

Annual Report 2004

OY TEBOIL AB
SUOMEN PETROOLI OY

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Oy Teboil Ab and Suomen Petrooli Oy key figures

		2004	2003	2002	2001	2000
Sales	1 000 t	1 919	1 969	1 884	1 737	1 648
Market share	%	23.2	23.0	22.3	21.7	20.1
Turnover	mill. €	1 152	1 054	951	945	1 121
Operating margin	mill. €	32	19	25	14	24
Planned depreciation	mill. €	14	13	14	13	13
Net interest	mill. €	1	1	1	0	0
Other inc./exp.	mill. €	0	0	0	0	3
Taxes	mill. €	6	3	5	2	6
Result for financial year	mill. €	13	9	13	10	14
Investments	mill. €	16	18	15	13	13
Storage tank capacity	1 000 m ³	415	395	395	395	604
Service stations	installations	288	283	278	288	296
Personnel at the end of the year	persons	359	357	377	375	417

Companies in brief

Oy Teboil Ab and Suomen Petrooli Oy - Finska Petroleum Ab are affiliates who have operated in Finnish markets more than 70 years. Suomen Petrooli was founded in Vyborg in 1932 and Teboil in Helsinki in 1934, which made last year Teboil's 70th anniversary.

The companies became affiliated in 1948 since which time they have had joint management and head offices in Helsinki. Responsibilities have been assigned between the companies so that Teboil is engaged in the marketing, sale and distribution of oil and energy products, and service station activities in Finland. Suomen Petrooli is responsible for the acquisition, storage and transportation of oil products, and produces lubricants marketed and sold by Teboil.

The companies' business concept is to be an efficient, customer-oriented oil company reacting quickly to changes in the operating environment.

Teboil has established its position as the second largest oil company in Finland. Its market share in oil product sales for consumption has, since the 70's, been more than 20 per cent; in 2004 it was 23.2 %.

The company is a full service oil house, whose product range includes fuels for traffic, light and heavy fuel oil, LPG, lubricants and automotive chemicals.

The central sectors of operation have been organised into four business units: Direct Sales, Service Station, Lubricants and Liquid Petroleum Gas.

Lubricants unit has a modern plant in Hamina which produces lubricants and greases for the needs of motor vehicles, heavy machinery and industry.

Oil products and related services are marketed to private consumers, companies, industry, municipalities and state organisations. The company has a nation-wide service station chain and diesel automat network.

Oil products are acquired from both domestic and international oil markets. Good relationships with oil refineries created through long co-operation ensure a high level of quality of oil products marketed by the company.

The company strategy is to be a profit maker and the other leading oil company in Finland. By

investing in customer oriented business activities, high quality products, functioning logistics and its own distribution network the company is able to meet the challenges set by company and consumer customers and also the challenges of time.

Core values leading our company activities are:

Customer-orientation:

We are both mentally and physically close to the customer. We operate to a customer orientated model and are easily approachable.

Our field organisation and the extensive distribution and storage network enable regional presence and knowledge of local special conditions.

Humanity:

We respect our customers and their wishes, needs and values. We value our colleagues as individuals and experts in their field.

Responsibility:

As a developing organisation and employer, our company accepts its responsibility for its operating environment and employees. As members of the organisation we are aware of our responsibility for the operation of the whole company and aim to efficiently solve our customers' problems through our work.

Quality:

Operational quality: In our all activities we observe the ethical and moral values determined by our company, striving to do our work in the best possible manner.

Technical quality: Our high quality products, which are particularly suitable for Northern conditions, tailored supply of services, functioning logistics and the quality and environmental system of our production guarantee our high quality supply of products and services. We invest in the monitoring of quality and its continuous development.

General Manager's report



Crude oil and oil product world market prices that rose to a record level reached their peak in October 2004. The main reason for this was the growth of the world economy and forecasts that the growth will continue. Demand for oil products increased in 2004 by more than three per cent. The growth in demand increased crude oil production by four per cent from the previous year. The price development was also in a growth trend throughout the year. Prices of North Sea Brent crude oil grade fluctuated between 30 and 50 dollars per barrel. The limit of 50 dollars was exceeded in October after which the world market prices fell to about 40 dollars.

Oil demand was particularly affected by the strong economic growth in Asia. For example, oil consumption in China increased by more than 15 %, thus raising China to the position of second greatest oil user after the USA. The strong growth of motor traffic in China was considered to have had an impact on the increased world market prices of gasoline and diesel oil. The share of oil in global energy consumption is now approximately 40 per cent and oil consumption is forecast to continue to grow. According to experts, oil resources

will be sufficient because new deposits are being discovered and old ones can be better exploited with modern technology. Fluctuations in oil and oil product prices will continue to be great in the current year.

Finland's economic growth in 2004 was even stronger than was anticipated, which accelerated investments after some weak years. The growth of 3.7 % of total production was based on lively domestic demand. This was reflected in the activity of industry and transportation, which increased especially the demand for diesel.

Real disposable income in the use of households increased by 4.5 %. The rise in income level and various tax arrangements increased purchasing power, which was particularly directed to so-called "semi-durable" goods, such as household machines and entertainment electronics. The number of registered new passenger cars was approximately 143 000. The automotive industry considered the sales result as positive although it did not reach the previous year's sales peak, which was a result of the decrease in motor car tax. On the other hand, commercial vehicles were replaced more

vigorously than in the previous year. The good economic situation also improved demand for the company's traffic fuels. Sales volume of Teboil's diesel oil increased by almost ten per cent and of gasoline, more than three per cent; both considerably higher values than the general development in the oil industry.

In previous years, the oil industry as a whole has strongly invested in various projects improving environmental control and safety, which are being carried out in different sectors of activity, from product development to improvement of procedures. Oil products are being continuously developed in a more and more pro-environmental direction. Last year brought new sulphur-free traffic fuels into our distribution network. Product changes that were introduced at the beginning of September set great demands on the product delivery procedure but the change was carried through smoothly in all stages of our company's distribution chain.

Already in the previous year our company completed an extensive environmental safety project concerning the distribution and storage network. The company's own construction standards have been drawn up for all service stations and automat sites, in which the safety requirements of oil product handling are taken even more stringently into consideration. The technical safety of service stations and A and D automats, and the safe management of the stations, are checked in co-operation with traders and automat site managers in connection with annual safety inspections.

The safe transport of oil by road and sea is also being continuously developed. The objective is to develop and standardise safety systems for vehicles in loading and discharging situations. The company arranges annually training courses for tank lorry drivers on technical innovations and the handling of oil products at both depots and distribution points. All tank lorries used by the company are safety checked annually. Problems and defects discovered in the distribution channel are registered and analysed. In 2004, no significant environmental damage in any part of the oil product handling chain came to the company's attention.

The company also participates in the oil industry's joint Soili Programme, which is aimed at the efficient cleaning of soil at closed down service stations, and in the Höylä Programme, the objective of which is the reduction of emissions and energy consumption in properties using oil heating.

Our market shares have been growing during the past five years. Total market rose to 23.2 per cent and new records were made in the market shares of gasoline, diesel and light fuel oil. Shares of LP gas and lubricants also improved from the previous year. As the economic result was also reasonable, I may observe with some satisfaction that Teboil's 70th anniversary went as planned. Thanks for our success belong to our loyal customers who have had faith in our products and services. Without our good co-operation partners, Teboil traders, and skilful personnel we would not have achieved our targets of sales and result.

As the new year is now well on its way our companies are facing new opportunities. With purchases made 23.3.2005 the whole share capital of both Teboil and Suomen Petrooli was transferred to the ownership of a new owner, OAO Lukoil. Lukoil is one of the world's biggest companies in the oil industry. The purchase strengthens our company's operating opportunities in Finland's markets, improves the availability of oil products and opens new possibilities for the development of our company in its different fields of operations. Our customers, co-operation partners, Teboil traders and our personnel can look confidently to the future.



Boris Diyachenko

General Manager

Oy Teboil Ab – Suomen Petrooli Oy

70 years



On September 4th 70 years ago Mauritz Skogström, a Finnish sea captain, founded a gasoline sales company, Trustivapaa Bensiini Oy – Trustbri Bensin Ab, in Helsinki which, in 1966 was given its current name, Teboil.

A modest storage hall in Herttoniemi and gasoline canister sales from kiosks and wagons grew throughout the years to become a significant oil company. After the wars in the 40's the company flourished as the demand for, and consumption of, oil increased in the period of reconstruction. The expansion of activities required more capital, and so the owners at that time, Göran Ehrnrooth and Rafael Rahikainen, solved the financing need by inviting bids for their operation from several international oil companies. The best offer was made by V/O Sojuznefteexport, which had already acquired ownership of Suomen Petrooli in 1946. In this way, in 1948, the companies became affiliated.

The 50's was a period of strong development in the company's history. The storage network was extended and new, functional-style service stations were built in various areas of Finland. New products were added to the product range. Light fuel oil imports and sales began in 1959. Industry's need for energy was continuously increasing. Heavy fuel oil was added to the product range in 1962, and soon became a really successful product as sales volumes multiplied many times. The company's own lubricants production started in 1962 in Herttoniemi. In the 60's the import and sales of LP gas also began. The company's market shares increased and exceeded both Esso and Shell. Teboil established its present position in the 70's, since when the company's market share has been at least one fifth of all oil product sales in Finland.

"Teboil as a company is an essential part of Finland's energy management and therefore also important for the wellbeing of our economy and people. Naturally, there is also a linkage between the history of Finland and the 70-year history of the company. Teboil has become a well-known and acknowledged part of the Finnish economy", said Ilkka Kanerva, the deputy speaker of the Finnish Parliament, in his address when the company celebrated its 70th anniversary with customers and co-operating partners.

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The year 2004 brought with it large-scale fluctuations in liquid fuel prices, and severe price competition in both the gasoline and diesel markets. Exceptionally warm and wet weather had an effect on the need for fuel oils. On the other hand, the economic situation was fairly good, industrial utilisation rate high, and the consumption demand of households remained good, which ensured quite a good sales result for Teboil, although oil product sales in Finland fell by 1.8 % in products represented by Teboil. As a whole, the year of Teboil's 70th anniversary was successful because the market shares of our products increased again for the fifth consecutive year, and total market share rose to 23.2 per cent.

Heating need in 2004 was lower than in the previous year

The consumption of light fuel oil decreased in Finland by 7.6 % from 2003. Teboil's sales volume decreased only by 1.3 %, thus despite the reducing total markets Teboil succeeded in increasing its share in sales. Market share rose by 1.7 percentage points to 26.6 %.

The average consumer price of light fuel oil was approximately 5 cents per litre higher than one year earlier. The price difference compared to the previous year was at its greatest in October 2004, when fuel oil cost about 17 cents per litre more than the average for the corresponding month of the previous year. Particularly at the end of the year customers were trying to postpone their purchases and were waiting for prices to begin to fall.

Heating is responsible for the major part of light fuel oil consumption and, thus the impact of temperatures on the demand for the product is the most important single factor. The heating need in 2004 was only 92 % compared to the long-term average, which was particularly due to the result of the warmer than normal weather in the heating periods at the beginning and end of the year.

There are currently more than 250 000 oil-heated small-house properties in Finland, i.e. one fourth of small houses are heated with oil. According to a recent study the oil-heated small-house base is in a growth trend because oil heating is increasing its popularity among builders and, unlike recent

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years, ever more renovators of oil-heated one-family houses stay with their existing heating method.

Oil heating is still an extremely competitive heating method by price, although recent discussions on crude oil prices may have created a different image. According to statistics, oil heating is, in the long term, very competitive by price compared to other methods of heating small houses, despite the time to time typical short-term price peaks in crude oil prices.

Oil heaters have nowadays many new possibilities for saving energy and costs. Exchanging old heating equipment for modern ones brings savings of tens of per cents, as does, for example, simultaneously utilising solar energy side by side with oil, which is made possible by modern installation solutions. The energy saving agreement between the oil industry, Ministry of Trade and Industry and Ministry of the Environment has also speeded up the renewal of old oil-heating systems.

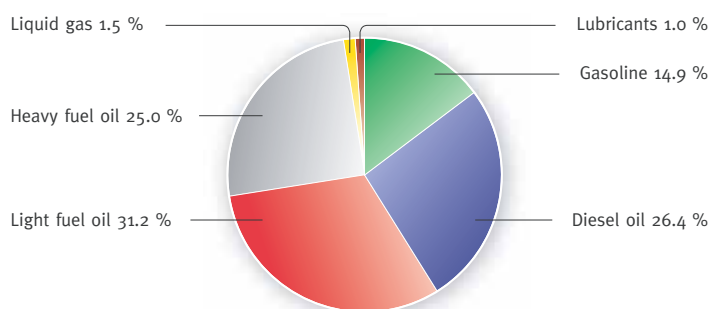
Light fuel oil is also used in agricultural and forestry machinery contracting and in agriculture. In agriculture, light fuel oil is used for crop drying. In 2004, the harvesting period was rainier than normal, and consequently, growth in the use of fuel oil for crop drying was greater than usual.

Consumption of heavy fuel oil fell as heating need decreased

Heavy fuel oil consumption decreased in Finland in all by 4.9 %. The consumption of low sulphur heavy fuel oil, which is mainly used for heating and the generation of electrical energy, fell even more than that, i.e. 9.3 %, which was a result of warm weather and low electricity prices in the open Nordic electricity markets. However, the consumption of the normal sulphur product, mainly used by the industry, increased by 18.2 %. This was an effect of the high industrial utilisation rate that prevailed last year.

Teboil's main products are low sulphur fuel oils, the sale of which fell by 11.5 %. The company's market share in low sulphur fuel oil decreased slightly and was 47.4 %. When calculating both products together the market share was 40.4 %. Teboil maintained its own major customers but the need of these customers for heavy fuel oil decreased by more than the average consumption.

Teboil main product sales to consumers (1 862 300 tonnes)



Heavy fuel oil was being replaced by bio fuels, mainly wood and peat. During the year 2004 several new heating plants came on line. There are at least twenty new heating plants or power stations at the planning stage that will use wood-based fuel. This development has an impact on the use of heavy fuel oil. According to oil industry estimates, the consumption of heavy fuel oil will fall by 2 % per annum up to the end of this decade.

The growth of the economy was also reflected in haulage

Diesel oil consumption increased by 4.4 % from 2003. Haulage volume was still in a growth trend, which was contributed to by the economic growth that continued to be strong. The year 2004 was characterised by the increase of diesel oil's world market prices, particularly at the end of the year, and partly also by strong price fluctuations. Prices were at their highest in October, but in December they began to decline. The rising trend of prices tightened competition in diesel oil's price also in commercial traffic, in whose cost structure diesel oil plays a significant part.

In the harsh competitive environment, Teboil succeeded in increasing diesel oil market share by 1.1 percentage units to 24.6 per cent. In addition to marketing measures, the development of the distribution network contributed to the growth in market share.

Teboil opened several new D automats serving heavy traffic in various parts of Finland. At the end of the year, there were 196 D automats for heavy traffic. Almost all of these sell summer and winter grade diesel oil in accordance with the season, and more than 130 automats also sell motor fuel oil. The development of the network will be continued in coming years. There are already more than 400 outlets for refuelling with D cards for commercial traffic in the Teboil network, when including automats at service stations.

The central principle of Teboil's quality policy is to offer customers high quality diesel grades suitable for the Finnish climate and different seasons of the year, and which will also bring savings to customers in commercial traffic. Diesel oil quality policy

was revised on 1.9.2004 when Finland changed to a product with even less sulphur content. The quality change set great challenges to oil companies' logistic chains, but at Teboil the change was carried out as planned at all depots and distribution points. As a result of the quality change, the sulphur content in diesel oil fell from 50 milligram to 10 milligram, thus sulphur emissions in Finland's road traffic are expected to decrease to practically negligible levels.

Light fuel oil sales for heavy machinery use were improved by machinery entrepreneurs' reasonable work situation. Machinery contracting was accelerated by major earthwork contracts; among others were the Kerava-Lahti railroad project and construction of Lahti-Heinola motorway. In this customer group the consumption of light fuel oil increased compared to the previous year.

Use of engine oils increased evenly throughout the year. The product will replace the share of heating oil in heavy machinery as the machinery base is being renewed. Engine manufacturers of most new heavy machinery require diesel quality fuel to be used.

Marine fuel oil bunkering markets under change

Markets in Finland of marine fuels for international traffic in 2003 were approximately 670 000 tons and in 2004, about 535 000 tons. The major part of marine fuel is normal sulphur heavy fuel oil.

In recent years, purchases of both light and heavy fuel oil from Finland have decreased. Already more than half of Finland's merchant fleet in international traffic purchase their bunker abroad. Price levels in Tallinn, St. Petersburg, Germany and the Benelux countries compared to prices in Finland have constantly been 5 – 20 USD/ton lower. This price difference appears to be continuing, which makes it unlikely that supply volumes will increase in Finland, at least not in the near future.

In all, foreign trade marine traffic has increased in Finland. It can therefore, be forecast that the required volume will remain fairly constant in coming years. Cargo volumes and schedules are increasingly important to carriers. Transports must be optimised and cargo space is not left empty because of too large bulk of fuel.

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Teboil's market share in foreign bunker trade fell in heavy fuel oil but increased in light fuel oil compared to the previous year.

A decision on decreasing sulphur content in marine traffic has been made and, starting from 1.6.2006, the sulphur limit is, instead of today's 3.5 percentages by volume, 1.5 percentages by volume. The change of quality will bring along new interesting challenges. Unlike many other suppliers Teboil has on principle a low sulphur product and logistics already existing throughout the country. We will

follow with interest our competitors' activities both in Finland and abroad.

Gasoline sales reached a new record

Gasoline sales in Finland grew by 1.7 % from the previous year to 2 512 million litres. Sales volumes increased for the fourth consecutive year. The increase in consumption was as a result of growth in traffic kilometrage and motor vehicle fleet. Consumption of diesel oil for light traffic also increased strongly. Passenger cars fitted with efficient diesel engines have increased their popularity among consumers for their performance and economy.

Great fluctuations in fuel prices and fierce price competition characterised 2004. The average price of 95 octane gasoline at service stations was at its highest in October 120 cent/l and at its lowest in January, 107 cent/l. The average price of diesel oil at service stations varied between October's 95 cent/l and February's 77 cent/l. Thus, the first half of 2004 was characterised by hard price competition, both in gasolines and diesel oil. In many places service station prices of gasoline and diesel oil fell for a long period below the break-even point. This fierce price competition resulted from the overcapacity created in the industry and from the efforts of new competing fuel distribution concepts to increase their sales. The market situation will continue to be tight also in the future until the overcapacity of fuel distribution in the industry is resolved.

In spite of the fierce competitive situation Teboil's gasoline sales increased by 3.5 % compared to 2003. Teboil also improved their gasoline market share and at the end of the year it was 14.8 %. Diesel oil sales through service stations and auto-mat sites also increased extremely strongly.

Service station marketing continued their regular customer programme. Apart from discounts on fuel, regular customers are also offered benefits on the purchase of products and services at service stations. The number of active regular customers, as well as interest group customers, increased from the previous year. In other marketing, measures taken at business outlets were particularly invested in, which culminated in Teboil's 70th anniversary



campaign organised in September in co-operation with the traders.

The business activity of Teboil's basic network was developed in accordance with the so-called "full service" concept, which includes motor vehicle servicing, sales of automotive accessories, and car wash, in addition to shop and cafeteria/restaurant activities.

The company also invested in improving business outlets in the service station network, and their quality level, and extending the automat network.

The whole Teboil network meets Finland's and the EU's environmental norms. To improve safety and prevention of negative impacts on the environment the company continued the safety programme covering the whole oil product distribution chain, and the required training of personnel and those engaged in trade.

Business activities of Suomen Tähtihovit Oy's service areas developed positively in 2004. At the end of the year the activities included Teboil Pirkanhovi in Lempäälä, Teboil Tähtihovi in Heinola, Teboil Rantahovi in Närpiö, Teboil Rajahovi in Vaalimaa and a new service area, Teboil Lapinjärvi. Construction of a new service area was also started at Tammisto in Vantaa. Teboil's group company, Suomen Tähtihovit Oy, operates these business areas, located by major traffic flows, while other service stations are operated by Teboil traders.

Service station network	2004	2003
Teboil stations	180	192
Automat stations	102	84
Marinas	6	7
Total	288	283

Composite bottles are becoming more common in the household use of liquid gas

Finland's LP gas markets rose by 3.2 %-points. Teboil increased its sales in commercial markets by 4.6 % but, because of strong total growth, the market share rose only 0.1 %-points to 10.4 % at the end of the year.

During 2004, the companies imported a total of 34 500 tons of LP gas: propane and butane. The imported volume increased by 1 500 tons compared to the previous year. LP gas was imported by rail, either directly to customers or to the company's LP gas depot at Onttola in Joensuu. The company's own LP gas imports ensure the high quality of the product.

LP gas increased its popularity among industrial companies. Bulk deliveries were increased and new customers were gained in various fields of industry. Our corporate customers appreciated the total supplies, which consist of tanks, pipe systems, burners, planning, and handling of licences. Skilful co-operation partners, good installation solutions, and well directed sales work helped to decide choosing LP gas as customers' new fuel.

Teboil has for a long time been able to maintain its market share of some 30 per cent in sales of bottled gas to households. The company has developed logistics and services with the aid of which supplies have been smooth during the demand peaks of grilling seasons. Liquid gas grills and various leisure time equipment, such as heaters, have maintained their popularity. In addition to the traditional 5 and 11 kg steel bottles, marketing of the novelty product, 6 kg composite bottle, commenced as planned although the cold and rainy summer decreased the sales of bottled liquid gas.

The development of LP gas sales appears to be consistent in the future. Leisure time use makes LP gas known to wider consumer groups, and various industrial solutions steadily increase the share of LP gas in energy markets.

Activities 2004



The lubricants plant, Hamina.

Teboil, the second largest lubricants seller

The total consumption of lubricants fell in Finland in 2004 by approximately 2 per cent from the previous year, and was almost 85 000 tons. Domestic lubricants markets have been in a declining trend by volume for several years, which is mainly due to longer oil change intervals. This has especially happened in engine oils, in which the total consumption fell by 4.3 % in 2004.

In 2004, the constant price increase of raw materials used in lubricants production made activities very challenging. In spite of reducing markets and fierce competition Teboil succeeded fairly well. Total market share increased slightly, in particular, the share of an important product group, engine oils. The company's market share rose by 0.2 %-points to 22.2 per cent. In engine oils the increase was 1.2 %-points and the market share was 26.3 %. Domestic lubricants sales totalled almost 19 000 tons.

The increase in market share was contributed to by development projects on sales activities, which helped serve increasingly wider customer groups even better. The product range covers

lubricating requirements of various consumers and corporate customers. To meet the special needs of industry, a wider selection of metal working fluids have been incorporated into our product range.

Export markets succeeded fairly well, although a tight competition situation prevailed, especially in Russian markets, because of the disadvantageous exchange rate of the Euro against the US Dollar. The organisation at the lubricants plant was reinforced to meet the needs of ever growing supplies to export.

In 2004, there were several development projects in progress at the lubricants plant, and resources were directed to the development of both processes, and product range and quality. The quality of several products was developed to meet the new quality requirements. Thus the laboratory operated by the lubricants plant is one of the corner stones of our lubricants activities.

In recent years Teboil's lubricants sales have developed better than the general development in the industry. The company has achieved the position of second biggest lubricants seller in Finland's markets. Decreasing total markets and new demands set on lubricants, along with technical development, are big challenges to business activities in the future.

Oil product acquisitions

Suomen Petrooli is responsible for the acquisition of oil products marketed by Teboil. The company purchased a total of 1.9 million tons of oil products from international markets and domestic refineries. The most significant change compared to the previous year was with traffic fuels, the maximum sulphur content of which was limited by the Act on Liquid Fuel Excise Duty to 10 mg/kg, starting from 1.9.2004. In addition to that, at the beginning of the year under review the maximum sulphur content of 1000 mg/kg for heating oil came into force.

The most important criterion of acquisition decisions was that qualities of oil products meet all the quality requirements of Finland's markets.

Import was primarily by sea, as in previous years. Nordic contract shipping companies were mainly responsible for the import by sea of heavy fuel oil. Oil products were also imported by rail from Russia and the CIS countries.

Suomen Petrooli's own tanker, M/T Tebo Olympia, was time-chartered for the whole year. The vessel carried oil products on both the Baltic Sea and the North Atlantic.

Logistics

The company's storage network consists of seven own depots, five located on the coast and two inland. During the year under review, more than 1.7 million tons of liquid fuels were handled through the network.

Investments in the depots were mainly directed to the handling of sulphur-free products, which guaranteed the availability of products in different parts of the country during the changeover to sulphur-free traffic fuels. Also control and safety systems were improved at depots.

Oil products were transported to customers in the company's own and contracted tanker-trucks. The number of trucks was increased to some degree to secure strong peaks of demand for heating oil. As at depots, introduction of sulphur-free

products also required technical changes in the tanker-truck fleet.

Personnel

At the end of the year the number of permanently employed personnel in the companies was 359 people of which 206 were employed by Teboil and 153 by Suomen Petrooli Oy. The number of personnel increased over the previous year by two people.

The central field of the development of organisation is the development of personnel. Development of professional skills and maintaining work motivation ensure competent personnel in the companies in changing circumstances. Training programmes tailored for different groups of personnel were aimed at ensuring the required skills at all levels of the organisation and increasing the efficiency of activities. The company has also invested in the personnel's well-being and job satisfaction. High quality staff dining and health care is available for the personnel. The company also supports the diverse activities of free time and physical activity clubs.

US dollar exchange rate development in 2004



Crude oil price development 2004



Oil product sales to consumers in Finland 2004

		National		Teboil			
		Total Sales	Change %	Sales	Change %	Market share %	Change %
Basic products	t	8 027 900	-1.8	1 862 300	-1.1	23.2	0.2
Gasoline	m ³	2 511 800	1.7	370 600	3.5	14.8	0.3
Diesel oil	m ³	2 363 000	4.4	581 300	9.5	24.6	1.1
Light fuel oil	m ³	2 580 900	-7.6	687 500	-1.3	26.6	1.7
Heavy fuel oil	t	1 153 900	-4.9	465 700	-12.4	40.4	-3.5
Liquid gas	t	268 200	3.2	27 800	4.6	10.4	0.2
Lubricants	t	84 600	-2.0	18 800	-1.0	22.2	0.2

Oy Teboil Ab

The profit and loss account (1 000 €)

01.01.–31.12.	2004	2003
Net turnover	1 181 610	1 081 818
Other operating income	15	171
Raw materials and services		
Purchases during the financial year	-1 092 849	-993 735
Variation in stocks	3 724	59
External services	-34 643	-34 146
	-1 123 768	-1 027 822
Staff expenses		
Wages and salaries	-9 556	-9 660
Pension expenses	-1 900	-2 536
Other social security expenses	-1 693	-1 856
	-13 149	-14 052
Depreciation		
Depreciation according to plan	-10 117	-9 419
Other operating charges	-20 827	-22 150
OPERATING PROFIT	13 764	8 546
Financial income and expenses	-969	-1 101
PROFIT BEFORE APPROPRIATIONS AND TAXES	12 795	7 445
Appropriations		
Change in depreciation reserve	-675	2 168
Income taxes	-3 824	-2 598
PROFIT FOR THE FINANCIAL YEAR	8 296	7 016

Suomen Petrooli Oy – Finska Petroleum Ab

The profit and loss account (1 000 €)

01.01.–31.12.	2004	2003
Net turnover	502 031	458 054
Other operating income	5 865	6 212
Raw materials and services		
Purchases during the financial year	-492 605	-429 881
Variation in stocks	7 290	-17 831
	-485 315	-447 713
Staff expenses		
Wages and salaries	-5 992	-5 980
Pension expenses	-1 181	-1 465
Other social security expenses	-876	-821
	-8 050	-8 265
Depreciation		
Depreciation according to plan	-3 487	-3 357
Other operating charges	-7 363	-7 591
OPERATING PROFIT	3 681	-2 660
Financial income and expenses	1 873	2 400
RESULT BEFORE APPROPRIATIONS AND TAXES	5 554	-260
Appropriations		
Change in depreciation reserve	1 022	2 686
Income taxes	-2 110	-628
PROFIT FOR THE FINANCIAL YEAR	4 466	1 798

Oy Teboil Ab

Balance sheet 31.12. (1 000 €)

ASSETS	2004	2003
NON-CURRENT ASSETS		
Intangible assets		
Intangible assets	3 550	2 482
Other capitalised long-term expenses	6 130	6 288
	9 681	8 770
Tangible assets		
Land and waters	4 863	4 861
Buildings	27 816	28 047
Machinery and equipment	20 982	19 974
Other tangible assets	1 625	1 617
Advance payments and construction in progress	255	645
	55 542	55 144
Investments		
Shares and participations	5 488	4 631
CURRENT ASSETS		
Stocks		
Raw materials and consumables	15 468	11 744
Debtors		
Trade debtors	100 341	87 868
Loan receivables	14 721	18 888
Other debtors	3 654	3 669
Prepayments and accrued income	665	634
	119 382	111 058
Cash in hand and at banks	6 125	8 811
TOTAL	211 686	200 159
LIABILITIES		
CAPITAL AND RESERVES		
Subscribed capital	4 370	4 370
Share premium account	3	3
Retained earnings	49 874	49 873
Profit for the financial year	8 296	7 016
	62 543	61 261
APPROPRIATIONS		
Depreciation reserve	14 374	13 699
PROVISIONS		
Other provisions	300	300
CREDITORS, LONG-TERM		
Loans from credit institutions	14 070	19 433
CREDITORS, SHORT-TERM		
Loans from credit institutions	9 328	9 544
Advances received	1 007	934
Trade creditors	104 629	91 029
Other creditors	301	297
Accruals and deferred income	5 135	3 664
	120 399	105 467
TOTAL	211 686	200 159

Suomen Petrooli Oy – Finska Petroleum Ab

Balance sheet 31.12. (1 000 €)

ASSETS	2004	2003
NON-CURRENT ASSETS		
Intangible assets		
Intangible assets	61	58
Other capitalised long-term expenses	875	1 131
	936	1 189
Tangible assets		
Land and waters	1 084	1 084
Buildings	15 536	16 562
Machinery and equipment	8 784	8 148
Other tangible assets	1 312	1 439
Advance payments and construction in progress	189	14
	26 905	27 247
Investments		
Shares and participations	1 335	1 335
CURRENT ASSETS		
Stocks		
Raw materials and consumables	53 529	46 239
Debtors		
Trade debtors	85 670	69 639
Loan receivables	13 766	17 816
Other debtors	3 239	2 430
Prepayments and accrued income	8 689	2 774
	111 364	92 659
Cash in hand and at banks	473	2 678
TOTAL	194 542	171 346
LIABILITIES		
CAPITAL AND RESERVES		
Subscribed capital	4 877	4 877
Retained earnings	44 827	45 031
Profit for the financial year	4 466	1 798
	54 171	51 706
APPROPRIATIONS		
Depreciation reserve	13 897	14 919
PROVISIONS		
Other provisions	380	380
CREDITORS, LONG-TERM		
Loans from credit institutions	11 012	14 846
CREDITORS, SHORT-TERM		
Loans from credit institutions	12 753	8 969
Trade creditors	23 031	18 435
Other creditors	75 465	60 910
Accruals and deferred income	3 833	1 182
	115 082	89 496
TOTAL	194 542	171 346

Company Management

Directors

Boris Diyachenko	General Manager
Guri Petrunin	Deputy General Manager
Pekka Arte	Economics Director
Timo Linsiö	Personnel Director
Kim Tuomolin	Operations Director
Martti Suikkanen	Director, Direct Sales Unit
Heikki Lenkkeri	Director, Service Station Unit
Ossi Anttila	Director, LPG Unit
Jukka Luotonen	Director, Lubricants Unit
Pertti Tuominen	Production Director, Hamina Plant

Department Managers

Emanuil Drakos	Imports
Matti Hämäläinen	Legal Affairs
Kari-Pekka Manni	Logistics
Jari Mäkinen	Economics
Carl Nelskylä	Environment, Quality, Safety
Seppo Niskanen	Finance and Bookkeeping
Krister Tamminen	EDP
Leila Timgren	Communication and Public Relations
Yury Tyurin	Export, Lubricants

Company Directory

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Companies 0800 183 301

Orders in Swedish 0800 183 20

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