



ANNUAL REPORT 2000

**OY TEBOIL AB**  
**SUOMEN PETROOLI OY**

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## COMPANIES IN BRIEF

Oy Teboil Ab markets oil product and related services to private consumers, companies, industry and municipalities and state organisations. The company provides services to traffic through its nationwide service station and diesel automat networks.

The basic products in the range are gasolines, diesel fuel, lubricants produced at Hamina plant, liquid gas and light and heavy fuel oils. In product development, priority is given to faultless quality and the minimum of environmental impact.

Oy Teboil Ab's sister company, Suomen Petrooli Oy – Finska Petroleum Ab, is responsible for the acquisition of oil products from both domestic and international markets. Good relations with oil refineries that are the result of co-

operation over many years and the company's nationwide storage network ensure guaranteed deliveries even in exceptional circumstances.

Both companies have been a feature of Finland's oil markets for almost 70 years. Oy Teboil Ab commenced operations in Helsinki in 1934, and Suomen Petrooli in Vyborg in 1932. The companies became affiliated in 1948 from which time the companies have had joint management and head offices in Helsinki.

Since the 70's Oy Teboil Ab's market share of oil product sales to consumers has been more than 20 per cent. This market share places us in the position of the second largest oil company in Finland.

## OY TEBOIL AB AND SUOMEN PETROOLI OY KEY FIGURES

		2000	1999	1998	1997	1996
Sales <sup>1)</sup>	1 000 t	<b>1 648</b>	1 776	1 771	1 804	1 894
Market share	%	<b>20.1</b>	20.9	21.2	22.0	22.8
Turnover	FIM mill.	<b>6 665</b>	5 387	3 977	4 344	4 081
Operating margin	FIM mill.	<b>144</b>	193	25	110	196
Planned depreciation	FIM mill.	<b>78</b>	72	74	72	71
Net interest	FIM mill.	<b>2</b>	2	6	3	3
Other income/expenditure	FIM mill.	<b>16</b>	-34	0	-6	1
Taxes	FIM mill.	<b>36</b>	29	0	25	48
Result for the financial year	FIM mill.	<b>81</b>	82	0	58	114
Investments	FIM mill.	<b>77</b>	80	46	150	100
Storage tank capacity <sup>2)</sup>	1 000 m <sup>3</sup>	<b>769</b>	853	880	925	920
Service stations and distribution points	installations	<b>296</b>	299	304	302	304
Personnel at the end of the year	persons	<b>417</b>	451	458	471	495

Adjustment between Teboil and Suomen Petrooli are eliminated.

1) Includes sales to other oil companies, bunker deliveries to foreign-going vessels and exports.

2) Includes rented storage capacity

# INTERNATIONAL OIL TRADE

The international economy continued to develop favourably in the year 2000. Rate of growth in the OECD countries was greater than at any time in more than ten years. Economic growth in the United States slowed further, production growth in the EU accelerated and the situation in Russia and Asia improved significantly.

At the beginning of the year, North Sea Brent crude cost 25 US dollars per barrel. The price fell in April to 20 US dollars per barrel, the lowest level of the year. Thereafter the price rose until October when the highest level of the year, 38 US dollars per barrel, was reached. For the rest of the year the price remained at about 30 US dollars per barrel. The average price for the year was 28 US dollars per barrel,

which was about 10 dollars more than in the previous year.

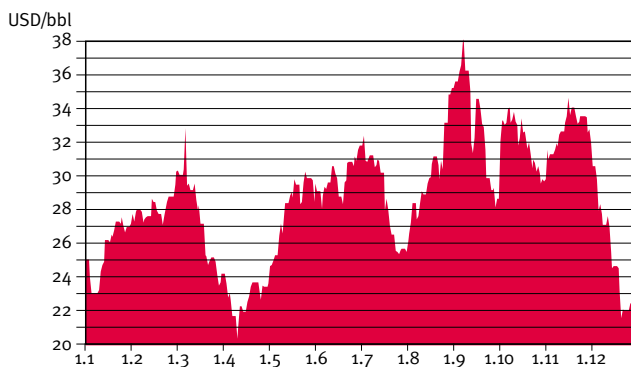
Oil product prices generally reflected the rise in the price of crude oil. The peak record level of world market gasoline prices reached in the summer began to calm down towards the autumn. When the heating season began, prices of middle distillates rose faster than those of other products.

The value of the US dollar continued to rise almost throughout the whole year. The exchange rate was at its lowest at the beginning of January when the dollar cost 5.74 marks, and at its highest at the end of October when the dollar cost 7.23 marks. The average rate for the year was 6.47 marks against an average of 5.60 marks in the previous year.

### US-DOLLAR EXCHANGE RATE DEVELOPMENT IN 2000



### CRUDE OIL PRICE DEVELOPMENT IN 2000



At the close of the past millennium, the oil market situation changed significantly, not only in Finland but also in Europe as a whole, and globally. Beginning in early 1999, price levels rose continuously. As a result of this development acrimonious discussions took place, particularly in Central Europe, on matters concerning taxation on oil products and the impact of prices, which were considered to be high, on the national economy and on the lives of ordinary entrepreneurs and people generally. It appears that oil markets will not in the near future return to their customary balanced and stable levels.



Changes in international and domestic oil markets also presented companies in the oil industry with a new situation. A thorough reappraisal of company operations was initiated at Oy Teboil Ab. At the first stage of the project, the company's activities and procedures were examined in terms of quality, environmental and safety aspects. The review showed that certain areas of the basic structure of the organisation had become outdated, and led to a re-organisation of the whole commercial organisation of Oy Teboil Ab in the year under review.

The new, business unit based organisation was officially implemented at the beginning of 2001. The most important objective of the organisational changes is the deepening, widening and in every respect improving of our customer service. Increasing the efficiency of company activities, decreasing cost levels and unravelling overlaps, which had been generated over the years in the old operating pattern, were also central objectives. Most of the changes are now in effect, but some details and other organisational structures still need to be streamlined.

Oy Teboil Ab and its sister company Suomen Petrooli Oy will both soon be 70 year old companies and already belong to the so-called "veteran" category. With the reforms now made we have ensured that the companies will continue to be on track for sustainable development.

Customers at our service stations can already today see the results of the development of services in different parts of the country. The company continued renewing forecourts in its network in the year under review, and at the end of the year there were more than 40 Teboil Stations conforming to our uniform business concept. Simultaneously with the renewal of service station buildings and interiors, renovations required by decision no. 415/98, handed down by the Ministry of Trade and Industry, were carried out at pump islands and tank areas, in order to increase environmental safety and also to make refuelling more pleasant. Oy Teboil Ab joined the oil industry's mutual SOILI project at the end of the year under review when some of

the project's operating models were modified. SOILI concentrates on restoring soil at service station sites.

The highest-profile occasion was the opening of a new traffic station, Teboil Pirkanhovi, in Lempäälä, adjacent to the Helsinki-Tampere motorway. The inauguration of the traffic station coincided with the opening of the motorway in October. Pirkanhovi is our biggest service station investments in the past few years and I believe that it succeeded in both its planning and customer service because immediately it was opened, it became one of the most popular refuelling and resting places in Finland.

In accordance with our acquisition policy, the company purchased oil products from several different sources, from both domestic and foreign refineries. As a result of having several sources of supply, and the company's nation-wide storage network, product deliveries to customers worked precisely in accordance with agreements.

Oil product purchases were in conformance with Finnish quality requirements. Additionally, the primary objective of the company's own product development was the continuous improvement of product quality and application properties, to meet the requirements of even the newest engines and equipment that are in customers' use. A good example of this renewal of products is in gasoline and diesel oil traffic fuels, which was completed in the early part of the year. Due to its new additives our diesel oil is now even more suitable as a fuel also for light diesel powered vehicles. The greatest enhancement in fuel oils concerned heavy fuel oil. The environmental properties of the oil were improved with an additive.

The commercial result of Oy Teboil Ab and Suomen Petrooli Oy for the year 2000 was very satisfactory despite being weakened by the – intrinsically healthy – fall in oil product prices, which started in the latter part of November. I thank our personnel for tireless work both in order to achieve result and also to develop our activities.

I offer my warmest thanks to our companies' customers, business associates and Teboil dealers for their good co-operation during the year under review.

A handwritten signature in black ink, appearing to read 'B. Diyachenko', written in a cursive style.

Boris Diyachenko  
General Manager  
Oy Teboil Ab – Suomen Petrooli Oy

## Oil product consumption in Finland declined

The national economy in Finland developed satisfactorily as it did in the previous year. Gross national product grew by 5.7 per cent, which is more than the EU average. The effect of net exports on the growth of GNP was over 3 per cent and that of domestic demand, more than 2 per cent. Exports and imports grew more strongly than in 1999, and the current account also increased. Unemployment eased slightly. However, placement of the young and over 50 year olds, and the long-term unemployed continued to be difficult.

Average inflation was 3.4 per cent against 1.2 per cent in 1999. Rising prices for housing affected the rate of inflation, as did higher interest rates and high oil product prices. Oil product prices had a one per cent effect on the index.

Total oil product sales in Finland fell for the second successive year. Only the sales volumes of diesel oil and liquid gas grew. The decrease in total sales was mainly a result of a decrease in demand for fuel oils used for heating and in industry. In all, 7.6 million tonnes of basic products were sold to domestic consumers, which is 5.5 per cent less than in the previous year.

Sales of road traffic fuels developed as in previous years; diesel oil consumption grew and gasoline

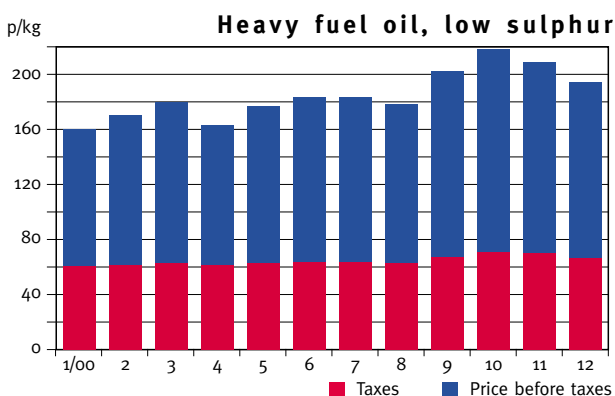
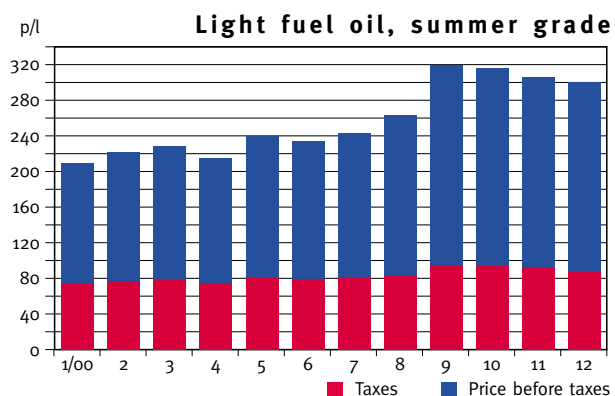
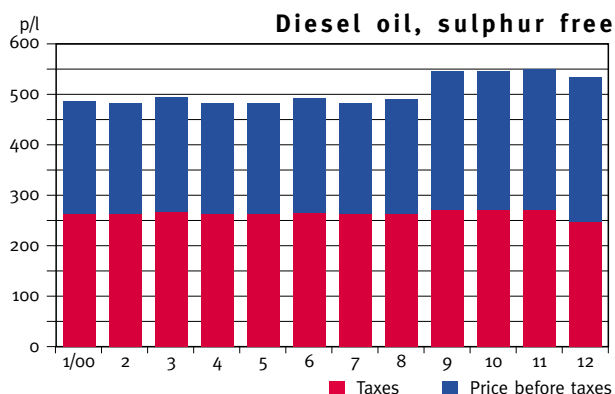
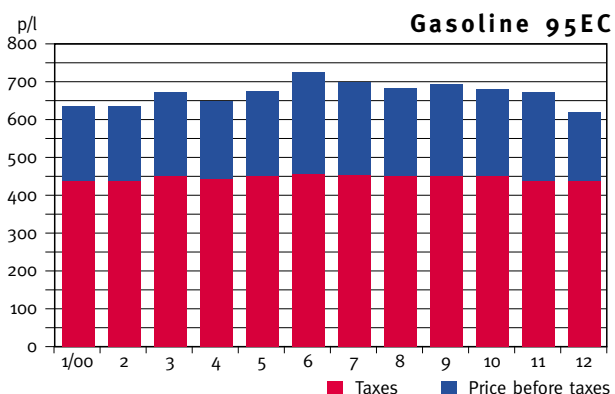
consumption fell. The high price level that continued throughout the year resulted in less kilometres being driven, which depressed gasoline consumption. The replacement of passenger cars with newer models with a lower average fuel consumption also affected sales. In all, 135 thousand new passenger cars were registered.

Diesel oil sales totalled 2.1 million cubic metres, a 2.1 per cent growth from the previous year. The growth was due to the higher utilisation of transport resulting from the economic upturn, and increased number of diesel powered passenger cars. Every fifth new passenger car registered in the year 2000 had a diesel engine.

Light fuel oil sales were affected by high consumer prices and an exceptionally mild winter. The volume sold was 2.5 million cubic metres, which is a fall of 0.3 million cubic metres from the previous year. Sales fell by 11.7 per cent. Heavy fuel oil sales decreased by 10.6 per cent, almost the same amount, to a volume of 1.1 million tonnes. The cost of heavy fuel oil has continually risen since the beginning of 1999. As a result of the considerable increase in prices, many customers consuming large amount of energy have adopted alternative sources of energy.

Liquid gas sales increased by 10 thousand tonnes to 239 thousand tonnes. The increase in sales was due to an

## OIL PRODUCT CONSUMER PRICES IN FINLAND IN 2000



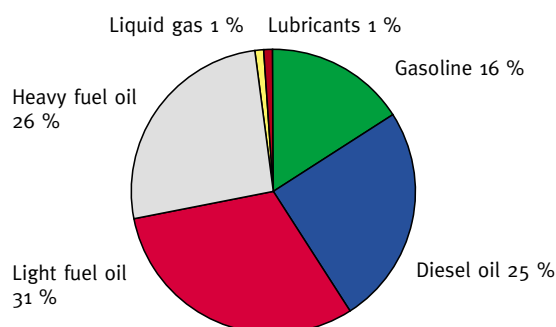
increase in the use of liquid gas for industrial purposes. Liquid gas holds a particularly strong position as a source of heat in commercial gardens in which added benefit is gained from the release of carbon dioxide in the combustion process.

Lubricant sales have shown a downward trend for several years and in the year 2000 was already below 90 thousand tonnes. The share of engine oils of total sales was 35 thousand tonnes, 5.2 per cent down on the previous year. Other lubricants, sold mainly for industrial use amounted to 54 thousand tonnes, which is a fall of 0.8 per cent. Improvements in the quality of lubricants and the longer service intervals required by new engines result in decreased consumption.

### Teboil oil product sales development

Oy Teboil Ab sold in total 1.5 million tons oil products to domestic consumers in the year 2000, a decrease of 8.9 per cent from the previous year. The company's market share of basic oil sales decreased by 0.8 percentage points to 20.1 per cent. The reduction in market share is a result of the decrease in light and heavy fuel oil sales.

**TEBOIL MAIN PRODUCT SALES  
(1 533 000 tonnes)**



## DIRECT SALES

Characteristic of all of the year 2000 was the high level of world market prices for liquid fuel and the constantly fluctuating prices. This resulted in domestic price levels remaining high and prices having to be adjusted either up or down on a weekly basis. During the year over 130 adjustments were made to wholesale prices.

During the spring industrial action in the chemical industry threatened the supply of refined oil products in Finland. Oy Teboil Ab's customers did not have product availability or supply problems. Because of our independent position and extensive storage network Oy Teboil Ab was able to maintain uninterrupted supplies to our customer during the strike.

### Efficiency of services to professional traffic improved

The high prices of diesel oil were particularly a trial to professional traffic. Throughout Europe, including in Finland, transport entrepreneurs organised demonstrations and, for example, blockaded harbours and roads. The transport industry's demands for a decrease of fuel tax on diesel oil to the average level in the EU were not met.

Oy Teboil Ab's diesel oil sales development was good. The company's market share grew by 0.8 per cent from the previous year to 21.5 per cent. This favourable sales development was particularly due to the good reputation for quality of HiDiesel Eco diesel oil sold by the company, successful product marketing and our continuously developing diesel automat network. Six new diesel automats were constructed during the year and seven obsolete automats were closed. At the end of the year, there were a total of 176 diesel automats in the network.

At the beginning of the year the quality of HiDiesel Eco was further improved by the application of new additives. One factor in the development of the product was its improved suitability for the growing number of light diesel vehicles. During those months when temperatures fell below zero, sales at Oy Teboil Ab's diesel automats included not

## OIL PRODUCT SALES TO CONSUMERS IN FINLAND IN 2000

		National		Teboil	
		Total sales	Change %	Sales	Market share %
Basic products	t	7 615 000	-5,5	1 533 000	20.1
Gasoline	m <sup>3</sup>	2 380 000	-3,5	329 000	13.8
Diesel oil	m <sup>3</sup>	2 115 000	2,1	454 000	21.5
Light fuel oil	m <sup>3</sup>	2 544 000	-11,7	558 000	21.9
Heavy fuel oil	t	1 100 000	-10,6	392 000	35.6
Liquid gas	t	239 200	4,1	21 800	9.1
Lubricants	t	89 200	-2,6	17 900	20.0

only winter grade diesel but also summer grade diesel oil the filterability and cloud point of which were clearly better than those of the comparable products generally available in the markets.

### Teboil increased its heating oil market share

During the year under review weather was favourable for premises with oil heating. An exceptionally mild winter decreased the need for heating considerably and this showed in a decrease in light fuel oil consumption. Generally, the year can be described as a year of waiting. Strong increases in prices weakened demand and resulted in the postponement of purchases to a later date. Typical of small houses was a tendency to purchase smaller volumes than usual in the hope that prices would fall. Price competition for even smaller quantities was extremely harsh.

Oy Teboil Ab achieved its objectives in the marketing of light fuel oil. The market share increased from the previous year by 0.7 per cent to 21.9 per cent. The company won new customers particularly from smaller premises but also from industry and excavation and forest machinery enterprises.

In September the company introduced its light fuel oil regular customer programme, through which by regularly purchasing from Teboil, the consumer receives a cash discount on his first order of the following calendar year. Consumers responded extremely well to the new bonus system. In customer studies and feedback Oy Teboil Ab was appreciated for its speedy and punctual deliveries. At the end of the year, the company concentrated its order handling on the order centre in Vantaa. A decision was taken to end the receipt of orders in Vaasa after a transfer period. Ordering via the Internet was further developed.

### Heavy fuel oil particle emissions were decreased with additives

Oy Teboil Ab's market share of heavy fuel oil fell by 5.7 per cent to 35.6 per cent. The company's market share of low-sulphur grades was 41.5 per cent, which was 4.8 per cent less than in the previous year.

The fall in sales was because the low-sulphur fuel oil marketed by Oy Teboil Ab is refined using the straight run method and is extremely expensive on international markets. In spite of the product's excellent properties, the price difference compared to cracked products was too great. For this reason, in some cases, the company withdrew from the fiercest price competition. New contracts made in the latter part of the year and concentration on other grades returned competitive opportunities to a normal level.

The cracked grades marketed by Oy Teboil Ab were enhanced by an efficient combustion catalyst by which particle emissions to the atmosphere released by combustion were clearly below the statutory limits set by the government. For example, Teboil HiFuel Eco 180 released

less than one third of the permitted level of particle emissions for a 3–5 MW boiler installation.

Heavy fuel oil users were predominantly Finnish heavy industry, heating and energy producers and horticulture and marine traffic. Domestic vessels increasingly used Oy Teboil Ab's heavy fuel oil. Especially bunker grades stored in Hamina, Oulu and Rauma won many new users.

## SERVICE STATION ACTIVITIES

### Forecourts renewed in accordance with a unified business concept

In the year under review, gasoline sales in the whole country fell by 3.5 per cent from the previous year to about 2.4 million cubic metres. Oy Teboil Ab maintained its market share of 13.8 per cent. The reduction in consumption was due to the high retail price of gasoline. The average price of 95-octane gasoline, for example, rose in June due to higher world market prices to as much as 7.35 marks per litre. When world market prices fell at the end of the year and price competition hardened, the price of gasoline to consumers fell in December to 6.24 marks per litre.

Diesel oil sales through the Teboil chain of service points developed favourably. Sales were accelerated by the growing share of diesel engine powered vehicles and particularly by the increase in purchases made by professional drivers.

The regular customer marketing initiated in 1999 was continued successfully. At the end of the year 2000 the company had more than 170 000 regular customers. Reductions on gasoline and diesel oil and other products and services available at service stations are offered to regular customers. They are informed of benefits through the Etuvilkku information leaflet and Öljyhuolto magazine. Öljyhuolto is the only regular customer publication in the oil industry in Finland.

The emphasis in the development of service station activities was on the renewal of forecourts in accordance with a uniform business concept. The basic idea of the business concept is to distinguish ourselves by offering customers a wider range of vehicle and vehicle servicing facilities than our competitors. At the close of the year under review 42 of the forecourts in our network had been

SERVICE STATION NETWORK	31.12.2000	31.12.1999
Teboil stations	189	186
Automat sites	99	105
Marinas	8	8
Total	296	299



renewed. In these, pump islands, the selection of products on sale in the shops, cafeteria services and wash automats all conform to the new concept. At the end of the year, a concept-orientated project aimed at vehicle servicing was initiated.

Oy Teboil Ab invested 61 million marks in the service station network of which 32 million marks were used for the basic network. Investments in accordance with decision no. 415/98, handed down by the Ministry of Trade and Industry were continued and increasing attention was given to environmental investments.

The company renewed 14 forecourts and constructed two completely new stations in the basic network. The greatest renovations were carried out at Kaivoksela, Tikkurila, Hyvinkää, Järvenpää, Turku Tommilantie and Turku Yliopistonkatu, and Käsämä service stations. Completely new service stations were opened at Vantaa Koivuhaka and Lempäälä Lippo. Activities at 8 service stations were terminated.

Pirkanhovi traffic station was opened on Lippo service area in late autumn and its inauguration coincided with the official opening of the Helsinki-Tampere motorway in October. The project was implemented in co-operation with the Finnish Road Administration. Suomen Tähtihovit Oy, wholly owned by Oy Teboil Ab, is responsible for the operation of Pirkanhovi

In the year under review the company made a decision to join the SOILI project operated by the Oil Industry's Service Center. Modification of the financing criteria of the SOILI programme enabled joining the programme.

Service station activities were developed together with the dealers. The efficiency of network operations was increased and most of the dealers have consolidated their purchases from single sources. A training and discussion occasion, Linkki2000, was arranged in Hämeenlinna, in April. A training and discussion forum between dealers and the company will follow from this event.

## LUBRICANTS

### Product development was focused on the requirements of new engines

Lubricant sales fell further in the year 2000. One reason for the continuing decrease in consumption is the improved performance of lubricants being introduced to the market, which reduces fuel consumption and allows longer oil drain intervals. Difficult weather conditions had an adverse effect specially on the sales volumes of hydraulic fluids, particularly those used in forest harvesting machinery. Extended autumn rain softened the forest floor thus inhibiting the access of heavy forest machinery.

Lubricant sales in the whole country were less than 90

thousand tonnes, which was 2.6 per cent less than in the previous year. Oy Teboil Ab's lubricant sales developed parallel to those in the country as a whole. The company sold approximately 18 thousand tonnes of lubricants to domestic consumers, which corresponds to a 20 per cent market share which was 0.5 per cent less than in the previous year.

Lubricant consumer prices rose by 5–15 per cent in the year under review due to increases in production costs. Basic oil prices almost doubled during the year and additive producers increased their prices. Competition remained harsh as a result of changes in markets and a decline in consumption.

Lubricants marketed by Oy Teboil Ab were produced by Suomen Petrooli Oy in their plant at Hamina. The annual output at the plant was 42 thousand tonnes. The plant and the lubricants laboratory observed the certified quality and environmental standards.

Product development concentrated on new challenges arising from developments in engine technology. Engine manufactures are trying to produce more efficient power units that consume less fuel and have lower exhaust emission levels. A further objective is longer oil drain intervals. During the year Oy Teboil Ab introduced several enhanced and completely new engine oils, which address the needs of, for example, fuel economy and longer oil drain intervals. At the beginning of December the company released onto the market a new, synthetic oil for two-stroke engines.

Oy Teboil Ab also supplied lubricants to international markets. The greatest individual product groups were diesel engine oils and basic oils for industrial lubricants. Export volumes almost doubled from the previous year and were 20 thousand tonnes.

## LIQUID GAS

### New fields of application were developed

Liquid gas sales to domestic consumers increased by 4.1 per cent from the previous year to 239 thousand tonnes. Oy Teboil Ab's market share reduced by one per cent to 9.1 per cent. The company sold 21.8 thousand tonnes of liquid gas to consumers. In all, Oy Teboil Ab sold 28.2 thousand tonnes of liquid gas, a reduction of 7.3 per cent. Total sales include supplies to other oil companies.

More than half of the liquid gas marketed by Oy Teboil Ab was high quality propane imported from Russia by Suomen Petrooli Oy. Imported volume was 16.5 thousand tonnes the major part of which was transported by rail either directly to customers or to Suomen Petrooli Oy's liquid gas depot in Onttola.

Liquid gas world market prices were exceptionally high throughout almost the whole year. In commercial gardens, which continued to be the largest customer group affecting Oy Teboil Ab's liquid gas sales, the position of liquid gas was threatened by the disadvantageous price relationship between oil and gas, and a changeover to heavy fuel oil occurred to some degree.

Industry and construction sites welcomed the company's flexible deliveries and high quality service. The company's liquid gas engineers and service representatives gave guidance on the installation, inspection and safety of liquid gas tanks. New applications were also found for liquid gas. In the spring of the year under review, static filling points for mechanical handling equipment at the Olvi brewery in Iisalmi.

In the sale of bottled liquid gas to households, the company achieved a 28.5 per cent market share. Grills and various leisure-time appliances operating on liquid gas further increased in popularity because of their ease of use and cleanliness. Along with such appliances becoming more generally used, the sale of 5 kilo liquid gas bottles has increased several-fold from previous years.

Potential new fields for liquid gas applications will in the near future be traffic and household heating.

## OIL PRODUCT ACQUISITION AND LOGISTICS

### Three quarters were imported

Suomen Petrooli Oy had responsibility for the acquisition of oil products marketed by Oy Teboil Ab. The company purchased 1.2 million tonnes oil product from international markets and 0.4 million tonnes from domestic refineries, a total of 1.6 million tonnes.

Approximately 60 per cent of the imported volume was from refineries in Sweden, Norway and England and 40 per cent from Russian and CIS countries. The basic criterion in decisions on purchasing was the best possible price/quality ratio. For instance, high quality summer grade diesel oil imports continued.

As in previous years, the bulk of the imports were carried by sea. Contracted Nordic shipping companies were responsible for imports of mainly heavy fuel oil by sea. Shipment of middle distillates and engine gasolines was mainly in German tonnage and domestic refinery's oil tankers. About 160 thousand tonnes of oil products were imported by rail. Suomen Petrooli Oy's own vessel, M/T Tebo Olympia, was on time-charter for the whole year. The vessel carried oil products on the Baltic Sea and the North Atlantic.



### More efficient service with logistic solutions

During the year under review, Suomen Petrooli Oy had the responsibility for their own storage requirements and also offered services to third parties. At the beginning of the year, the storage network comprised nine company-owned and seven rented storage facilities. During the year, the network was reduced according to plan by the closure of the company's depot in Mariehamn and by terminating the agreement on one rented facility. A decision was also made to take out of operation the heavy fuel oil depot at Rauma and to transfer the area's heavy fuel oil storage to Pori. By these measures, storage costs were reduced whilst



maintaining a versatile supply of products and services nationwide.

Some 5 million marks were invested in depots. The biggest single investment was in adapting Pori depot to accommodate heavy fuel oil alongside light fuel oil. Other investments were targeted on measures to protect and maintain the environment.

The depots handled approximately 1.5 million tonnes of products in the year 2000. Company-owned and contracted tanker trucks were used to transport oil products from depots to customers. Of 130 tanker combinations used to transport liquid fuel, lubricants and liquid gas, 19 were

*Teboil Pirkanhovi serves drivers 24 hours a day at Lempäälä, adjacent to the Helsinki-Tampere motorway. The new traffic station was officially opened by second Deputy Speaker of Parliament, Sirkka-Liisa Anttila, on the 12th October, 2000. Pirkanhovi quickly became one of the most popular refuelling and rest areas in Finland.*

owned by the company. During the year 1.3 million tonnes of liquid fuel was transported, almost one third of which was in the company's own vehicles. At the end of the year under review the company made a decision to reduce its own tanker fleet by two units.

**REPORT BY THE BOARD OF DIRECTORS**

The strong economic growth in Finland continued in the year 2000. According to advance information, the gross national product grew from the previous year by 5.7 per cent. The growth in production was particularly affected by strong development in the production and export of the electronic and electrical industries. Production in the metal industry and forestry also developed favourably. However, there are indications that the growth of production generally is slowing down to some degree. A four per cent growth in total production is forecast for the year 2001. Household purchasing power will increase as a result of changes in income and tax legislation and reducing unemployment. The present stage of the international economy suggests that economic growth will continue to slow down next year.

Oil product sales to domestic markets fell from the previous year by 5.2 per cent. The share of oil product sales in energy consumption for the whole country is estimated to have fallen by about one per cent to 27 per cent. Oil product consumption is estimated to grow in 2001 by about one per cent over the previous year's level.

Oil world market prices remained at a higher than expected level during the year under review. At the beginning of the year the price of Brent crude was 25 dollars per barrel and at the end of the year, 23 dollars per barrel. Prices peaked at 38 dollars per barrel in September. Average price for the year was 28 dollars per barrel against an 18 dollars average in the previous year. Prices are expected to remain at a relatively high level in 2001.

Oil product consumer prices in Finland reflected the changes in world market prices. The strong increase in product prices had a direct affect on consumption. For example the world market price for gasoline was on average approximately 70 per cent higher than in the previous year and concomitantly, gasoline sales fell by 3.5 per cent. Changes in prices were also affected by the weakening of the euro against the dollar and value-added tax. Excise duty remained at the previous year's level.

Diesel oil sales to consumers grew by 2.1 per cent from the previous year. The industrial upturn kept the operating level of road transport high. Additionally, the number of new, diesel powered passenger cars has continued to grow for several years. In the year 2000, 19.6 per cent of new passenger cars registered had diesel engines. The above average annual temperature caused a decrease in light fuel oil sales by 11.7 per cent from the previous year. Heavy fuel oil consumption also decreased by a significant 10.6 per cent from the previous year. In addition to the warmer than normal year, consumption was also adversely affected by the greater use of alternative fuels brought about by high oil prices.

In the year 2000, Oy Teboil Ab sold a total of 1.6 million tonnes of oil products, 0.1 million tonnes less than in the previous year. Basic products – gasoline, diesel oil, light fuel oil, heavy fuel oil, liquid gas and lubricants, together 1.5 million tonnes – were sold to consumers, a reduction in sales from the previous year of 8.9 per cent. This was the result of a decrease in sales of heavy fuel oil. Similarly, Teboil products' market share fell from 20.9 per cent in the previous year to 20.1 per cent.

The gasoline market share of traffic fuel sales remained at the previous year's level of 13.8 per cent. In diesel oil sales the company increased its market share from 20.7 per cent to 21.5 per cent. The company also increased its market share of

light fuel oil sales from the previous year's level of 21.2 per cent to 21.9 per cent. The market share of heavy fuel oil sales fell significantly from the previous year's 41.3 per cent to 35.6 per cent, contributing to a reduction in the company's total market share. Lubricants' market share decreased slightly from 20.5 per cent to 20 per cent. However, the market share of engine lubricants increased from 22.5 per cent to 23.6 per cent and exports virtually doubled.

Oy Teboil Ab's consolidated turnover in the year under review was 5 768 million marks. Turnover increased from the previous year by 1 199 million marks. The growth in turnover reflected the increase in world market prices and the rise in the value of the dollar. The reduction in light and heavy fuel oil sales volumes smoothed out the effect of price changes. Operating income was 47 million marks. Planned depreciations were 47 million marks and profit for the financial year was 38 million marks. The group consists of Oy Teboil Ab and its subsidiary Suomen Tähtihovit Oy, which commenced operations during the year under review.

In the year under review, Oy Teboil Ab's consolidated investments were 77 million marks. Investments were primarily targeted on the development of the distribution network. Investment in the service station network was 61 million marks and in diesel automats, 7 million marks. In addition to constructing new sites, existing sites were renovated. In the Ministry of Trade and Industry decision no. 415/98 detailed requirements are stipulated to which the distribution points must conform by the start of 2003. These investments in the environment were implemented as part of the renovations. At the end of the year, the company had 296 operational sites in the service station network and 176 diesel automats.

Oy Teboil Ab responds to the changing needs of their customers through their network and operations. This is particularly evident not only in the development of the service station network but also in the development of the organisation as a whole. Customer service, high quality product, reliable deliveries and respect for the environment are central requirements in the company's operations.

At the end of the year under review there were 231 persons employed by the parent company, 22 less than at the end of the previous year. Oy Teboil Ab's subsidiary, Suomen Tähtihovit Oy, which commenced operations in the year under review, employed an additional 58 personnel. Salaries and wages paid in the year under review totalled 55 614 440.13 marks.

The company Board of Directors consisted of Viacheslav Valuev, Chairman, Boris Diyachenko, General Manager and Andrey Rodionov, Reijo Niiranen and Kyösti Tiainen (Commercial Counselor), directors.

At the 31.12.2000, Oy Teboil Ab's unrestricted equity was 350 577 119.07 marks of which sum the profit for the financial year was 38 312 988.40 marks.

At the end of the financial period the parent company's unrestricted equity was 280 533 940.53 marks and the profit was 39 249 182.62 marks. The Board of Directors proposes that the parent company pay a dividend of 37 151 400 marks for the accounting period which includes a dividend of 25 980 000 marks in accordance with the decision taken previously at the special general meeting, and that the remainder be entered in the profit accounts for previous accounting periods.

The Board of Directors

## REPORT BY THE BOARD OF DIRECTORS

Suomen Petrooli Oy purchased a total of 1 606 thousand tonnes of oil products in the year 2000. This quantity comprised 252 thousand tonnes were gasolines, 862 thousand tonnes diesel oil and light fuel oil, 431 thousand tonnes heavy fuel oil, 29 thousand tonnes liquid gas and 32 thousand tonnes base oils for lubricants. Of these volumes, 43 per cent was purchased from western suppliers, 27 per cent from domestic sources and 30 per cent from Russia and other CIS countries. In total, 1 211 thousand tonnes, 61 thousand tonnes more than in the previous year, were imported.

In general, Suomen Petrooli Oy purchased the oil products to be marketed by its sister company, Oy Teboil Ab. Additionally, the company traded crude oil from Russia to third countries. Traded crude oil is not included in the above-mentioned figures.

In the year under review the company's turnover was 3 944 million marks which was 1 359 million marks more than in the previous year. This considerable increase in turnover was chiefly a result of increases in world market prices.

Operating income was 24 million marks against 43 million marks in the previous year. Planned depreciations were 23 million marks and the profit for the financial year was 50 million marks, 7 million marks more than in the previous year.

Suomen Petrooli Oy's investments in the year 2000 were 8 million marks. The greater part of the investments, 5 million marks, was used for technical improvements at the storage depots and in consideration of environmental issues. Investments were made in Hamina, Pori Tahkoluoto, Turku Pansio and Joensuu Onttola depots. Approximately one million marks were invested in the lubricant plant in Hamina.

The company had 19 of its own tanker trucks and 111 contracted vehicles in use for distribution. Since the year under review the company's own tanker truck fleet has been reduced by one.

In the year under review the company's lubricant plant located in Hamina produced 42 thousand tonnes of lubricants for traffic, industrial and agricultural and forestry use. Having its own product development and production enables the company to respond quickly to customer demands. The plant was also able to react speedily to new quality requirements. The properties of existing lubricants were further improved. Lubricants supplied for domestic markets totalled 22 thousand tonnes and 20 thousand tonnes was exported.

At the end of the year Suomen Petrooli Oy employed 193 people, which was four less than at the close of the previous year. Wages and salaries paid were 35 925 126,54 marks.

The company Board of Directors consisted of Viacheslav Valuev, Chairman, Boris Diyachenko, General Manager and Andrey Rodionov, Reijo Niiranen and Kyösti Tiainen (Commercial Counselor), directors.

At the 31.12.2000, Suomen Petrooli Oy's unrestricted equity was 264 381 012,29 marks of which sum the profit for the financial year was 50 047 436,38 marks. The Board of Directors proposes that the parent company pay a dividend of 48 024 000 marks for the accounting period which includes a dividend of 25 520 000 marks in accordance with the decision taken previously at the special general meeting, and that the remainder be entered in the profit accounts for previous accounting periods.

The Board of Directors

# OY TEBOIL AB GROUP

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## CONSOLIDATED PROFIT AND LOSS ACCOUNT

(1 000 €/1 000 FIM)

01.01.–31.12.	2000 E U R O	1999* E U R O	2000 F I M	1999* F I M
Turnover	970 117	768 519	5 768 055	4 569 405
Other income	570	0	3 386	1
Materials and services				
Purchases during the financial period	-893 338	-680 275	-5 311 544	-4 044 730
Change in inventories	-731	2 526	-4 348	15 020
External services	-29 890	-31 779	-177 720	-188 951
	-923 959	-709 528	-5 493 611	-4 218 661
Personnel costs				
Wages and salaries	-9 354	-9 720	-55 614	-57 793
Pensions	-276	-665	-1 643	-3 951
Other personnel costs	-1 815	-1 955	-10 789	-11 626
	-11 445	-12 340	-68 046	-73 370
Depreciations				
Planned depreciations	-7 888	-7 388	-46 899	-43 925
Other expenditure	-19 449	-26 135	-115 641	-155 391
OPERATING INCOME	7 946	13 129	47 244	78 061
Financial income and expenditure	-1 480	-5 188	-8 799	-30 846
INCOME BEFORE EXTRAORDINARY ITEMS	6 466	7 941	38 445	47 215
Extraordinary items				
Extraordinary income	1 972	61	11 726	363
Extraordinary expenses	-107	-185	-634	-1 101
INCOME BEFORE ADJUSTMENTS AND TAXES	8 331	7 817	49 537	46 477
Adjustments				
Change in depreciation		3 574		21 248
Income tax	-1 888	-4 829	-11 224	-28 709
PROFIT FOR THE FINANCIAL YEAR	6 444	6 562	38 313	39 015

\*) These figures are for Oy Teboil Ab only

# SUOMEN PETROOLI OY – FINSKA PETROLEUM AB

## PROFIT AND LOSS ACCOUNT

(1 000 €/1 000 FIM)

01.01.–31.12.	2000 E U R O	1999 E U R O	2000 F I M	1999 F I M
Turnover	663 369	434 733	3 944 215	2 584 806
Other income	7 892	9 205	46 926	54 729
Materials and services				
Purchases during the financial period	-652 336	-432 100	-3 878 614	-2 569 150
Change in inventories	4 332	16 689	25 755	99 228
	-648 004	-415 411	-3 852 859	-2 469 922
Personnel costs				
Wages and salaries	-6 042	-6 216	-35 925	-36 961
Pensions	-148	-422	-880	-2 509
Other personnel costs	-983	-1 021	-5 846	-6 072
	-7 173	-7 660	-42 651	-45 542
Depreciations				
Planned depreciations	-3 936	-4 661	-23 400	-27 715
Other expenditure	-8 062	-8 972	-47 937	-53 347
<b>OPERATING INCOME</b>	<b>4 086</b>	<b>7 234</b>	<b>24 294</b>	<b>43 009</b>
Financial income and expenditure	4 838	-139	28 765	-826
<b>INCOME BEFORE EXTRAORDINARY ITEMS</b>	<b>8 924</b>	<b>7 095</b>	<b>53 059</b>	<b>42 182</b>
Extraordinary items				
Extraordinary income	30	20	181	122
Extraordinary expenses	-23	-8	-135	-48
<b>INCOME BEFORE ADJUSTMENTS AND TAXES</b>	<b>8 932</b>	<b>7 107</b>	<b>53 104</b>	<b>42 256</b>
Adjustments				
Change in depreciation	2 932	3 134	17 434	18 634
Income tax	-3 446	-3 038	-20 491	-18 062
<b>PROFIT FOR THE FINANCIAL YEAR</b>	<b>8 417</b>	<b>7 203</b>	<b>50 047</b>	<b>42 828</b>

# OY TEBOIL AB GROUP

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## CONSOLIDATED BALANCE SHEET 31.12.2000

(1 000 €/1 000 FIM)

	2000 E U R O	1999* E U R O	2000 F I M	1999* F I M
<b>ASSETS</b>				
FIXED ASSETS				
Intangible assets				
Intangible assets	1 965	1 902	11 682	11 311
Other long-term expenditure	5 743	4 825	34 148	28 686
	7 708	6 727	45 830	39 997
Tangible assets				
Land and water areas	4 416	3 877	26 256	23 052
Buildings and structures	22 383	17 811	133 084	105 900
Machinery and equipment	14 093	13 743	83 796	81 713
Other tangible assets	1 528	1 307	9 088	7 771
Advance payments and procurements in progress	113	2 190	673	13 019
	42 534	38 928	252 897	231 455
Investments				
Shares and participations	5 301	5 687	31 520	33 813
VARIABLE ASSETS				
Inventories				
Materials and supplies	11 808	12 539	70 207	74 555
Receivables, long-term				
Deferred tax assets	1932		11 485	
Receivables, current				
Accounts receivable	96 548	80 088	574 047	476 180
Loans receivable	135	298	800	1 771
Other receivables	3 222	442	19 159	2 627
Deferred receivables	1 405	448	8 355	2 663
	101 310	81 275	602 360	483 241
Cash in hand and at bank	4 169	8 993	24 787	53 471
<b>TOTAL</b>	<b>174 762</b>	<b>154 149</b>	<b>1 039 086</b>	<b>916 531</b>
<b>LIABILITIES</b>				
SHAREHOLDERS' EQUITY				
Share capital	4 373	4 373	26 000	26 000
Profit from previous accounting period	52 519	44 856	312 264	266 700
Profit for the accounting period	6 444	6 562	38 313	39 015
	63 336	55 790	376 577	331 715
ACCRUED ADJUSTMENTS				
Depreciation difference		16 794		99 851
STATUTORY RESERVES				
Statutory reserve	6 661	6 661	39 604	39 604
LIABILITIES, LONG TERM				
Loans from financial institutions	13 455	5 046	80 000	30 000
Calculated tax debt	4 125		24 524	
	17 580		104 524	
LIABILITIES, CURRENT				
Advance payments	920	777	5 468	4 618
Accounts payable	79 395	64 252	472 064	382 024
Other liabilities	425	1 414	2 529	8 405
Deferred liabilities	6 445	3 416	38 320	20 313
	87 185	69 859	518 380	415 361
<b>TOTAL</b>	<b>174 762</b>	<b>154 149</b>	<b>1 039 086</b>	<b>916 531</b>

\*) These figures are for Oy Teboil Ab only



# SUOMEN PETROOLI OY – FINSKA PETROLEUM AB

## BALANCE SHEET 31.12.2000

(1 000 €/1 000 FIM)

	2000 EURO	1999 EURO	2000 FIM	1999 FIM
<b>ASSETS</b>				
<b>FIXED ASSETS</b>				
Intangible assets				
Intangible assets	69	92	408	549
Other long-term expenditure	1 509	1 730	8 972	10 287
	<b>1 578</b>	1 823	<b>9 380</b>	10 836
Tangible assets				
Land and water areas	1 169	1 169	6 951	6 951
Buildings and structures	16 472	16 982	97 937	100 973
Machinery and equipment	10 325	12 423	61 391	73 862
Other tangible assets	1 883	2 068	11 195	12 297
Advance payments and procurements in progress	23	166	138	985
	<b>29 872</b>	32 808	<b>177 610</b>	195 068
Investments				
Shares and participations	1 335	1 655	7 938	9 839
<b>VARIABLE ASSETS</b>				
Inventories				
Materials and supplies	55 171	50 839	328 030	302 275
Advance payments	50 510	36 174	300 322	215 078
Receivables, current				
Accounts receivable	70 973	70 054	421 986	416 524
Loans receivable	1 087	2 991	6 464	17 786
Other receivables	6 049	6 467	35 967	38 454
Deferred receivables	976	1 154	5 804	6 863
	<b>79 085</b>	80 668	<b>470 221</b>	479 628
Cash in hand and at bank	1 881	365	11 186	2 169
<b>TOTAL</b>	<b>219 432</b>	204 330	<b>1 304 686</b>	1 214 894
<b>LIABILITIES</b>				
<b>SHAREHOLDERS' EQUITY</b>				
Share capital	4 877	4 877	29 000	29 000
Profit from previous accounting period	36 048	39 576	214 334	235 306
Profit for the accounting periods	8 417	7 203	50 047	42 828
	<b>49 343</b>	51 656	<b>293 381</b>	307 134
<b>ACCRUED ADJUSTMENTS</b>				
Depreciation difference	21 586	24 523	128 342	145 808
<b>STATUTORY RESERVES</b>				
Statutory reserve	1 242	1 242	7 385	7 385
<b>LIABILITIES, CURRENT</b>				
Loans from financial institutions	48 546	43 799	288 642	260 414
Accounts payable	29 437	23 444	175 022	139 394
Other liabilities	63 445	55 680	377 228	331 061
Deferred liabilities	5 834	3 986	34 686	23 698
	<b>147 262</b>	126 909	<b>875 578</b>	754 567
<b>TOTAL</b>	<b>219 432</b>	204 330	<b>1 304 686</b>	1 214 894

# OY TEBOIL AB

## COMMENTS ON THE FINANCIAL STATEMENTS

### Fixed assets

Fixed assets are entered in the balance sheet at cost of purchase adjusted by planned depreciation. Planned depreciation is calculated in regular increments based on the economic life of the article. The periods of depreciation are as follows: other long term expenditure 7–15 years, buildings 15–30 years, liquid fuel storage installations 10–40 years, structures 10, and machinery and equipment 4–15 years. Total investments in 2000 were 74 million marks (parent company) and 77 million marks (group).

### Inventories

Inventories are valued at direct purchase cost in accordance with FIFO principle.

### Personnel and pension fund

In 2000, the parent company employed an average of 240 staff against an average of 268 staff in 1999. Salaries totalled 54 million marks. Pension costs were one million marks. The parent company's personnel pension arrangements are managed by the Teboil pension fund. The parent company's pension fund liability deficit was 49 thousand marks at the end of the financial year. In accordance with coverage value calculations of the Ministry of Health and Social Security, there was no liability deficit.

In 2000, the group employed an average of 290

personnel of which 242 were staff. Salaries totalled 56 million marks. Pension costs were 2 million marks.

### Foreign currency items

Foreign currency items in the balance sheet were converted to Finnish marks at the average rates quoted by the Bank of Finland on the date that the books for the financial year were closed.

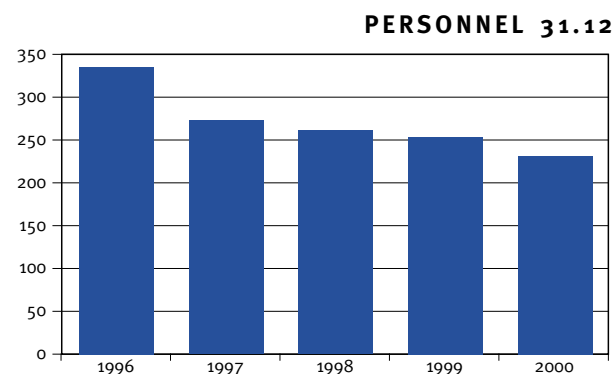
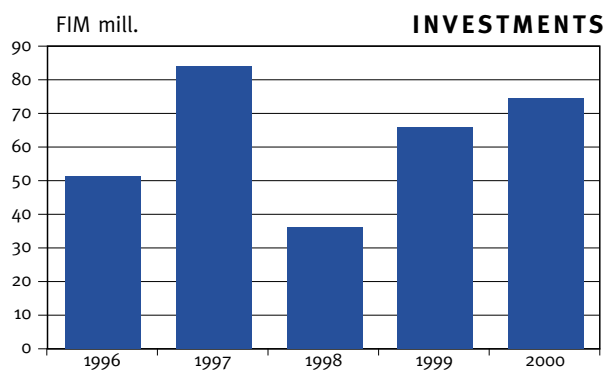
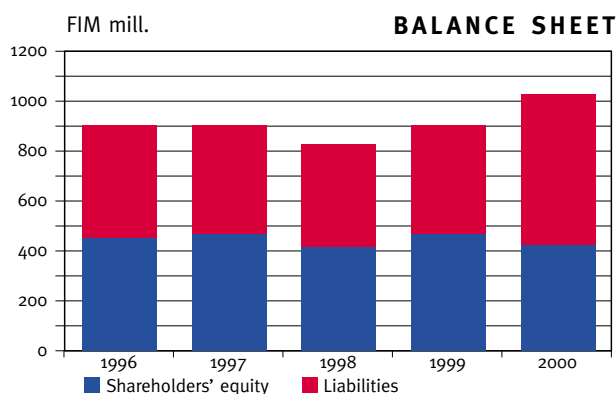
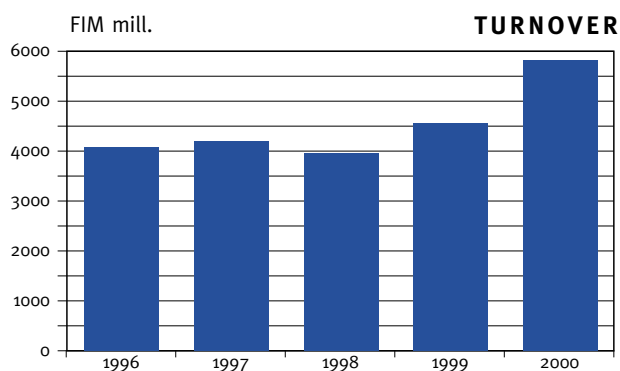
### Turnover

The parent company's turnover in 2000 was 5 765 million marks, and in 1999, 4 569 million marks. The group's turnover in 2000 was 5 768 million marks.

### Direct taxes

The parent and group's direct taxes totalled 16 million marks of which 6 million marks is calculated tax refund adjustment.

Changes in shareholders' equity	2000 1 000 FIM	1999 1 000 FIM
Share capital at 1.1.	26 000	26 000
Share capital at 31.12.	26 000	26 000
Profit from previous financial periods	305 715	266 700
Dividens from 1999	-38 450	
Advance dividend for the year 2000	-25 983	
Profit for the financial year	39 249	39 015
Total unrestricted equity 31.12.	280 534	305 715
Total shareholders' equity 31.12.	306 534	331 715



## COMMENTS ON THE FINANCIAL STATEMENTS

### Fixed assets

Fixed assets are entered in the balance sheet at cost of purchase adjusted by planned depreciation. Planned depreciation is calculated in regular increments based on the economic life of the article. The periods of depreciation are as follows: other long term expenditure 7–15 years, buildings 15–30 years, liquid fuel storage installations 10–40 years, structures 10, and machinery and equipment 4–15 years. Total investments in 2000 were 8 million marks.

### Inventories

Inventories are valued at direct purchase cost in accordance with the FIFO principle; or at the lower repurchase cost.

### Personnel and pension fund

In 2000, the company employed an average of 193 personnel of which 81 were staff, against an average in 1999 of 209, of whom 99 were staff. Salaries totalled 36 million marks. Pension costs were one million marks. The company personnel pension arrangements are managed by the Teboil pension fund. The pension fund liability is covered to the full amount, thus there was no pension fund liability deficit on 31.12.2000.

### Foreign currency items

Foreign currency items in the balance sheet were converted to Finnish marks at the average rates quoted by the Bank of Finland on the date that the books for the financial year were closed.

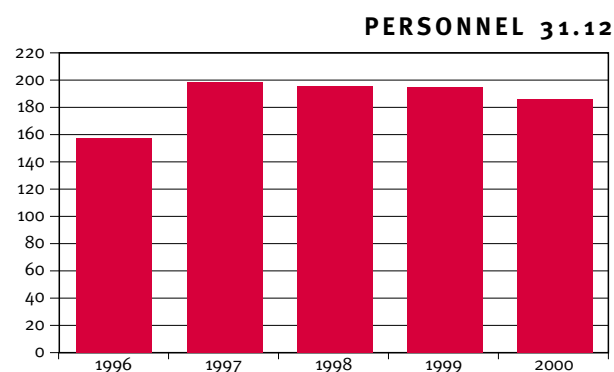
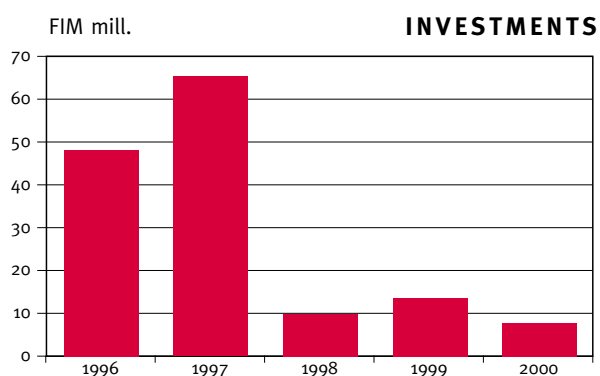
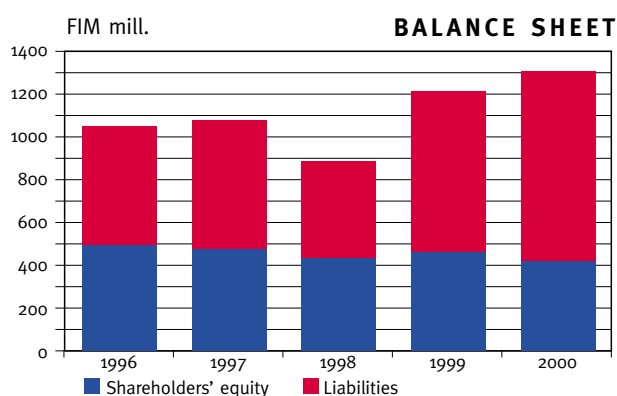
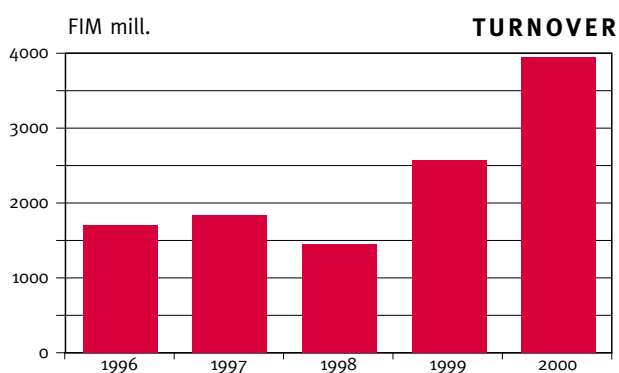
### Turnover

Turnover in 2000 was 3 944 million marks against 2 585 million marks in 1999. The share turnover of crude oil trading was 1 142 million marks, against 1 040 million marks in.

### Direct taxes

Direct taxes totalled 20 million marks of which 1 million marks is calculated tax refund adjustment.

Changes in shareholders' equity	2000 1 000 FIM	1999 1 000 FIM
Share capital at 1.1.	29 000	29 000
Share capital at 31.12.	29 000	29 000
Profit from previous financial periods	278 134	235 306
Dividens from 1999	-38 280	
Advance dividend for the year 2000	-25 520	
Profit for the financial year	50 047	42 828
Total unrestricted equity 31.12.	264 381	278 134
Total shareholders' equity 31.12.	293 381	307 134



## CONSOLIDATED STATEMENT OF CHANGES IN FINANCIAL POSITION (1 000 €/1 000 FIM)

1.1-31.12.	2000 EURO	1999* EURO	2000 FIM	1999* FIM
<b>CASH FLOW FROM OPERATIONS</b>				
Operating income before incidental items	6 466	7 941	38 445	47 215
Adjustments				
Planned depreciations	7 888	7 388	46 899	43 925
Financing income and expenses	1 480	629	8 799	3 740
Other adjustment items		10 369		61 650
Cash flow before changes in working capital	15 834	26 326	94 143	156 530
Changes in working capital				
Increase in short-term interest free receivables	-20 034	-18 190	-119 119	-108 152
Decrease (+) / increase (-) in inventories	731	-2 487	4 348	-14 789
Increase in short-term interest free debts	17 327	5 199	103 019	30 912
Cash flow from operations before financing items and taxes	13 857	10 848	82 391	64 501
Interests paid	-3 069	-1 828	-18 247	-10 871
Dividends received	4	68	21	407
Interests received	1 585	1 131	9 427	6 724
Direct tax paid	-1 888	-4 829	-11 224	-28 709
Extraordinary items	-818	-124	-4 861	-738
<b>CASH FLOW FROM OPERATIONS</b>	<b>9 672</b>	<b>5 267</b>	<b>57 507</b>	<b>31 314</b>
<b>CASH FLOW FROM INVESTMENTS</b>				
Investments in tangible and intangible assets	-12 932	-11 091	-76 890	-65 943
Capital gains from tangible and intangible assets	863	642	5 129	3 818
<b>CASH FLOW FROM INVESTMENTS</b>	<b>-12 069</b>	<b>-10 449</b>	<b>-71 761</b>	<b>-62 125</b>
<b>CASH FLOW FROM FINANCING</b>				
Withdrawal of long-term loans	8 409	-52	50 000	-309
Payment of dividends	-10 836	0	-64 430	0
<b>CASH FLOW FROM FINANCING</b>	<b>-2 427</b>	<b>-52</b>	<b>-14 430</b>	<b>-309</b>
<b>CHANGE IN LIQUID ASSETS</b>	<b>-4 824</b>	<b>-5 234</b>	<b>-28 684</b>	<b>-31 120</b>
Liquid assets 1.1.	8 993	14 227	53 471	84 591
Liquid assets 31.12.	4 169	8 993	24 787	53 471

\*) These figures are for Oy Teboil Ab only

### AUDITORS' REPORT

#### To the shareholders of Oy Teboil Ab

We have audited the accounting, the financial statements and the corporate governance of Oy Teboil Ab for the period 1.1. - 31.12.2000. The financial statements, which include the report of the Board of Directors, consolidated and parent company income statements, balance sheets and notes to the financial statements have been prepared by the Board of Directors and the Managing Director. Based on our audit we express an opinion on these financial statements and on corporate governance.

We have conducted our audit in accordance with Finnish Standards on Auditing. Those standards require, that we perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. The purpose of our audit of corporate governance is to examine that the members of the Board of

Directors and the Managing Director have legally complied with the rules of the Companies Act.

In our opinion, the financial statements, showing a profit in parent company of FIM 39.249.182,62, have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements. The financial statements give a true and fair view, as defined in the Accounting Act, of both the consolidated and parent company's result of operations as well as of the financial position. The financial statements with the consolidated financial statements can be adopted and the members of the Board of Directors and the Managing Director of the parent company can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the result is in compliance with the Companies Act.

Helsinki, 2 April 2001

Sven-Erik Guarnieri  
Authorized Public Accountant

Pekka Räisänen  
Authorized Public Accountant

## STATEMENT OF CHANGES IN FINANCIAL

POSITION (1 000 €/1 000 FIM)

1.1–31.12.	2000 EURO	1999 EURO	2000 FIM	1999 FIM
<b>CASH FLOW FROM OPERATIONS</b>				
Operating income before incidental items	8 924	7 095	53 059	42 182
Adjustments				
Planned depreciations	3 936	4 661	23 400	27 715
Financing income and expenses	-4 838	139	-28 765	826
Other adjustment items	0	3 950	0	23 488
Cash flow before changes in working capital	8 022	15 845	47 694	94 212
Changes in working capital				
Increase in short-term interest free receivables	1 582	-17 143	9 407	-101 928
Decrease (+) / increase (-) in inventories	-18 668	-44 292	-110 998	-263 346
Increase in short-term interest free debts	15 605	18 221	92 784	108 336
Cash flow from operations before financing items and taxes	6 540	-27 369	38 887	-162 727
Interests paid	-3 309	-1 980	-19 675	-11 775
Dividends received	6	2	37	11
Interests received	8 141	1840	48 403	10 938
Direct tax paid	-3 446	-3 038	-20 491	-18 062
Extraordinary items	8	12	46	74
<b>CASH FLOW FROM OPERATIONS</b>	<b>7 940</b>	<b>-30 533</b>	<b>47 206</b>	<b>-181 542</b>
<b>CASH FLOW FROM INVESTMENTS</b>				
Investments in tangible and intangible assets	-1 402	-2 309	-8 336	-13 728
Capital gains from tangible and intangible assets	962	115	5 718	687
<b>CASH FLOW FROM INVESTMENTS</b>	<b>-440</b>	<b>-2 193</b>	<b>-2 617</b>	<b>-13 042</b>
<b>CASH FLOW FROM FINANCING</b>				
Withdrawal of long-term loans	4 748	32 368	28 227	192 454
Payment of dividends	-10 730	0	-63 800	0
<b>CASH FLOW FROM FINANCING</b>	<b>-5 983</b>	<b>32 368</b>	<b>-35 573</b>	<b>192 454</b>
<b>CHANGE IN LIQUID ASSETS</b>	<b>1 516</b>	<b>-358</b>	<b>9 016</b>	<b>-2 129</b>
Liquid assets 1.1.	365	723	2 169	4299
Liquid assets 31.12.	1 881	365	11 186	2 169

## AUDITORS' REPORT

### To the shareholders of Suomen Petrooli Oy

We have audited the accounting, the financial statements and the corporate governance of Suomen Petrooli Oy for the period 1.1. - 31.12.2000. The financial statements, which include the report of the Board of Directors, income statement, balance sheet and notes to the financial statements have been prepared by the Board of Directors and the Managing Director. Based on our audit we express an opinion on these financial statements and on corporate governance.

We have conducted our audit in accordance with Finnish Standards on Auditing. Those standards require, that we perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The audit includes examining on a test basis evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management as well as evaluating the overall financial statement presentation. The purpose of our audit of corporate governance is to examine that the members of the Board of Directors and the Managing Director have legally complied with

the rules of the Companies Act.

In our opinion, the financial statements, showing a profit of FIM 50.047.436,38, have been prepared in accordance with the Accounting Act and other rules and regulations governing the preparation of financial statements. The financial statements give a true and fair view, as defined in the Accounting Act, of the company's result of operations as well as of the financial position. The financial statements can be adopted and the members of the Board of Directors and the Managing Director can be discharged from liability for the period audited by us. The proposal by the Board of Directors regarding the result is in compliance with the Companies Act.

Helsinki, 2 April 2001

Sven-Erik Guarnieri  
Authorized Public Accountant

Pekka Räisänen  
Authorized Public Accountant

## DIRECTORS

Boris Diyachenko	General Manager
Guri Petrunin	Deputy General Manager
Andrey Rodionov	Deputy General Manager, from 29.5.2000
Pekka Arte	Economics Director
Timo Linsiö	Personnel Director
Kyösti Tiainen	Commercial Director, Commercial Counsellor
Kim Tuomolin	Operations Director
Bari Umrjajev	Director of Finance, up to 1.9.2000

## BUSINESS UNITS

Martti Suikkanen	Director, Direct Sales
Jyri Suominen	Sales Director, Professional Traffic Services and Machinery Contractors
Timo Eriksen	Sales Director, Heating and Energy Services
Matti Kaukola	Sales Manager, Wholesale and Marine Fuels
Heikki Lenkkeri	Director, Service Station Activities
Pertti Luukkainen	Marketing Manager
Arto Järvenpää	Field Manager
Timo Karppinen	Real Estate Director
Kai Löfgren	Director, Lubricants
Hannu Kuittinen	Sales Manager, Industry
Jukka Luotonen	Sales Manager, Traffic
Mihail Apuhtin	Export Manager
Lasse Halkola	Production Director, Lubricants Plant
Ossi Anttila	Director, Liquid Gas

## DEPARTMENT MANAGERS

Emanuil Drakos	Imports
Leila Hämäläinen	Communication and Public Relations
Matti Hämäläinen	Legal Affairs
Anna-Maija Levä	Credit Control
Kari-Pekka Manni	Logistics
Jari Mäkinen	Economics
Carl Nelskylä	Environment, Quality and Safety
Seppo Niskanen	Finance and Bookkeeping
Krister Tamminen	EDP

## Oy Teboil Ab – Suomen Petrooli Oy

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All orders nationwide

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All orders nationwide (Service in Swedish)

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## DEPOTS

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**OY TEBOIL AB**  
**SUOMEN PETROOLI OY**