

UNIPETROL 3Q 2012 CONSOLIDATED UNAUDITED FINANCIAL RESULTS (IFRS)



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25 October 2012



AGENDA

- **Unipetrol's key highlights in 3Q2012**

Macro environment and operations

Financial results

Strategic initiatives and summary

Supporting slides

UNIPETROL'S KEY HIGHLIGHTS IN 3Q2012

Macro environment

- Average Brent crude oil price at 110 USD/bbl with high intra-quarter volatility
- Refining margin very strong at 5.3 USD/bbl, Brent-Ural differential at only 0.7 USD/bbl
- Petchem olefin margin lower by 24% q/q, crude price volatility impairing market demand
- Retail segment, both fuels and non-fuels part, weakened by recession of Czech economy

Operations & sales volumes

- Stable and reliable production without significant outages
- Maximum utilization of refining capacities during the peak of motorist season
- Good petchem sales due to restocking of customers and competitors' production outages
- Refining sales volumes higher by 3% q/q and petchem sales volumes higher by 13% q/q
- Retail sales volumes higher q/q as a result of peak seasonality, lower y/y however

Financials

- Revenues higher by 5% q/q at CZK 28,438m mainly due to higher sales volumes
- Very strong EBIT at CZK 942m helped by very good performance of refining segment
- Net result positive at CZK 645m
- Retail segment overall weak with significant positive EBIT impact from provision release
- Financial gearing still on quite safe level at 5.8%

Strategic initiatives

- Continuation of Stop Cafe concept implementation with 66 installations as of 3Q2012
- Launch of second self-service filling station Expres 24 in Hradec Králové in September
- CSR activities continue with cooperation contracts for this year signed in September

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Financial results

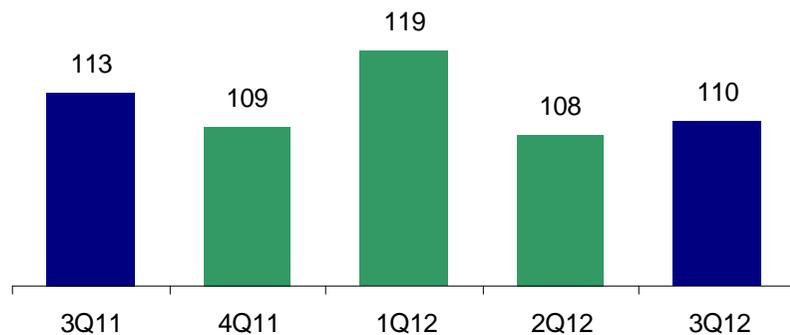
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MACRO ENVIRONMENT

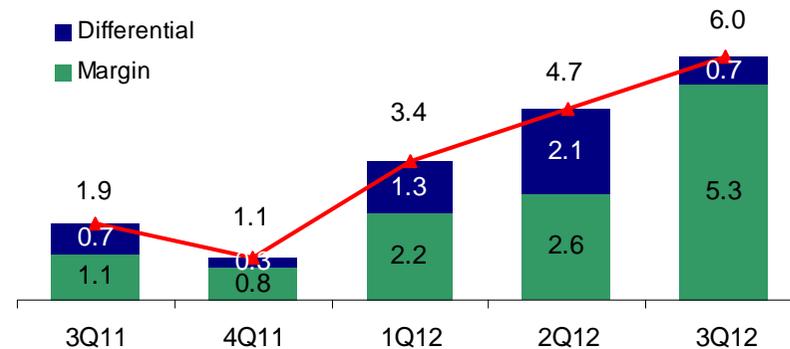
Stable average crude price q/q and y/y at 110 USD/bbl; short-term intra-quarter volatility however very high

Average Brent Crude Oil Price, USD/bbl



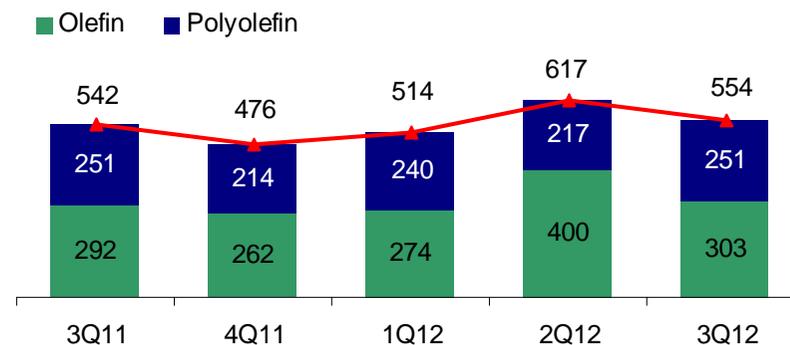
Highest refining margin since 2008 at 5.3 USD/bbl driven by record gasoline spread; very thin B-U differential though

Model refining margin and Brent-Ural differential, USD/bbl



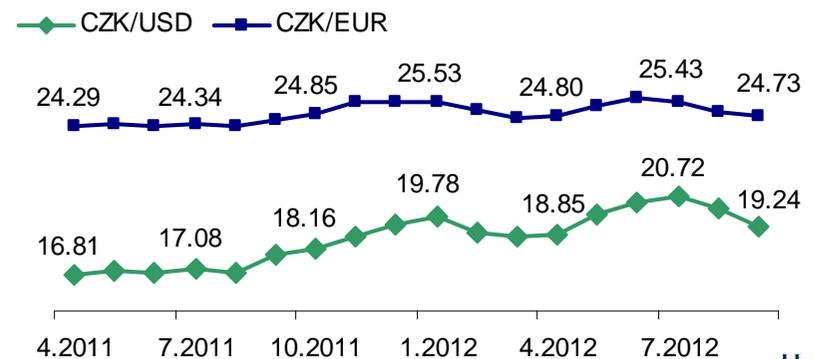
Combined petrochemical margin stable y/y, though weaker q/q at 554 EUR/t driven by lower olefin-naphtha spreads

Model combined petrochemical margin, EUR/t



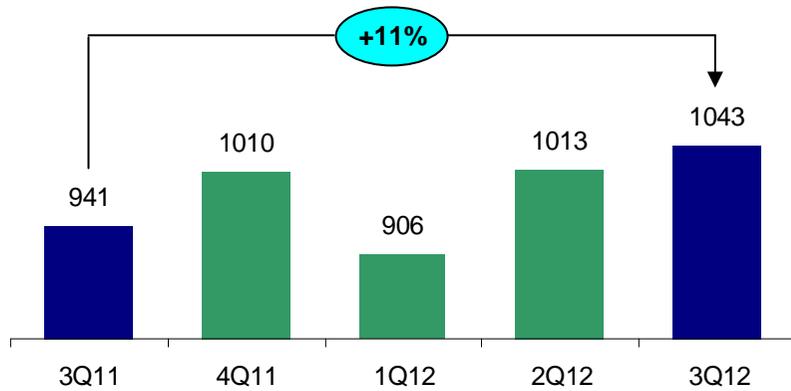
Significantly stronger USD against CZK y/y improved profitability of refining segment; CZK/EUR rather stable

CZK/USD and CZK/EUR exchange rate, monthly averages

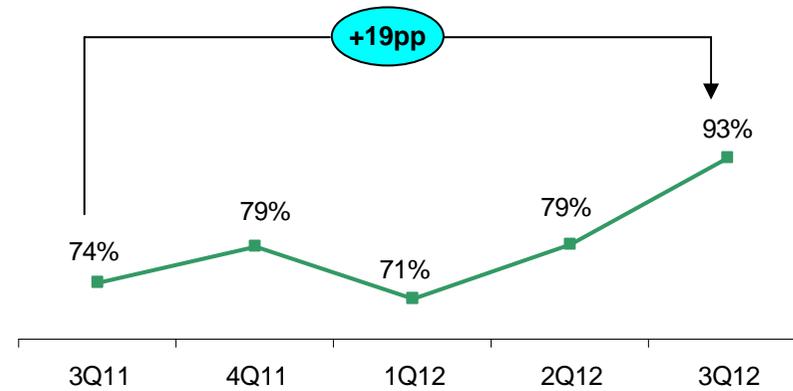


CRUDE OIL THROUGHPUT

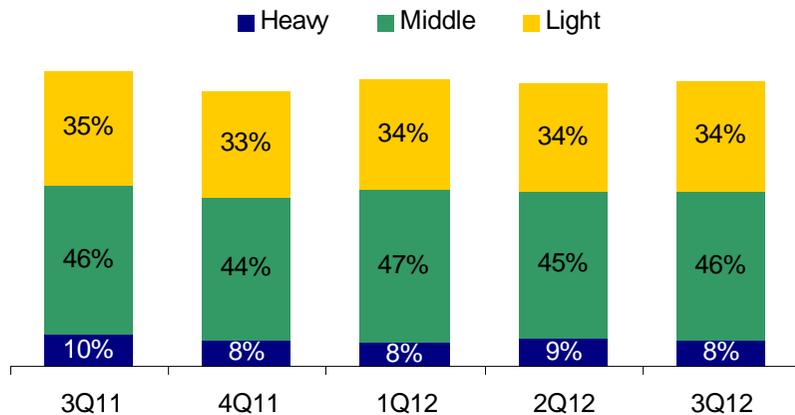
Crude oil throughput, kt



Utilization ratio, %



Distillate yields, %



Comments

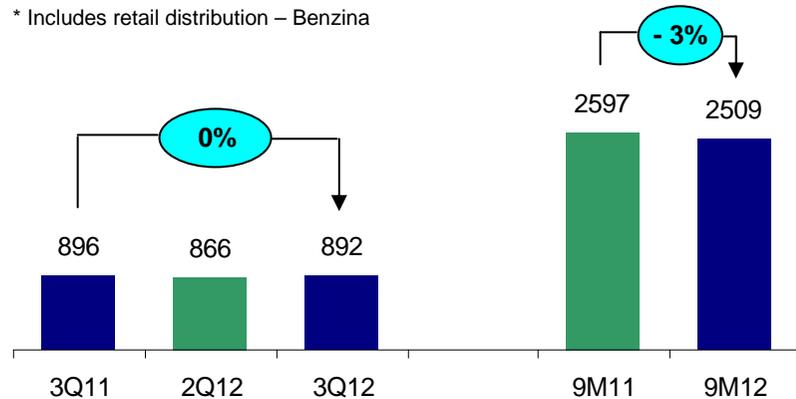
- Crude oil throughput 1,043 kt on stable, maximum and reliable production as well as peak of seasonality; significantly higher by 11% y/y due to cyclical turnaround of Litvínov plant at the turn of 3Q and 4Q 2011
- Correspondingly higher utilisation ratio – 82% like-for-like and 93% after adjustment of total conversion capacity to 4.5 from 5.1 mt/y after discontinuation of crude oil processing in Paramo refinery*
- Light and heavy distillate yields stable on 34% and 46% respectively

* From 3Q2012 conversion capacity is 4.5 mt/y, i.e. only Ceska rafinerska refineries conversion capacity, adjusted for 51.22% shareholding of Unipetrol, after discontinuation of crude oil processing in Paramo refinery (Ceska rafinerska – Kralupy 1.642 mt/y, Ceska rafinerska – Litvínov 2.813 mt/y); conversion capacity was 5.1 mt/y previously (Ceska rafinerska – Kralupy 1.6 mt/y, Ceska rafinerska – Litvínov 2.8 mt/y, Paramo 0.7 mt/y)

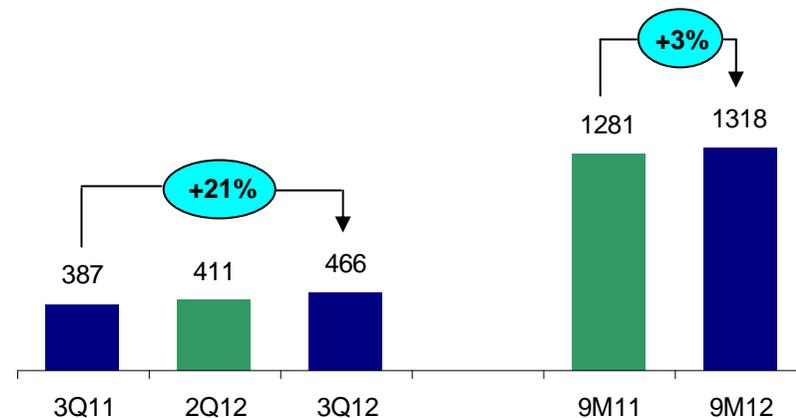
SALES VOLUMES

Fuels and other refinery products, kt *

* Includes retail distribution – Benzina



Petrochemical sales volumes, kt



Refining & retail segment

- Refining sales volumes up by 3% q/q amounting to 892 kt thanks to the peak of motorist season, y/y flat
- Gasoline sales as a key driver capturing record gasoline spreads – 238 kt (+9% q/q and +2% y/y)
- Retail sales volumes (Benzina) also higher q/q, though lower y/y mainly in gasoline sales due to recession of Czech economy and saving behavior of customers

Petrochemical segment

- Petrochemical sales volumes up by 13% q/q amounting to 466 kt on stable and reliable production, customers' restocking predominantly during the first half of the quarter and production outages of several competitors
- Higher by 21% y/y due to cyclical turnaround of Litvinov plant at the turn of 3Q and 4Q 2011
- Polyethylene sales as a key driver of q/q sales dynamics, +35% amounting to 80 kt

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GROUP PROFITABILITY

(CZK m)	3Q11	2Q12	3Q12	Q/Q	y/y	9M11	9M12	y/y
Revenues	24,065	27,102	28,438	+5%	+18%	73,100	80,989	+11%
EBITDA	505	201	1,656	+722%	+228%	2,896	2,576	-11%
EBIT	-230	-437	942	n/a	n/a	565	454	-20%
LIFO EBIT	-228	754	487	-35%	n/a	50	538	+969%
Net result	-128	-598	645	n/a	n/a	335	-313	n/a

Revenues

- Higher by 5% q/q at CZK 28,438m due to higher sales volumes, slightly higher crude oil price and slightly stronger USD against CZK
- Higher by 18% y/y due to significantly stronger USD against CZK (+16%) and markedly higher petrochemical sales volumes (+21%)

Operating profitability

- Very strong positive EBIT at CZK 942m helped by CZK 455m of inventory revaluation gains
- Underlying LIFO EBIT however weaker by 35% q/q at CZK 487m due to significantly weaker performance of petrochemical segment resulting from significant decrease of olefin margin
- Positive one-off EBIT impact in the amount of CZK 131m stemming from the release of provision created in connection to the fine imposed by Animonopoly office (Úřad pro ochranu hospodářské soutěže – ÚOHS) for Benzina company

Net result

- Net finance result negative at CZK -296m as a result of losses on other financial instruments (hedging/derivatives) and net interest costs at CZK 66m
- Net result positive at CZK 645m

SEGMENT PROFITABILITY

(CZK m)	3Q11	2Q12	3Q12	9M11	9M12
EBIT	-230	-437	942	565	454
LIFO EBIT	-228	754	487	50	538
Refining EBIT	-330	-359	503	-569	293
Refining LIFO EBIT	-425	141	508	-1,021	461
Petrochemicals EBIT	-270	-80	295	579	-21
Petrochemicals LIFO EBIT	-168	579	-145	537	-92
Retail EBIT	142	35	146	301	232
Retail LIFO EBIT	137	68	127	280	219
Others, Non-attributable, Eliminations	228	-34	-2	255	-50

Refining

- Very strong underlying LIFO EBIT at CZK 508m as a result of significant increase of refining margin by 101% q/q at 5.3 USD/bbl and slightly higher refining sales by 3% at 892kt thanks to maximum and reliable production as well as peak of seasonality
- Very strong refining margin driven by record spread on gasoline at 234 USD/t (+11% q/q) and significant increase of spread on diesel at 149 USD/t (+20% q/q)

Petrochemicals

- Underlying LIFO EBIT negative at CZK -145m due to steep decrease of olefin margin to 303 EUR/t (-24% q/q), reported EBIT at CZK 295m helped by inventory revaluation gains of CZK 441m
- Higher sales volumes by 13% q/q at 466 kt on stable and reliable production, customers' restocking predominantly during the first half of the quarter and production outages of several competitors

Retail

- EBIT at CZK 146m, however helped by the release of provision in the amount of CZK 131m
- Core profitability quite weak due to negative unit margins development (diesel side driven), saving behavior of customers due to recession of Czech economy and frauds with imported untaxed fuels
- Successful tactical promotion in July and August delivered additional sales volumes

CASH FLOW AND INDEBTEDNESS

(CZK m)	3Q11	2Q12	3Q12	q/q	y/y	9M11	9M12	y/y
Operating cash flow (OCF)	-1,239	1,510	232	-85%	n/a	-2,494	-498	n/a
Capital expenditure (CAPEX)	891	373	294	-21%	-67%	2,672	1,183	-56%
Free cash flow (Operating - Investment CF)	-2,117	1,762	-440	n/a	n/a	-4,975	-1,493	n/a
Net working capital	7,708	6,114	7,334	+20%	-10%	7,708	7,334	-5%
Net finance costs	32	33	296	+787%	+818%	134	552	+312%
Net debt	2,432	1,601	1,881	+18%	-23%	2,432	1,881	-23%
Financial gearing	6.2%	5.0%	5.8%	+0.8pp	-0.4pp	6.2%	5.8%	-0.4pp

Cash flow

- Operating cash flow down by 85% q/q at CZK 232m due to significant increase of net working capital by 20% q/q to CZK 7,334m
- Net working capital increase due to higher revenues q/q (higher sales volumes and higher prices) and correspondingly higher trade receivables
- Operating cash flow before working capital changes quite strong at CZK 1,195m
- CAPEX at CZK 294m
- Free cash flow negative at CZK -440m

Indebtedness

- Net debt slightly higher at CZK 1,881m
- Financial gearing still on quite safe level at 5.8%

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STRATEGIC INITIATIVES

Stop Cafe (Retail / Benzina)

- Successful continuation of Stop Cafe concept implementation
- Currently 74 Stop Cafes in operation
- Ongoing positive impact on the dynamics of gastronomy revenues

Expres 24 (Retail / Benzina)

- Successful launch of second self-service filling station Expres 24 in Hradec Králové in September

Paramo Asphalt disposal (Refining)

- On October 22, 2012 PARAMO, a.s. and ORLEN Asphalt Sp. z o. o. executed quota purchase agreement on purchase of 100% quota in Paramo Asphalt s.r.o. as the next step in the PARAMO restructuring and refinery assets' optimization
- The optimization should ensure full utilization of heavy refinery products, secure stable and long-term off-take of bitumen products from Litvínov and Pardubice plants, transfer their trading credit risk, improve liquidity from better contract terms and ensure ability to place bitumen products volumes on the market utilizing long-term bitumen contacts of UNIPETROL RPA. s.r.o. and PARAMO, a.s. with Paramo Asphalt, s.r.o.

CSR ACTIVITIES

- In September, representatives of Unipetrol and 12 local cities and towns signed cooperation contracts for this year.
- Unipetrol will support development activities in Ústí region with the amount of over 1 million CZK. The gifts will help to finance social, education, sports and cultural projects.
- Over the last three years, Unipetrol has supported activities in the region with over 5.5 million CZK.



3Q2012 SUMMARY

Stable and reliable production without significant outages

Maximum utilization of refining capacities during the peak of motorist season

Significantly higher petchem sales volumes by 13% q/q at 466kt driven by polyethylene sales

Revenues higher by 5% q/q at CZK 28,438m mainly due to higher sales volumes

Very strong EBIT at CZK 942m helped by very good performance of refining segment

Financial gearing still on quite safe level at 5.8%

Successful launch of second self-service filling station Expres 24 in Hradec Králové

CALENDAR OF UPCOMING EVENTS

Investor Relations events

- **18 January 2013** **4Q2012 trading statement**
- **25 January 2013** **4Q2012 financial results**

THANK YOU FOR YOUR ATTENTION



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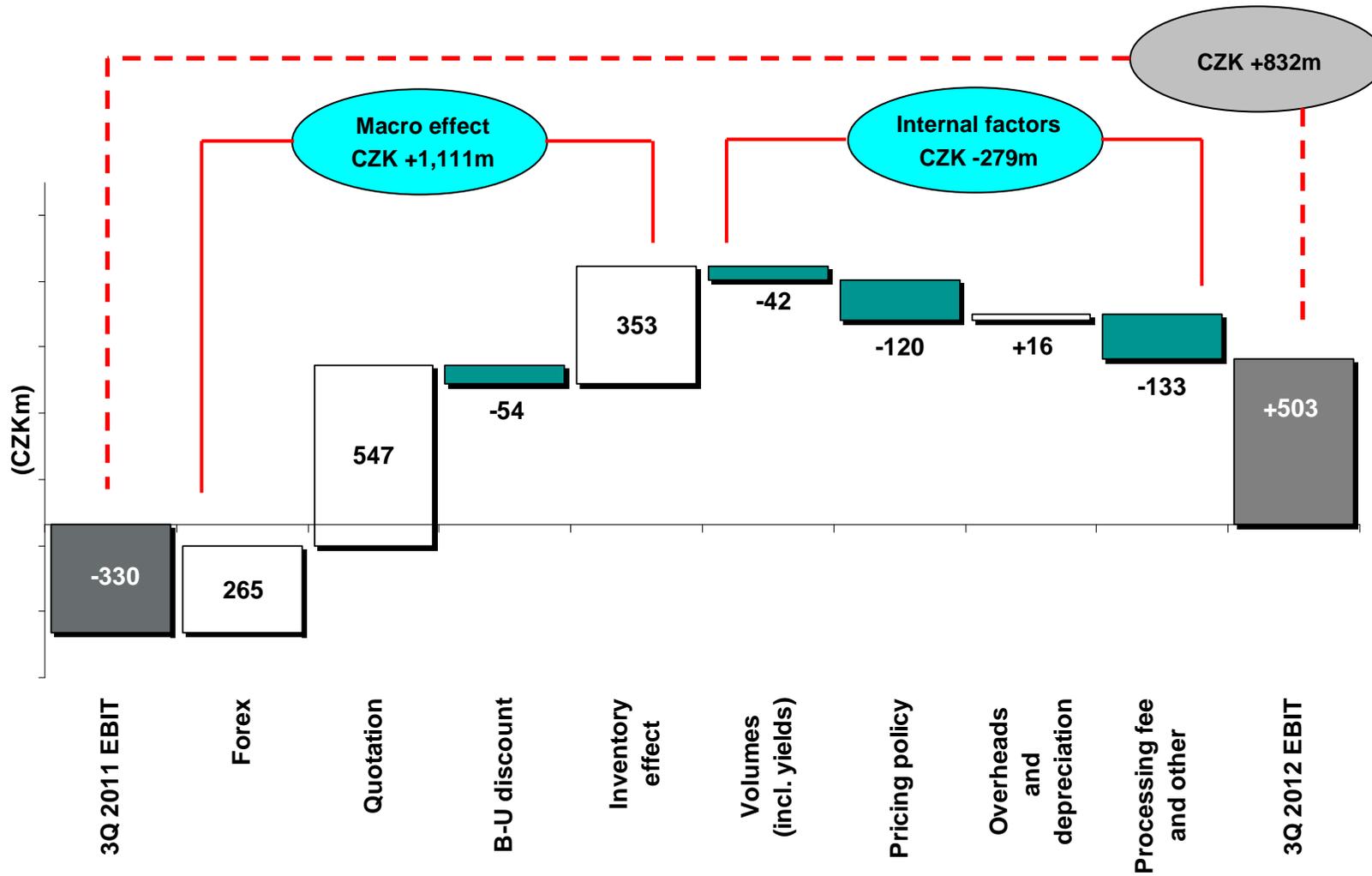
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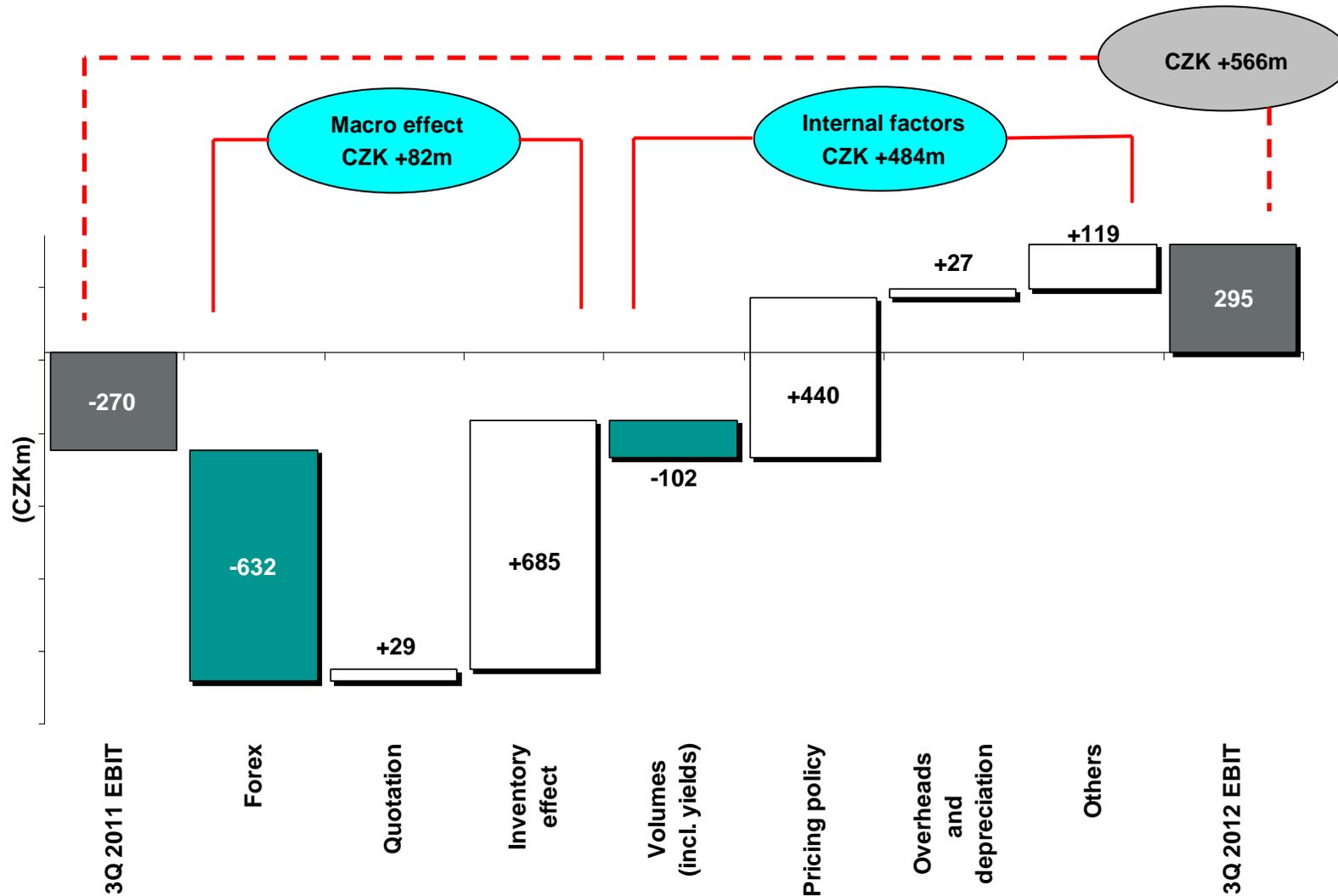
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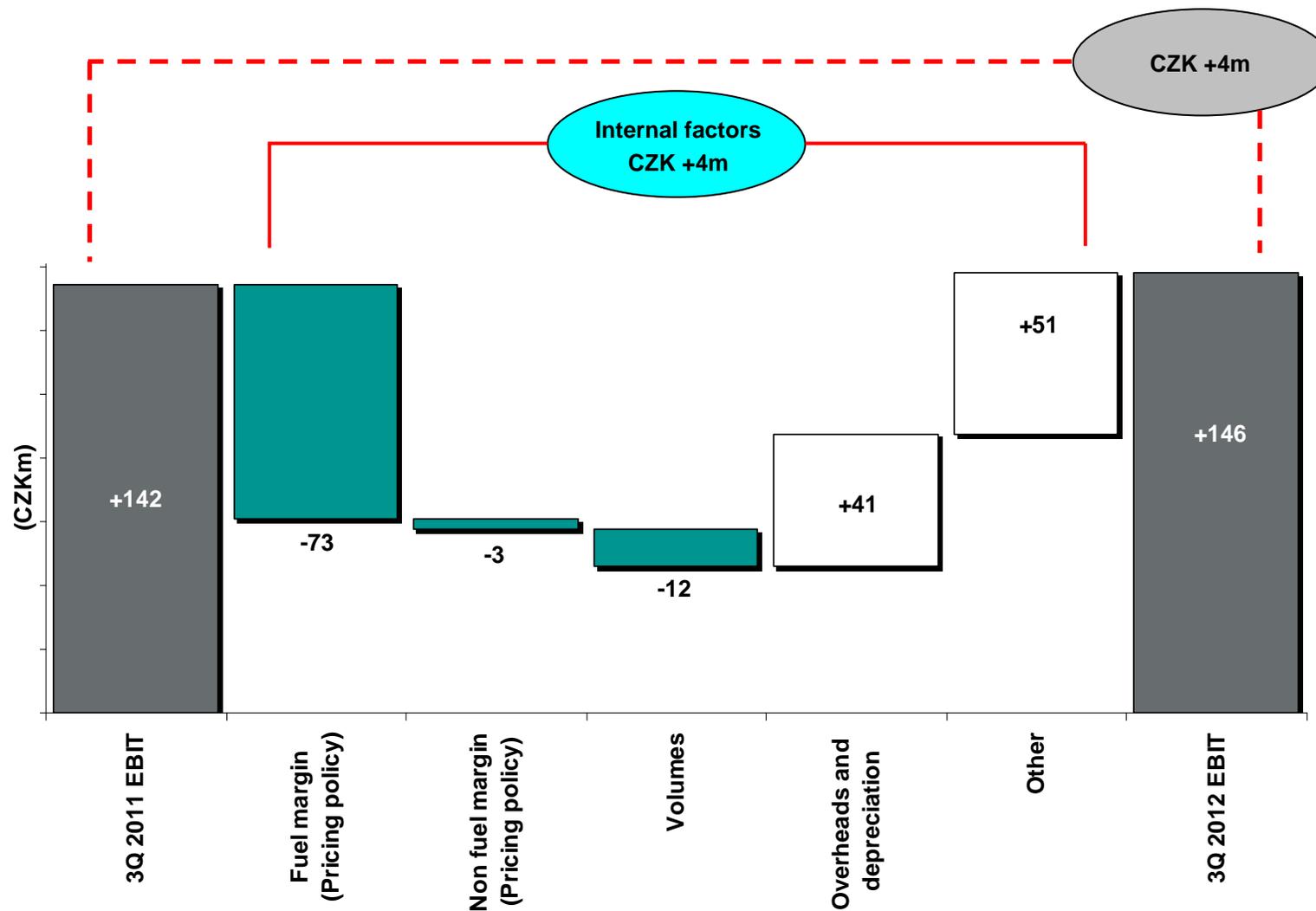
REFINING EBIT – 3Q2011 VERSUS 3Q2012



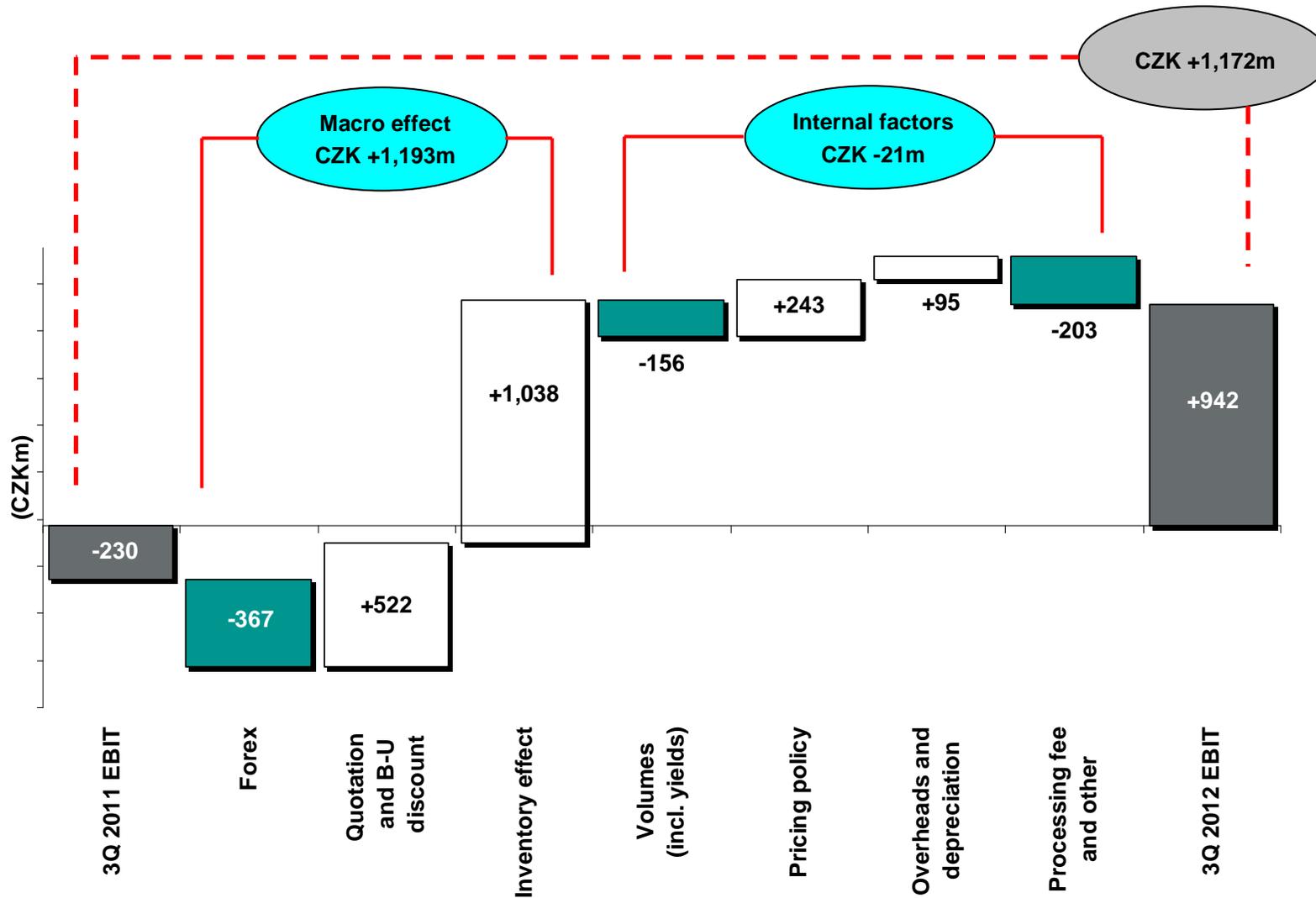
PETROCHEMICAL EBIT – 3Q2011 VERSUS 3Q2012



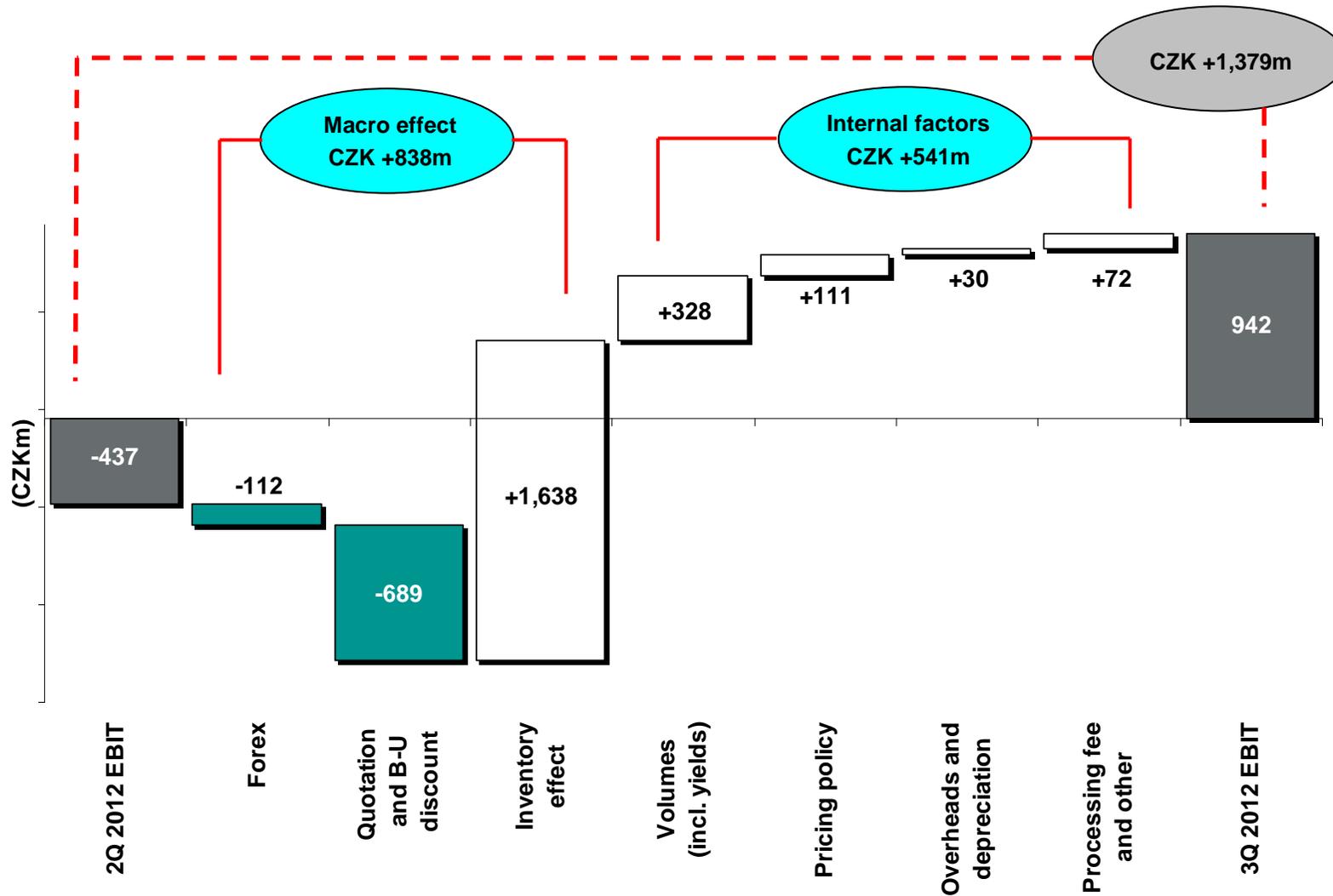
RETAIL EBIT – 3Q2011 VERSUS 3Q2012



GROUP EBIT – 3Q2011 VERSUS 3Q2012

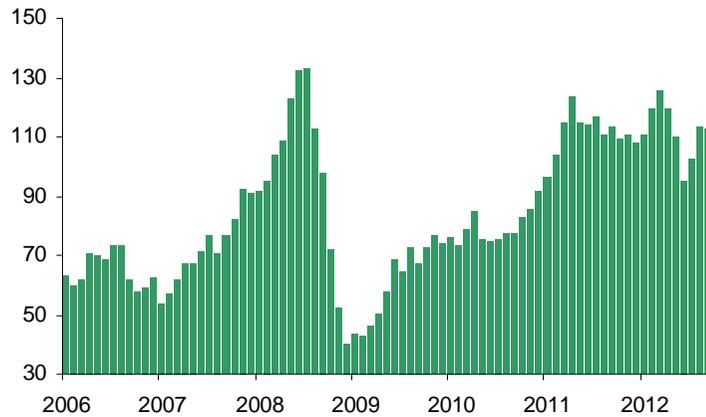


GROUP EBIT – 2Q2012 VERSUS 3Q2012

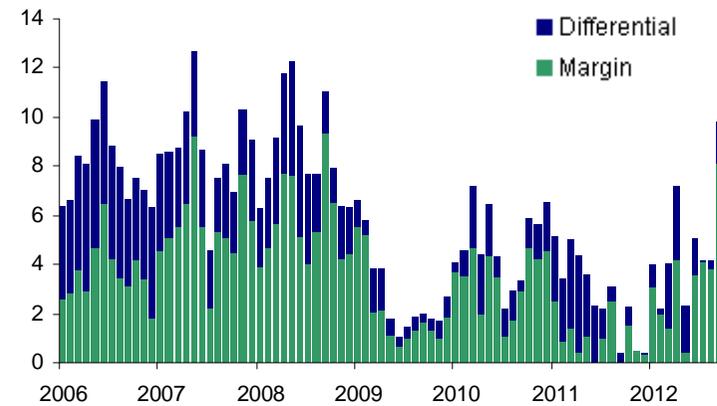


LONG-TERM MACRO ENVIRONMENT

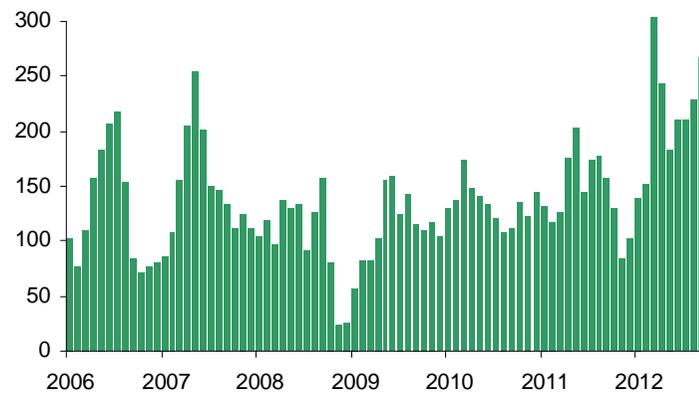
Brent crude oil, USD/bbl



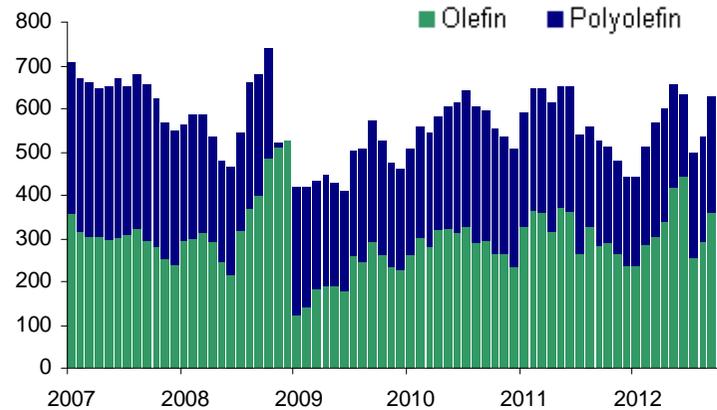
Model refining margin & Brent-Ural differential, USD/bbl



Gasoline-crude spread, USD/t



Model combined petrochemical margin, EUR/t



CONDENSED FINANCIAL STATEMENTS

Balance sheet (CZK m)	30 Sep 2012	31 Dec 2011
TOTAL ASSETS	55,927	57,176
Non-current assets	30,449	31,918
Current assets	25,478	25,258
Inventories	10,390	11,609
Trade receivables	13,120	10,628
Cash and cash equivalents	1,644	2,471
TOTAL EQUITY AND LIABILITIES	55,927	57,176
Total equity	32,657	32,854
Total liabilities	23,271	24,322
Non-current liabilities	4,148	4,047
Loans and borrowings	2,003	2,005
Current liabilities	19,123	20,275
Trade and other payables and accruals	16,730	17,792
Loans and borrowings	1,522	903
NET DEBT	1,881	438

Cash flow (CZK m)	30 Sep 2012	30 Sep 2011
Net cash provided by operating activities	-498	-2,494
Net cash provided by investing activities	-995	-2,448
Net cash provided by financing activities	670	1,302

Income statement (CZK m)	30 Sep 2012	30 Sep 2011
Revenue	80,989	73,100
Gross profit	2,447	2,357
<i>Gross profit margin</i>	<i>3.0%</i>	<i>3.2%</i>
Result from operating activities (EBIT)	454	565
<i>EBIT margin</i>	<i>0.6%</i>	<i>0.8%</i>
Finance income (costs)	-552	-134
Profit (loss) before tax	-98	431
Income tax expense	-220	-231
Net profit (loss) for the period	-313	335
<i>Net profit margin</i>	<i>-0.4%</i>	<i>0.5%</i>

UNIPETROL SALES VOLUMES BREAKDOWN

Refining (kt)	3Q11	2Q12	3Q12	q/q	y/y	9M11	9M12	y/y
Fuels and other refinery products ¹⁾	896	866	892	+3%	0%	2,597	2,509	-3%
Diesel ¹⁾	444	452	460	+2%	+4%	1,354	1,327	-2%
Gasoline ¹⁾	234	219	238	+9%	+2%	622	635	+2%
JET	25	29	31	+7%	+24%	60	73	+23%
LPG	33	33	38	+13%	+14%	87	95	+10%
Fuel oils	29	14	19	+32%	-35%	124	78	-37%
Naphtha	0	0	0	0%	0%	7	2	-62%
Bitumen	84	76	60	-21%	-28%	200	165	-17%
Lubes	11	7	8	+6%	-30%	33	24	-28%
Rest of refinery products	36	35	38	+9%	+5%	111	108	-3%

Petrochemicals (kt)	3Q11	2Q12	3Q12	q/q	y/y	9M11	9M12	y/y
Petrochemicals	387	411	466	+13%	+21%	1,281	1,318	+3%
Ethylene	34	36	43	+18%	+23%	113	118	+4%
Benzene	43	47	52	+10%	+19%	154	150	-3%
Propylene	10	9	12	+43%	+21%	30	33	+8%
Urea	41	35	44	+24%	+7%	135	127	-6%
Ammonia	28	31	38	+20%	+36%	99	99	0%
C4 fraction	15	18	19	+3%	+27%	55	56	+2%
Butadien	14	15	17	+13%	+25%	43	49	+14%
Polyethylene (HDPE)	63	60	80	+35%	+28%	200	211	+5%
Polypropylene	51	56	57	+2%	+12%	167	174	+4%
Rest of petrochemical products	88	104	105	+1%	+19%	283	300	+6%

DICTIONARY

- **Brent-Ural differential** = Spread fwd Brent Dtd vs Ural Rdam = Med Strip - Ural Rdam (Ural CIF Rotterdam)
- **Unipetrol model refining margin** = revenues from products sold (97% Products = Gasoline 17%, Petchem feedstock 20%, JET 2%, Diesel 40%, Sulphur Fuel Oils 9%, LPG 3%, Sulphur 1%, Other feedstock 5%) minus costs (100% input = Brent Dated); product prices according to quotations.
- **Conversion capacity of Unipetrol's refineries** = From 3Q2012 conversion capacity is 4.5 mt/y, i.e. only Ceska rafinerska refineries conversion capacity, adjusted for 51.22% shareholding of Unipetrol, after discontinuation of crude oil processing in Paramo refinery (Ceska rafinerska – Kralupy 1.642 mt/y, Ceska rafinerska – Litivinov 2.813 mt/y); conversion capacity was 5.1 mt/y previously (Ceska rafinerska – Kralupy 1.6 mt/y, Ceska rafinerska – Litivinov 2.8 mt/y, Paramo 0.7 mt/y).
- **Light distillates** = LPG, gasoline, naphtha
- **Middle distillates** = JET, diesel, light heating oil
- **Heavy distillates** = fuel oils, bitumen
- **Unipetrol model petrochemical olefin margin** = revenues from products sold (100% Products = 40% Ethylene + 20% Propylene + 20% Benzene + 20% Naphtha) minus costs (100% Naphtha); product prices according to quotations.
- **Unipetrol model petrochemical polyolefin margin** = revenues from products sold (100% Products = 60% Polyethylene/HDPE + 40% Polypropylene) minus costs (100% input = 60% Ethylene + 40% Propylene); product prices according to quotations.
- **Net result** = Net result attributable to shareholders of the parent company
- **Net working capital** = inventories + trade and other receivables + Prepayments and other current assets – trade and other liabilities
- **Financial gearing** = net debt / (equity-hedging reserve), both at the end of the period

DISCLAIMER

The following types of statements:

Projections of revenues, income, earnings per share, capital expenditures, dividends, capital structure or other financial items; Statements of plans or objectives for future operations; Expectations or plans of future economic performance; and Statements of assumptions underlying the foregoing types of statements are "forward-looking statements", and words such as "anticipate", "believe", "estimate", "intend", "may", "will", "expect", "plan", "target" and "project" and similar expressions as they relate to Unipetrol, its business segments, brands, or the management of each are intended to identify such forward looking statements. Although Unipetrol believes the expectations contained in such forward-looking statements are reasonable at the time of this presentation, the Company can give no assurance that such expectations will prove correct. Any forward-looking statements in this presentation are based only on the current beliefs and assumptions of our management and information available to us. A variety of factors, many of which are beyond Unipetrol's control, affect our operations, performance, business strategy and results and could cause the actual results, performance or achievements of Unipetrol to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. For us, particular uncertainties arise, among others, from: (a) changes in general economic and business conditions (including margin developments in major business areas); (b) price fluctuations in crude oil and refinery products; (c) changes in demand for the Unipetrol's products and services; (d) currency fluctuations; (e) loss of market and industry competition; (f) environmental and physical risks; (g) the introduction of competing products or technologies by other companies; (h) lack of acceptance of new products or services by customers targeted by Unipetrol; (i) changes in business strategy; (j) as well as various other factors. Unipetrol does not intend or assume any obligation to update or revise these forward-looking statements in light of developments which differ from those anticipated. Readers of this presentation and related materials on our website should not place undue reliance on forward-looking statements.