
Annual Report 2005

OY TEBOIL AB

SUOMEN PETROOLI OY

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Oy Teboil Ab and Suomen Petrooli Oy key figures

		2005	2004	2003	2002	2001
Sales	1 000 t	1 933	1 919	1 969	1 884	1 737
Market share	%	23,7	23,2	23,0	22,3	21,7
Turnover	mill. €	1 438	1 152	1 054	951	945
Operating margin	mill. €	35	32	19	25	14
Planned depreciation	mill. €	14	14	13	14	13
Net interest	mill. €	0	1	1	1	0
Other inc./exp.	mill. €	0	0	0	0	0
Taxes	mill. €	5	6	3	5	2
Result for financial year	mill. €	15	13	9	13	10
Investments	mill. €	15	16	18	15	13
Storage tank capacity	1 000 m ³	415	415	395	395	395
Service stations	installations	293	288	283	278	288
Personnel at the end of the year	persons	358	359	357	377	375

Companies in brief

Teboil is a full service oil house, which has operated for more than 70 years in Finnish markets. Measured by market share, it is the second biggest oil company in Finland.

Oy Teboil Ab was founded in Helsinki in 1934 and Suomen Petrooli Oy – Finska Petroleum Ab in 1932, in Vyborg. The companies became affiliated in 1948, since which time they have had joint management and head office in Helsinki.

Responsibilities have been assigned between the companies so that Teboil is engaged in the marketing, sale and distribution of oil 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 owner of the companies is OAO Lukoil, which purchased the whole share capital of both companies in a transaction made on 23.3.2005. Lukoil is one of the biggest oil producers and sellers in the world. Its proven hydrocarbon reserves are the second largest in the world. The company has activities in more than 30 countries on four different continents, and personnel of more than 150 000. Lukoil is listed on the London Stock Exchange.

Teboil has established its position as the second largest oil company in Finland, whose product range includes fuels for traffic, light and heavy fuel oil, LPG, lubricants and automotive chemicals. Its market share of oil product

sales for consumption has, since the 70's, been more than 20 per cent of the whole; in 2005 it was 23.7 %.

The central sectors of operation have been organised into four business units: Direct Sales, Service Station, Lubricants and Liquid Petroleum Gas. The lubricants unit has a modern plant in Hamina, which produces lubricants and greases for the needs of motor vehicles, and 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 Teboil service station chain and diesel automat network.

The 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 business concept is to be an efficient oil company, close to the customer and reacting quickly to changes in the operating environment. Central values directing the company's activities are: customer orientation, humanity, responsibility and operational and technical quality.

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.



General Manager's report



Events in the Gulf of Mexico at the end of summer and early autumn affected global oil markets and brought high crude oil price quotations into the media headlines. The top quotation for Brent crude oil spot prices was experienced at the beginning of September when the price rose to 70 dollars per barrel. As a result of the impact of Hurricane Katrina, 90 per cent of oil production in the Gulf of Mexico was interrupted when several oil production rigs were off line. Oil refineries in the area experienced damage or suffered from a lack of crude oil. Of refining capacity 1.8 million barrels were left unused, which was ten per cent of the total refining capacity of the United States.

Apart from the storms in the Gulf of Mexico, other events in oil producing countries, and speculations about a strong increase in demand also lifted crude oil price quotations compared to previous years. While in 2004 Brent Crude Oil prices varied between 30 and 50 dollars per barrel, in 2005 the range was 40 to 70 dollars per barrel with an average of 58,21 \$/barrel.

Also, world market prices of all oil products were at a record high level. Generally price variations follow a pattern correlating to seasons, in accordance with which the heating period in the Northern hemisphere increases fuel

oil prices in winter time while on the other hand, in the summer period, the world market prices of traffic fuels.

In 2005, oil product markets functioned unusually. The demand for gas oil continued to be lively still in spring and summer, after the actual heating period. Gasoline markets were at the beginning of the period fairly weak and tightened in the early autumn after the actual high-motoring period. Low storage levels and destructions by Hurricane Katrina in August-September lifted gasoline world market prices momentarily to over 850 dollars per ton, but price levels recovered quite soon to the level they were at prior to the storm.

The increase in oil product prices evoked plenty of dispute, and fears about oil running out. However, in the background of the increase is rather a too small refining capacity than scarcity of crude oil. Oil producing countries have become conscious of the situation and they have decided to increase their investment in refining capacity.

The share of oil in Finland's energy consumption is approximately 27 per cent. In 30 years the quantitative share of oil has reduced only slightly. Although the relative share of oil of the total energy has reduced to half along with nuclear power and natural gas coming into markets, oil is still the biggest and by far the most versatile single source of energy. In addition to traffic, both industrial and other production activities, together with the heating of small houses, are significant users of oil products.

In 2005, oil consumption decreased by about one per cent compared to the previous year. Apart from diesel oil, the sales of all other oil products fell. In 2004, diesel oil sales increased by about four per cent, now the growth stayed under one per cent. Gasoline sales have increased throughout the 2000's, but in 2005 the growth ceased as a result of the decline in sales at the latter part of the year.

Sales of light fuel oil decreased last year by more than five per cent compared to the previous year. Almost half of light fuel oil consumption is used for heating. The mild weather decreased the need for heating oil and consequently, sales of light fuel oil. Besides warm weather, shut-downs in forestry due to industrial action decreased the sales of heavy fuel oil.

Salary earners' purchasing power also has a considerable impact on the development of oil trade. Salary earners' purchasing power was better than was predicted. It was mainly increased by a rise in average earnings and easing of taxation on earned income. For example car

General Manager's report

trade was busy. More private cars and trucks were registered than in the previous year, and private car sales were the fourth highest since the keeping of records began.

The strong revival of the vehicle base in recent years has had many effects. Improved technology has reduced the strain from traffic on the environment. On the other hand, new, efficient engines consume less fuel and lubricants. As traffic performance grown, the total sales of traffic fuels have been in a growth trend until now.

Meanwhile, the need for engine oils has continued to decrease and a growing number of engine manufacturers demand their own classifications on engine oils. Our company's lubricants plant has been able to meet this challenge and produce new engine oil variations for makes of car most in demand. Last year our engine oils were available in modern one and four litre small packs which were well received by the markets. Although our company is globally a small lubricants producer it has been able to maintain its position in the reducing markets due to its broad product range and high quality.

Our company's market share development continued to be positive. The total market share rose to 23.7 per cent, which further strengthened our position as the second largest oil company in Finland. By product groups, the sales and market shares increased in gasoline, diesel oil, light fuel oil and LP gas. Also, the market share of lubricants increased because our sales decreased less than the general development.

In recent years, the company has invested significantly in the development of the distribution network, and particularly in the diesel network for heavy traffic. This, together with skilled oil product acquisition and functioning logistics, has guaranteed a high level of services for our customers.

In March 2005, Teboil and Suomen Petrooli were transferred to a new owner when OAO Lukoil bought the companies' whole share capital. As one of the world's biggest oil companies, Lukoil has the possibility to invest in the further development of our activities, which is required by the tightened competition in Finland's oil business.

I have worked for Teboil and Suomen Petrooli for many rewarding years. Now, when my last term, seven years as the General Manager of the companies, ends, I can with confidence leave Teboil and Suomen Petrooli to the care of the new owner and new management.

I want to express my warm thanks to the companies'

personnel and the Teboil dealers. Due to our joint efforts the company met the set targets in market shares as well as in profits. In spite of difficulties that were prevailing in the oil industry we have also been able to fulfil our customers' and interest groups' needs and expectations.

Especially I want to thank our customers and cooperating partners for the trust you have shown towards our companies. Your confidence has guaranteed our success.



Boris Diyachenko

General Manager

Oy Teboil Ab – Suomen Petrooli Oy

Company activities

Price peaks coloured light fuel oil sales

The major part of light fuel oil consumption goes for heating, thus the temperatures during the main heating months at the turn of the year have a significant impact on sales. January 2005 was exceptionally mild, as was the period from September to November, due to which the need for heating was 12 % less than normal compared to the long-term average.

In addition to temperatures, oil price development was reflected in the sales of heating oil. Light fuel oil prices were in a steep rising trend, which attracted intensive news broadcast in the media. The average consumer price of light fuel oil was some 57.9 cent per litre, which was 13.5 cents per litre higher than in the previous year (Source: The Finnish Oil and Gas Federation, Consumer Prices Follow-up).

Fear concerning the availability of oil, and its increased prices, aroused a considerable amount of discussion promoting the benefit of alternative forms of heating. Also, in Finland the major governmental parties aimed at persuading consumers by means of investment support to abandon oil heating and to convert to using domestic bio fuels. However, the energy share of oil heating in dwelling and service buildings is approximately only 3 % of the equivalent oil tonnes.

There are more than 250 000 oil heated small domestic premises, i.e. one quarter of small houses are heated with oil. According to a recent study the existing base of oil heated small houses added to new buildings, in which oil heating system will be installed, has maintained its relative share in the distribution of various forms of heating.

Oil heating is by price a still extremely competitive form of heating. According to statistics, oil heating has in the long term been very price competitive compared to other methods of heating small houses, even though there has been at times those characteristic transient price peaks in oil prices. Also, renewing old oil heating systems increases the efficiency of oil and reduces environmental stress. The oil industry, together with the Ministry of Trade and Commerce and the Ministry of the Environment, promotes this activity within the sphere of Höylä II.

The other important user groups of light fuel oil are agriculture, and earthmoving and forestry machinery contractors. In agriculture the biggest consumption target is the energy needed for grain drying. The harvesting period was drier than normal, so need for drying and concomitantly, the use of fuel oil, remained lower than average. Engine fuel oil (ULSD 10 ppm) almost completely replaced the use of light fuel oil (Gasoil 0.1) in work machinery during the year. Engine manufacturers require



Company activities

diesel-quality fuel also in the newest work machines.

In the light fuel oil markets competition was focused between the traditional major oil companies. Light fuel oil sales for domestic consumption decreased by 5.4 %, compared to the previous year, to 2.4 million cubic metres. Teboil succeeded well in the declining markets and was able to increase its sales by 4.4%. In small consumer sales, the company was able to utilize the purchase peaks caused by price and weather factors due to the flexibility of the company. Our sales also developed better than the average in the use of agricultural and work machinery. Market share of the light fuel oil improved by 2.8 percentage units and rose to 29.4 per cent.

Total consumption of heavy fuel oil falls

The decrease in heavy fuel consumption was contributed to by warm weather and the price of electricity in the open Nordic electricity markets. The stock of water in the reservoirs in Norway was normal, so the Nordpool prices of electricity for Finnish importers of electricity were normal. Due to this and warm weather, condensing power plant generated electricity was not produced with heavy fuel oil.

Measures for replacing heavy fuel oil consumption with fuels, mainly timber and turf, continued. The use of coal in the production of electricity in condensing power plants also decreased fundamentally because it is not economical to produce electricity from coal with the high costs of emission rights. During the year 2005, several new combined heating plants were introduced which use both bio energy and dump waste in their combustion process.

In the forestry field there was an exceptionally long, six week industrial action in the summer, which resulted in the loss of a significant volume of heavy fuel oil sales to forestry.

Domestic sales of heavy fuel oil decreased by more than ten per cent to 1 036 thousand tons. The consumption of low-sulphur heavy fuel oil, which is mainly used for heating and the production of electricity, decreased by 9.1%. Also, the use of normal sulphur fuel oil, chiefly used by heavy industry, decreased by 14.8 %. Teboil's total sales volume decreased by 14.9 %. Our market share fell by 2.1 %-units and was 38.2 %.



Teboil's diesel sales increased considerably

Tonnage transported by commercial traffic decreased during 2005 by 2–3 % according to Finnish Transport and Logistics SKAL. On the other hand, transport performance kilometres increased as a result of strikes at harbours in the spring and later, industrial action in the forestry sector. According to SKAL's statement, it is even possible that the use of fuel in heavy commercial traffic decreased because entrepreneurs seek savings in fuel by renewing their transport equipment, and organising advanced driving routine training for drivers, aimed at savings in fuel consumption. Due to disturbances in harbours and forestry operations, the profitability of transport entrepreneurs in goods and forestry branches seems to have weakened.

Teboil continued the strong development of the D-network for commercial traffic. The company opened 9 new diesel automats serving heavy traffic in Southern and Central Finland. At the end of the year there were 205 D-automats for heavy traffic. The D-card for commercial traffic can also be used in Teboil's service station network, amounting to more than 400 refuelling points.

In all, diesel oil consumption increased only slightly during 2005, viz. 0.8 %, compared to previous years and was about 2 400 million litres. Teboil's total sales increased more strongly than the general development, i.e. 8.5 %. The company's market share improved by 1.9 percentage units and rose to 26.5 per cent.

Company activities

Marine fuel oil markets are dominated by foreign suppliers

More than 80 % of Finland's exports and imports are carried by sea. In tons this is 97 million tons. Globally, approximately a third of heavy fuel oil use is consumed by marine transport. In 2005, heavy fuel oil sales for marine traffic in Finland were 470 tons, which was 1.8 % less than corresponding supplies previous year. The markets are divided between three operators, of which Teboil's share in 2005 was 5.8 %.

The major part of marine fuel is normal sulphur heavy fuel oil. Finnish foreign-going ships purchase approximately 40 % of their bunker oil in Finland and the rest abroad.

Price levels in Tallinn, St. Petersburg, Germany and the ARA countries have continuously been 5–20 USD/ton lower than in Finland. This price difference seems likely to prevail also in the future, so it is unlikely that supplied volumes will increase in Finland, at least not in the near future.

The European Union environmental policy directive, Marpol Annex VI, which will come into force on 19.5.2006, determines that the maximum sulphur content in marine fuel oil in the Baltic Sea shall be 1.5 %. The decision to invest in heavy fuel oil mixing and injection equipment essentially contributes to Teboil's possibility of improving its offering in the marine fuel markets in the future. During 2006 we are able to supply marine fuel in Hamina of the viscosity required by customers and in accordance with the sulphur limits directed by the EU. The corresponding

investment also in Oulu and Pori will support domestic heavy fuel oil sales.

Gasoline prices reached a record level in September

In particular gasoline, prices have always been the favourites for monitoring by the media but seldom has gasoline prices been written about so much as in 2005. The average price of 95 octane gasoline at service stations was at its highest in September at 135.1 c/l and at their lowest in January at 108.0 c/l, according to statistics by the Finnish Oil and Gas Federation. Similarly the average prices of diesel oil at service stations varied between 104.4 c/l in September and 87.8 c/l in January.

In service station markets already for several years there has prevailed an imbalance where traditional oil companies have been forced to defend their volumes when new companies have been trying to enter the markets with ever more aggressive pricing. Particularly during the last three months of 2005, retail prices fell as a result of the price war, and the profitability of the whole industry fell sharply.

The service station business was also affected by many other pressures to change. Attempts to maintain or increase market shares have led to reassessments in business concepts. Synergy benefits have been sought from the combination of fuel distribution and perishables businesses, rearrangement of cafeterias, carwash and car servicing services, or business outlet operations. Attempts



Company activities

to meet price competition have been applied to, amongst other things, automat stations, which are aimed at cost efficiency with limited product range, fewer means of payment and the net pricing principle.

Overall, the number of outlets has increased in Finland. Particularly, more automat stations have been built, but also the number of bigger service areas has strongly increased. As the consumption of gasoline and diesel oil has not increased in Finland in proportion to the increase in the number of outlets, the struggle to maintain volumes and market shares has further intensified.

Teboil continued the development of the service station concept

In the development of service station activities, the renewal of business outlets was continued in accordance with the concept defined earlier. The basic idea is to stand out from other service station chains by offering more car-related services. Investment in the development of car servicing activities and improvement of carwash services was continued. The quality level of service stations and automat stations was coordinated with the aid of an external assessment system.

Together with the renovation of the basic network, the most important investment target was the new service area opened in June in Tammisto in Vantaa. Attention was also paid to the development of automat stations. Automat stations were renewed to meet Teboil's meter island standard in about twenty localities around Finland. New automat stations were opened in two localities and diesel automats were build adjacent to both of them.

In connection with the investments, contaminated soil was cleaned of gasoline and diesel oil in co-operation with authorities. To increase safety and to prevent negative impacts on the environment, the company continued the safety programme covering the whole oil product distribution chain, and training of personnel required by the programme.

At the end of the year, there was a total of 293 business outlets in Teboil's service station network, 106 of which were automat stations.

Teboil group company, Suomen Tähtihovit Oy, operated seven Teboil service stations sited by major traffic streams. Other service stations are operated by Teboil dealers.

The basic framework for service station marketing

is the regular customer programme, the development of which was continued. Regular customers receive a discount on fuel prices, and benefits on other products and services sold at service stations. The main media for marketing to regular customers was the direct advertising publication, Etuvilkku, which was mailed six times to customers.

Membership card cooperation with trade unions and other interest groups was purposefully continued, which had a positive impact on the increase in service station customer volumes.

The service Station Unit implemented a monthly marketing programme at business outlets, in which measures for different product and service groups were specified. The biggest campaign was the so-called "Big Hand" campaign, which was repeated three times during 2005. The main media used in the campaigns were radio, and advertising in newspapers and at business outlets.

Despite competition Teboil improved its market share in gasoline sales

Gasoline sales have increased throughout this decade, except in the past year. During the three first quarters of 2005 gasoline sales were greater than in the previous year, but sales in the last quarter of the year was smaller than that in the corresponding period of the previous year with the net result that gasoline sales for the whole year decreased by 0.4 % compared to the previous year. The reason for consumption turning to a decline was



Company activities



the impact on consumers' behaviour towards gasoline prices that had risen high, and the elimination of "needless driving", as well as the continuous improvement in car's fuel economy.

Despite tough competition and decreased total sales, Teboil's gasoline sales increased by 1.5 % and were 376 000 m³. The company's market share rose by 0.3 percentage units to 15.0 %, which is Teboil's highest market share of all time.

Lubricants got new small packages

Prices of the raw materials used in lubricant production have been rising strongly for several years, which together with decreasing sales volumes has presented many challenges.

Increased demand from the Far East pushed crude oil prices upwards in summer 2005. A wave of hurricanes raged in the Gulf of Mexico damaging several basic oil refineries and one of the world's biggest additive plants. As a result of this, basic oil prices went into an unprecedented climb. Also additive prices rose during the year remarkably compared to the previous year's level as a result of the combined impact of several increases.

Price increases were emphasised even more by the strengthening of the US Dollar against the Euro. Even price changes during the oil crisis or the war on Iraq were not

as severe as those in 2005. Oil companies have not yet been able to fully transfer the increases to wholesale and consumer prices, therefore it is expected that there will be further increases in lubricant prices.

Competition in Finland's reducing lubricants markets continued to be strong. The need for lubricants for both light and heavy vehicles is declining because of continuously improved grades and lengthened lubricating intervals. Battles over sales channels and on conquering new market gaps are tightening the competition between oil companies in this industry.

The industrial action in the forestry sector halted paper mills and the operation of sawmills almost completely in May–June, which had a significant impact on the demand for industrial lubricants in Finland. However, Teboil's sales volumes to industry developed positively regardless of the actions. The sales of Rhenus metalworking fluids also increased compared to the previous year, and thus in the future, Rhenus product group will have its own place among industrial oils.

The total consumption of lubricants decreased in Finland in 2005 by some 6.5 % compared to the previous year and was about 79 000 tons. Despite the numerous problems in the field Teboil was able to improve its market share, which increased by 0.5 percentage units to 22.7 %. The market share in engine oils was 26.7 % with the

Company activities

increase of 0.4 percentage units.

Our export markets were in a growth phase. The greater part of lubricant exports is to major customers. Exports are mainly to Russia and the Baltic countries. In 2005, deliveries to service stations of the company's new owner, Lukoil, were commenced.

There were several development projects at the company's lubricant plant in Hamina. Production processes were further developed and laboratory activities were made more efficient with new equipment acquisitions.

Product marketing was enlivened by new one and four litre packs, which were received well. As in previous years, numerous new products were introduced to the markets to meet consumers' special needs, for example fully synthetic 2-stroke engine oils, 2T Bike for motorcycles and 2T Snow for snowmobiles.

LP gas increased slightly its popularity

LP gas markets in Finland in 2005 grew by 4.4 per cent to 280 000 tons. Teboil increased its sales more than the general development, i.e. 7.1 %. Market share rose by 0.3 percentage units and was 10.6 %.

The companies imported from Russia a total of 34 800 tons of LP gas; propane and butane. The imports were by rail, either direct to customers or to Onttola LP gas depot in Joensuu.

Bulk gas deliveries for industry revived. A significant number of new customers were won in various fields of industry. Several factors had an impact on the acquisition of customers. They seem to particularly value the total supplies of LP gas consumption installations, which include tanks, pipe systems, burners, planning and handling of licences. Skilful cooperating partners, successful equipment solutions and effectively directed sales work made the decision easier for the customers to choose LP gas as their fuel.

The product development of steamer and container packets designed for the industry was continued, and imports of mass-produced small tanks were commenced. With the aid of these competitive products a record number of new container gas customers were obtained.

In the sales of bottled liquid gas to households the company further refined the logistics and aimed at emphasising high quality and services. Liquid gas grills and various types of leisure time equipment, such as heaters were particularly popular. In addition to the traditional 5

and 11 kilo steel bottles, there was a great demand for new 10 kilo composite bottle.

The sales of LP gas is expected to develop positively also in the future. Leisure time use makes LP gas known to wider consumer circles and various industrial targets for use steadily increases the share of LP gas in energy markets.

Oil product acquisition and logistics

Teboil's affiliated company Suomen Petrooli Oy was responsible for the acquisition and logistics of oil products marketed and sold by Teboil. The total volume of acquired products was 1.9 million tons.

Oil products were purchased from different suppliers on international markets and from a domestic refinery.

The most important criteria in oil product acquisition decisions was, apart from favourable purchasing prices, that their quality met all the quality requirements of Finnish markets.

The major part of imports was by sea based on term contracts made with foreign shipping company. At the latter part of the year a new import channel was of sulphur-free diesel oil by rail from Russia to Kuopio, Joensuu and Hamina.

Suomen Petrooli's own tanker, M/T Tebo Olympia, was in dock in Riga in spring when its double bottom was deepened and the vessel was classified for the next five years period. At the end of May the vessel was offered for sale. The best bid was made by Spanish company Grupo



Company activities

Beluda to whom the vessel was sold, and handed over on 13.12.2005 in Stockholm.

The liquid fuel network consisted of six coastal depots (Oulu, Pietarsaari, Vaasa, Pori, Turku and Hamina) and two inland depots (Kuopio and Joensuu). Apart from our own storage network cooperating oil depots were used as required.

The most significant storage investments were the renewing of automation at Joensuu depot and for mixing installations in Hamina and Pori depots. Heavy fuel oil mixing installations are intended to ensure the supply of marine bunkers when, starting in May 2006, the required limit for sulphur in the products will be under 1.5 w-% in the Baltic region. This will also secure more flexible possibilities to offer customers heavy fuel oil grades with various viscosities.

Oil products were transported to customers with our own and contracted tank trucks. Autumn was a particularly challenging time for fuel deliveries because high liquid fuel prices and a warmer than normal autumn resulted in strong momentary demand peaks in fuel deliveries.

Personnel

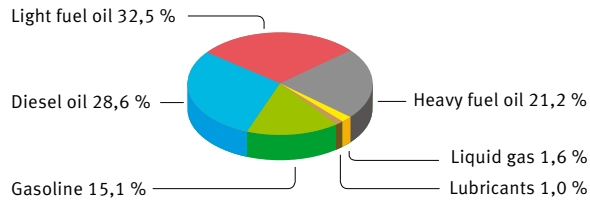
At the end of the year, the number of personnel working in permanent employment in the companies was 358, of which 205 were employed by Teboil and 153 by Suomen Petrooli. The number of personnel decreased by one compared to the previous year.

Development of professional skills and maintaining work motivation are central sectors of the companies' personnel policy. A major project of the personnel development programme, the extensive professional special degree, which lasted three years, was completed. The training was carried out in cooperation with the Helsinki Employment Office and Employment and Economic Development Centre for Uusimaa. The personnel's degree course aimed at occupational expertise was continued. Individual courses aimed at maintaining professional skills also were organised in various fields of expertise.

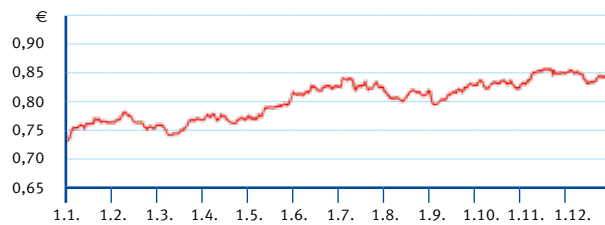
The personnel's well-being and development were invested in, in many different ways. The company offers to its personnel a high level workplace dining and health-care, as well as possibilities for versatile leisure time and exercise activities.

Company activities

Teboil main product sales to consumers 2005 (1 865 351 tonnes)



US dollar exchange rate development in 2005



Crude oil price development 2005 (Brent spot)



Oil product sales to consumers in Finland 2005

		National		Teboil			Change %
		Total Sales	Change %	Sales	Change %	Market share%	
Basic products	t	7 857 632	-2,1%	1 865 351	0,2%	23,7	0,5
Gasoline	m ³	2 500 817	-0,4%	376 211	1,5%	15,0	0,3
Diesel oil	m ³	2 382 632	0,8%	630 616	8,5%	26,5	1,9
Light fuel oil	m ³	2 440 977	-5,4%	717 664	4,4%	29,4	2,8
Heavy fuel oil	t	1 036 214	-10,2%	396 242	-14,9%	38,2	-2,1
Liquid gas	t	280 036	4,4%	29 727	7,1%	10,6	0,3
Lubricants	t	79 104	-6,5%	17 922	-4,4%	22,7	0,5

Oy Teboil Ab

THE PROFIT AND LOSS ACCOUNT (1 000 €)

01.01.–31.12.	2005	2004
Net turnover	1 437 603	1 181 610
Other operating income	121	15
Raw materials and services		
Purchases during the financial year	-1 342 444	-1 092 849
Variation in stocks	825	3 724
External services	-35 754	-34 643
	-1 377 373	-1 123 768
Staff expenses		
Wages and salaries	-9 957	-9 556
Pension expenses	-1 626	-1 900
Other social security expenses	-1 948	-1 693
	-13 532	-13 149
Depreciation		
Depreciation according to plan	-9 973	-10 117
Other operating charges	-22 527	-20 827
OPERATING PROFIT	14 318	13 764
Financial income and expenses	-1 468	-969
PROFIT BEFORE APPROPRIATIONS AND TAXES	12 850	12 795
Appropriations		
Change in depreciation reserve	-935	-675
Income taxes	-3 124	-3 824
PROFIT FOR THE FINANCIAL YEAR	8 792	8 296

Suomen Petrooli Oy – Finska Petroleum Ab

THE PROFIT AND LOSS ACCOUNT (1 000 €)

01.01.–31.12.	2005	2004
Net turnover	706 698	502 031
Other operating income	9 326	5 865
Raw materials and services		
Purchases during the financial year	-700 182	-492 605
Variation in stocks	8 636	7 290
	-691 545	-485 315
Staff expenses		
Wages and salaries	-6 373	-5 992
Pension expenses	-1 029	-1 181
Other social security expenses	-930	-876
	-8 332	-8 050
Depreciation		
Depreciation according to plan	-3 455	-3 487
Other operating charges	-7 033	-7 363
OPERATING PROFIT	5 659	3 681
Financial income and expenses	1 280	1 873
RESULT BEFORE APPROPRIATIONS AND TAXES	6 939	5 554
Appropriations		
Change in depreciation reserve	728	1 022
Income taxes	-2 002	-2 110
PROFIT FOR THE FINANCIAL YEAR	5 665	4 466

Oy Teboil Ab

BALANCE SHEET 31.12. (1 000 €)

ASSETS	2005	2004
NON-CURRENT ASSETS		
Intangible assets		
Intangible assets	2 996	3 550
Other capitalised long-term expenses	6 095	6 130
	9 091	9 681
Tangible assetst		
Land and waters	5 387	4 863
Buildings	27 158	27 816
Machinery and equipment	21 895	20 982
Other tangible assets	1 697	1 625
Advance payments and construction in progress	444	255
	56 581	55 542
Investments		
Shares and participations	5 500	5 488
CURRENT ASSETS		
Stocks		
Raw materials and consumables	16 293	15 468
Debtors		
Trade debtors	144 655	100 341
Loan receivables	488	14 721
Other debtors	731	3 654
Prepayments and accrued income	851	665
	146 725	119 382
Cash in hand and at banks	9 868	6 125
TOTAL	244 059	211 686
LIABILITIES		
CAPITAL AND RESERVES		
Subscribed capital	4 370	4 370
Share premium account	3	3
Retained earnings	58 170	49 874
Profit for the financial year	8 792	8 296
	71 335	62 543
APPROPRIATIONS		
Depreciation reserve	15 308	14 374
PROVISIONS		
Other provisions	300	300
CREDITORS, LONG-TERM		
Loans from credit institutions	1 529	14 070
CREDITORS, SHORT-TERM		
Loans from credit institutions	1 529	9 328
Advances received	1 398	1 007
Trade creditors	149 548	104 629
Other creditors	333	301
Accruals and deferred income	2 779	5 135
	155 587	120 399
TOTAL	244 059	211 686

Suomen Petrooli Oy – Finska Petroleum Ab

BALANCE SHEET 31.12. (1 000 €)

ASSETS	2005	2004
NON-CURRENT ASSETS		
Intangible assets		
Intangible assets	50	61
Other capitalised long-term expenses	697	875
	747	936
Tangible assets		
Land and waters	1 094	1 084
Buildings	15 327	15 536
Machinery and equipment	8 823	8 784
Other tangible assets	1 403	1 312
Advance payments and construction in progress	0	189
	26 647	26 905
Investments		
Shares and participations	1 335	1 335
CURRENT ASSETS		
Stocks		
Raw materials and consumables	62 165	53 529
Debtors		
Trade debtors	124 251	85 670
Loan receivables	0	13 766
Other debtors	2 855	3 239
Prepayments and accrued income	4 429	8 689
	131 535	111 364
Cash in hand and at banks	140	473
TOTAL	222 569	194 542
LIABILITIES		
CAPITAL AND RESERVES		
Subscribed capital	4 877	4 877
Retained earnings	49 294	44 827
Profit for the financial year	5 665	4 466
	59 836	54 171
APPROPRIATIONS		
Depreciation reserve	13 170	13 897
PROVISIONS		
Other provisions	380	380
CREDITORS, LONG-TERM		
Loans from credit institutions	0	11 012
CREDITORS, SHORT-TERM		
Loans from credit institutions	30 225	12 753
Trade creditors	38 100	23 031
Other creditors	79 638	75 465
Accruals and deferred income	1 221	3 833
	149 184	115 082
TOTAL	222 569	194 542

Company Management

Directors

Boris Diyachenko	General Manager, until 9.4.2006
Nazim Suleymanov	General Manager, from 10.4.2006
Guri Petrunin	Deputy General Manager, until 31.12.2005
Alexander Malanin	Deputy General Manager, from 1.2.2006

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	Import
Matti Hämäläinen	General Counsellor
Kari-Pekka Manni	Logistics
Jari Mäkinen	Economics
Carl Nelskylä	Real estate
Seppo Niskanen	Financing and bookkeeping
Krister Tamminen	IT
Leila Timgren	Communication and Public Relations
Yury Tyrin	Export, lubricants

Contact Information

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Order Centre

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Companies	+358 (0)800 183 301
In Swedish	+358 (0)800 183 20
Fax	+358 (0)20 4700 761 or +358 (0)9 871 0848