Oy Teboil Ab's Annual Accounts 2011

Oy Teboil Ab's income statement 01.01-31.12. (EUR)

	1.1.-31.12.2011	1.1.-31.12.2010
Turnover	2 271 900 600,86	2 003 422 034,12
Other operating income	13 266 578,09	2 252 190,30
Materials and services		
Purchases during the financial year	-2 161 506 045,87	-1 885 732 034,16
Variation in stocks	35 303 564,88	30 827 073,96
External services	-44 248 161,00	-46 275 747,69
	-2 170 450 641,99	-1 901 180 707,89
Staff expenses		
Wages and salaries	-14 694 252,80	-18 373 006,84
Pension expenses	-2 701 087,69	-3 130 752,11
Other social security expenses	-737 654,79	-1 008 547,81
	-18 132 995,28	-22 512 306,76
Depreciation		
Depreciation according to plan	-15 523 707,02	-15 488 178,97
Other operating charges	-41 448 706,78	-34 228 623,17
OPERATING PROFIT	39 611 127,88	32 264 407,63
Financial income and expenses	-2 466 383,82	-2 439 102,50
RESULT BEFORE APPROPRIATIONS AND TAXES	37 144 744,06	29 825 305,13
Appropriations		
Change in depreciation reserve	4 760 344,36	1 066 971,13
Income taxes	-12 623 154,32	-8 950 928,99
PROFIT FOR THE FINANCIAL YEAR	29 281 934,10	21 941 347,27

Oy Teboil Ab's balance sheet 31.12. (EUR)

ASSETS	31.12.2011	31.12.2010
NON-CURRENT ASSETS		
Intangible assets		
Intangible assets	6 771 609,88	9 629 036,10
Other capitalised long-term expenses	2 806 823,54	3 605 390,68
	9 578 433,42	13 234 426,78
Tangible assets		
Land and waters	7 917 003,55	7 668 497,60
Buildings	25 984 531,46	29 064 029,60
Machinery and equipment	18 692 284,70	25 213 090,89
Other tangible assets	1 895 539,63	2 182 445,47
Advance payments and construction in progress	5 913 088,58	4 760 955,77
	60 402 447,92	68 889 019,33
Investments		
Shares and participations	5 233 940,12	5 944 437,20
CURRENT ASSETS		
Stocks		
Raw materials and consumables	140 937 436,98	105 633 872,10
Debtors		
Trade debtors	190 446 196,99	207 780 969,64
Loan receivables	0,00	0,00
Other debtors	14 372 719,04	6 939 886,13
Prepayments and accrued income	4 623 948,80	1 812 376,65
	209 442 864,83	216 533 232,42
Cash in hand and at banks	9 942 870,45	6 784 140,00
TOTAL ASSETS	435 537 993,72	417 019 127,83

Oy Teboil Ab's balance sheet 31.12. (EUR)

LIABILITIES	31.12.2011	31.12.2010
CAPITAL AND RESERVES		
Subscribed capital	8 000,00	8 000,00
Share premium account	4 364 886,09	4 364 886,09
Fair value reserve	21 081,08	-134 324,95
Retained earnings	7 897 691,94	8 456 344,67
Profit for the financial year	29 281 934,10	21 941 347,27
	41 573 593,21	34 636 253,08
APPROPRIATIONS		
Depreciation reserve	11 651 423,73	16 411 768,09
PROVISIONS		
Other provisions	8 323 295,65	3 050 954,45
CREDITORS, LONG-TERM		
Long-term loans	73 455 271,07	86 973 091,34
CREDITORS, SHORT-TERM		
Short-term loans	75 000 000,00	49 000 000,00
Advances received	1 308 585,31	1 344 381,96
Trade creditors	139 155 403,84	117 049 832,51
Other creditors	75 797 943,88	97 967 667,42
Accruals and deferred income	9 272 477,03	10 585 178,98
	300 534 410,06	275 947 060,87
TOTAL LIABILITIES	435 537 993,72	417 019 127,83

Oy Teboil Ab's financial statement 31.12. (EUR)

FINANCIAL STATEMENT		1.1.-31.12.2011	1.1.-31.12.2010
Cash flow from operating activities			
Profit (loss) for the period	+/-	37 144 744,06	29 825 305,13
Adjustments:			
Depreciations according to the plan	+	15 523 707,02	15 488 178,97
Other income and expenses without payment	-/+	5 272 341,20	-149 045,55
Financial income/expenses	-/+	2 466 383,82	2 439 102,50
Other adjustments	+/-	-4 798 004,28	-373 576,17
	+/-	55 609 171,82	47 229 964,88
Net cash generated before changes in working capital			
Change in working capital:			
Change in current non-interest bearing receivables		4 605 297,19	-67 575 495,60
increase (-) / decrease (+)	-/+		
Change in inventories increase (-) / decrease (+)	-/+	-35 303 564,88	-30 827 073,96
Change in current non-interest bearing liabilities increase (+) / decrease (-)	+/-	1 415 335,36	77 427 219,09
Net cash generated before financial items and taxes		26 326 239,49	26 254 614,41
Interest paid	-	-4 637 826,22	-3 832 728,05
Dividends received	+	9 670,44	7 956,36
Interest received	+	2 037 657,88	1 394 245,70
Income taxes paid / received	+-	-15 192 701,47	925 250,84
Net cash generated from operating activities (A)	+/-	8 543 040,12	24 749 339,26
Cash flow from investing activities			
Capital expenditure	-	-4 982 586,48	-13 607 159,01
Proceeds from sale of tangible and intangible assets	+	2 438 448,25	756 902,39
Proceeds from other investments		7 177 648,83	0,00
Net cash used in investing activities (B)	-/+	4 633 510,60	-12 850 256,62
Cash flow from financing activities			
Increase in short-term loans	+	1 162 863 116,22	696 572 000,00
Decrease in short-term loans	-	-1 136 863 116,22	-696 272 000,00
Decrease in long-term loans	-	-13 517 820,27	-6 666 666,00
Dividends paid	-	-22 500 000,00	-10 900 000,00
Net cash used in financing activities (C)	+/-	-10 017 820,27	-17 266 666,00
Change in cash and cash equivalent (A + B + C) increase (+) decrease (-)	+/-	3 158 730,45	-5 367 583,36
Cash at the beginning of period		6 784 140,00	12 151 723,36
Cast at the end of the period		9 942 870,45	6 784 140,00

Notes to the annual accounts

Group information
Oy Teboil Ab's parent company is **Lukoil Europe Holdings B.V.** Amsterdam, The Netherlands.
Oy Teboil Ab is a fully owned subsidiary of Lukoil Europe Holdings B.V.

Lukoil Europe Holdings B.V.'s parent company is **Lukoil International G.m.b.H,** Schwarzenbergplatz 6, A-1030 Vienna, Austria.

OAO Lukoil is the Group's highest parent company, Sretenskij b-r, d.11, 101000 Moscow.

Comparability between accounting period figures
The figures of the accounting period is comparable to that of the previous period.

Accounting principles
These annual accounts have been prepared in accordance with Finnish accountancy law and other prevailing legislation in force in Finland.

Intangible and tangible assets
Intangible and tangible assets have been recorded in the balance sheet at purchase cost less planned depreciation. Planned depreciation is calculated as straight-line-depreciation based on the economic lifetime of the tangible and intangible assets. The depreciations have been made starting the month the assets were introduced.

Depreciation periods are:

Other long-term expenses	7-15 years
Buildings	15-30 years
Fuel depots	10-40 years
Structures	10 years
Machinery and equipment	4-15 years
Goodwill	5 years

Inventories
Inventories are recorded based on FIFO principles on purchase price or retail costs if lower or according to the likely resale value.

Valuation of financing instruments
The company uses oil derivative contracts to protect future cash flow. Derivatives are recorded in the balance sheet at their fair market value on the day of closing accounts. Fair market values represent the market prices on the day of closing accounts. If the derivative meets the terms of protecting cash flow and its protective effect can be shown to be efficient, the change in the fair market value is recorded in shareholder's equity. Loss or profit relating to an inefficient part is recorded in the balance sheet. Profit and loss collected in shareholders' equity is transferred into the balance sheet's turnover in those accounting periods where the protected object has an effect on profit (the protected anticipated sale materialises).

The excise duties
The excise duties of purchases and products subject to such duty that have been delivered for consumption from tax-free storage units can be found in the "Purchases during the accounting period" part of the income statement.

Pension register
Both outside pension insurance companies and the company's own internal pension foundation take care of its staff's pension plan. Pension costs are recorded as expenses during the accumulation year.

Foreign currency items
Foreign currency denominated receivables and liabilities have been converted to the Finnish currency based on the exchange rate on the date of the balance sheet.

Auditor's report

To the Annual General Meeting of Oy Teboil Ab

We have audited the accounting records, the financial statements, the report of the Board of Directors, and the administration of Oy Teboil Ab for the year ended December 31, 2011. The financial statements comprise the balance sheet, the income statement, the cash flow statement and notes to the financial statements.

Responsibility of the Supervisory Board, the Board of Directors and the Managing Director
The Board of Directors and the Managing Director are responsible for the preparation of financial statements and report of the Board of Directors that give a true and fair view in accordance with the laws and regulations governing the preparations of the financial statements and the report of the Board of Directors in Finland. The Supervisory Board and the Board of Directors are responsible for the appropriate arrangement of the control of the company's accounts and finances, and the Managing Director shall see to it that the accounts of the company are in compliance with the law and that its financial affairs have been arranged in a reliable manner.

Auditor's Responsibility
Our responsibility is to express an opinion on the financial statements and on the report of the Board of Directors based on our audit. The Auditing Act requires that we comply with the requirements of professional ethics. We conducted our audit in accordance with good auditing practise in Finland. Good auditing practise requires that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the report of the Board of Directors are free from material misstatement, and whether the members of the Supervisory Board, the members of the Board of Directors and the Managing Director are guilty of an act or negligence which may result in liability in damages towards the company or have violated the Limited Liability Companies Act or the articles of association of the company.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements and the report of the Board of Directors. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements and report of the Board of Directors that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements and the report of the Board of Directors.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion
In our opinion, the financial statements and the report of the Board of Directors give a true and fair view of the financial performance and financial position of the company in accordance with the laws and regulations governing the preparation of the financial statements and the report of the Board of Directors in Finland. The information in the report of the Board of Directors is consistent with the information in the financial statements.

Helsinki, 9 March 2012

KPMG OY AB

Lasse Holopainen

Authorized Public Accountant