2015

ST1 GROUP

ANNUAL REPORT 2015 • ST1 GROUP OY

Contents

NET SALES 2015, M€

2,245.2

PROFIT FOR THE PERIOD 2015, M€

72.5

RETURN ON EQUITY 2015, %

56.2

St1 Group

- St1 Group focuses on developing and refining liquid fuels.
- Located in Gothenburg in Sweden, our modern, energy-efficient oil refinery employs some 200 oil industry experts.
- The refinery's products include petrol, the sulphur-free MK-1 diesel, other middle distillates as well as liquid gas – most of which are sold through St1's own network in Sweden and Finland.
- The first Etanolix® plant, which uses technology developed by St1, has been integrated with the plant. It produces advanced bioethanol for transport from local bakery waste and process residues.
- We systematically develop our operations to ensure low-emission production.
- The sister group St1 Nordic focuses on fuels marketing activities in Finland, Sweden and Norway and on renewable energy solutions such as waste-based ethanol fuels and industrial wind power.

Due to overcapacity, traditional oil refineries are experiencing difficulties in Europe. Despite this, St1 has found just the right product range for its own refinery. Together with successful actions taken to protect refinery margins, as well as efficiency investments and an entrepreneurial mindset among employees, this has resulted in the best ever annual profit under St1's ownership.

Mika Anttonen
Member of the Board of Directors

Excellent financial result despite the service shutdown at the refinery

Our refinery in Gothenburg continued its operations at an excellent utilisation rate in 2015, except for the service shutdown during the spring, reaching an exceptionally good financial result. We constructed a new distillation unit and launched new marine fuels. Production at the Etanolix® plant built at the refinery begun in the summer.

In 2015, the St1 refinery refined 25 million barrels of crude oil. The utilisation rate remained well above 90% for every month except March and April. Planned shutdown and maintenance takes place every four years at the entire refinery, and was carried out in March 2015. The operations also continued at an excellent level in terms of safety and emissions to the environment.

As a result of the continuing downward trend in the world market price of crude oil, the refinery could buy raw material at a lower price and also secured savings in the refinery's own energy costs.

More production capacity and new products

We constructed a new distillation unit which is largely based on technology developed by St1. Production at the unit started in October 2015, expanding our petrol production capacity.

We also introduced two low-sulphur marine fuels to the market, which meet the requirements of the legislation on Sulphur Emission Control Areas (SECAs) entered into force on 1 January 2015.

Production begins at the ethanol plant built at the refinery

The Etanolix® plant delivered by St1 Biofuels for the production of waste-based advanced ethanol was officially opened in Gothenburg in the summer of 2015. The plant produces advanced bioethanol from, for example, local bakery waste and process residues.Thanks to its raw materials and production technology, the ethanol is almost carbon-neutral.The plant is fully integrated into the functions and logistics of the refinery, which will yield significant synergy benefits in areas such as use of residual heat and cooling and product distribution. The refinery personnel is responsible for the operation of the plant.

The ethanol plant was ordered by North European Bio Tech Oy (NEB), an associated company of SOK Corporation and St1 whose purpose is to build biofuel production units.The production capacity of the plant, 5 million litres of bioethanol per year, is leased to North European Oil Trade Oy (NEOT), a sister company of NEB which engages in oil and bioproduct wholesale trade. It delivers fuels to major Nordic service station chains – ABC, St1 and Shell – which have nearly 1,900 service stations in total in Finland, Sweden and Norway.

Environment a key consideration

Our refinery in Gothenburg is the first in Europe to acquire ISO14001 environmental management certification, and was registered according to the EMAS (Eco Management and Audit Scheme) almost 20 years ago. Refinery's EMAS environmental statement is published yearly.

We set annual environmental objectives and targets and closely monitor our progress in achieving them. In 2015, our target achievement was 100%.

The Etanolix® plant project is included in the Life+ programme of the European Commission, which provides funding for projects on energy, the climate, environmental management, industry and production, waste management and environmental policy. Our plant in Gothenburg is the first plant where an ethanol production plant is built at an existing oil refinery to produce waste-based and residue-based ethanol on a sustainable basis.

Having completed the plant and as production began, at the end of the year, we were able to start the fine-tuning of our Etanolix® technology to produce ethanol in a sustainable and energy-efficient way integrated to the production process at the refinery. At the same time, we started the monitoring and evaluation of different parts of the production process for the Life+ programme, such as process cost-efficiency, product quality and production volumes as well as sustainable development and environmental benefits, reduced CO_2 emissions in particular. The testing and assessment processes continue, and in the next phase, we will assess the socio-economic impacts of the project. ■

"We set annual environmental objectives and targets and closely monitor our progress in achieving them. In 2015, our target achievement was 100%.

Financial statements 2015

Report of the Board of Directors 1 January 2015–31 December 2015

1. Business operations and financial performance of St1 Nordic Oy

St1 Group Oy (together with its subsidiaries, "St1 Group") is the parent company to a group that manufactures, develops, refines and distributes liquid fuels in Sweden. The group's oil refinery is located in Gothenburg, Sweden. The oil refinary has an annual refining capacity of approximately 30 million barrels of crude oil. The majority of the refinery's production is sold in Sweden through the retail network and other channels of St1 Sverige AB which is part of the sister group, St1 Nordic. The rest of the production is exported, for the most significant part to associated company North European Oil Trade Oy's operations.

In 2015, the group's net sales were EUR 2.245,2 million, of which a decrease of EUR 2.161,8 million compared to the previous year. The group's operating profit increased to EUR 93,1 million from operating profit of EUR 85,1 million in the previous year. The decline in oil prices which continued in 2015 did not have a significant impact on the group's result due to price hedges.

Key financial indicators of St1 Group Oy's financial position and results of operations:

	2015	2014
Net sales, MEUR	**0.0**	0.0
Operating profit/loss, MEUR	**-0.1**	-0.2
Operating profit, % of net sales	**-**	-
Profit for the period, MEUR	**23.2**	-0.8
Return on equity %	**63.8**	
Equity ratio	**42.6**	99.7

Key financial indicators of the St1 Group's financial position and results of operations:

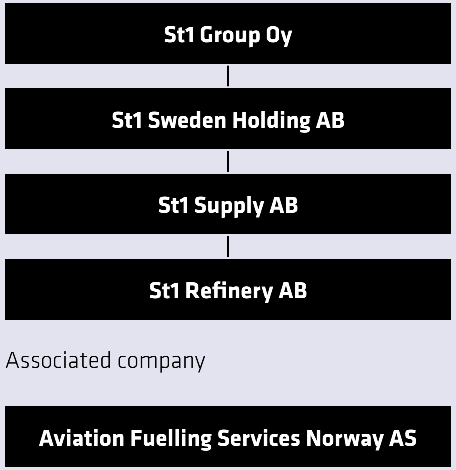
	2015	2014
Net sales, MEUR	**2,245.2**	4,406.8
Operating profit/loss, MEUR	**93.1**	85.1
Operating profit, % of net sales	**4.1**	1.9
Profit for the period, MEUR	**72.5**	64.1
Return on equity %	**56.2**	71.1
Equity ratio	**27.8**	19.7

2. 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.

St1 Group Oy acquired 50 % of Aviation Fuelling Services Norway AS from Shell Exploration and Production Holdings B.V. on October 1st, 2015. The seller continues as the other owner. Aviation Fuelling Services Norway AS is engaged in aircraft refuelling business in Norway.

St1 Group Oy is the parent company of a group consisting of the subsidiaries St1 Sweden Holding AB, St1 Supply AB, St1 Refinery AB as well as associated company Aviation Fuelling Services Norway AS.



3. Company shares

	31 Dec 2015	31 Dec 2014	31 Dec 2013
Share capital	**50,000.00**	50,000.00	50,000.00
Number of shares	**100,000**	100,000	100,000

4. Investments

St1 Refinery performed a turnaround at the oil refinery in March 2015. The maintenance break is made every four years and its cost was EUR 16 million. During the turnaround part of the capacity was not in use. The refinery also invested EUR 11 million in a new distillation unit which increases gasoline production capacity and improves profitability potential.

In addition, St1 Group Oy acquired 50 % of Aviation Fuelling Services Norway AS shares as mentioned above.

5. Assessment of the most significant risks and uncertainties

5.1 Risk management policy and arranging risk management

In St1 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. 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 refining margins on petroleum products may turn out to be insufficient to cover the costs related to refining
- The group 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 group's products.

The price risks related to petroleum products and refining margins are managed comprehensively with derivatives.

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 standardising the work station models, software and information security practices used in the group.

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 oil refining, sales and procurement as well as to the requisite support functions, such as information management, finance, human resources, real estate services, logistics and communications. Unexpected and significant weakening of the group's core competencies would present a risk. The group 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 comes from the export and wholesale trade of oil products. Historically, the demand for these products has not been subject to sudden, drastic changes. Taking the group's line of business and products into account, factors that might affect the group'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 which may influence demand across the whole sector.

5.3. Risks of loss or damage

The group 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 group strives to cover with insurance all risks for which an insurance is 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 group's operations.

5.4. Financial risks

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

To ensure liquidity, the group has a bank overdraft facility.

Interest rate risk: At the end of the financial year, the group utilized EUR 31.9 million of the interest rate-sensitive overdraft facility. In the previous year no interest bearing loans were outstanding. Derivative agreements can be used to help in the management of interest rate risks. At the end of the financial year there were no outstanding interest rate derivative agreements.

Currency risk: The majority of the group's cash flows are denominated in SEK and USD. The group's exposure to currency risk (financial risk and transaction risk) is mostly limited to the inventory, denominated in USD, and currency receivables from and liabilities to the group's Swedish subsidiaries, along with the equity items of the Swedish subsidiaries denominated in SEK. 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 group's operations. St1 Group 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 group. The financial statements include a provision for environmental liabilities, reviewed for each financial period.

6. An estimate of probable future development

In the view of the group management, the business environment will remain volatile for the next financial period. The group aims to further improve its competitiveness by rationalising business processes, making carefully selected investments and through margin hedging when feasible.

7. Significant events after the end of the financial period

There has been no significant events after the end of the financial period.

8. Personnel

Key figures describing the group's personnel

	2015	2014	2013
Average number of personnel during the financial period	**201**	297	312
Wages and salaries during the financial period, MEUR	**12.0**	18.0	-

9. Organisation

The company's Board of Directors consisted of Mr Mika Anttonen and deputy board member Mr Kim Wiio. Mr Kim Wiio was the company's Chief Executive Officer. The company's auditor was PricewaterhouseCoopers Oy.

10. Profit distribution proposal

The Board of Directors proposes that the company will distribute a dividend of EUR 3,000,000.00 for the financial year ended.

Consolidated income statement

€	Notes	31.12.2015	31.12.2014
NET SALES	1.	**2,245,234,181.98**	4,406,771,226.06
Other operating income	2.	**8,728,446.03**	23,819,434.37
Materials and services			
Materials, supplies and products			
Purchases during the period		**-2,088,076,377.89**	-1,481,362,642.43
Change in inventories		**-20,580,622.20**	-2,770,443,365.04
		-2,108,657,000.09	-4,251,806,007.47
Personnel expenses			
Wages and salaries		**-12,248,563.37**	-18,045,835.71
Social security costs			
Pension costs		**-244,451.81**	-13,674.80
Other social security costs		**-5,411,477.54**	-7,929,038.98
		-17,904,492.72	-25,988,549.49
Depreciation and amortisation			
Depreciation and amortisation according to plan	4.	**-13,049,313.82**	-19,040,325.43
		-13,049,313.82	-19,040,325.43
Other operating expenses	5.	**-21,257,537.98**	-48,671,797.76

€	Notes	31.12.2015	31.12.2014
OPERATING PROFIT		**93,094,283.40**	85,083,980.28
Finance income and costs	6.		
Income from shares in associated companies		**990,134.22**	0.00
Other interest and finance income			
From others		**19,513.79**	1,401,240.87
Other interest and finance income			
Interest expenses and other finance costs		**-4,343,541.22**	-11,547,095.29
		-3,333,893.21	-10,145,854.42
PROFIT BEFORE EXTRAORDINARY ITEMS		**89,760,390.19**	74,938,125.86
PROFIT BEFORE APPROPRIATIONS AND INCOME TAX		**89,760,390.19**	74,938,125.86
Current income tax		**-1,725,591.82**	-1,445,622.45
Deferred tax		**-15,489,072.97**	-9,375,049.50
		-17,214,664.79	-10,820,671.95
PROFIT FOR THE PERIOD BEFORE MINORITY INTEREST		**72,545,725.40**	64,117,453.91
PROFIT FOR THE PERIOD		**72,545,725.40**	64,117,453.91

Consolidated balance sheet

€	Notes	31.12.2015	31.12.2014
Assets			
NON-CURRENT ASSETS			
Intangible assets			
Intangible rights	8.	**7,239,354.88**	5,461,214.27
		7,239,354.88	5,461,214.27
Tangible assets			
Land and water areas	9.	**73,629,677.98**	73,605,915.13
Buildings and structures	9.	**13,236,874.92**	13,092,918.61
Machinery and equipment	9.	**101,539,304.51**	74,654,064.20
		188,405,857.41	161,352,897.94
Investments			
Investments in associated companies	10.	**22,110,245.64**	319,386.78
Other investments	10.	**0.00**	3,939.10
		22,110,245.64	323,325.88

€	Notes	31.12.2015	31.12.2014
CURRENT ASSETS			
Inventories			
Materials and supplies		**208,369,321.53**	228,949,943.73
Receivables			
Current receivables			
Trade receivables		**49,461,378.36**	79,530,341.52
Receivables from Group companies	11.	**36,194,555.03**	47,275,782.75
Other receivables		**94,743,441.33**	51,974,740.93
Prepayments and accrued income	12.	**17,065,244.24**	16,218,387.45
		197,464,618.96	194,999,252.65
Cash and cash equivalents		**9,062,553.90**	18,612,674.38
		632,651,952.32	609,699,308.84

€	Notes	**31.12.2015**	31.12.2014
Equity and liabilities			
EQUITY			
Share capital	13.	**50,000.00**	50,000.00
		50,000.00	50,000.00
Reserve for invested unrestricted equity	13.	**0.00**	39,622,068.33
Retained earnings (loss)	13.	**65,483,868.13**	16,501,441.50
Profit (loss) for the period		**72,545,725.40**	64,117,453.91
		138,029,593.53	120,240,963.73
Total equity		**138,079,593.53**	120,290,963.73
PROVISIONS			
Provisions of pensions	14.	**7,188,643.89**	7,392,407.54
Other provisions	14.	**2,750,012.29**	16,150,033.32
		9,938,656.18	23,542,440.86

€	Notes	**31.12.2015**	31.12.2014
LIABILITIES			
Non-current			
Deferred tax liabilities	15.	**13,838,208.18**	13,838,208.18
		13,838,208.18	13,838,208.18
Current			
Loans from financial institutions		**31,929,560.86**	0.00
Trade payables		**123,920,104.78**	170,329,286.25
Liabilities to group companies	16.	**2,360,461.30**	1,643,130.74
Deferred tax liabilities	15.	**20,456,923.94**	13,879,041.83
Other liabilities		**175,173,583.69**	170,051,933.72
Accruals and deferred income	17.	**116,954,859.88**	96,124,303.51
		470,795,494.44	452,027,696.06
		632,651,952.33	609,699,308.84

Consolidated cash flow statement

€	**31.12.2015**	31.12.2014
Cash flow from operating activities:		
Profit (loss) before extraordinary items	**89,760,390.19**	74,938,125.86
Adjustments:		
Depreciation and amortisation according to plan	**13,049,313.82**	19,040,325.43
Unrealized gains and losses from exchange rate changes	**-2,524,935.20**	5,817,915.37
Other income and expenses with non-cash transactions	**-1,416,619.24**	-58,494,538.45
Other finance income and costs	**3,333,893.21**	10,145,854.42
Other adjustments	**-22,633,483.39**	142,830.98
Cash flow before change in working capital	**79,568,559.39**	51,590,513.61
Change in working capital		
Increase (-)/ decrease (+) in current non-interest bearing receivables	**-1,503,156.69**	-14,966,220.13
Increase (-)/ decrease (+) in inventories	**20,580,622.20**	103,660,764.89
Increase (+)/ decrease (-) in current non-interest bearing payables	**-27,403,454.42**	7,730,115.40
Cash flow from operating activities before financial items and taxes	**71,242,570.48**	148,015,173.77
Interest paid and charges on other finance costs	**-1,818,606.02**	-8,541,094.99
Interest received	**19,513.79**	1,034,864.81
Taxes paid (received)	**-924,180.92**	-2,984,260.21
Cash flow before extraordinary items	**68,519,297.34**	137,524,683.39
Net cash generated from operating activities (A)	**68,519,297.34**	137,524,683.39

€	**31.12.2015**	31.12.2014
Cash flow from investing activities		
Purchases of tangible and intangible assets	**-39,299,419.76**	-13,214,436.28
Investment in subsidiary	**-19,959,629.51**	-19,767,729.18
Proceeds from sale of tangible and intangible assets	**0.00**	373,019.80
Repayment of loan receivables	**0.00**	71,321,296.00
Proceeds from sale of subsidiary shares, net	**0.00**	45,418,005.66
Other investments	**-20,963,866.22**	0.00
Net cash used in investing activities (B)	**-80,222,915.49**	84,130,156.00
Cash flow from financing activities:		
Proceeds from current interest-bearing liabilities	**58,153,497.67**	0.00
Repayment of non-current interest-bearing liabilities	**0.00**	-265,279,146.74
Dividends paid and other profit distribution	**-56,000,000.00**	-3,000,000.00
Net cash used in financing activities (C)	**2,153,497.67**	-268,279,146.74
Net increase (+) / decrease (-) in cash and cash equivalents (A+B+C)	**-9,550,120.48**	-46,624,307.35
Cash and cash equivalents at beginning of period	**18,612,674.38**	65,236,981.73
Cash and cash equivalents at end of period	**9,062,553.90**	18,612,674.38

Parent company income statement

€	Notes	31.12.2015	31.12.2014
NET SALES	1.	**0.00**	0.00
Other operating income	2.	**0.00**	0.00
Other operating expenses	5.	**-109,978.10**	-199,040.93
OPERATING PROFIT		**-109,978.10**	-199,040.93
Finance income and costs	6.		
Income from shares in group companies		**21,445,421.40**	0.00
Other interest and finance income			
From group companies		**2,162,243.59**	2,375,685.22
From others		**146,510.91**	1,019.71
Interest expenses and other finance costs			
To group companies		**0.00**	-2,817.67
To others		**-274,466.82**	-3,006,040.91
		23,479,709.08	-632,153.65

€	Notes	31.12.2015	31.12.2014
PROFIT BEFORE EXTRAORDINARY ITEMS		**23,369,730.98**	-831,194.58
PROFIT BEFORE APPROPRIATIONS AND INCOME TAX		**23,369,730.98**	-831,194.58
Income tax		**-218,083.62**	40,158.19
PROFIT FOR THE PERIOD		**23,151,647.36**	-791,036.39

Parent company balance sheet

€	Notes	31.12.2015	31.12.2014
Assets			
NON-CURRENT ASSETS			
Investments			
Shares in Group companies		**5,447.49**	5,447.49
Investments in associated companies		**20,963,866.22**	0.00
		20,969,313.71	5,447.49
CURRENT ASSETS			
Receivables			
Current receivables			
Receivables from Group companies	11.	**19,928,758.03**	51,390,643.15
Other receivables		**4,747,864.42**	1,031,051.20
		24,676,622.45	52,421,694.35
Cash and cash equivalents		**893,922.57**	444,948.16
		46,539,858.73	52,872,090.00

€	Notes	31.12.2015	31.12.2014
Equity and Liabilities			
EQUITY			
Share capital	13.	**50,000.00**	50,000.00
Reserve for invested unrestricted equity	13.	**0.00**	39,622,068.33
Retained earnings	13.	**-3,380,622.87**	13,833,105.20
Profit for the period		**23,151,647.36**	-791,036.39
		19,771,024.49	52,664,137.14
TOTAL EQUITY		**19,821,024.49**	52,714,137.14
LIABILITIES			
Current			
Other liabilities		**26,223,936.81**	0.00
Trade payables		**2,464.77**	3,163.66
Liabilities to Group companies	16.	**0.00**	154,789.20
Other liabilities		**274,398.61**	0.00
Accrued expenses	17.	**218,034.05**	0.00
		26,718,834.24	157,952.86
TOTAL LIABILITIES		**26,718,834.24**	157,952.86
		46,539,858.73	52,872,090.00

Parent company cash flow statement

€	31.12.2015	31.12.2014
Cash flow from operating activities:		
Profit (loss) before extraordinary items	**23,369,730.98**	-831,194.58
Adjustments:		
Unrealized gains and losses from exchange rate changes	**146,146.95**	3,006,000.30
Finance income and costs	**-23,205,242.26**	-2,373,846.65
Cash flow before change in working capital	**310,635.67**	-199,040.98
Change in working capital:		
Increase (-)/ decrease (+) in current non-interest bearing receivables	**-3,716,813.22**	3,839,587.12
Increase (+)/ decrease (-) in current non-interest bearing payables	**118,910.52**	-581,126.11
Cash flow from (used in) operating activities before finance items and taxes	**-3,287,267.03**	3,059,420.03
Interest paid and other financial expenses	**-274,466.82**	-40.61
Dividends received from operating activities	**21,445,421.40**	0.00
Interest received from operating activities	**568,077.58**	1,019.71
Taxes received (paid)	**-44,809.58**	40,158.19
Cash flow before extraordinary items	**18,406,955.55**	3,100,557.32
Cash flow from extraordinary items, net		
Net cash generated from operating activities (A)	**18,406,955.55**	3,100,557.32

€	31.12.2015	31.12.2014
Cash flow from investing activities:		
Other investments	**-20,963,866.22**	0.00
Repayment of loan receivables	**32,781,948.27**	0.00
Net cash used in investing activities (B)	**11,818,082.05**	0.00
Cash flow from financing activities:		
Increase in short-term loans	**26,223,936.81**	0.00
Dividends paid and other profit distribution	**-56,000,000.00**	-3,000,000.00
Net cash used in financing activities (C)	**-29,776,063.19**	-3,000,000.00
Net increase (+) / decrease (-) in cash and cash equivalents (A+B+C)	**448,974.41**	100,557.32
Cash and cash equivalents at beginning of period	**444,948.16**	344,390.84
Cash and cash equivalents at end of period	**893,922.57**	444,948.16
	-448,974.41	-100,557.32

Notes to the financial statement 31 December 2015

ACCOUNTING PRINCIPLES FOR THE FINANCIAL STATEMENTS

Financial period

The company's financial period is from 1 January to 31 December. The company has been formed through a full demerger on 31 December 2013.

Consolidated financial statements

The new parent company of the group, St 1 Group Oy ("St1 Group Oy") (business ID 2567301-7) and a new group St1 Group "St1 Group", was incorporated through the full demerger of the old St1 Group Oy (business ID 2358367-5) on 31 December 2013. St1 Group consolidated financial statements have been prepared at historical cost based on the net assets transferred through demerger from the old St1 Group.

The subsidiaries St1 Supply AB, St1 Refinery AB and St1 Sweden Holding AB , are consolidated to the financial statements of St1 Group Oy. POL Transport AB, an associated company, has not been consolidated, as it does not have material impact on the results of the operations or the financial position of the group. The result of Aviation Fuelling Services Norway AS, an associated company acquired during the financial period, has been consolidated using the equity method. Copies of the consolidated financial statements are available at St1 Group Oy, Purotie 1, 00380 Helsinki, Finland.

St1 Group Oy's parent company is Keele Oy. The consolidated financial statements of Keele Oy include St1 Group. Copies of the consolidated financial statements are available at: Keele Oy, Purotie 1, 00380 Helsinki, Finland.

The group's inter-company transactions, receivables and payables have been eliminated. Ownership in group companies has been eliminated using the acquisition method. The application of the historical carrying amounts of the acquired net assets of the subsidiaries of the demerged (old) St1 Group Oy (business ID 2358367-5) has continued, thus no new acquisition occurred in the new St1 Group Oy group (business ID 2567301-7). The difference between the acquisition value and equity associated with the acquired share has been shown in fixed assets. Such items amounted to 72.532.850,61 euros in land areas on December 31, 2015.

The income statements of foreign group companies have been converted into euros at the average foreign exchange rate during the financial period as confirmed by the Bank of Finland. The balance sheet has been converted into the Finnish currency using the closing date exchange rate. Translation differences resulting from the currency exchange rate during the financial period. The balance sheets have 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'.

The translation differences in equity have been included in group´s retained earnings (loss).

Valuation of inventories

Liquid fuel inventories are valued at the last day's purchase price in the group companies. If inventory would 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.

Depreciation and amortisation periods in the group

intangible rights and other long-term capitalised expenditure	4–10 years
buildings and structures	20–50 years
machinery and equipment	3–20 years
other tangible assets	10–30 years
goodwill	5–20 years

Deferred tax liabilities in the group

A deferred tax liability has been recognised for the fair value allocations of goodwill on consolidation by applying the following years' tax rate as confirmed on the closing date. Additionally, a deferred tax liability has been recognised from consolidation and temporary tax differences.

Notes to the income statement

1. Net sales

	Consolidated		Parent company	
M€	**2015**	2014	**2015**	2014
Liquid fuels	2,245.2	4,406.8	**0.0**	0.0
	2,245.2	4,406.8	**0.0**	0.0
Foreign	2,245.2	4,406.8	**0.0**	0.0
	2,245.2	4,406.8	**0.0**	0.0

2. Other operating income

	Consolidated		Parent company	
M€	**2015**	2014	**2015**	2014
Other operating income	**8.7**	23.8	**0.0**	0.0
	8.7	23.8	**0.0**	0.0

3. Personnel expenses and average number of personnel

	Consolidated		Parent company	
	2015	2014	**2015**	2014
Personnel on average	**201**	**297**	0	0
	201	**297**	0	0

Wages and salaries paid to the members of the board and the managing director during the financial period (2015) amounted to EUR 264.115,22. Wages and salaries paid to the members of the board and the managing director during the financial period (2014) amounted to EUR 249.601,58.

4. Depreciation, amortisation and impairment charges

€	Consolidated 2015	Consolidated 2014	Parent company 2015	Parent company 2014
Depreciation and amortisation according to plan				
Tangible assets				
Buildings and structures	**1,156,623.44**	3,777,651.39	**0.00**	0.00
Machinery and equipment	**11,718,449.70**	15,262,674.04	**0.00**	0.00
	12,875,073.14	19,040,325.43	**0.00**	0.00
Depreciation and amortisation according to plan, total	**12,875,073.14**	19,040,325.43	**0.00**	0.00
Amortisation of goodwill on consolidation	**174,240.68**	0.00	**0.00**	0.00
Depreciation and amortisation according to plan total	**13,049,313.82**	19,040,325.43	**0.00**	0.00

5. Other operating expenses

€	Consolidated 2015	Consolidated 2014	Parent company 2015	Parent company 2014
Rents	**1,714,863.13**	6,107,691.22	**0.00**	0.00
Advertising and sales promotion	**4,130.00**	2,602,579.38	**0.00**	0.00
Operating and maintenance expenses	**10,980,559.47**	16,209,515.71	**0.00**	0.00
Other operating expenses	**8,557,985.38**	23,752,011.45	**109,978.10**	199,040.93
	21,257,537.98	48,671,797.76	**109,978.10**	199,040.93

6. Finance income and expenses

€	Consolidated 2015	Consolidated 2014	Parent company 2015	Parent company 2014
Income from investments in other fixed assets				
From group companies	**0.00**	0.00	**21,445,421.40**	0.00
From associated companies	**990,134.22**	0.00	**0.00**	0.00
	990,134.22	0.00	**21,445,421.40**	0.00
Other interest and finance income				
From group companies	**0.00**	202,046.21	**2,162,243.59**	2,375,685.22
From others	**19,513.79**	1,199,194.66	**363.96**	1,019.71
Exchange rate profits (net)	**0.00**	0.00	**146,146.95**	0.00
	19,513.79	1,401,240.87	**2,308,754.50**	2,376,704.93
Interest costs and other finance costs				
To group companies	**0.00**	6,223,412.71	**0.00**	2,817.67
To others	**1,818,606.02**	3,039,940.56	**274,466.82**	40.61
Exchange rate losses (net)	**2,524,935.20**	2,283,742.02	**0.00**	3,006,000.30
	4,343,541.22	11,547,095.29	**274,466.82**	3,008,858.58
Finance income and expenses, total	**-3,333,893.21**	-10,145,854.42	**23,479,709.08**	-632,153.65

Notes to the balance sheet

Intangible and tangible assets, the group

8. Intangible assets

€	Intangible rights	Total
Acquisition cost 1 January, 2015	5,461,214.27	5,461,214.27
Additions	4,052,350.58	4,052,350.58
Disposals	2,274,209.97	2,274,209.97
Acquisition cost 31 December, 2015	7,239,354.88	7,239,354.88
Accumulated amortisation	0.00	0.00
Amortisation during the financial period	0.00	0.00
Accumulated amortisation 31 December, 2015	0.00	0.00
Net book value 31 December, 2015	7,239,354.88	7,239,354.88

9. Tangible assets

€	Land	Buildings and structures	Machinery and equipment
Acquisition cost 1 January, 2015	73,605,915.13	17,761,510.72	110,399,565.39
Additions		1,013,198.74	64,265,510.77
Disposals			-27,757,430.36
Translation difference	23,762.85	287,381.01	2,095,609.60
Acquisition cost 31 December, 2015	73,629,677.98	19,062,090.47	149,003,255.40
Accumulated depreciation	0.00	-4,668,592.11	-35,745,501.19
Depreciation during the financial period	0.00	-1,156,623.44	-11,718,449.70
Accumulated depreciation 31 December, 2015	0.00	-5,825,215.55	-47,463,950.89
Net book value 31 December, 2015	73,629,677.98	13,236,874.92	101,539,304.51

€	Total
Acquisition cost 1 January, 2015	201,766,991.24
Additions	65,278,709.51
Disposals	-27,757,430.36
Translation difference	2,406,753.46
Acquisition cost 31 December, 2015	241,695,023.85
Accumulated depreciation	-40,414,093.30
Depreciation during the financial period	-12,875,073.14
Accumulated depreciation 31 December, 2015	-53,289,166.44
Net book value 31 December, 2015	188,405,857.41

10. Investments

	Group ownership	Parent ownership
Group companies		
St1 Sweden Holding AB	100%	100%
St1 Supply AB	100%	
St1 Refinery AB	100%	
Associated companies		
POL Transport AB - SOLNA	50%	50%
Company's latest published financial statements refers to period 1.1.2014–31.12.2014		
Equity EUR 752,489.25 and profit for the period EUR 0.00		
Aviation Fuelling Services Norway AS	50%	50%
Company's latest published financial statements refers to period 1.1.2015–31.12.2015		
Equity EUR 13,620,949.93 and profit for the period EUR 1,980,268.00		

Investments in the parent company

Shares

€	Group companies	Associated companies	Total
Acquisition cost 1 January, 2015	5,447.49	0.00	5,447.49
Additions	0.00	20,963,866.22	20,963,866.22
Disposals	0.00	0.00	0.00
Acquisition cost 31 December, 2015	5,447.49	20,963,866.22	20,969,313.71
Net book value 31 December, 2015	5,447.49	20,963,866.22	20,969,313.71

Investments in the group

Shares

€	Associated companies	Others
Acquisition cost 1 January, 2015	319,386.78	3,939.10
Additions	21,790,858.86	0.00
Disposals	0.00	-3,939.10
Acquisition cost 31 December, 2015	22,110,245.64	0.00
Net book value 31 December, 2015	22,110,245.64	0.00

11. Receivables from group companies

	Consolidated	
	2015	2014
Current		
Trade receivables	**0.00**	43,104,788.46
Accrued receivables	**0.00**	4,170,994.29
Loan receivables	**36,194,555.03**	0.00
	36,194,555.03	47,275,782.75

	Parent company	
	2015	2014
Current		
Trade receivables	**0.00**	0.00
Accrued receivables	**0.00**	0.00
Loan receivables	**19,928,758.03**	51,390,643.15
	19,928,758.03	51,390,643.15

12. Prepayments and accrued income

	Consolidated	
€	**2015**	2014
Delivered, uninvoiced sales	**12,464,970.82**	10,584,371.34
Other adjusting entries	**4,600,273.42**	5,634,016.11
	17,065,244.24	16,218,387.45

	Parent company	
€	**2015**	2014
Delivered, uninvoiced sales	**0.00**	0.00
Other adjusting entries	**4,747,864.42**	0.00
	4,747,864.42	0.00

13. Equity

	Consolidated		Parent company	
€	**2015**	2014	**2015**	2014
Share capital January 1	**50,000.00**	50,000.00	**50,000.00**	50,000.00
Share capital December 31	**50,000.00**	50,000.00	**50,000.00**	50,000.00
Reserve for invested unrestricted equity January 1	**39,622,068.33**	39,622,068.33	**39,622,068.33**	39,622,068.33
Dividend from reserve for invested unrestricted equity	**-39,622,068.33**	0.00	**-39,622,068.33**	0.00
Reserve for invested unrestricted equity December 31	**0.00**	39,622,068.33	**0.00**	39,622,068.33
Retained earnings January 1	**80,618,895.41**	20,309,310.99	**13,042,068.81**	16,833,105.20
Dividend distribution	**-16,377,931.67**	-3,000,000.00	**-16,377,931.67**	-3,000,000.00
Correction to retained earnings	**-29,971.20**	673,971.91	**-44,760.01**	0.00
Translation differences of foreign subsidiaries	**1,272,875.59**	-1,481,841.40	**0.00**	0.00
Retained earnings December 31	**65,483,868.13**	16,501,441.50	**-3,380,622.87**	13,833,105.20
Profit for the period	**72,545,725.39**	64,117,453.91	**23,151,647.36**	-791,036.39
Distributable earnings 31.12.	**138,029,593.52**	120,240,963.74	**19,771,024.49**	52,664,137.14

14. Provisions

	Consolidated	
€	**2015**	2014
Certain early retirement pensions for which company is liable	**7,188,643.89**	7,392,407.54
Other provisions	**2,750,012.29**	16,150,033.32
Total provisions	**9,938,656.18**	23,542,440.86

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.

15. Deferred tax liabilities

	Consolidated	
€	**2015**	2014
Deferred tax liabilities		
From appropriations	**20,456,923.94**	13,879,041.83
From consolidation	**13,838,208.18**	13,838,208.18
	34,295,132.12	27,717,250.01

16. Liabilities to group companies

	Consolidated		Parent company	
€	**2015**	2014	**2015**	2014
Current loans	**2,360,461.30**	1,643,130.74	**0.00**	154,789.20
	2,360,461.30	1,643,130.74	**0.00**	154,789.20

17. Accruals and deferred income

	Consolidated		Parent company	
€	**2015**	2014	**2015**	2014
Deferred income	**113,515,018.98**	91,825,934.21	**0.00**	0.00
Personnel cost accruals	**2,943,039.31**	2,568,060.00	**0.00**	0.00
Other accrued expenses	**496,801.59**	1,730,309.30	**218,034.05**	0.00
	116,954,859.88	96,124,303.51	**218,034.05**	0.00

Security of supply inventories

The company has entered into an exceptional arrangement in connection with the purchase of the Swedish refinery business with the Seller's group company Shell International Trading and Supply Company Limited. The raw material inventories acquired in connection with the refinery business acquisition present a considerable price risk, as the group is obligated to maintain security of supply inventory of various oil-related products for a potential national crisis in order to meet regulatory requirements. In 2010, in connection with the refinery business transaction, the company entered into long-term derivative contracts with the Seller, by which the market risk of oil related to the security of supply inventory can be eliminated. Originally these long-term derivative contracts would mature 30 March 2015, but the contracts were continued and the hedged security of supply inventories volume is adapted according to changes in security of supply inventories requirements. The company's accounting policy is to measure the long-term hedges using the hedged price. Due to the regulatory requirements the company is obliged to maintain security of supply inventories equivalent to the hedged amount for the present. In the company's view, this presentation in the financial statements gives the most accurate view of the actual purpose of hedging and the operational impacts, when the derivatives mature. On 31 December 2015, the fair value of the derivatives related to the hedging was EUR 61,1 million and the volume was 1,5 million barrels of crude oil and 50.000 tonnes of heavy fuel oil. At financial year end, the derivatives could have been settled for +30,9 million. In addition, and in accordance with its risk management policies, the company hedges the variations in inventory levels of operating activities with short-term commodity derivatives in different oil products. The changes in the value of the short-term commodity derivatives are reconciled daily against the counterparty, and they are recognised as income or expense in the income statement.

Refinery margin hedges

Part of the future refining margins consisting of the price difference between refined end products and crude oil price have been hedged for 2016, 2017 and 2018. The hedges are swap contracts and the outstanding volume is 3,0 million tons and they consist of several end products. There are contracts with several counterparties. The fair value of the contracts at the end of the financial period was 121,2 MEUR. Unrealized positive fair value changes of the portfolio are not booked to the income statement.

Guarantees given, contingent liabilities and other obligations

	Consolidated		Parent company	
€	**2015**	2014	**2015**	2014
Liabilities for which business mortgage, real estate mortgage or shares have been given as collateral				
Loans from financial institutions	**31,929,560.86**	0.00		0.00
Other liabilities	**26,223,936.81**	19,959,123.31	**26,223,936.81**	0.00
Total	**58,153,497.67**	19,959,123.31	**26,223,936.81**	0.00
Mortgages, security and guarantees given as collateral				
Business mortgages	**614,869,670.59**	572,143,630.35	**200,000,000.00**	200,000,000.00
Real estate mortgages	**60,723,543.17**	60,898,435.00	**0.00**	0.00
Shares	**78,747,324.87**	59,208,694.77	**20,969,313.71**	43,500.00
Total	**754,340,538.63**	692,250,760.12	**220,969,313.71**	200,043,500.00

Loan to financial institution was guaranteed by inventories. In addition, trade payables and bank accounts in the group have been pledged as collateral for the obligations of the group companies.

	Consolidated	
€	**2015**	2014
Future leasing payments:		
No later than one year	**22,144.27**	30,854.75
Later	**20,320.78**	42,286.47
Total	**42,465.05**	73,141.21

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

In Helsinki, 15 April 2016

Mika Anttonen
Board member

Kim Wiio
CEO

Auditor's Note
Our auditor's report has been issued today.

In Helsinki, 15 April 2016

PricewaterhouseCoopers Oy
Tilintarkastusyhteisö

Johan Weckman
Authorised Public Accountant

Auditor's Report

To the Annual General Meeting of St1 Group Oy

We have audited the accounting records, the financial statements, the report of the Board of Directors and the administration of St1 Group Oy for the financial period 1 January–31 December 2015. 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 15 April 2016

PricewaterhouseCoopers Oy
Authorised Public Accountants

Johan Weckman
Authorised Public Accountant

Board of Directors

ST1 GROUP

Mika Anttonen

Member of the Board of Directors

St1 Group Oy

Chairman of the Board of Directors

St1 Nordic Oy

Kim Wiio

Deputy Member of
the Board of Directors

CEO

St1 Nordic Oy, St1 Group Oy

Management

ST1 GROUP

Bo-Erik Svensson

Managing Director

St1 Refinery AB, St1 Supply AB

Kim Wiio

CEO

St1 Nordic Oy, St1 Group Oy

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