ST1 NORDIC OY

ANNUAL REPORT 2014

Contents

St1 in Brief

We are a Finnish energy company, which challenges conventional operating models. We are dedicated to pursuing our goal to be the leading producer and seller of CO_2-aware energy.

We operate in three business segments:

- **Retail stations**
  We have a comprehensive network of retail stations in Finland, Sweden and Norway. We operate under the brand names St1 and Shell.

- **Direct sales**
  We provide our private and corporate customers with an extensive range of energy products and services.

- **Renewable energy**
  We invest in renewable energy and develop domestic energy products to replace fossil-based energy.

" A responsible company must ambitiously take in the big picture at all times. It must keep abreast of what's going on in the world and understand what clients will need in the future. Based on such an understanding and on demand, we are building world-class expertise in the use of renewable energy. We try to ensure that everything we do is based on this world-conquering mentality and passion."

Mika Anttonen
Chairman of the Board of Directors

Positive development continued as expected

St1's operations and financial performance continued to develop positively in 2014. Our position as a Nordic energy company and fuel retailer strengthened and will strengthen even further, in particular, thanks to the acquisition of Shell's Norwegian marketing company made at the end of the year. The acquisition is subject to regulatory approval and is expected to be closed during the latter half of 2015.

The markets in our operating sector remained steady, and our operating environment was stable. The general economy and the surprising fall in the world market price of crude oil have not affected St1 Nordic's financial result significantly.

Our long-term strategic objective of becoming the leading producer and seller of CO_2-aware energy is reflected in the stronger St1 brand and embodies values that an increasing number of consumers and companies have adopted.

Clear organisational structure, cost-effective operations

The streamlining of group structure started in 2013 was completed as planned. The Swedish Shell service stations and the direct sales business were transferred to St1 Nordic. Now all our retail and marketing business

Kim Wiio
CEO

in Finland, Sweden and Norway has been concentrated in the same organisation, while oil refining and logistics remained in our sister group St1 Group.

Competitive procurements and logistics are essential strengths for St1. We have long been investing in these two assets by making acquisitions and strategic partnership agreements. In addition, we have refined our operational concept to make it as cost-effective as possible which allows us to provide our customers with high quality products at competitive prices.

Investments in domestically produced renewable energy

Our strong performance in the traditional oil business enables us to make long-term investments in renewable energy in accordance with our strategy. During 2014, we took considerable strides forward in the production of domestic clean energy.

The associated company Tuuliwatti Oy has become the largest wind power producer in Finland. Half of its planned total production capacity has already been created. During 2014 we reached the production level of wind power that enables us to compensate the fossil emissions of the energy we need for the functions of both our sister groups.

We continued investments in the further development of the advanced bioethanol production process in which waste and residues are turned into transport fuel. St1 Biofuels Oy's first delivery of an ethanol production plant outside Finland has proceeded on the agreed schedule, and production at the plant will start up in spring 2015. In addition, we took a new step by starting a pilot project for geothermal deep heat production in Finland.

Renewed, diversified financing structure

During the spring, we also reorganised St1 Nordic's financing to diversify our financing structure. In this context, the first bond in the company's history was listed on NASDAQ OMX Helsinki Oy's First North Bond Market Finland. The arrangement was well received on the markets, and we are pleased with our current financing structure.

Starting the new year in good condition

As we can start 2015 on a solid basis, we aim to achieve as high a profit as in 2014, with the exception of possible non-recurring items generated by the acquisition of the Norwegian functions. We will continue optimising our cost-effectiveness and developing average sales at service stations across our network. The investment programme of Tuuliwatti is proceeding as planned. St1 Biofuels will start delivering the first ethanol plant using saw dust as feedstock in Kajaani. The acquisition of Shell's Norwegian marketing company will be completed, and its operations will be integrated into the St1 operating model.

> ” We have refined our operational concept to make it as cost-effective as possible which allows us to provide our customers with high quality products at competitive prices.”

In the long term, our goal is that an increasingly large proportion of the use of imported fossil fuels will be replaced with domestic and cleaner fuels. The role of biofuels in our operation will keep growing, and our investments in wind power will continue in accordance with TuuliWatti's investment programme. The development of legislation in the countries in which we operate also supports our renewable energy targets.

I would like to thank our employees, customers and partners for the past year during which we again cooperated successfully and according to our targets. Each link in our team is important also for the success in future, when we wish to ease the burden on the environment and reduce the use of imported fossil energy step by step. ■

St1 – a Nordic energy company

St1's vision is to be the leading producer and seller of CO_2-aware energy. Our goal is to reduce fossil energy imports by replacing them with domestically produced and economically profitable forms of renewable energy.

St1 is a Finnish energy company that operates in the Nordic countries: in 2014, 41% of our revenue was generated in Finland, 55% in Sweden and 4% in Norway.

Our business is divided into three operating areas: retail stations, direct sales and renewable energy. Our retail station operations comprise liquid fuel distribution networks in Finland, Sweden and Norway, i.e. a total of 1069 St1 and Shell stations. A strong network, with service and unmanned stations as well as HGV sites, forms the strategic cornerstone of our business. We provide our customers with increasingly environmentally friendly liquid fuel products, high-quality services and private and corporate payment cards.

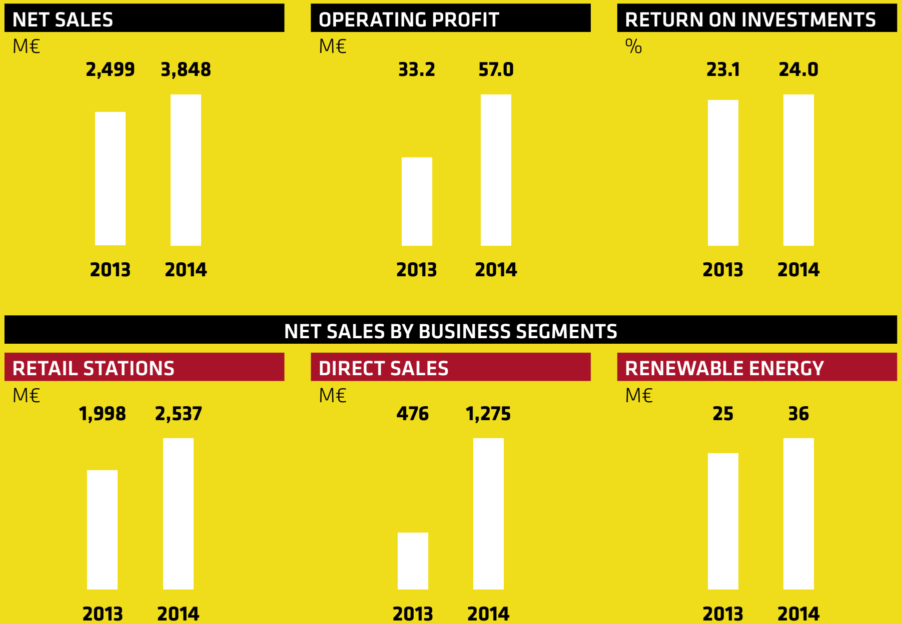
St1's direct sales operation serves the needs of both private and corporate customers, supplying them with a wide selection of oil and other energy products, ranging from heating oil to wood pellets and liquid fuels for machinery and for the aviation and maritime transport sectors. Premium class products developed by us account for a growing proportion of our sales.

We continue to invest strongly in renewable energy and the development of alternative products to replace fossil fuels. Our subsidiary, St1 Biofuels, produces bioethanol for transport from household and industrial waste and residues. We are further developing our ethanol production technology, which is based on feedstock that do not come from the food chain, and we supply ethanol production plants. Our associated company Tuuliwatti generates clean energy from wind power and continues to construct new wind farms in Finland. A subsidiary, Etelä-Suomen Lämpöpalvelu Oy, provides households and real estate companies with geothermal heating solutions. The new St1 Deep Heat Oy will begin an industrial-scale pilot project for geothermal deep heat production in Finland.

Our operations are strengthened by strategic long-term partnerships in various areas. ■

VISION

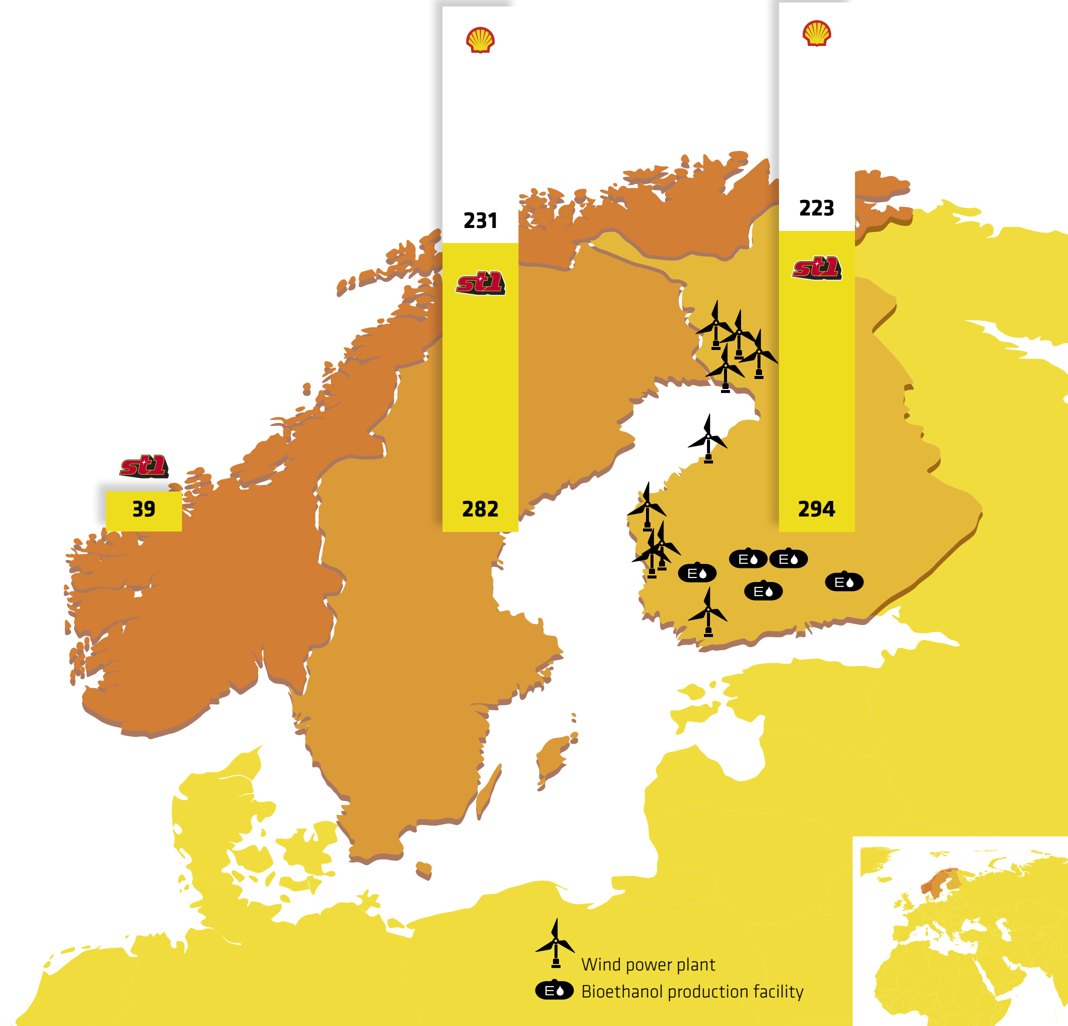
Leading producer and seller of CO_2-aware energy



The income statement figures are based on the pro forma figures published in the financial statement.

MARKET SHARE

FINLAND	Petrol	21.8%
	Diesel	19.0%
	Light fuel oil	24.6%
SWEDEN	Petrol	22.3%
	Diesel	15.9%
	Light fuel oil	35.3%
NORWAY	Petrol	4.3%
	Diesel	2.0%

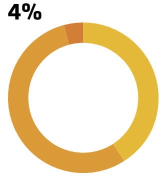


KEY FIGURES 2014

NET SALES, M€*

3 847.6

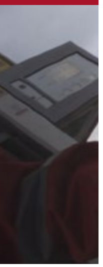
NET SALES BY COUNTRY*



INVESTMENTS, M€

17.5

* Pro forma -figure



An even stronger Nordic distribution network

The sale of transport fuels to consumers and corporate customers through a strong distribution network is an essential part of St1's business operation. Our distribution network comprises 615 St1 and 454 Shell service stations in Finland, Sweden and Norway. In October 2014, the Swedish Shell stations that formed part of the sister group St1 Group were amalgamated with St1 Nordic, and now the entire retail station network is in the same organisation. In Finland, the optimisation of the distribution network was completed, and in Norway we signed a contract for the purchase of Shell stations. This will bring the total number of retail stations in our Nordic network to approximately 1,500 stations. We use the Shell brand at our service stations under a licence agreement.

In 2014, revenue from the retail station business business was EUR 2,5 billion (2013: EUR 2 billion) and operating profit was EUR 60 million (2013: EUR 42 million). In Finland, we invested in maintaining and developing the distribution network, in particular. In Sweden, we invested strongly in technology at retail stations – particularly in solutions preventing thefts and card copying at unmanned filling stations.

In all Nordic countries, the focus of demand is shifting from petrol to diesel. In Finland, tough competition on the fuel market continued. However, our market position remained strong both in Finland and Sweden. In Norway, our network of 39 retail stations is concentrated in the Oslo economic zone, but our network will expand considerably and our market position will strengthen this year, once the Shell transaction agreed on in December 2014 has been finalised after regulatory approval.

In Finland, the sale of our new Premium products developed well, especially in the case of diesel. The renewal of the Forecourt Service concept at our Shell service stations has also already contributed to the growth of sales. The optimisation of the Finnish retail station network was completed, resulting in a strong nationwide network. Cost-saving changes were made in the operating models of our stations, and their offering and image were also renewed. Similarly, the development of the network and the efficiency of the operating model continued in Sweden.

The unique operating model of the St1 family

The St1 operating model is based on internal entrepreneurship and doing things together, not on conventional stringent chain management. In 2014, the model was successfully introduced to the field in Finland in such a way that the owners of service stations and their personnel became a more integral part of the St1 family. More than 600 local events were organised in our Finnish retail station network, which were strongly supported by digital marketing. Interaction with customers during these events has increased sales and provided valuable feedback for the development of services.

Investments in training have also strengthened high-quality customer service at our stations, which are visited by hundreds of thousands of customers every day. We have been able to agilely add new services to our network, such as St1 Cash discount card receipts available on mobile devices and online purchase of a car wash. St1 has also become a significant player in e-commerce. St1 launched a prepaid Cash Card to its' Swedish customers as the only company in the market. This service has also improved company's cost efficiency due to removal of costly cash acceptor equipment at the stations.

We emphasise economic, environmental and ethical sustainability and safety in all our operations. We seek to participate in society as a responsible corporate citizen and offer motorists an increasing number of CO_2-aware alternatives. ■

CASE RETAIL STATION OPERATIONS

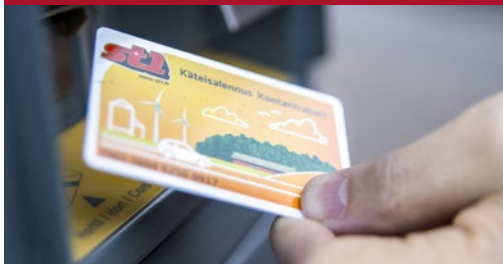
We develop constantly our Nordic distribution network even stronger

The Shell Forecourt Service concept launched successfully in 2011 was renewed in 2014, by making the service experience even more convenient and faster for customers. Service Masters at 50 Shell service stations are on hand to fill up the customer's tank, check the motor oil and windscreen washing fluid levels, wash the windows, replace the windscreen wipers and check the tyre pressure. Research results confirm what our customer feedback has indicated – this popular service is appreciated. ■

In Sweden, the St1 distribution network has been developed to meet the needs of the changing market environment. In accordance with the new business model, less profitable retail stations have been given up and liquid fuel volumes have been concentrated successfully in the core network, increasing the return from the network and lowering unit costs. Other benefits of concentration include a reduction in liquid fuel transportation – which saves the environment – and less need for future investments to meet official requirements. In the photo, an unmanned filling station in Kungälv in Västra Götaland. ■

St1 has 39 unmanned filling stations in Norway, mainly in the Oslo region. Despite its small size, the chain is widely known as a forerunner offering fuels at competitive prices and which is having an impact on price levels in the region. According to a report published in 2014 by the competition authority, customer prices in the areas in which St1 operates are lower than elsewhere. St1's own customer survey also confirms that a favourable price image is strongly associated with the chain. The photo shows the newest St1 station, which opened in Kongsberg in autumn 2014, some 80 km west of Oslo. ■

Our Premium class products' popularity grew



St1's direct sales and wholesale services continued to develop their services for both private and corporate customers, aiming to be our customers' preferred energy partner. More of our customers have been switching to our environmentally friendly and cost-saving Premium products. In addition, the number of St1 cardholders grew steadily. In Sweden, the direct sales business was transferred from St1 Group to St1 Nordic in October 2014. We launched the online ordering of liquid fuels for our customers in Sweden and expanded our network of HGV sites.

In 2014, our direct sales business generated revenue of EUR 1.3 billion (2013: EUR 0.5 billion) and an operating profit of EUR 17 million (2013: EUR 5 million).

Strong investment in Premium class products

In Finland, our direct sales and wholesale services provide a large selection of products and services, ranging from home heating to industrial energy services and aviation fuels. Our investments in increasing the proportion of our new Premium products of sales were successful in the case of diesel and motor fuel oil, as well as for heating oil.

Sales of the MPÖ2 Premium motor fuel used in machinery have developed extremely well. We were able to increase our market share in Premium diesel fuels thanks to Diesel Max, developed for the transport industry, and Diesel Plus, developed for the company car clientele. The sale of Diesel Plus was extended to cover all Finnish St1 retail stations. Teho Opti Premium heating oil, which contains cleaning additives, has set a new standard in heating: it creates cost-savings and reduces emissions, which are both important factors in heating.

Payment card services covering the entire network

The development of St1 and Shell payment cards continued in 2014. In Finland, we increased the number of St1 corporate card users, in particular, through digital campaigns. Our euroShell card also won new users among our demanding transport industry clientele and in the leasing car segment. In marketing, we enhanced and extended cooperation with important Finnish national organisations, whose membership cards include the St1 cash discount card feature.

Diesel sales increased in Sweden

In Sweden, St1 engages in direct sales of liquid fuels to industry and resellers. In addition, we are running a bunkering business that covers key areas in Swedish maritime transport.

In 2014, we implemented a new operating model in our reseller network, which will save on costs and optimise deliveries to end customers. Our Swedish direct sales customers can use our new St1 Online service to place orders and monitor transactions on their accounts and keep track of invoicing.

In 2014, our diesel sales grew in Sweden, and we opened 14 new Shell Truck Diesel sites, mainly at Volvo's HGV dealers across the country.

We also introduced two low-sulphur marine fuels to the market, which meet the requirements set in the EU Sulphur Directive that entered into force in the Baltic Sea region on 1 January 2015. ■

CASE DIRECT SALES

We develop our energy products to meet the changing requirements of our private and corporate customers

The development and commercialisation of new Premium liquid fuels is one of the cornerstones of St1's strategy. Several new liquid fuels have been launched in recent years. Most of our direct sales' heating oil customers have switched to the Teho Opti Premium heating oil, which contains cleaning additives and was launched in Finland a few years ago. "It is very rewarding to sell a product in which you believe 100%. Once the customer has seen that our product promise is true, in a sense the product sells itself," says Denise Rapo, St1's Consumer Sales professional. ■

The majority of our direct sales in Finland in 2014 consisted of Premium products developed by St1. The MPÖ2 Premium motor fuel oil launched a few years ago helps to prevent many of the technical problems typical of the machinery business and the civil engineering sector. It is important for entrepreneurs that the nozzles stay clean and the machines are operational. "Major overall cost savings are made for customers, since they can avoid nozzle repairs and losses due to machinery downtime," explains Janne Holma of St1's Regional Sales. ■

In 2014, St1 extended its distribution network of HGV sites in Sweden, by acquiring 14 sites at Volvo's HGV dealers. As a result, the Shell Truck Diesel network in Sweden now comprises 125 sites across the country, strengthening St1's offering and position in the market. The STD network also focuses on supplying increasingly environmentally friendly alternatives – last year, the sale of the AdBlue additive, which reduces nitrogen oxide emissions from diesel vehicles, and the sale of B100 biodiesel were extended to cover more stations. ■

We are replacing imported fossil energy with renewable alternatives

It is our goal to develop increasingly locally produced renewable energy that can gradually replace imported fossil energy. In 2014, we continued and expanded the production of advanced liquid biofuels and wind power, started the supply of ethanol production plants and signed an agreement on starting a pilot project for emissions-free geothermal heat production.

In 2014, revenue from St1's renewable energy business amounted to EUR 36 million (2013: EUR 25 million). Due to investments made in the development of ethanol production technologies, an operating loss of EUR 4.7 million (2013: EUR -3.3 million) was posted. The share of the profit of Tuuliwatti (an associated company) is added to financial income.

New feedstock and production facilities to produce bioethanol for transport

In Finland, we continued the production of bioethanol from various feedstock that do not come from the food chain, such as waste and residues from households, shops and industry. We were able to further improve the performance and availability of our ethanol production facilities.

During 2014, St1 Biofuels Oy delivered an advanced ethanol production plant to Sweden. The plant was ordered by North European Bio Tech Oy (NEB), and its production capacity will be leased to North European Oil Trade Oy (NEOT), which engages in oil and bioproduct wholesale trade. This first plant delivered abroad has been integrated into the functions of the St1 Group's oil refinery in Gothenburg, and production will start up in spring 2015.

We also took a significant new step in the area of new technology that uses sawdust as feedstock, when NEB made an investment decision concerning the construction of a Cellunolix® plant in Kajaani. The plant will be delivered by St1 Biofuels Oy. It will also be responsible for operating the plant, which is projected to begin production in summer 2016.

We continued to invest in the strengthening of our competencies and took significant steps in research and product development. We started research cooperation with VTT Technical Research Centre of Finland Ltd in the BioEtanoli2020 project supported by Tekes, the Finnish Funding Agency for Innovation, to optimise wood-based ethanol production and utilise new feedstock. The ongoing RED95 ethanol diesel project, which studies the environmental impact and energy consumption of bioethanol-powered trucks and buses, has produced very promising results.

More clean electricity from wind

Our associated company Tuuliwatti Oy continued to implement its investment programme as planned and reached a significant landmark in its production capacity: wind power plants with a total power of 300 MW are operational or under construction. In 2014, TuuliWatti's 54 wind power plants generated 380 million kWh of electricity. This equates to approximately 35% of the total amount of wind power generated in Finland. During 2014 we reached the production level of wind power that enables us to compensate the fossil emissions of the energy we need for the functions of both our sister groups.

Looking for new solutions as a forerunner

St1 was one of the founding members of the Finnish Climate Leadership Council in 2014. The members are forerunners that seek to lead other organisations with their example to move towards carbon neutral operations and also aim to create competitive solutions to global environmental challenges. A concrete example of these activities is our pilot project for geothermal deep heat production announced in November 2014 to be started together with Fortum. The goal is to build Finland's first industrial-scale geothermal heat plant that will produce heat energy for a district heating network without generating any emissions into the atmosphere. ■

CASE RENEWABLE ENERGY

We develop products and technologies based on renewable energy

Tuuliwatti, a wind power generation company jointly owned by St1 and S-Voima Oy, celebrated the openings of the Leipiö wind mill farm in Simo and the extension to the Olhava wind mill farm in Ii in 2014. Two new wind mill farms comprising a total of 30 wind power plants were under construction by the end of the year. The production capacity of the company's wind power plants, including those under construction, is 300 MW and corresponds to electricity consumption by more than 400,000 flats. ■

In 2014, St1 Biofuels Oy completed the construction of an Etanolix® plant for North European Bio Tech Oy (NEB). The plant has been integrated with the functions of the oil refinery of St1 Nordic's sister group St1 Group in Gothenburg, and will produce advanced bioethanol made, for example, from bakery waste, for use in transport. Thanks to the feedstock and production technology involved, the bioethanol produced by an Etanolix® plant is almost carbon neutral. The scalable Etanolix® concept is an export-ready product developed by St1 that meets the global challenges of growing requirements for the use of biofuels and the smart use of waste. ■

Together with the environmental management company SITA Finland, St1 has developed a recycling model, Leipärinki (Bread ring), which supports sustainable development. SITA's collection vehicle, which uses the RED95 fuel produced by St1, collects out-of-date leftover bread from over 100 shops and bakeries in the Helsinki metropolitan area, Lahti and Turku several times a week. The almost carbon neutral ethanol produced by St1 Biofuels from various forms of waste and residues is used in liquid fuels for transport. For example, the RED95 ethanol diesel manufactured using bioethanol cuts fossil carbon dioxide emissions by up to 90% and particulate emissions around 80%. Ethanol production from bakery waste also generates liquid feed as a by-product, which St1 delivers to meat production farms in cooperation with its partner. ■

Financial Statements 2014

Report Of The Board Of Directors 1 January 2014–31 December 2014

1. Business operations and financial performance of St1 Nordic Oy

St1 Nordic Oy is a parent company to the St1 Nordic group whose principal line of business is the sale of traffic fuels to consumers and the corporate sector in Finland, Sweden and Norway. In Finland and Sweden, the group also sells fuels for heating to consumers and industry. Through its subsidiary St1 Biofuels Oy, the group manufactures, develops and sells biofuels in Finland. The subsidiaries.

Etelä-Suomen Lämpöpalvelu Oy and Uudenmaan Energiakaivot Oy sell and install devices based on renewable energy sources. Through its associated company Tuuliwatti Oy, the group participates in the production of industrial wind power. In addition, the group's associated company Avifuels Oy operates an aircraft refueling business in Finland.

With an objective to maximise the competitiveness of the group's fuel procurement, the purchase of liquid fuels is centralised in the group's associated company North European Oil Trade Oy (Neot).

The group operates a total of 1.069 retail stations which are under the St1 and Shell brands in Finland and Sweden and under the St1 brand in Norway.

In 2014, the group's net sales were EUR 2,720.8 million; an increase of EUR 1,042.8 from the previous year. 58% of the total revenue was generated in Finland, 37% in Sweden and 5% in Norway. The group's operating profit increased to EUR 45.3 million from EUR 32.9 million in the previous year.

2. Structural and financial reorganisation

During 2014 St1 continued its reorganisation in order to simplify and streamline the St1 group structure.

St1 comprises two sister groups: St1 Group Oy and St1 Nordic Oy. St1 Nordic focuses on fuel retail and marketing operations while St1 Group's main activity is oil refining at its refinery in Gothenburg, Sweden. As the final step of the group's structural reorganisation, the fuel retail and mar-

Key indicators of St1 Nordic Oy´s financial position and results of operations:

	2014	2013	2012	2011	2010
Net sales, M€	**0**	0	0	0	0
Operating profit/loss, M€	**-0.6**	-0.1	-0.1	-0.1	0.1
Operating profit % of net sales	**-**	-	-	-	-
Profit for the period, M€	**28.2**	-0.2	6.2	-0.2	0.0
Return on equity %	**27.3**	-0.4	12.4	-0.3	0.1
Equity ratio	**35.5**	44.4	95.5	93.5	96.4

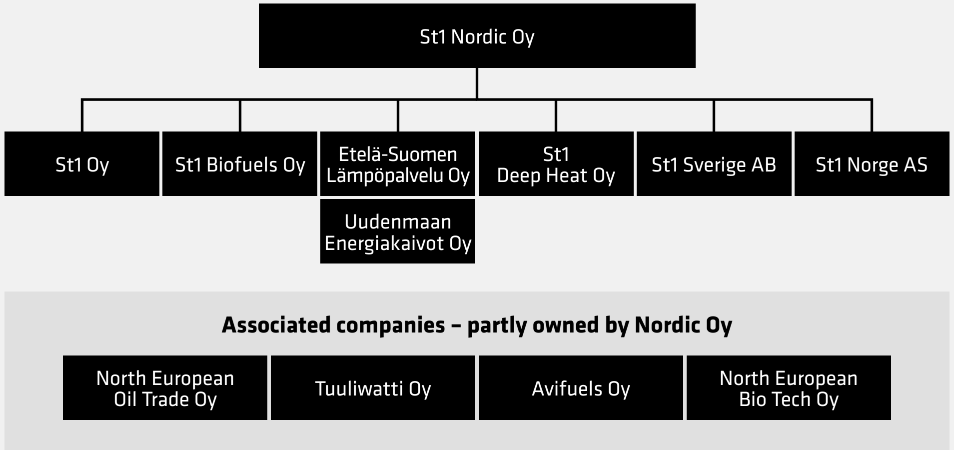
Key indicators of St1 Nordic group´s financial position and results of operations:

	2014 pro forma	**2014**	2013	2012	2011	2010
Net sales, M€	**3,848**	2,721	1,678	1,636	1,503	1,347
Operating profit/loss, M€	**72.6**	45.3	32.9	29.6	26.8	7.1
Operating profit % of net sales	**1.9**	1.7	2.0	1.8	1.8	0.5
Profit for the period, M€	**57.0**	38.2	25.8	21.6	17.6	5.2
Return on equity %		24.0	23.1	23.6	23.5	8.4
Equity ratio		28.3	25.0	30.1	27.0	21.7

keting activities in Sweden were transferred from St1 Group to St1 Nordic and the operations were merged with St1 Sverige AB. In Finland St1 Energy Oy merged with its sister company St1 Oy.

In addition to the parent company, St1 Nordic group consists of the operative subsidiaries, St1 Oy, St1 Sverige AB, St1 Norge AS, St1 Biofuels Oy, Etelä-Suomen Lämpöpalvelu Oy, Uudenmaan energiakaivot Oy, Kiinteistö Oy Olarinluoman huoltamo and St1 Deep Heat Oy. The business operations of St1 Polska Sp. Z.o.o. was terminated in 2011, when the company disposed all of its retail stations. St1 Biofuels Sweden AB is not currently operational. Kauhajoen Öljy Oy was dissolved and Automani Oy was merged with St1 Oy as the companies had discontinued their operations.

Group associated companies comprise North European Oil Trade Oy, North European Bio Tech Oy, Avifuels Oy and Tuuliwatti Oy.



St1 Nordic Oy issued its first bond on June 4th, 2014. The size of the issue was 100 M€ and the bond is listed on First North Bond Market Finland. The bond (ISIN FI4000097191) matures in 5 years and has an annual coupon of 4.125%.

3. Company shares

	31 Dec 2014	31 Dec 2013	31 Dec 2012	31 Dec 2011	31 Dec 2010
Share capital	**100,000**	100,000	100,000	100,000	100,000
Number of shares	**20,000,000**	21,351,863	14,545,500	14,545,500	14,545,500

In 2014 St1 Nordic Oy cancelled the 1,351,863 its treasury shares. In 2013 the company issued a total of 6.806.363 new shares. The shares were given as merger consideration to the shareholders of St1 Group Oy in connection with the demerger where the subsidiary of St1 Group Oy, St1 Energy Oy, transferred to St1 Nordic Oy on 31 December 2013.

4. Investments

The most significant investments of the group comprised of the equity investments in Tuuliwatti Oy totalling EUR 5 million in the financial year. St1 Biofuels Oy made improvements to its plants and investments in product development. Other group companies also made maintenance investments. The total investments in the group amounted to EUR 17.5 million.

On 18 December 2014, St1 Nordic Oy signed an agreement for the purchase of the entire share capital of Shell's marketing business in Norway. The seller is Shell Exploration and Production Holdings B.V. The deal is subject to regulatory approval and is expected to be closed in the second half of 2015.

In addition, St1 Nordic Oy established a new subsidiary, St1 Deep Heat Oy. In the early stage, the company investigates the practical possibilities of producing geothermal heat in Finland, with the aim of building the first pilot site in 2016.

5. Assessment of the most significant risks and uncertainties

5.1 Risk management policy and arranging risk management

In the St1 Nordic group, risk management refers to a systematic and proactive approach to analyse and manage the opportunities and threats related to operations, rather than solely eliminating the risks. For this purpose, the group's risk management is based on awareness of the key threats, including strategic, operational and financial risks as well as risk of loss or damage, which have the potential to prevent the group from achieving its objectives.

The Board of Directors is responsible for the company's and group's risk management policy and monitors its implementation. The CEO is responsible for the appropriate organisation of risk management measures. Risk management has been integrated into the daily business operations and decision-making of business units and the group's support functions. Thus, each employee shares a responsibility to identify risks that might threaten the achievement of the group's objectives.

5.2. Strategic and operational risks

The group has defined a number of potential risks that could affect its future profitability and development:

- The prolonged unhealthy competition in the traffic fuel retail market may reduce profitability also in the future
- The company may incur considerable costs due to environmental legislation and regulations, affecting the group's financial performance.
- Political, financial and legislative changes may affect demand for the company's products.

The group's business operations are based on functional and reliable information systems. The group seeks to manage the risks related to information systems through measures such as duplicating critical information systems and data communications links, paying attention to the selection of partners and starndardising the work station models, software and information security practices used in the group.

In accordance with the nature of the group's business operations, the largest balance sheet items consist of trade receivables and inventories. The credit loss risk related to sales receivables is managed through a uniform credit policy and efficient debt-collection activities. Principles used for the measurement of trade receivables and inventories in the financial statements are consistent and based on the principle of prudence.

The group's core competencies are related to business processes comprising sales and procurement, and to the requisite support functions, such as information management, finance, human resources, real estate services, logistics, marketing and communications. Unexpected and significant weakening of the group's core competencies would present a risk. The company continuously seeks to improve the core competencies and other significant competencies of its personnel by offering opportunities for in-work learning and training, as well as by recruiting competent new employees, as needed.

The most significant portion of the group's revenue consists of retail and wholesale trade of liquid fuels for traffic and heating. Historically, the demand for these products has not been subject to sudden, drastic changes. Taking the company's line of business and products into account, factors that might affect the company's revenue include decisions by the government or the authorities on how different forms of energy are combined, subsidised or taxed, as well as general economic trends and, with regard to heating oil, regionally prevailing temperatures. All of these factors may influence demand across the whole sector.

Oil price changes do not have a significant impact on the group's result, as the group only has product inventories at retail sites. The volume of these inventories is small and the turnover is high.

5.3. Risks of loss or damage

The company seeks to protect itself from significant risks to its assets by regularly reviewing its insurance policies as part of the overall risk management process. The company strives to cover with insurance all risks which are financially or otherwise reasonable. There are no pending trials or any other legal risks that the Board is aware of, which would materially affect the results of the company's operations. The group's insurance portfolio's coverage is subject to regular reviews.

5.4. Financial risks

Management of financial risks: The parent company manages the financing operations for the whole group.

Interest rate risk: At the end of the financial year, the share of interest rate-sensitive loans in the group's whole interest-bearing loan portfolio was approximately EUR 59 million, compared to approximately EUR 69 million in the previous year. Derivative agreements can be used to help in the management of interest rate risks. EUR 3 million of the group's long-term loans have been protected through derivative agreements.

Currency risk: Because the majority of the group's cash flow is denominated in local currencies, the group's exposure to currency risk (financial risk and transaction risk) is mostly limited to the currency receivables from and liabilities to the group's Swedish and Norwegian subsidiaries, along with the foreign currency denominated equity items of these companies. Currency risks can be managed through forward agreements.

5.5. Environmental risks

In order to eliminate the risk of human casualties or oil spills and the related costs, attention must be paid to safe and environmentally sound operating methods in the company's operations. St1 Nordic Oy has systematically evaluated and monitored its environmental obligations, as well as the obligations arising at group operating sites. Environmental protection obligations have been defined within the scope of legislation and in the quality programmes applied by the company. The financial statements include a provision for environmental liabilities, which is reviewed for each financial period.

6. An estimate of probable future development

In the view of the group management, the business environment will remain challenging for the next financial year. In the traffic fuels trade, competition in the group's home market, particularly in Finland, remains overemphasised. The group aims to further improve its competitiveness by rationalising systems and business processes, as well as by measures to improve the average sales of retail stations.

When realized, the acquisition of Smart Fuel AS in Norway will improve St1 Nordic's result and balance the impact of a potential regionally aggravated price war on St1 Nordic's result.

7. Significant events after the end of the financial period

There are no significant events after the end of the financial period.

8. Personnel

Key figures describing the group's personnel

	2014	2013	2012	2011	2010
Average number of personnel during the financial period	**286**	193	175	180	131
Wages and salaries during the financial period, M€	**18.2**	12.5	12.1	20.9	9.3

9. Organisation

The company's Board of Directors consisted of Mika Anttonen (chair), Mikko Koskimies, Juha Kokko, Mika Jokinen and Kim Wiio. Kim Wiio was the company's Chief Executive Officer. The company's auditor was PricewaterhouseCoopers Oy.

10. Proposal for profit distribution

The Board of Directors proposes that the company will pay a dividend of EUR 3.000.000,00 for the financial year ended and transfer the remaining financial year's profit to the 'Retained earnings' account.

Consolidated income statement

€	Pro forma Unaudited 1.1.–31.12.2014	Pro forma Unaudited 1.1.–31.12.2013
NET SALES	**3,847,617,787.02**	2,498,878,790.57
Other operating income	**31,350,812.51**	13,896,012.02
Materials and services		
Materials, supplies and products		
Purchases during the period	**3,601,399,770.56**	2,341,788,565.48
Change in inventories	**37,243,608.27**	-244,908.86
External services	**381,376.99**	547,675.00
	3,639,024,755.82	2,342,091,331.62
Personnel expenses		
Wages and salaries	**24,793,904.99**	12,524,898.83
Social security costs		
Pension costs	**4,122,571.30**	2,748,631.90
Other social security costs	**3,908,822.56**	628,345.88
	32,825,298.85	15,901,876.61
Depreciation and amortisation		
Depreciation and amortisation according to plan	**30,666,358.18**	25,232,239.12
Amortisation of goodwill (negative goodwill recognised)	**713,747.64**	-420,587.87
	31,380,105.80	24,811,651.25
Other operating expenses	**103,162,562.14**	85,549,211.05

€	Pro forma Unaudited 1.1.–31.12.2014	Pro forma Unaudited 1.1.–31.12.2013
OPERATING PROFIT	**72,575,876.92**	44,420,732.06
Finance income and costs		
Income from other investments of non-current assets		
Share of profit of investments using the equity method	**7,243,165.45**	737,874.25
Other interest and finance income	**2,436,131.32**	3,387,881.09
Impairment of investments in non-current assets	**-140,451.62**	-158,424.72
Interest expense to group companies	**-867,233.15**	0.00
Interest expenses and other finance costs	**-9,906,765.96**	-5,645,604.40
	-1,235,153.96	-1,678,273.78
PROFIT BEFORE APPROPRIATIONS AND INCOME TAX	**71,340,722.96**	42,742,458.28
Current income tax	**-10,232,689.86**	-9,413,906.50
Deferred tax	**-4,116,749.26**	-146,556.38
	-14,349,439.12	-9,560,462.88
PROFIT FOR THE PERIOD BEFORE MINORITY INTEREST	**56,991,283.84**	33,181,995.40
PROFIT FOR THE PERIOD	**56,991,283.84**	33,181,995.40

* Basis of compilation of pro forma information is described in the accounting policies.

Consolidated income statement

€	1.1.–31.12.2014	1.1.–31.12.2013
NET SALES	**2,720,794,524.95**	1,677,579,152.61
Other operating income	**16,865,439.49**	12,929,357.81
Materials and services		
Materials, supplies and products		
Purchases during the period	**2,541,468,087.11**	1,557,069,392.71
Change in inventories	**17,142,629.53**	2,903,511.45
External services	**381,376.99**	547,675.00
	2,558,992,093.63	1,560,520,579.16
Personnel expenses		
Wages and salaries	**18,232,785.52**	12,524,898.83
Social security costs		
Pension costs	**4,320,445.43**	2,748,631.90
Other social security costs	**1,294,339.33**	628,345.88
	23,847,570.28	15,901,876.61
Depreciation and amortisation		
Depreciation and amortisation according to plan	**24,884,297.23**	18,867,104.09
Amortisation of goodwill (negative goodwill recognised)	**713,747.64**	-420,587.87
	25,598,044.87	18,446,516.22
Other operating expenses	**83,971,229.91**	62,702,853.11

€	1.1.–31.12.2014	1.1.–31.12.2013
OPERATING PROFIT	**45,251,025.75**	32,936,685.32
Finance income and costs		
Income from other investments of non-current assets		
Share of profit of investments using the equity method	**7,243,165.45**	737,874.25
Other interest and finance income	**2,239,142.58**	3,158,847.78
Impairment of investments in non-current assets	**-140,451.62**	-158,424.72
Interest expenses and other finance costs	**-7,290,723.57**	-3,882,582.47
	2,051,132.84	-144,285.16
PROFIT BEFORE APPROPRIATIONS AND TAX	**47,302,158.59**	32,792,400.16
Current income tax	**-4,944,205.70**	-6,885,731.82
Deferred tax	**-4,116,749.26**	-146,556.38
	-9,060,954.96	-7,032,288.20
PROFIT FOR THE PERIOD BEFORE MINORITY INTEREST	**38,241,203.63**	25,760,111.96
PROFIT FOR THE PERIOD	**38,241,203.63**	25,760,111.96

Consolidated balance sheet

€	31.12.2014	31.12.2013
Assets		
NON-CURRENT ASSETS		
Intangible assets		
Capitalised development expenditure	**2,553,003.75**	2,350,742.38
Intangible rights	**411,097.91**	453,818.10
Goodwill	**1,424,225.46**	2,970,512.99
Goodwill on consolidation	**8,382,037.01**	8,660,100.58
Other capitalised long-term expenditure	**7,255,869.49**	3,094,693.03
	20,026,233.62	17,529,867.08
Tangible assets		
Land and water areas	**104,035,789.55**	52,727,043.41
Buildings and structures	**72,080,810.62**	59,904,634.18
Machinery and equipment	**94,899,713.76**	77,876,695.97
Other tangible assets	**12,508,967.92**	13,193,467.34
Advance payments and construction in progress	**1,511,959.78**	37,791.79
	285,037,241.63	203,739,632.69
Investments		
Investments in associated companies	**41,446,527.29**	25,885,361.84
Other shares and holdings	**1,226,278.51**	1,088,808.01
Other receivables	**5,794,874.64**	1,000,000.00
Other investments	**135,978.38**	0.00
	48,603,658.82	27,974,169.85

€	31.12.2014	31.12.2013
CURRENT ASSETS		
Inventories		
Materials and supplies	**39,895,163.77**	39,835,940.42
Receivables		
Non-current receivables		
Deferred tax assets	**807,080.40**	892,852.40
Loan receivables	**2,934,967.49**	3,357,071.28
	3,742,047.89	4,249,923.68
Current receivables		
Trade receivables	**203,650,207.00**	113,707,508.97
Receivables from Group companies	**1,755,011.67**	7,217,021.88
Loan receivables	**17,109.71**	19,578.21
Other receivables	**22,847,545.88**	2,575,392.58
Prepayments and accrued income	**27,591,120.71**	33,104,465.05
	255,860,994.97	156,623,966.69
Cash and cash equivalents	**47,907,610.47**	41,715,750.73
	701,072,951.17	491,669,251.15

Consolidated balance sheet

€	31.12.2014	31.12.2013
Equity and liabilities		
EQUITY		
Share capital	**100,000.00**	100,000.00
Revaluation reserve	**45,907,770.57**	6,850,675.25
	46,007,770.57	6,950,675.25
Reserve for invested unrestricted equity	**19,021,325.38**	18,926,325.38
Retained earnings	**92,553,622.90**	71,102,648.79
Profit (loss) for the period	**38,241,203.64**	25,760,111.96
	149,816,151.92	115,789,086.13
Total equity	**195,823,922.49**	122,739,761.38
PROVISIONS		
Other provisions	**42,347,919.64**	5,185,631.62
	42,347,919.64	5,185,631.62

€	31.12.2014	31.12.2013
LIABILITIES		
Non-current		
Loans from financial institutions	**797,016.86**	39,664,301.64
Bonds	**100,000,000.00**	0.00
Deferred tax liabilities	**4,311,943.60**	4,711,943.60
Other liabilities	**454,820.00**	53,950,157.80
	105,563,780.46	98,326,403.04
Current		
Loans from financial institutions	**57,802,768.67**	29,456,549.93
Advance payments	**10,126,240.33**	285,049.19
Trade payables	**75,369,664.07**	113,181,312.75
Liabilities to Group companies	**47,655,508.68**	28,457,573.00
Deferred tax liabilities	**21,168,439.18**	5,752,584.52
Liabilities to associated companies	**77,738,404.97**	54,653,601.42
Other liabilities	**48,018,394.82**	21,343,245.17
Accruals and deferred income	**19,457,907.86**	12,287,539.13
	357,337,328.58	265,417,455.11
	701,072,951.17	491,669,251.15

Consolidated cash flowstatement

€	1.1.–31.12.2014	1.1.–31.12.2013
Cash flow from operating activities:		
Profit (loss) before extraordinary items	**47,302,158.59**	32,792,400.16
Adjustments:		
Depreciation and amortisation according to plan	**25,598,044.87**	18,446,516.22
Other income and expenses with non-cash transactions	**1,334,855.83**	2,674,260.36
Other finance income and costs	**-2,051,132.84**	-144,285.16
Other adjustments	**0.00**	-437,520.05
Cash flow before change in working capital	**72,183,926.45**	53,331,371.53
Change in working capital		
Increase (-)/ decrease (+) in current non-interest bearing receivables	**49,812,494.74**	7,200,516.94
Increase (-)/ decrease (+) in inventories	**11,933,967.57**	-774,798.95
Increase (+)/ decrease (-) in current non-interest bearing payables	**-47,290,674.52**	3,964,568.50
Cash flow from (used in) operating activities before financial items and taxes	**86,639,714.24**	63,721,658.02
Interest paid and charges on other finance costs	**-6,145,732.07**	-4,430,587.10
Interest received	**3,275,907.17**	3,706,852.41
Taxes paid	**-3,596,818.00**	-6,885,731.82
Net cash generated from operating activities (A)	**80,173,071.34**	56,112,191.51

€	1.1.–31.12.2014	1.1.–31.12.2013
Cash flow from investing activities		
Purchase of tangible and intangible assets	**-17,460,605.80**	-13,294,729.71
Acquisitions deducted by acquired cash and cash equivalents	**-60,877,369.63**	0.00
Proceeds from sale of tangible and intangible assets	**12,572,360.09**	1,030,000.00
Loans granted	**-4,608,170.54**	-1,364,247.26
Investments in associated companies	**-6,773,448.88**	-8,750,000.00
Net cash used in investing activities (B)	**-77,147,234.76**	-22,378,976.97
Cash flow from financing activities:		
Capital increase	**95,000.00**	0.00
Proceeds from current loans from financial institutions	**28,346,218.74**	4,846,235.62
Repayment of current loans from financial institutions	**-82,407,730.80**	-7,255,471.43
Proceeds from bonds	**100,000,000.00**	5,500,000.00
Repayment of non-current loans from financial institutions	**-39,867,284.78**	-13,800,000.00
Dividends paid and other profit distribution	**-3,000,000.00**	-1,979,045.55
Net cash used in financing activities (C)	**3,166,203.16**	-12,688,281.36
Net increase (+)/decrease (-) in cash and cash equivalents (A+B+C)	**6,192,039.74**	21,044,933.17
Cash and cash equivalents at beginning of period	**41,715,570.73**	12,589,508.89
Cash and cash equivalents received from merger	**0.00**	8,081,308.67
Cash and cash equivalents at end of period	**47,907,610.47**	41,715,750.73

Parent company income statement

€	1.1.–31.12.2014	1.1.–31.12.2013
NET SALES		
Other operating income	**3,500,648.15**	321,443.40
Personnel expenses		
Wages and salaries	**1,605,034.12**	0.00
Social security costs		
Pension costs	**253,132.17**	0.00
Other social security costs	**17,439.84**	0.00
	1,875,606.13	0.00
Depreciation according to plan	**4,920.00**	0.00
Other operating expenses	**2,201,051.43**	470,005.19

€	1.1.–31.12.2014	1.1.–31.12.2013
OPERATING PROFIT	**-580,929.41**	-148,561.79
Finance income and costs		
Income from shares in group companies	**20,489,307.06**	0.00
Income from shares in associated companies	**96,000.00**	0.00
Other interest and finance income		
From group companies	**1,922,404.64**	0.00
From others	**158,898.94**	528.56
Impairment of investments in non-current assets	**-12,707.66**	0.00
Interest expenses and other finance costs		
To group companies	**-2,182,216,83**	-72,868.71
To others	**-2,839,647.30**	-87.17
	17,632,038.85	-72,427.32
PROFIT BEFORE EXTRAORDINARY ITEMS	**17,051,109.44**	-220,989.11
PROFIT BEFORE APPROPRIATIONS AND INCOME TAX	**17,051,109.44**	-220,989.11
Extraordinary items		
Extraordinary income	**11,163,879.15**	0.00
Income tax	**0.00**	170.94
PROFIT FOR THE PERIOD	**28,214,988.59**	-220,818.17

Parent company balance sheet

€	31.12.2014	31.12.2013
Assets		
NON-CURRENT ASSETS		
Property, plant and equipment		
Machinery and equipment	**27,880.00**	0.00
	27,880.00	0,00
Investments		
Shares in group companies	**96,610,874.73**	108,127,298.90
Receivables from group companies	**15,467,529.38**	1,000,000.00
Investments in associated companies	**29,922,470.00**	1,500,000.00
Receivables from associated companies	**5,658,166.67**	1,000,000.00
Other shares and holdings	**227,393.69**	18,379.10
	147,886,434.47	111,645,678.00

€	31.12.2014	31.12.2013
CURRENT ASSETS		
Receivables		
Non-current receivables		
Loan receivables	**65,000.00**	0.00
	65,000.00	0.00
Current receivables		
Trade receivables	**143,873.38**	0.00
Receivables from group companies	**45,501,145.78**	358,908.31
Loan receivables	**8,907.08**	8,862.77
Other receivables	**15,459,363.96**	0.00
Prepaid expenses and accrued income	**1,756,506.02**	0.00
	62,869,796.22	367,771.08
Cash and cash equivalents	**561,414.75**	50,387.46
	211,410,525.44	112,063,836.54

€	31.12.2014	31.12.2013
Equity and Liabilities		
EQUITY		
Share capital	**100,000.00**	100,000.00
Reserve for invested unrestricted equity	**18,926,325.38**	18,926,325.38
Retained earnings	**27,726,004.92**	30,946,823.09
Profit for the period	**28,214,988.59**	-220,818.17
	74,867,318.89	49,652,330.30
TOTAL EQUITY	**74,967,318.89**	49,752,330.30
LIABILITIES		
Non-current		
Bonds	**100,000,000.00**	0.00
Liabilities to group companies	**32,344,585.38**	61,929,180.40
	132,344,585.38	61,929,180.40
Current		
Trade payables	**382,686.60**	321,443.40
Liabilities to group companies	**468,810.97**	43,665.01
Other liabilities	**489,583.29**	13,417.43
Accruals and deferred income	**2,757,540.31**	3,800.00
	4,098,621.17	382,325.84
TOTAL LIABILITIES	**136,443,206.55**	62,311,506.24
	211,410,525.44	112,063,836.54

Parent company cash flow statement

€	1.1.–31.12.2014	1.1.–31.12.2013
Cash flow from operating activities:		
Profit (loss) before extraordinary items	**17,051,109.44**	-220,989.11
Adjustments:		
Depreciation and amortisation according to plan	**4,920.00**	0.00
Unrealised exchange rate profits and losses	**-463,177.12**	0.00
Finance income and costs	**-17,632,038.85**	72,427.32
Cash flow before change in working capital	**-1,039,186.53**	-148,561.79
Change in working capital:		
Increase (-)/ decrease (+) in current non-interest bearing receivables	**-8,097,923.94**	0.00
Increase (+)/ decrease (-) in current non-interest bearing payables	**1,090,258.95**	334,805.87
Cash flow from operating activities before finance items and taxes	**-8,046,851.52**	186,244.08
Interest paid and other financial expenses	**-1,704,314.89**	-72,955.88
Interest received from operating activities	**2,081,303.58**	528.56
Taxes paid (received)	**0.00**	58,792.02
Net cash generated from operating activities (A)	**-7,669,862.83**	172,608.78

€	1.1.14–31.12.14	1.1.13–31.12.13
Cash flow from investing activities:		
Purchase of property, plant and equipment and intangible assets	**-32,800.00**	0.00
Investments in associated and subsidiary companies	**-22,011,363.95**	-2,425,715.48
Loans granted	**-49,288,444.86**	-2,358,908.31
Dividends received	**20,585,307.06**	0.00
Repayment of loan receivables	**0.00**	17,500.00
Net cash used in investing activities (B)	**-50,747,301.75**	-4,767,123.79
Cash flow from financing activities:		
Repayment of current loans from financial institutions	**-41,771,808.13**	0.00
Received group contributions	**3,700,000.00**	0.00
Proceeds from non-current loans from financial institutions	**100,000,000.00**	6,528,278.11
Dividends paid and other profit distribution	**-3,000,000.00**	-1,979,045.55
Net cash used in financing activities (C)	**58,928,191.87**	4,549,232.56
Net increase (+)/decrease (-) in cash and cash equivalents (A+B+C)	**511,027.29**	-45,282.45
Cash and cash equivalents at beginning of period	**50,387.46**	95,669.91
Merger		
Cash and cash equivalents at end of period	**561,414.75**	50,387.46

Notes to the financial statement 31 december 2014

ACCOUNTING PRINCIPLES FOR THE FINANCIAL STATEMENTS

Financial period

The company's financial period is from 1 January to 31 December.

Consolidated financial statements

During 2014, St1 continued its reorganisation in order to simplify and streamline the St1 group structure. St1 group comprises two sister groups: St1 Group Oy and St1 Nordic Oy. The group´s fuel retail and marketing operations are located in St1 Nordic while the refinery operations are located in St1 Group.

As the final step in the structural reorganisation, the retail and marketing operations in Sweden were transferred from St1 Group to St1 Nordic. This was achieved by the demerger of St1 Energy AB in such a way that refinery operations demerged into a company which remained in St1 Group (St1 Supply AB), and the marketing operations demerged into a company which was sold to St1 Sverige AB, a subsidiary of St1 Nordic. Subsequently the company was merged with St1 Sverige AB.

In Finland St1 Energy Oy and Automani Oy merged with its sister company St1 Oy.

The subsidiaries St1 Oy, St1 Biofuels Oy, Etelä-Suomen Lämpöpalvelu Oy konserni, St1 Sverige AB, St1 Norge AS, St1 Biofuels Sweden AB, St1 Polska Sp z.o.o, Kiinteistö Oy Olarinluoman huoltamo and St1 Deep Heat Oy are consolidated by using acquisition method. Associated companies North European Bio Tech Oy, Avifuels Oy and Tuuliwatti Oy are consolidated in the financial statements of St1 Nordic Oy using the equity method.

St1 Nordic Oy's parent company is Keele Oy, which prepares the consolidated financial statements in which St1 Nordic Oy group is included in. Copies of the consolidated financial statements are available at: Keele Oy, Purotie 1, 00380 Helsinki, Finland.

The group's inter-company transactions, margins, receivables and payables have been eliminated. Internal ownership has been eliminated using the acquisition method. Minority interest has been separated from consolidated equity and profit and it is shown as a separate line item in the consolidated income statement and balance sheet.

The income statements of foreign group companies have been converted into euros at the average foreign rate of exchange rates during the financial period. The balance sheet has been converted into the Finnish currency using the closing date exchange rate. Translation differences resulting from the currency conversions, as well as translation differences in foreign subsidiaries' equity arising from conversion, have been presented in 'retained earnings'.

Valuation of inventories

Liquid fuel inventories are valued at the last day's purchase price in the group companies. If inventory would be be valued using the FIFO method, the difference would not be material. Other inventories are valued according to the FIFO principle using cost of purchase, or cost of repurchase, or likely sale price, if lower.

Measurement of non-current assets

Intangible and tangible assets have been capitalised at cost. Depreciation and amortisation according to plan have been recognised on a straight-line basis during the economic life of the assets. Depreciation and amortisation starts in the month when the assets have been taken into use. A revaluation of land has been recognised in the consolidated financial statements based on the land's market value.

Depreciation and amortisation periods in the group

capitalised development expenditure	10 years
intangible rights and other long-term capitalised expenditure	5 years
trademarks	20 years
goodwill	5–20 years
buildings and structures	20–50 years
machinery and equipment	3–20 years
other tangible assets	10–30 years

Goodwill on consolidation

Goodwill on consolidation is amortised on straight-line basis over 20 years. In addition, additional amortisation is booked if there is a decrease in the future income expectations of the assets to which goodwill is allocated.

Deferred tax assets and liabilities in the group

A deferred tax asset has been recognised for provisions and appropriations for the part not yet deducted in taxation, by applying the following years' tax rate as confirmed on the closing date. A deferred tax liability has been recognised for the fair value allocations of the land, by applying the following years' tax rate as confirmed on the closing date.

Foreign currency items in the group

Receivables and payables denominated in foreign currencies have been converted into the Finnish currency using the closing date exchange rate.

Notes to the income statement

Net sales

M€	Consolidated 2014	Consolidated 2013	Parent company 2014	Parent company 2013
Liquid fuels	**2,710.6**	1,673.6	**0.0**	0.0
Energy products and electricity	**6.4**	4.0	**0.0**	0.0
Other	**3.8**	0.0	**0.0**	0.0
	2,720.8	1,677.6	**0.0**	0.0
Domestic	**1,717.1**	841.4	**0.0**	0.0
Foreign	**1,003.7**	836.2	**0.0**	0.0
	2,720.8	1,677.6	**0.0**	0.0

Other operating income

M€	Consolidated 2014	Consolidated 2013	Parent company 2014	Parent company 2013
Gains on sale of non-current assets and shares	**21.2**	0.6	**0.0**	0.0
Other operating income	**14.7**	12.3	**3.5**	0.3
	16.9	12.9	**3.5**	0.3

Average number of personnel

	Consolidated 2014	Consolidated 2013	Parent company 2014	Parent company 2013
Personnel on average	**286**	193	**18**	0
	251	193	**18**	0

Management salaries and fees

Wages and salaries paid to the members of the board and the managing directors during the financial period amounted to EUR 1.069.154,94

Depreciation, amortisation and impairment charges

€	Consolidated 2014	2013	Parent company 2014	2013
Depreciation and amortisation according to plan				
Intangible assets				
Capitalised development expenses	**197,493.86**	56,238.02	**0.00**	0.00
Intangible rights	**64,135.93**	851,791.71	**0.00**	0.00
Goodwill	**1,328,524.24**	1,428,479.46	**0.00**	0.00
Other long-term capitalised expenditure	**646,844.11**	319,979.15	**0.00**	0.00
Tangible assets				
Buildings and structures	**5,952,556.00**	3,593,401.35	**0.00**	0.00
Machinery and equipment	**14,446,057.58**	11,211,599.60	**4,920.00**	0.00
Other tangible assets	**2,248,685.50**	1,405,614.80	**0.00**	0.00
	24,884,297.22	18,867,104.09	**4,920.00**	0.00
Amortisation of goodwill on consolidation	**713,747.64**	-667,161.33		
Portion of negative goodwill recognised in the income statement	**0.00**	1,087,749.20		
	713,747.64	420,587.87		
Depreciation and amortisation according to plan, total	**25,598,044.87**	18,446,516.22		

Other operating expenses

€	Consolidated 2014	2013	Parent company 2014	2013
Rents	**17,081,481.23**	13,332,680.52	**403,958.98**	2,670.00
Advertising and sales promotion	**8,466,342.68**	3,933,450.28	**1,142.71**	0.00
Operating and maintenance expenses	**26,029,146.46**	16,930,623.17	**0.00**	0.00
Other operating expenses	**32,394,259.5**	28,506,099.10	**1,795,949.74**	467,335.19
	83,971,229.91	62,702,853.07	**2,201,051.43**	470,005.19

Finance income and expenses

€	Consolidated 2014	2013	Parent company 2014	2013
Income from investments in other non-current assets				
From group companies	**0.00**	0.00	**20,489,307.06**	0.00
From associated companies	**7,243,165.45**	737,874.25	**96,000.00**	0.00
	7,243,165.45	737,874.25	**20,585,307.06**	0.00
Other interest and finance income				
From group companies			**2,937,399.09**	0.00
From others	**2,239,142.58**	3,158,847.78	**158,898.94**	528.56
	2,239,142.58	3,158,847.78	**3,096,298.03**	528.56
Impairment of investments				
Impairment of investments to non-current assets	**140,451.62**	158,424.72	**12,707.66**	0.00
Interest costs and other finance costs				
To group companies	**1,903,997.74**	0.00	**1,719,039.71**	72,868.71
To others	**5,386,725.83**	3,882,582.47	**4,317,818.87**	87.17
	7,290,723.57	3,882,582.47	**6,036,858.58**	72,955.88
Finance income and expenses, total	**2,051,132.84**	-144,285.16	**17,632,038.85**	-72,427.32
Extraordinary income				
Merger profit			**7,463,879.15**	0.00
Group contribution			**3,700,000.00**	0.00
			11,163,879.15	0.00

Income taxes

€	Consolidated 2014	Consolidated 2013	Parent company 2014	Parent company 2013
Current tax on profits for the financial period	**4,944,205.70**	6,885,731.82	**0.00**	-170.94
Income tax on extraordinary items	**0.00**	0.00	**0.00**	0.00
Change in deferred taxes	**4,116,749.26**	146,556.38	**0.00**	0.00
	9,060,954.96	7,032,288.20	**0.00**	-170.94

Pro forma income statement information

St1 Nordic presents pro forma income statement information for both 2014 and 2013. 2013 pro forma income statement includes Finnish St1 Energy Oy which was transferred to St1 Nordic on 31 December 2013. 2014 pro forma also includes the Swedish marketing business which was transferred to St1 Nordic in October 2014. The content of pro forma income statement figures is presented in more detail below.

2013 pro forma income statement information:

On 31 December 2013 St1 Group Oy demerged and its assets and liabilities were transferred to the newSt1 Group Oy and St1 Nordic Oy. In connection with the demerger, the shares of St1 Energy Oy were transferred to St1 Nordic Oy. The unaudited pro forma income statement information is presented in the consolidated financial statements to illustrate what the actual results of the operations of St1 Nordic group could have been if St1 Energy Oy had transferred to St1 Nordic Oy on 1 January 2013. In the compilation of the unaudited pro forma income statement information for the year ended 31 December 2013 the income statement of St1 Energy Oy for the year ended 31 December 2013 has been included in the consolidated income statement of St1 Nordic group and adjusted by the internal management fee income and costs between St1 Nordic group and St1 Energy Oy.

2014 pro forma income statement information:

In Sweden St1 Energy AB, a company belonging to St1 Group demerged on 7 October 2014 and its assets and liabilities were transferred to St1 Supply AB and St1 Marknad AB. St1 Nordic Oy's subsidiary St1 Sverige AB bought the shares of St1 Marknad AB, and subsequently St1 Marknad AB merged with St1 Sverige AB. The unaudited pro forma income statement information is presented in the statement information is presented in the consolidated financial statements to illustrate what the actual results of the operations of St1 Nordic group would have been if St1 Energy AB had demerged and St1 Marknad had been transferred to St1 Nordic group on 1 January 2014. In the compilation of the unaudited pro forma income statement information for the year ended 31 December 2014, the income statement allocated to St1 Marknad in the demerger of St1 Energy AB for the period 1 January to 6 October, 2014 has been included in the consolidated income statement of St1 Nordic group and adjusted by the internal management fee income and costs between St1 Energy AB and St1 Nordic group.

Same accounting policies

During 2014 and 2013 St1 Group Oy and St1 Nordic Oy have been consolidated to the same Keele group and, therefore, the accounting policies applied in the companies have already been aligned and no adjustments related to the differences between accounting policies are needed. The consolidated balance sheet of St1 Nordic Oy group as of 31 December 2013 includes the assets and liabilities transferred

Separate pro forma balance sheets are not needed

The consolidated balance sheet of St1 Nordic Oy group as of 31 December 2013 includes the assets and liabilities transferred to the group on 31 December 2013. Likewise, the consolidated balance sheet of St1 Nordic Oy group as of 31 December 2014 includes the assets and liabilities transferred to the group during 2014, and therefore no pro forma balance sheet information has been presented.

Nature of pro forma income statement information

Because of its nature, this pro forma income statement information addresses a hypothetical situation and, therefore, does neither present what the actual results of operations of St1 Nordic group for the year ended 31 December 2014 and 31 December 2013 were, nor is intended to project the results of operations of St1 Nordic for any future period or as at any future date.

Notes to the income statement

M€	Proforma Unaudited 2014	Proforma Unaudited 2013
Liquid fuels	**3,837.4**	2,494.9
Energy products and electricity	**6.4**	4.0
Other	**3.8**	0.0
	3,847.6	2,498.9
Domestic	**1,717.1**	1,662.7
Foreign	**2,130.6**	836.2
	3,847.6	2,498.9

Other operating income

M€	Pro forma Unaudited 2014	Pro forma Unaudited 2013
Gains on sale of non-current assets and shares	**2.2**	3.1
Other operating income	**29.2**	10.8
	31.4	13.9

Depreciation, amortisation and impairment charges

€	Pro forma Unaudited 2014	Pro forma Unaudited 2013
Depreciation and amortisation according to plan		
Intangible assets		
Development expenditure	**197,493.86**	56,238.02
Intangible rights	**64,135.93**	851,791.71
Goodwill	**1,660,710.10**	1,428,479.46
Other capitalised expenditure	**693,064.74**	500,204.47
Tangible assets		
Buildings and structures	**6,558,267.90**	5,681,221.93
Machinery and equipment	**17,243,479.23**	13,800,283.66
Other tangible assets	**4,249,206.40**	2,914,019.87
	30,666,358.16	25,232,239.12
Amortisation of goodwill on consolidation	**713,747.64**	0.00
Portion of negative goodwill recognised in the income statement	**0.00**	-420,587.87
	0.00	0.00
Depreciation and amortisation according to plan, total	**31,380,105.80**	24,811,651.25

Other operating expenses

€	Pro forma Unaudited 2014	Pro forma Unaudited 2013
Rents	**20,229,228.26**	17,279,544.52
Advertising and sales promotion	**10,830,343.75**	6,923,430.28
Operating and maintenance expenses	**32,502,982.96**	24,135,040.17
Other operating expenses	**39,600,007.20**	37,211,196.10
	103,162,562.13	85,549,211.05

Finance income and expenses

€	Pro forma Unaudited 2014	Pro forma Unaudited 2013
Income from investments in other non-current assets		
From group companies		
From associated companies	**7,243,165.45**	737,874.25
	7,243,165.45	737,874.25
Other interest and finance income		
From others	**2,436,131.32**	3,387,881.09
	2,436,131.32	3,387,881.09
Impairment of investments		
Impairment of investments to non-current asset	**140,451.62**	158,424.72
Interest costs and other finance costs		
To group companies	**867,233.15**	0.00
To others	**9,906,765.96**	5,645,604.40
	10,773,999.11	5,645,604.40
Finance income and expenses, total	**-1,235,153.96**	-1,678,273.78

Income taxes

€	Pro forma Unaudited **2014**	Pro forma Unaudited 2013
On actual operation	**10,232,689.86**	9,413,906.50
Change in deferred taxes	**4,116,749.26**	146,556.38
	14,349,439.12	9,560,462.88

Notes to the balance sheet

TANGIBLE AND INTANGIBLE ASSETS IN THE GROUP

Capitalised development expenditure and intangible rights

The costs of the company's development project "Conceptualisation of the new dispersed ethanol plant" have been capitalised into capitalised development expenditure. Said expenditure fulfills requirements set by the Ministry of Trade and Industry. Depreciation for the capitalised development expenses has been recognised for the current year starting from the initialisation of the first ethanol plant. The depreciation period for the capitalised development expenditure was changed during the financial period from 20 years to 10 years and depreciation was retroactively recognised during the financial period according to the 10 year 10 depreciation period.

Technological initialisation expenditure include developmental projects aimed at developing methods of utilising waste and process residues in the production of ethanol and energy.

The company has received as apport property the rights to the process to produce the water and ethanol mix. A patent has been granted for said process in five countries, in addition a patent application has been placed in 10 countries, where the handling process is unfinished. The item is presented in intangible rights. The anticipated return of the capitalised development expenditure significantly exceeds 5 years.

Notes to the balance sheet

Intangible assets

€	Development expenses	Intangible rights	Goodwill
Acquisition cost January 1, 2014	2,512,263.61	6,329,775.12	8,470,576.68
Additions	399,755.23	82,523.58	22,668.86
Disposals	0.00	-61,107.93	0.00
Translation difference	0.00	0.00	-240,431.77
Acquisition cost December 31, 2014	2,912,018.84	6,351,190.77	8,252,813.77
Accumulated amortisation	-161,521.23	-5,875,956.93	-5,500,064.07
Amortisation during the financial period	-197,493.86	-64,135.93	-1,328,524.24
Accumulated amortisation December 31, 2014	-359,015.09	-5,940,092.86	-6,828,588.31
Net book value December 31, 2014	2,553,003.75	411,097.91	1,424,225.46

€	Goodwill on consolidation	Other long-term expenses	Total
Acquisition cost January 1, 2014	12,372,136.58	7,633,498.86	37,318,250.85
Additions	435,684.07	5,055,367.43	5,995,999.17
Disposals	0.00	-270,300.00	-331,407.93
Translation difference	0.00	0.00	-240,431.77
Acquisition cost December 31, 2014	12,807,820.65	12,418,566.29	42,742,410.32
Accumulated depreciation	-3,712,036.00	-4,515,852.69	-19,765,430.92
Depreciation during the financial period	-713,747.64	-646,844.11	-2,950,745.78
Accumulated depreciation December 31, 2014	-4,425,783.64	-5,162,696.80	-22,716,176.70
Net book value December 31, 2014	8,382,037.01	7,255,869.49	20,026,233.62

Tangible assets

€	Land	Buildings	Machinery and equipment	Other tangible assets
Acquisition cost January 1, 2014	41,437,567.00	129,246,667.09	172,289,011.17	27,945,168.73
Additions	5,329,496.05	23,273,628.72	41,538,963.72	1,339,866.40
Disposals	-754,377.38	-3,991,662.51	-9,687,052.59	-356,935.74
Translation difference	-720,710.82	-1,153,233.77	-382,835.76	0.00
Acquisition cost December 31, 2014	45,291,974.85	147,375,399.53	203,758,086.54	28,928,099.39
Accumulated depreciation	0.00	-70,780,288.03	-94,412,315.20	-14,170,445.97
Depreciation during the financial period	0.00	-5,952,556.00	-14,446,057.58	-2,248,685.50
Accumulated depreciation December 31, 2014	0.00	-76,732,844.03	-108,858,372.78	-16,419,131.47
Revaluation January 1, 2014	11,289,476.41	1,438,255.12	0.00	0.00
Additions	51,359,570.00	0.00	0.00	0.00
Disposals	-3,905,231.71	0.00	0.00	0.00
Revaluation December 31, 2014	58,743,814.70	1,438,255.12	0.00	0.00
Net book value December 31, 2014	104,035,789.55	72,080,810.62	94,899,713.76	12,508,967.92

€	Advance payments and construction in progress	Total
Acquisition cost January 1, 2014	37,791.79	370,956,205.78
Additions	1,474,167.99	72,956,122.89
Disposals	0.00	-14,790,028.22
Translation difference	0.00	-2,256,780.35
Acquisition cost December 31, 2014	1,511,959.78	426,865,520.10
Accumulated depreciation	0.00	-179,363,049.20
Depreciation during the financial period	0.00	-22,647,299.09
Accumulated depreciation December 31, 2014	0.00	-202,010,348.28
Revaluation January 1, 2014	0.00	12,727,731.53
Additions	0.00	51,359,570.00
Disposals	0.00	-3,905,231.71
Revaluation December 31, 2014	0.00	60,182,069.82
Net book value December 31, 2014	1,511,959.78	285,037,241.63

Revaluations

The revaluation is based on an independent third-party expert's valuation on the likely sale price of the land, which is calculated based on the estimated future cash flows and building rights related to the land.

Investments

Group companies	Group ownership	Parent ownership
St1 Oy	100,00%	100,00%
Kiinteistö Oy Olarinluoman huoltamo	100,00%	100,00%
Etelä-Suomen Lämpöpalvelu Oy, Helsinki	75,95%	100,00%
Uudenmaan energiakaivot Oy	75,95%	0,00%
St1 Polska Sp. z.o o	100,00%	100,00%
St1 Biofuels Sweden AB	100,00%	100,00%
St1 Sverige AB	100,00%	100,00%
St1 Norge AS	100,00%	100,00%
St1 Biofuels Oy	100,00%	100,00%
St1 Deep Heat Oy	100,00%	100,00%

Associated companies	Group ownership	Parent ownership
Tuuliwatti Oy	50%	50%
Equity EUR 51,457,432.63 and profit for the period EUR 0.00		
North European Oil Trade Oy	49%	49%
Equity EUR 7,267,508.31 and profit for the period EUR 578,886.59		
North European Bio Tech Oy	50%	50%
Equity EUR 3,000,000.00		
Avifuels Oy	49%	49%
Equity EUR 658,702 and profit for the period EUR 29,370.43		

Investments in the parent company

Shares

€	Group companies	Associated companies	Others	Total
Acquisition cost January 1, 2014	108,127,298.90	1,500,000.00	18,379.10	109,645,678.00
Additions	33,278,909.48	28,422,470.00	209,014.59	61,910,394.07
Disposals	-44,795,333.65	0.00	0.00	-44,795,333.65
Acquisition cost December 31, 2014	96,610,874.73	29,922,470.00	227,393.69	126,760,738.42
Net book value December 31, 2014	96,610,874.73	29,922,470.00	227,393.69	126,760,738.42

Investments in the group

	Shares		Receivables	
€	Associated companies	Others	Others	Total
Acquisition cost January 1, 2014	25,885,361.84	1,088,808.01	1,000,000.00	27,974,169.85
Additions	15,561,165.45	273,448.88	4,794,874.64	20,629,488.97
Disposals	0.00	0.00	0.00	0.00
Acquisition cost December 31, 2014	41,446,527.29	1,362,256.89	5,794,874.64	48,603,658.82
Net book value December 31, 2014	41,446,527.29	1,362,256.89	5,794,874.64	48,603,658.82

Receivables from group companies

€	Consolidated 2014	Consolidated 2013	Parent company 2014	Parent company 2013
Current				
Trade receivables	**0.00**	0.00	**3,919,768.68**	358,908.31
Other receivables	**1,755,011.67**	0.00	**1,880,115.02**	0.00
Loan receivables	**0.00**	7,217,021.88	**39,701,262.08**	0.00
	1,755,011.67	7,217,021.88	**45,501,145.78**	358,908.31

Equity

€	Consolidated 2014	Consolidated 2013	Parent company 2014	Parent company 2013
Share capital January 1	**100,000.00**	100,000.00	**100,000.00**	100,000.00
Increase in the share capital				
Share capital December 31	**100,000.00**	100,000.00	**100,000.00**	100,000.00
Revaluation reserve January 1	**6,850,675.25**	6,850,675.25	**0.00**	0.00
Revaluation of non-current assets	**39,057,095.28**	0.00	**0.00**	0.00
Revaluation reserve December 31	**45,907,770.53**	6,850,675.25	**0.00**	0.00
Reserve for invested unrestricted equity January 1	**18,926,325.38**	17,876,483.27	**18,926,325.38**	17,876,483.27
Change	**95,000.00**	1,049,842.11	**0.00**	1,049,842.11
Reserve for invested unrestricted equity December 31	**19,021,325.38**	18,926,325.38	**18,926,325.38**	18,926,325.38
Retained earnings January 1	**96,862,760.76**	75,857,749.57	**30,726,004.92**	32,925,868.64
Dividend distribution	**-3,000,000.00**	-1,979,045.55	**-3,000,000.00**	-1,979,045.55
Translation differences of foreign subsidiaries	**-1,309,137.86**	-2,776,055.22	**0.00**	0.00
Retained earnings December 31	**92,553,622.90**	71,102,648.80	**27,726,004.92**	30,946,823.09
Profit for the period	**38,241,203.64**	25,760,111.96	**28,214,988.59**	-220,818.17
Distributable earnings December 31	**149,816,151.92**	115,789,086.14	**74,867,318.89**	49,652,330.30

Provisions

€	Consolidated 2014	2013
Certain early retirement pensions for which company is liable	**35,893,700.17**	1,467,652.00
Other provisions	**13,827.00**	0.00
Expected environmental obligations	**6,440,392.44**	3,717,979.62
Total provisions	**42,347,919.61**	5,185,631.62

Environmental obligations: The total liability cannot be reliably determined. A provision has been recognised for known liabilities, for which the company is likely to be responsible for in the near future. These liabilities relate mainly to the environmental obligations concerning soil decontamination. Change in the provision has been recognised in other operating expenses against actual costs.

Deferred tax assets and liabilities

€	Consolidated 2014	2013
Deferred tax assets		
From provisions	**807,080.40**	892,852.40
	807,080.40	892,852.40
Deferred tax liabilities		
From appropriations	**6,923,101.34**	3,205,035.87
From revaluations and goodwill allocations	**4,711,943.60**	4,711,943.60
From consolidation	**9,533,394.24**	2,547,548.65
	21,168,439.18	10,464,528.12

Liabilities to group companies

€	Consolidated 2014	Consolidated 2013	Parent company 2014	Parent company 2013
Non-current loans	**0.00**	0.00	**32,344,585.38**	61,929,180.40
Current loans	**47,655,508.68**	28,457,573.00	**468,810.97**	43,665.01
	47,655,508.68	28,457,573.00	**32,813,396.35**	61,972,845.41

Adjusting entries for assets/Receivables carried forward

€	Consolidated 2014	Consolidated 2013	Parent company 2014	Parent company 2013
Cost allocations	**7,232,077.38**	16,674,318.86	**325,502.89**	0.00
Financing cost allocations	**1,366,923.90**	0.00	**1,366,923.90**	0.00
Tax receivables	**3,424,530.69**	2,237,543.21	**59,990.67**	0.00
Other adjusting entries	**15,567,588.70**	14,192,602.98	**0.00**	0.00
	27,591,120.67	33,104,465.05	**1,752,417.46**	0.00

Accrued expenses

€	Consolidated 2014	Consolidated 2013	Parent company 2014	Parent company 2013
Personnel cost accruals	**7,879,490.20**	2,569,603.06	**382,865.31**	0.00
Interest accruals	**2,413,292.18**	52,391.51	**2,371,875.00**	0.00
Cost provisions	**3,858,376.31**	5,926,637.09	**0.00**	0.00
Tax accruals	**1,306,784.50**	0.00	**0.00**	0.00
Other accrued expenses	**3,999,964.70**	3,738,907.47	**0.00**	3,800.00
	19,457,907.89	12,287,539.13	**2,754,740.31**	3,800.00

Commitments and contingencies

€	Consolidated 2014	Consolidated 2013	Parent company 2014	Parent company 2013
Liabilities for which business mortgage, real estate mortgage or shares have been given as collateral				
Loans from financial institutions	**2,505,904.94**	61,923,064.14	**0.00**	0.00
Guarantees on behalf of others	**0.00**	9,523,090.49	**0.00**	0.00
Total	**2,505,904.94**	71,446,154.63	**0.00**	0.00
Mortgages given as collateral				
Business mortgages	**6,000,000.00**	277,545,503.44	**0.00**	35,200,000.00
Bearer bonds and mortgage bonds	**0.00**	332,849,777.00	**0.00**	0.00
Mortgage on lease agreement on a place of business	**3,700,000.00**	13,200,000.00	**0.00**	0.00
Shares	**0.00**	83,419,380.42	**0.00**	1,486,011.36
Other guarantees	**4,200,000.00**	0.00	**0.00**	0.00
Total	**13,900,000.00**	707,014,660.86	**0.00**	36,686,011.36
Guarantees given				
Other guarantees	**0.00**	61,707,506.35	**9,000,000.00**	35,388,409.93
	0.00	61,707,506.35	**9,000,000.00**	35,388,409.93

€	Consolidated 2014	Consolidated 2013	Parent company 2014	Parent company 2013
Mortgages and guarantees on own operations				
Business mortgages	**6,000,000.00**	277,545,503.44	**0.00**	0.00
Bearer bonds and mortgage bonds	**0.00**	332,849,777.00	**0.00**	0.00
Mortgage on lease agreement on a place of business	**3,700,000.00**	13,200,000.00	**0.00**	0.00
Shares	**0.00**	83,419,380.42	**0.00**	0.00
Other guarantees	**4,200,000.00**	52,184,415.86	**0.00**	0.00
Total	**13,900,000.00**	759,199,076.72	**0.00**	0.00
Guarantees on behalf of others	**0.00**	9,523,090.49	**9,000,000.00**	169,000.00
Guarantees on behalf of group companies				
Business mortgages	**0.00**	0.00	**0.00**	35,200,000.00
Other guarantees	**0.00**	0.00	**0.00**	35,388,409.93
Shares	**0.00**	0.00	**0.00**	1,486,011.36
	0.00	0.00	**0.00**	72,074,421.29

In addition, a guarantee was given for the associated company North European Oil Trade Oy's accounts payable amounting to EUR 30,856,284.84, derivatives liabilities EUR 5,573,877.25 and L/C liabilities EUR 6,912,049.30 on 31 December 2014. St1 Nordic Oy has also pledged for Tuuliwatti Oy's loans receivables from any balance responsible party acting on the electricity market (FI: tasevastaava). According to an investor undertaking issued by the St1 Nordic Oy and S-Voima Oy, Tuuliwatti and/or the agent of the finance parties may require the shareholders to make an equity investment into Tuuliwatti to enable it to ensure that any leasehold registered to Tuuliwatti remains in force if any mortgages registered to the relevant real estate are enforced.

	Consolidated	
€	**2014**	2013
Future leasing payments:		
No later than one year	**2,104,404.28**	2,473,222.45
Later	**2,495,743.28**	3,795,656.31
Total	**4,600,147.56**	6,268,878.76
Residual value liability	**927,020.65**	1,205,806.05

In addition, guarantees have been given for environmental obligations related to the lease agreements of the subsidiaries.

Signatures to the financial statements and the Board of Directors' report

Helsinki, 23 March 2015

Mika Anttonen

Mika Jokinen

Juha Kokko

Mikko Koskimies

Kim Wiio
CEO

Auditor's Note

Our auditor's report has been issued today.

Helsinki, 24 March 2015

PricewaterhouseCoopers Oy, Authorised Public Accountants

Johan Weckman
Authorised Public Accountant

Auditor's Report

To the Annual General Meeting of St1 Nordic Oy

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of St1 Nordic Oy for the financial period 1 January - 31 December 2014. The financial statements comprise the consolidated balance sheet, income statement and cash flow statement and notes to the consolidated financial statements, as well as the parent company's balance sheet, income statement, cash flow statement and notes to the financial statements.

Responsibility of the Board of Directors and the Managing Director

The Board of Directors and the Managing Director are responsible for the preparation of financial statements and report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The Board of Directors is responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial statements, on the consolidated financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practice in Finland. Good auditing practice requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Board of Directors of the parent company or the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or whether they have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of both the consolidated and the parent company's financial performance and financial position in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki 24 March 2015

PricewaterhouseCoopers Oy
Authorised Public Accountants

Johan Weckman
Authorised Public Accountant

Board of Directors

ST1 NORDIC





Mika Anttonen

b. 1966

M.Sc. (Eng.)

Chairman of the Board of Directors

St1 Nordic Oy, St1 Group Oy

Kim Wiio

b. 1971

II.M.

CEO

St1 Nordic Oy, St1 Group Oy

Mikko Koskimies

b. 1967

M. Sc. (Econ.)

Managing Director

eQ Varainhoito Oy

Juha Kokko

b. 1968

II.M.

COO

Suomen Öljykierrätys Oy

Mika Jokinen

b. 1964

M.Sc. (Eng.)

Production Manager

St1 Biofuels Oy

Management

ST1 NORDIC

Kim Wiio

b. 1971

ll.M.

CEO

St1 Nordic Oy

Mika Wiljanen

b. 1965

Business College Graduate

Managing Director

St1 Oy, St1 Energy Oy

Jonas Sidenå

b. 1953

Business College Graduate

Managing Director

St1 Sverige AB, St1 Norge AS

Mika Aho

b. 1967

M.Sc. (Econ.)

Managing Director

St1 Biofuels Oy

Jari Kanervo

b. 1971

Construction Engineer

Managing Director

Etelä-Suomen lämpöpalvelu Oy

Contact Information

St1 Nordic Oy

Visiting address:
Purotie 1, FI-00380 Helsinki, Finland
Postal address:
P.O. Box 100, FI-00381 Helsinki, FInland

Tel. +358 10 557 11
Fax +358 9 803 0004
www.st1.eu
firstname.surname@st1.fi