-3/2008**	1-3/2007	1-12/2007	Last 12 months
Oil Refining	**97**	106	484	475
Renewable Fuels	**2**	-5	-13	-6
Specialty Products	**8**	32	109	85
Oil Retail	**9**	11	59	57
Shipping	**9**	21	28	16
Other	**-9**	-8	-39	-40
Eliminations	**3**	1	-2	0
Total	**119**	158	626	587

DEPRECIATION, AMORTIZATION AND IMPAIRMENTS MEUR	**1-3/2008**	1-3/2007	1-12/2007	Last 12 months
Oil Refining	**38**	24	126	140
Renewable Fuels	**2**	0	5	7
Specialty Products	**4**	3	13	14
Oil Retail	**8**	6	27	29
Shipping	**4**	4	15	15
Other	**3**	2	9	10
Total	**59**	39	195	215

SHARE OF PROFIT OF ASSOCIATES AND JOINT VENTURES MEUR	**1-3/2008**	1-3/2007	1-12/2007	Last 12 months
Oil Refining	**0**	0	0	0
Renewable Fuels	**0**	0	0	0
Specialty Products	**1**	1	39	39
Oil Retail	**0**	0	0	0
Shipping	**0**	0	0	0
Other	**0**	0	0	0
Total	**1**	1	39	39

NET ASSETS MEUR	**31 March 2008**	31 March 2007	31 Dec 2007
Oil Refining	**2,462**	2,258	2,165
Renewable Fuels	**166**	88	142
Specialty Products	**364**	336	324
Oil Retail	**362**	319	381
Shipping	**291**	309	297
Other	**56**	47	59
Eliminations	**1**	-1	2
Total	**3,702**	3,356	3,370

RETURN ON NET ASSETS, %	31 March 2008	31 March 2007	31 Dec 2007	Last 12 months
Oil Refining	32.2	20.3	30.1	32.2
Renewable Fuels	2.6	-15.8	-11.4	-6.3
Specialty Products	5.8	37.8	36.8	28.2
Oil Retail	11.8	13.4	17.4	17.2
Shipping	9.5	30.3	9.9	4.6

COMPARABLE RETURN ON NET ASSETS, %	31 March 2008	31 March 2007	31 Dec 2007	Last 12 months
Oil Refining	16.8	20.1	22.7	21.3
Renewable Fuels	5.2	-26.3	-12.3	-4.8
Specialty Products	9.3	39.0	32.9	25.0
Oil Retail	9.7	13.4	17.1	16.3
Shipping	12.2	27.7	9.3	5.3

QUARTERLY SEGMENT INFORMATION

QUARTERLY SALES

MEUR	1-3/2008	10-12/2007	7-9/2007	4-6/2007	1-3/2007
Oil Refining	2,546	2,740	2,310	2,516	1,782
Renewable Fuels	23	27	7	4	2
Specialty Products	166	138	164	181	166
Oil Retail	948	965	853	843	774
Shipping	100	87	82	115	110
Other	31	26	20	24	23
Eliminations	-517	-522	-458	-476	-400
Total	3,297	3,461	2,978	3,207	2,457

QUARTERLY OPERATING PROFIT

MEUR	1-3/2008	10-12/2007	7-9/2007	4-6/2007	1-3/2007
Oil Refining	186	139	148	246	107
Renewable Fuels	1	2	-7	-4	-3
Specialty Products	5	10	34	47	31
Oil Retail	11	9	22	18	11
Shipping	7	-5	-4	16	23
Other	-9	-9	-16	-6	-6
Eliminations	3	-3	3	-3	1
Total	204	143	180	314	164

QUARTERLY COMPARABLE OPERATING PROFIT

MEUR	1-3/2008	10-12/2007	7-9/2007	4-6/2007	1-3/2007
Oil Refining	97	85	125	168	106
Renewable Fuels	2	3	-6	-5	-5
Specialty Products	8	2	34	41	32
Oil Retail	9	10	21	17	11
Shipping	9	-4	-1	12	21
Other	-9	-9	-17	-5	-8
Eliminations	3	-3	3	-3	1
Total	119	84	159	225	158

QUARTERLY DEPRECIATION, AMORTIZATION AND IMPAIRMENTS

MEUR	1-3/2008	10-12/2007	7-9/2007	4-6/2007	1-3/2007
Oil Refining	38	37	36	29	24
Renewable Fuels	2	2	2	1	0
Specialty Products	4	3	3	4	3
Oil Retail	8	7	7	7	6
Shipping	4	4	4	3	4
Other	3	3	3	1	2
Total	59	56	55	45	39

QUARTERLY SHARE OF PROFIT OF ASSOCIATES AND JOINT VENTURES

MEUR	1-3/2008	10-12/2007	7-9/2007	4-6/2007	1-3/2007
Oil Refining	0	0	0	0	0
Renewable Fuels	0	0	0	0	0
Specialty Products	1	8	17	13	1
Oil Retail	0	0	0	0	0
Shipping	0	0	0	0	0
Other	0	0	0	0	0
Total	1	8	17	13	1

4. ACQUISITIONS

Neste Jacobs, subsidiary of Neste Oil Group, acquired 90% of the shares of an engineering company Rintekno, which employs 230 people. The acquisition was closed on 29 February 2008. Prior to this Neste Jacobs already owned 10% of the company. Rintekno is an engineering company specialized in engineering services for oil refining, chemicals and biopharma industries. Neste Jacobs and Rintekno have worked together for a number of years in connection with engineering of Neste Oil's investment projects.

On consolidation, intangible assets related to order backlog, customer relationships and trade name have been recognized at fair value in the balance sheet. Total amount recognized is EUR 1 million and the assets are depreciated during their expected life time, in 1-5 years. Goodwill recognized in the consolidated balance sheet is attributable to the experienced and capable personnel employed by Rintekno Group and to synergies achieved in engineering projects due to Rintekno's previous experience as a subcontractor in Neste Oil's major investment projects.

The profit of Rintekno Group included in the Neste Oil consolidated income statement 1 January - 31 March 2008 is immaterial. Also, management estimates that Rintekno Group's effect on Neste Oil's consolidated sales or profit for the period would have been immaterial as at 31 March 2008, had the acquisition taken place on 1 January 2008.

Assets and liabilities of Rintekno Group

MEUR	Acquired fair value	Acquired book value
Intangible assets	1	0
Property, plant and equipment	1	1
Trade and other receivables	5	5
Cash and cash equivalents	6	6
Total assets	13	12
Trade and other payables	5	5
Pension liabilities	1	1
Total liabilities	6	6
Acquired net assets	7	6
Purchase consideration		16
Direct costs related to the acquisition		0
Goodwill		9
Purchase consideration settled in cash		13
Direct costs related to the acquisition		0
Cash and cash equivalents in Rintekno Group		-6
Cash outflow on acquisition		7

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

CHANGES IN INTANGIBLE ASSETS AND PROPERTY, PLANT AND EQUIPMENT **MEUR**	**31 March 2008**	31 March 2007	31 Dec 2007
Opening balance	**2,477**	2,348	2,348
Depreciation, amortization and impairments	**-59**	-39	-195
Capital expenditure	**75**	100	334
Disposals	**-1**	-3	-12
Translation differences	**5**	-1	2
Closing balance	**2,497**	2,405	2,477

CAPITAL COMMITMENTS **MEUR**	**31 March 2008**	31 March 2007	31 Dec 2007
Commitments to purchase property, plant and equipment	**143**	47	88
Commitments to purchase intangible assets	**0**	2	0
Total	**143**	49	88

6. DERIVATIVE FINANCIAL INSTRUMENTS

Interest rate and currency derivative contracts and share forward contracts **MEUR**	**31 March 2008** **Nominal value**	 **Net fair value**	31 March 2007 Nominal value	 Net fair value	31 Dec 2007 Nominal value	 Net fair value
Interest rate swaps	**368**	**-2**	301	2	345	0
Forward foreign exchange contracts	**1,319**	**46**	1,263	15	1,189	35
Currency options						
Purchased	**450**	**25**	277	1	353	11
Written	**264**	**3**	226	4	188	1
Share forward contracts	**14**	**-1**	17	4	17	2

Oil and freight derivative contracts	**Volume million bbl**	**Net fair value Meur**	Volume million bbl	Net fair value Meur	Volume million bbl	Net fair value Meur
Sales contracts	**66**	**-41**	94	-71	68	-66
Purchase contracts	**76**	**36**	108	46	74	65
Purchased options	**1**	**0**	1	0	1	0
Written options	**1**	**0**	1	0	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.

7. CONTINGENT LIABILITIES

MEUR	**31 March 2008**	31 March 2007	31 Dec 2007
Contingent liabilities			
On own behalf			
For debt			
Pledges	**4**	8	4
Real estate mortgages	**26**	25	26
For other commitments			
Real estate mortgages	**0**	0	0
Other contingent liabilities	**35**	29	42
Total	**65**	62	72
On behalf of associates and joint ventures			
Guarantees	**3**	6	2
Other contingent liabilities	**1**	0	1
Total	**4**	6	3
On behalf of others			
Guarantees	**12**	5	12
Other contingent liabilities	**0**	1	0
Total	**12**	6	12
Total	**81**	74	87

MEUR	**31 March 2008**	31 March 2007	31 Dec 2007
Operating lease liabilities			
Due within one year	**103**	134	108
Due between one and five years	**187**	205	183
Due later than five years	**108**	145	119
Total	**398**	484	410

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 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 period (adjusted for inventory gains/losses, gains/losses from sales 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 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 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