ST1 GROUP OY

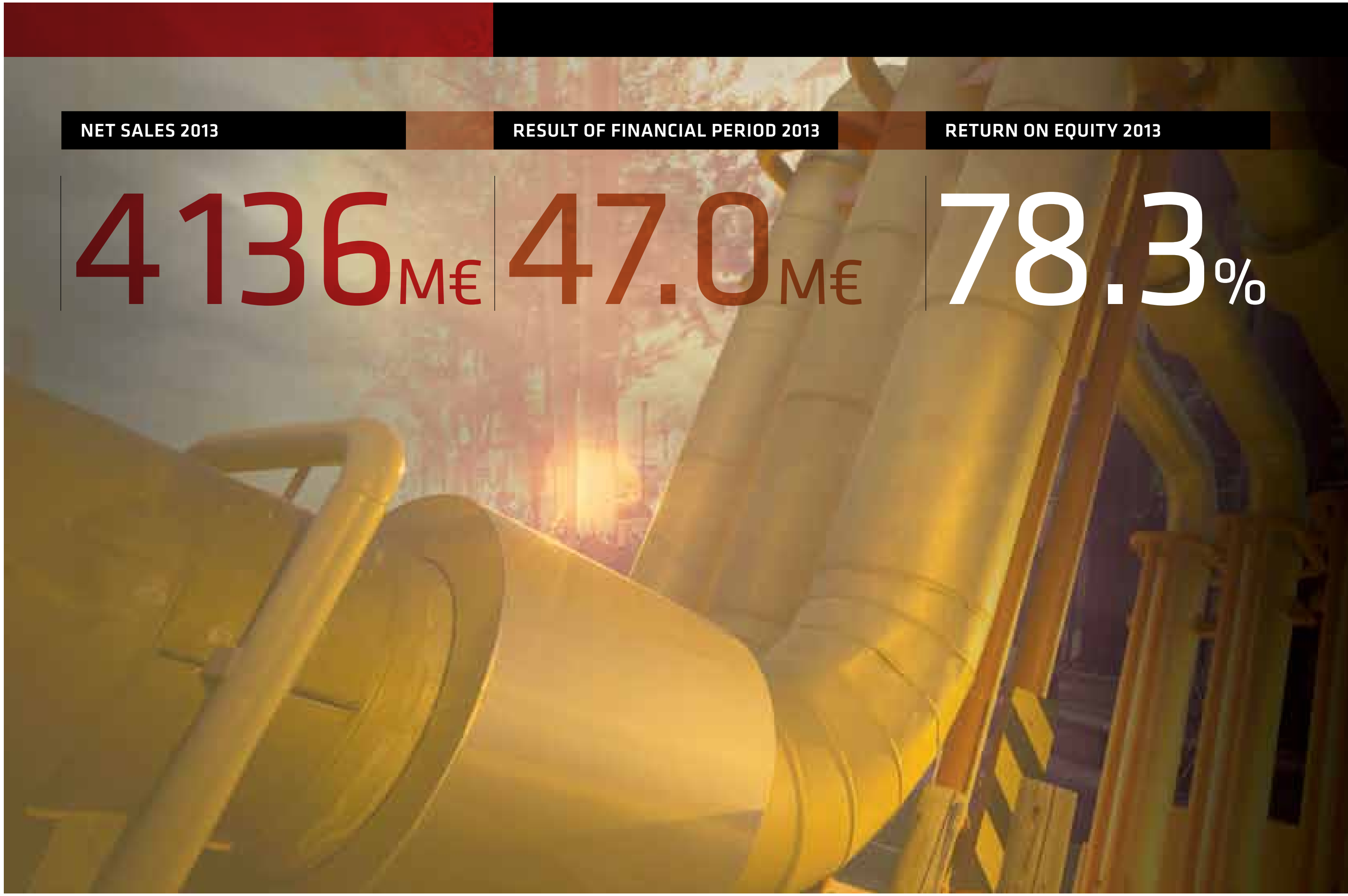
ANNUAL REPORT 2013

Contents

St1 Group in Brief

St1 Group develops, refines, manufactures and sells liquid fuels in Sweden.

- New St1 Group and the parent company St1 Group Oy emerged in the reorganisation of the St1 company structure that took place in the end of 2013.
- In the year 2013 the St1 oil refinery, which is located in Sweden, refined 30 million barrels of crude oil. Most of the refinery's production output was sold in Sweden.
- The group has a Sweden-wide network of Shell retail stations and it operates in direct sales of fuels and marine refuelling business.
- In the future the main focus of St1 Group will be on refining and St1 Nordic will concentrate on wholesale and retail operations.



NET SALES 2013	RESULT OF FINANCIAL PERIOD 2013	RETURN ON EQUITY 2013
4136 M€	47.0 M€	78.3 %

The new St1 Group emerged in 31 December 2013. Figures for 2013 are based on the pro forma figures. No figures are presented from the year 2012. More information in pages 15–16.

St1 Group's main focus is on **refining**

St1 Group Oy is the parent in a group of companies, which develops, refines, manufactures and sells liquid fuels in Sweden. The group owns an oil refinery in Gothenburg and operates a Sweden-wide network of 273 Shell retail stations. It also engages in direct sales of fuels to industry and resellers as well as running an extensive marine refuelling business in Sweden.

The St1 undertaking comprises two sister groups, St1 Group Oy and St1 Nordic Oy. St1 Nordic Oy has a comprehensive network of retail stations in Finland, Sweden and Norway. Through its direct sales arm it provides private as well as corporate customers with an extensive range of energy products and services. It also generates renewable energies: waste-based ethanol as well as electricity from wind power. St1 is currently undergoing reorganisation, which will streamline and simplify the corporate structure of the group. When this is completed, St1 Group's main focus will be on refining and St1 Nordic will concentrate on wholesale and retail operations.

One of the world's most energy-efficient oil refineries

The St1 oil refinery, which is located in Gothenburg in Sweden, refines 30 million barrels of crude oil annually. The refinery's products include petrol, the sulphur-free MK-1 diesel (in use in Sweden), other middle distillates as well as liquid gas. Most of the refinery's production output is consumed in Sweden.

The refinery has seen an extensive range of long-term investments. This is one way of ensuring that the products meet the most stringent environmental and quality requirements, and the production process generates minimal emissions. Most of the refinery's energy needs are covered by its own gas production. Nearly a third of the heat generated by the plant is recycled into the City of Gothenburg's municipal heating network to provide heating for approximately 70 000 dwellings.

The refinery operates 24 hours a day throughout the year. It employs 200 people. The installation is certified in accordance with the EU's Eco-Management and Audit Scheme (EMAS) and the ISO 14001 environmental system.

Comprehensive network of Shell retail stations in Sweden

Our up-to-date network of 273 Shell stations serves consumers and corporate customers countrywide. With a view to streamline the corporate structure the stations will be amalgamated with St1 Nordic Oy's distribution network during 2014.

Financial Statements 2013

Report of the Board of Directors 1 January 2013–31 December 2013

1. Operations and results of St1 Group Oy

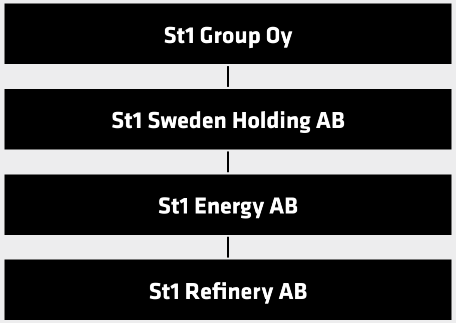
The new parent company of the group St1 Group Oy ("St1 Group Oy") (business ID 2567301-7) and new St1 Group ("St1 Group") emerged in a total demerger of former St1 Group Oy (business ID 2358367-5) that took place on 31 December 2013. The demerger has been explained in section "Structural and financial arrangements" below.

St1 Group Oy is a parent company to a group that manufactures, develops, refines and distributes liquid fuels in Sweden. The group operates 273 stations under the Shell brand in Sweden. Fuels are distributed also directly to industrial and wholesale clients. In addition, there are extensive marine fuel operations in Sweden.

The Group has a refinery in Gothenburg, Sweden, with 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 group's own and St1 Sverige AB's, (which is a part of the sister group) retail network and other channels. The rest of the production is exported.

2. Structural and financial arrangements

St1 Group Oy is the parent company of a group consisting of the subsidiaries St1 Sweden Holding AB, St1 Energy AB and its subsidiary St1 Refinery AB.



Indicators of the financial standing and results of St1 Group Oy:

	2013
Revenue, MEUR	**-**
Operating profit/loss, MEUR	**-**
Operating profit % of turnover	**-**
Result of financial period, MEUR	**-**
Return on equity %	**-**
Equity ratio	**98.7**

Indicators of the financial standing and results of the St1 Group:

	Pro forma 2013	**2013**
Revenue, MEUR	**4,136**	**-**
Operating profit/loss, MEUR	**76.7**	**-**
Operating profit % of turnover	**1.9**	**-**
Result of financial period, MEUR	**47.0**	**-**
Return on equity %	**78.3**	**-**
Equity ratio	**7**	**7**

St1 Group Oy's sister group, St1 Nordic Oy, also trades in liquid fuels in Finland, Sweden and Norway through subsidiaries St1 Oy, St1 Energy Oy, St1 Sverige AB and St1 Norge AS.

St1 is undergoing reorganisation with an objective to simplify and streamline the structure of the St1 group. Currently St1 group comprises two sister groups: St1 Group Oy and St1 Nordic Oy. In effect, the twin group structure will be retained, but with an intention to separate the retail and marketing of fuels on the one hand and the refining of fuels on the other hand between the two sister groups. Thus, after all the reorganisation measures within the group have been completed, retail and marketing business will be operated in St1 Nordic Oy only and the refinery business will be concentrated to St1 Group Oy.

In order to achieve the intended outcome, the business of St1 Energy Oy, which was part of St1 Group Oy, and the business of St1 Oy, which is part of the St1 Nordic Oy group, are also planned to be merged. The first step towards the goal was completed in the past financial year, by means of the demerger of St1 Group Oy. St1 Group Oy was demerged as follows: the shares of St1 Energy Oy, which engages in marketing under the Shell brand in Finland, and part of the debts of St1 Group Oy were transferred by demerger to the ownership of St1 Nordic Oy, and the newly founded new St1 Group Oy received the shares of St1 Sweden Holding AB, which owns the Swedish subsidiary shares, and part of the debts of St1 Group Oy. The demerger was implemented in the form of a total demerger under section 52 c (1)(1) of the Act on the Taxation of Business Income. The existing shareholders of St1 Group Oy received in compensation shares of St1 Nordic Oy and of the newly founded St1 Group Oy in amounts proportionate to fair values.

The intention is also to transfer, in the year 2014, St1 Group's Swedish fuel retail and marketing operations to St1 Sverige AB, which is part of the St1 Nordic Oy group. This procedure will concentrate the entire Swedish retail and marketing business under a single company.

3. Company shares

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

4. Investments

The investments consist of investments to IT systems in Sweden, maintenance and modifications to fuel stations and minor improvements in the refinery.

5. Assessment of the most significant risks and uncertainties

5.1. Risk management policy and arrangements

In the St1 Group, risk management refers to a systematic and proactive approach to analyse and manage the opportunities and threats related to operations, rather than only 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 of 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 might affect its future profitability and development:

- Prolonged unhealthy competition in the traffic fuel retail market may reduce profitability in the future.
- The company may incur considerable costs due to environmental legislation and regulations, affecting the group's earnings trend.
- The refining margins on petroleum products may turn out to be insufficient to cover the costs related to refining
- Political, financial and legislative changes may affect demand for the company's products.

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

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.

The credit loss risk related to sales receivables is managed through a uniform credit policy and efficient debt-collection activities. The same criteria, based on the principle of prudence, are used in the valuation of trade receivables and inventories in the financial statements.

The group's core competencies are related to business processes comprising sales, procurements and refining, and to the requisite support functions, such as data administration, finances, 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 constantly 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 import and wholesale of petroleum products, and retail sales for transport 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 government or the authorities, relating to combining, subsidising or taxing the different forms of energy, 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.

5.3. Risk 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 endeavours to cover with insurance all risks for which it is sensible to do so, for financial or other reasons. There are no pending trials or other legal risks that the Board is aware of, which would materially affect the results of the company's operations.

5.4. Financial risks

Management of financial risks: The group's financing operations have been concentrated in the parent company.

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 268 million. 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 derivative agreements.

Currency risk: Majority of the group's cash flows are denominated in euro, SEK and USD, and its financing is, for the most part, denominated in USD. The group's exposure to currency risk (financial risk and transaction risk) is mostly limited to the financing and inventory, both 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 are managed through forward agreements.

5.5. Environmental risks

Attention must be paid to safe and environmentally aware operating methods in the operations to eliminate the risk of personnel accidents or oil spills and the related costs. St1 Group Oy has systematically evaluated and monitored its environmental obligations, as well as the obligations arising at other 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, reviewed for each financial period, for environmental liabilities.

6. An estimate of probable future development

In the view of the group management, the business environment will remain challenging for the next financial period. The group aims to further improve its competitiveness by rationalising systems and business processes, as well as by accurately targeted investments.

7. Significant events after the end of the financial period

There have not been any significant events in the group after the end of the financial period.

8. Personnel

The group's personnel indicators

	Pro forma 2013	2013
Average no. of personnel during the financial period	**312**	**312**
Salaries and remuneration during the financial period, MEUR	**21.6**	**-**

9. Organisation

The company's Board of Directors consisted of Mika Anttonen and deputy board member 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, for the terminated financial year, the company will pay a dividend of EUR 3,000,000.00.

Consolidated Income Statement

€	Pro forma* unaudited 1 Jan–31 Dec 2013	31 Dec 2013
NET SALES	**4,136,246,556.40**	**0.00**
Other operating income	**33,683,566.63**	**0.00**
Materials and services		
Materials, supplies and products		
Purchases during the period	**1,837,037,731.49**	**0.00**
Change in inventories	**2,142,477,989.75**	**0.00**
External services		
	3,979,515,721.24	**0.00**
Personnel expenses		
Wages and salaries	**21,611,532.58**	**0.00**
Indirect employee costs		
Pension costs	**5,627,705.68**	**0.00**
Other social security costs	**8,284,318.63**	**0.00**
	35,523,556.89	**0.00**
Depreciation and amortisation		
Depreciation and amortisation according to plan	**21,373,767.88**	**0.00**
	21,373,767.88	**0.00**
Other operating expenses	**56,793,715.36**	**0.00**

€	Pro forma* unaudited 1 Jan–31 Dec 2013	31 Dec 2013
OPERATING PROFIT	**76,723,361.66**	**0.00**
Finance income and costs		
Other interest and finance income	**6,423,072.91**	**0.00**
Interest expenses and other finance costs	**-24,727,454.56**	**0.00**
	-18,304,381.65	**0.00**
PROFIT BEFORE EXTRAORDINARY ITEMS	**58,418,980.01**	**0.00**
PROFIT BEFORE APPROPRIATIONS AND INCOME TAX	**58,418,980.01**	**0.00**
Current tax	**-11,461,491.54**	**0.00**
Deferred tax	**0.00**	**0.00**
	-11,461,491.54	**0.00**
PROFIT FOR THE PERIOD BEFORE MINORITY SHARE	**46,957,488.47**	**0.00**
PROFIT FOR THE PERIOD	**46,957,488.47**	**0.00**

*Pro forma accounting principles are described in the accounting policies.

Consolidated Balance Sheet

€	31 Dec 2013
Assets	
NON-CURRENT ASSETS	
Intangible assets	
Intangible rights	**4,243,880.36**
	4,243,880.36
Property, plant and equipment	
Land and water areas	**79,079,154.58**
Buildings	**30,563,979.63**
Machinery and equipment	**113,060,853.37**
Advance payments and construction in progress	**847,497.00**
	223,551,484.58

€	31 Dec 2013
CURRENT ASSETS	
Inventories	
Materials and supplies	**199,443,715.97**
Receivables	
Current receivables	
Trade receivables	**250,414,686.59**
Receivables from Group companies	**72,561,495.00**
Other receivables	**3,680,654.19**
Accrued income	**82,802,516.97**
	409,459,352.75
Cash and cash equivalents	**65,236,981.73**
	901,935,415.39

Consolidated Balance Sheet

€	31 Dec 2013
Equity and Liabilities	
EQUITY	
Share capital	**50,000.00**
	50,000.00
Reserve for invested unrestricted equity	**39,622,068.33**
Retained earnings	**-26,648,177.48**
Profit (loss) for the period	**46,957,488.47**
	59,931,379.32
Total equity	**59,981,379.32**
PROVISIONS	
Pension provisions	**56,907,400.64**
Other provisions	**42,485,774.65**
	99,393,175.29

€	31 Dec 2013
LIABILITIES	
Non-current	
Loans from financing institutions	**305,006,505.43**
Deferred tax liabilities	**13,838,208.18**
	318,844,713.60
Current	
Trade payables	**290,288,776.42**
Liabilities to group companies	**7,217,021.88**
Deferred tax liabilities	**5,643,688.41**
Liabilities to associated companies	**47,820,454.52**
Accrued expenses	**72,746,205.94**
	423,716,147.17
	901,935,415.39

Consolidated Cash Flow Statement

€	31 Dec 2013
Cash flow from operating activities (A)	**0.00**
Cash flow from investing activities (B)	**0.00**
Cash flow from financing activities (C)	**0.00**
Net increase (+) / decrease (-) in cash and cash equivalents (A+B+C)	**0.00**
Cash and cash equivalents at beginning of period	**0.00**
Funds received in demerge	**65,236,981.73**
Cash and cash equivalents at end of period	**65,236,981.73**

Parent Company Income Statement

€	31 Dec 2013
OPERATING PROFIT	**0.00**
PROFIT BEFORE EXTRAORDINARY ITEMS	**0.00**
PROFIT BEFORE APPROPRIATIONS AND INCOME TAX	**0.00**
PROFIT FOR THE PERIOD	**0.00**

Parent Company Balance Sheet

€	31 Dec 2013
Assets	
NON-CURRENT ASSETS	
Investments	
Shares in Group companies	**5,447.49**
	5,447.49
CURRENT ASSETS	
Receivables	
Current receivables	
Receivables from Group companies	**55,480,935.50**
Other receivables	**1,003,691.91**
Accrued income	**406,969.14**
	56,891,596.55
Cash and cash equivalents	**344,390.84**
	57,241,434.88

€	31 Dec 2013
Equity and Liabilities	
EQUITY	
Share capital	**50,000.00**
Reserve for invested unrestricted equity	**39,622,068.33**
Retained earnings	**16,833,105.20**
Profit for the period	
	56,455,173.53
TOTAL EQUITY	**56,505,173.53**
LIABILITIES	
Current	
Liabilities to Group companies	**717,401.44**
Other liabilities	**18,859.91**
TOTAL LIABILITIES	**736,261.35**
	57,241,434.88

Parent Company Cash Flow Statement

€	31 Dec 2013
Cash flow from operating activities (A)	0.00
Cash flow from investing activities (B)	**0.00**
Cash flow from financing activities (C)	**0.00**
Net increase (+) / decrease (-) in cash and cash equivalents (A+B+C)	**0.00**
Cash and cash equivalents at beginning of period	**0.00**
Cash and cash equivalents received as part of the demerger	**344,390.84**
Cash and cash equivalents at end of period	**344,390.84**

Notes to the Financial Statements 31 December 2013

BASIS OF PREPARATION FOR THE FINANCIAL STATEMENTS

Accounting period

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

Consolidation

The new parent company of the group, St 1 Group Oy ("St1 Group Oy") (business ID 2567301-7) and new consolidated St1 Group "St1 Group", was incorporated through the full demerger of the old St1 Group Oy in 31 December 2013. St1 Group consolidated financial statements have been prepared based on the historical carrying amounts of the acquired net assets of the subsidiaries of old St1 Group. As St1 Group was founded in 31 December 2013 this consolidated financial statements does not include comparative balance sheet as of 31 December 2012, Profit and Loss statement and Cash flow Statement for the twelve month period ended 31 December 2013 and 2012. The consolidated financial statements includes as additional information a pro forma income statement information and pro forma cash flow statement information which have been compiled using principles discussed below.

St1 is undergoing a reorganisation aimed at simplifying and streamlining the structure of the group. Currently St1 group comprises two affiliated groups: St1 Group Oy and St1 Nordic Oy. After the reorganisation, the twin group structure will be retained, but the intention with the reorganisation is to centralise the fuel retail and marketing operations as well as the fuel refining operations to the two groups, in such a way that after all the reorganisation, all of the retail and marketing operations will be located in St 1 Nordic Oy and the refinery operations will be located in St1 Group Oy.

On 31 December 2013, the St1 Nordic Oy's subsidiary, St1 Oy, demerged though a partial demerger. As a result, all St1 Oy subsidiaries and associated companies were transferred to Ura-Öljyt Oy a company owned by St1 Nordic Oy, which in turn was merged with St1 Nordic Oy on 1 January 2014. The procedure streamlined the group structure and the parent company, St1 Nordic Oy, now directly owns all the group subsidiaries and associated companies.

In order to achieve the intended outcome, the operations of St1 Energy Oy, which was part of St1 Group Oy, and the operations of St1 Oy, which is part of the St1 Nordic Oy group, will be merged. The first step towards reaching the goal was met in the past financial year, through the completion of the St1 Group Oy demerger. St1 Group Oy was demerged by transferring the shares and part of the debt of St1 Energy Oy, which operates under the Shell brand in Finland, to St1 Nordic Oy. The shares of St1 Sweden Holding AB, which owns the Swedish subsidiaries, were transferred to the newly founded St1 Group Oy, as well as a portion of the liabilities of former St1 Group Oy. The demerger was carried out in line with the section 52 c (1)(1) of the Act on the Taxation of Business Income, in a form of a demerger. As a consideration, the shareholders of St1 Group Oy received shares in St1 Nordic Oy and of the new St1 Group Oy, in the proportion to their fair values.

The subsidiaries St1 Energy AB, St1 Refinery AB and St1 Sweden Holding AB are included in the consolidated financial statements of St1 Oy. POL Transport Ab, an associated company, has not been consolidated as it does not have material impact on the profit and loss statement or the financial position of the group.

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.

Group's inter-company transactions, receivables and payables have been eliminated. Ownership in group companies has been eliminated using purchase method. The profit and loss statements of foreign group companies have been translated into euros using the average foreign exchange rates during the accounting period. The balance sheet has been translated into euros using the closing rates the balance sheet date. The exchange differences resulting from the currency translation, as well as the exchange differences resulting from the translation of a foreign subsidiaries' equity, have been presented in the item 'retained earnings'.

The translation differences generated by equity have been included in non-restricted consolidated equity.

Pro forma income statement information

On 31 December 2013 old St1 Group Ltd demerged, and its assets and liabilities were transferred to St1 Nordic Oy and the new St1 Group Ltd, which was incorporated in connection with the full demerger. The new parent company, St1 Group Oy together with the subsidiaries transferred in connection with the demerger formed the consolidated St 1 Group.

The unaudited pro forma income statement information and cash flow statement information is presented to illustrate what the results of the operations and cash flows of St1 Group could have been if the demerger would have occurred on 1 January 2013. The unaudited pro forma income statement information has been compiled by aggregating the income statement information of the subsidiaries and the income statement information of the new parent company for the twelve months periods ended 31 December 2013. Respectively, the unaudited pro forma cash flow statement information has been compiled by compiling the cash flows of the subsidiaries and the cash flows of the new parent company for the twelve months period ended 31 December 2013. The group's internal income and expenses as well as group's internal cash flows have been eliminated from the pro forma income statement information and the pro forma cash flow statement information. During the financial year 2013 St1 Group Oy and its subsidiaries have had the same owner, the Keele Group, and therefore the accounting policies applied by the companies have already been aligned and no adjustments related to the differences between accounting policies are needed. The assets and liabilities transferred in connection with demerger have been included in the consolidated balance sheet of St1 Group as of 31 December 2013 and therefore no pro forma balance sheet information has been presented.

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

Inventory valuation

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

Fixed assets valuation

Intangible and tangible assets have been capitalised at cost. Planned depreciations have been calculated 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.

Planned depreciation and amortisation times in the group

intangible rights and other long-term expenses	4–10 years
buildings and constructions	20–50 years
machinery and equipment	3–20 years
other tangible assets	10–30 years

Goodwill on consolidation

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) continued thus no new acquisition occurred in the new St1 Group Oy group (business ID 2567301-7).

Deferred tax assets and liabilities in the group

A deferred tax asset has been recognised for the provisions by applying the following years' tax rate as confirmed on the closing date. A deferred tax liability has been recognised for the allocations of goodwill on consolidation by applying the following years' tax rate as confirmed on the closing date.

Foreign currency denominated items in the group

Foreign currency denominated receivables and payables have been converted into Euro using the closing exchange rate of the accounting period.

The income statements of foreign group companies have been converted into euros using the average rate which has been calculated as an average of the exchange rate of the last day of the previous accounting period and exchange rate of last day of the each month of the accounting period.

Notes to the Profit and Loss Accounts

Revenue

M€	Pro forma unaudited 2013	Consolidated 2013	Parent company 2013
Liquid fuels	**4,136.2**	**0.0**	**0.0**
	4,136.2	**0.0**	**0.0**
Foreign	**4,136.2**	**0.0**	**0.0**
	4,136.2	**0.0**	**0.0**

Other income

M€	Pro forma unaudited 2013	Consolidated 2013	Parent company 2013
Income from disposal of fixed assets and shares	**3.9**	**0.0**	**0.0**
Other income from business	**29.8**	**0.0**	**0.0**
	33.7	**0.0**	**0.0**

Personnel expenses and average number of personnel

	Consolidated 2013	Parent company 2013
Office personnel	**312**	**0**
	312	**0**

Salaries and fees paid to the members of the board and the managing director during the accounting period amounted to EUR 567 391,70.

Depreciation, amortisation and value adjustments

€	Pro forma unaudited 2013	Consolidated 2013	Parent company 2013
Planned depreciation and amortisation			
Tangible assets			
Buildings	**2,658,930.63**	**0.00**	**0.00**
Machinery and equipment	**18,714,837.25**	**0.00**	**0.00**
	21,373,767.88	**0.00**	**0.00**
Depreciation and amortisation, total	**21,373,767.88**	**0.00**	**0.00**

Financial income and expenses

€	Pro forma unaudited 2013	Consolidated 2013	Parent company 2013
Other interest and financial income			
From others	**6,423,072.91**	**0.00**	0.00
	6,423,072.91	**0.00**	0.00
Interest costs and other financial costs			
To others	**24,727,454.56**	**0.00**	0.00
	24,727,454.56	**0.00**	0.00
Financial income and expenses, total	**-18,304,381.65**	**0.00**	0.00

Notes to the Balance Sheet

Tangible and intangible assets, group

Intangible assets

€	Intangible rights	Total
Acquisition value 31.12.2013	0.00	0.00
Additions	4,243,880.36	4,243,880.36
Deductions	0.00	0.00
Acquisition value 31.12.2013	4,243,880.36	4,243,880.36
Accumulated amortisation 31.12.2013	0.00	0.00
Amortisation during accounting period	0.00	0.00
Accumulated amortisation 31.12.2013	0.00	0.00
Carrying amount 31.12.2013	4,243,880.36	4,243,880.36

Tangible assets

€	Land	Buildings	Machinery and equipment
Acquisition value 31.12.2013	0.00	0.00	0.00
Additions	79,079,154.58	33,222,910.26	131,775,690.62
Deductions	0.00	0.00	0.00
Acquisition value 31.12.2013	79,079,154.58	33,222,910.26	131,775,690.62
Accumulated depreciation	0.00	0.00	0.00
Depreciation during accounting period	0.00	-2,658,930.63	-18,714,837.25
Accumulated depreciation 31.12.2013	0.00	-2,658,930.63	-18,714,837.25
Carrying amount 31.12.2013	79,079,154.58	30,563,979.63	113,060,853.37

€	Advance payments and procurements in progress	Total
Acquisition value 31.12.2013	0.00	0.00
Additions	847,497.00	244,925,252.46
Deductions	0.00	0.00
Acquisition value 31.12.2013	847,497.00	244,925,252.46
Accumulated depreciation	0.00	0.00
Depreciation during accounting period	0.00	-21,373,767.88
Accumulated depreciation 31.12.2013	0.00	-21,373,767.88
Carrying amount 31.12.2013	847,497.00	223,551,484.58

Investments

Group companies

	Group ownership	Parent ownership
St1 Sweden Holding AB	100.0%	100.0%
St1 Energy AB	100.0%	
St1 Refinery AB	100.0%	

Investments, parent company

Shares

€	Group companies	Total
Acquisition value 31.12.2013	0.00	0.00
Additions	5,447.49	5,447.49
Deductions	0.00	0.00
Acquisition value 31.12.2013	5,447.49	5,447.49
Carrying amount 31.12.2013	5,447.49	5,447.49

Equity

€	Consolidated 2013	Parent company 2013
Share capital 31.12	**0.00**	**0.00**
Increase in the share capital	**50,000.00**	**50,000.00**
Share capital 31.12	**50,000.00**	**50,000.00**
Reserve for invested unrestricted equity 31.12.		
Change	**39,622,068.33**	**39,622,068.33**
Reserve for invested unrestricted equity 31.12.	**39,622,068.33**	**39,622,068.33**
Retained earnings 31.12.	**0.00**	**0.00**
Full demerger	**-26,648,177.48**	**16,833,105.20**
Retained earnings 31.12.	**-26,648,177.48**	**16,833,105.20**
Profit for the period	**46,957,488.47**	**0.00**
Distributable retained profit 31.12.	**59,931,379.32**	**56,455,173.53**

Provisions

€	Consolidated 2013
Certain early retirement pensions and allowances for which company is liable	**56,907,400.64**
Other provisions	**42,485,774.65**
Total provisions	**99,393,175.29**

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

Deferred tax assets and liabilities

€	Consolidated 2013
Deferred tax liabilities	
From appropriations	**5,643,688.41**
From consolidation	**13,838,208.18**
	19,481,896.59

Security of supply inventories

The company has entered into an extraordinary 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 includes considerable price risk as due to the regulatory requirements the group is obligated to maintain security of supply inventory of various oil-related products for a potential national crisis. In 2010, in connection with the refinery business transaction, the company has 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. The group booked the purchasaed raw materials to inventory using the same price which it is entitled to sell the raw materials according to the sales agreement of the derivatives' maturity date 30 March 2015.

The company's accounting policy is to measure the hedged security of supply inventories using the original purchase price. The company has hedged the retail price of this security of supply inventories with an oil forward contract until the year 2015. Due to the regulatory requirements the company is obliged to maintain security of supply inventories equivalent to the hedged amount for the present. This presentation described in the financial statements gives the most accurate view of the actual purpose of the hedging and the operational impacts when the derivatives mature.

Should the company not have an obligation to maintain the security of supply inventories would the hedged inventory be sold at EUR 160,3 million and respectively the derivatives would be settled at EUR -17,1 million. resulting to a gain of EUR 10,1 million taking the acquisition cost into account. In practise this difference results from the price difference of oil spot price and market price for the long term oil forward contract. In practice, this difference will be eliminated when derivatives mature.

On 31 December 2013, the fair value of the derivatives related to the hedging was EUR -32,2 million and the volume was 1,701 million barrels of crude oil and 51.500 tonnes of heavy fuel oil.

In addition, the company hedges the variations in inventory levels belonging to the operating activities with short-term commodity derivatives in different oil products according to its risk management policies. 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.

Commitments and contingencies

	Consolidated	Parent company
€	2013	2013
Loans and bank guarantees with business mortgages, real estate mortgages or shares as collateral		
Loans from the financial institutions	286,823,413.18	0.00
Total	286,823,413.18	0.00
Mortgages given as collateral		
Real estate mortgages	527,887,307.79	200,000,000.00
Business mortgages	110,957,083.68	0.00
Shares	110,218,974.03	43,500.00
Total	749,063,365.50	200,043,500.00

In addition, group's trade payables and bank accounts have been pledged as collateral for group companies' debts.

Total amount of future minimum lease payments		
Amounts to be paid in the next accounting period	249,856.00	
Amounts to be paid later than in the next accounting period	210,157.00	
Total	460,013.00	

In addition, guarantees have been given on coverage of environmental liabilities related to subsidiaries' rental agreements.

Signatures to the financial statements and annual report

Helsinki, 3 June 2014

Mika Anttonen
Member of the Board

Kim Wiio
CEO

Auditor's Note

Our auditor's report has been issued today.
Helsinki, 3 June 2014

PricewaterhouseCoopers Oy, Authorised Public Accountants

Johan Weckman
Authorised Public Accountant

Auditor’s Report (translation)

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 31.12.2013. 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 3 June 2014

PricewaterhouseCoopers Oy
Authorised Public Accountants

Johan Weckman
Authorised Public Accountant

Board of Directors

ST1 GROUP

Mika Anttonen

b. 1966

M.Sc. (Eng.)

Member of the Board of Directors

St1 Group Oy

Chairman of the Board of Directors

St1 Nordic Oy

Kim Wiio

b. 1971

LL.M.

Deputy Member of the Board of Directors

CEO

St1 Group Oy, St1 Nordic Oy

Management

ST1 GROUP

Kim Wiio

b. 1971

LL.M.

CEO

St1 Group Oy

Jonas Sidenå

b. 1953

Business College Graduate

Managing Director

St1 Energy AB

Bo-Erik Svensson

b. 1959

M.Sc.

Managing Director

St1 Refinery AB

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