Unipetrol
ORLEN GROUP

INSIDE INFORMATION

ESTIMATION OF SELECTED OPERATING DATA OF THE UNIPETROL GROUP FOR THE FIRST QUARTER 2012

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Unipetrol's Management Board hereby announces its estimates of the selected financial and operating data of Unipetrol Group for the first quarter 2012.

External Environment	Unit	1Q11	2Q11	3Q11	4Q11	1Q12	Q/Q	Y/Y
Average Brent crude oil price	USD/b	105.4	117.1	113.4	109.4	**118.6**	*+8%*	*+13%*
Brent-Ural differential [1)]	USD/b	2.9	2.9	0.7	0.3	**1.3**	*+335%*	*-57%*
Unipetrol model refining margin [2)]	USD/b	1.6	0.3	1.1	0.8	**2.2**	*+179%*	*+33%*
Unipetrol model petrochemical olefin margin [3)]	EUR/t	345	353	292	262	**274**	*+4%*	*-21%*
Unipetrol model petrochemical polyolefin margin [4)]	EUR/t	281	288	251	214	**240**	*+12%*	*-15%*
CZK/EUR [5)]	CZK	24.4	24.3	24.4	25.3	**25.1**	*-1%*	*+3%*
CZK/USD [5)]	CZK	17.8	16.9	17.3	18.8	**19.1**	*+2%*	*+7%*
USD/EUR	USD	1.37	1.44	1.41	1.35	**1.31**	*-3%*	*-4%*

1) Spread fwd Brent Dtd vs Ural Rdam = Med Strip - Ural Rdam (Ural CIF Rotterdam)
2) Unipetrol model refining margin = revenues from products sold (97% Products = Gasolines 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); products prices according to quotations.
3) Unipetrol model petrochemical olefin margin = revenues from products sold (100% Products = 40% Ethylene + 20% Propylene + 20% Benzene + 20% Naphtha) minus costs (100% Naphtha); products prices according to quotations.
4) Unipetrol model petrochemical polyolefin margin = revenues from products sold (100% Products = 60% HDPE + 40% Polypropylene) minus costs (100% input = 60% Ethylene + 40% Propylene); products prices according to quotations.
5) Quarterly average foreign exchange rates by the Czech National Bank.
Source: REUTERS, FERTWEEK, ICIS, CNB

UNIPETROL Group Production	Unit	1Q11	2Q11	3Q11	4Q11	1Q12	Q/Q	Y/Y
Crude oil throughput	th t	879	1,112	941	1,010	**906**	*-10%*	*+3%*
Utilisation ratio [1)]	%	69	87	74	79	**71**	*-8pp*	*+2pp*
Light distillates yield [2)]	%	32	33	35	33	**34**	*+1pp*	*+2pp*
Middle distillates yield [3)]	%	46	43	46	44	**47**	*+3pp*	*+1pp*
Heavy distillates yield [4)]	%	8	9	10	8	**8**	*0pp*	*-1pp*

1) Conversion capacity 5.1 mt/y (Ceska rafinerska – Kralupy 1.6 mt/y, Ceska rafinerska – Litivinov 2.8 mt/y, Paramo 0.7 mt/y)
2) LPG, gasoline, naphtha
3) JET, diesel, light heating oil
4) Fuel oil, bitumen

Sales volumes – Refinery products	Unit	1Q11	2Q11	3Q11	4Q11	1Q12	Q/Q	Y/Y
Fuels and other refinery products [1)]	th t	793	908	896	842	**751**	*-11%*	*-5%*
Diesel [1)]	th t	421	489	444	435	**415**	*-5%*	*-2%*
Gasoline [1)]	th t	185	204	234	204	**178**	*-13%*	*-4%*
JET	th t	9	25	25	20	**13**	*-33%*	*+42%*
LPG	th t	25	28	33	30	**24**	*-19%*	*-6%*
Fuel oils	th t	68	27	29	38	**46**	*+20%*	*-33%*
Naphtha	th t	6	0	0	5	**2**	*-53%*	*-58%*
Bitumen	th t	32	85	84	63	**29**	*-53%*	*-8%*
Lubs	th t	11	11	11	10	**9**	*-14%*	*-18%*
Rest of refinery products	th t	35	39	36	37	**35**	*-5%*	*-2%*

1) Includes retail distribution – Benzina

Sales volumes - Petrochemicals	Unit	1Q11	2Q11	3Q11	4Q11	1Q12	Q/Q	Y/Y
Petrochemicals	th t	449	446	387	387	**440**	*+14%*	*-2%*
Ethylene	th t	44	35	34	35	**39**	*+13%*	*-11%*
Benzene	th t	58	53	43	47	**51**	*+8%*	*-12%*
Propylene	th t	11	10	10	11	**12**	*+7%*	*+9%*
Urea	th t	52	42	41	39	**48**	*+24%*	*-8%*
Ammonia	th t	36	35	28	31	**30**	*-3%*	*-17%*
C4 fraction[1)]	th t	20	21	15	15	**19**	*+32%*	*-5%*
Butadien	th t	14	15	14	16	**17**	*+6%*	*+21%*
Polyethylene (HDPE)	th t	68	70	63	61	**72**	*+18%*	*+6%*
Polypropylene	th t	58	59	51	44	**61**	*+38%*	*+5%*
Rest of petrochemical products	th t	89	106	88	88	**91**	*+3%*	*+2%*

1) As of June 2010, only 51% of C4 fraction sales considered as external due to launch of Butadien Kralupy.

Management Board commentary regarding preliminary operating and macroeconomic data for the first quarter 2012:

After the relatively stable 4Q11 when the crude oil price oscillated around USD 110 level, the crude oil price increased significantly in 1Q12 by 8% quarter-on-quarter to the average quarterly price of 119 USD/bbl and closing the quarter on the USD 123 level mark. The increase was mainly concentrated in February when the crude oil price gained 9% from 111 to 121 USD/bbl.

The average Brent-Ural differential increased materially quarter-on-quarter from 0.3 to 1.3 USD/bbl. Its development was quite volatile in 1Q12 however. It went down from 2 USD/bbl to zero during January and then started to grow substantially from the middle of February till the end of March closing the quarter on the the 3.7 USD/bbl level mark which had been lastly observed at the turn of April and May 2011.

Model refining margin increased significantly quarter-on-quarter from 0.8 to 2.2 USD/bbl rising in January to 5 USD/bbl, then slumping to breakeven level in February and finally increasing in March again ending the quarter on the solid level of 3.5 USD/bbl.

Model petrochemical margins also increased quarter-on-quarter. Olefin margin rose by 4% from 262 to 274 EUR/t. Polyolefin margin increased by 12% from 214 to 240 EUR/t. Margins were strengthening gradually every month in 1Q12 nevertheless still being lower year-on-year by 21% and 15% respectively.

CZK was relatively stable during the course of 1Q12. Average CZK/EUR rate was lower quarter-on-quarter by 1% from 25.3 to 25.1, CZK thus strengthened slightly. Average CZK/USD rate was higher quarter-on-quarter by 2% from 18.8 to 19.1, CZK thus weakened. The actual trend in 1Q12 was however the opposite as CZK/USD rate ended the quarter on the level of 18.5 which means an appreciation of CZK by 7% from the level of 19.9 at the end of 2011. Average USD/EUR rate was lower quarter-on-quarter by 3% from 1.35 to 1.31, EUR depreciating vis-à-vis 4Q11 on average. The actual trend in 1Q12 was the opposite though as the rate rose by 3% from 1.294 at the end of 2011 to 1.335 USD/EUR at the end of March. EUR thus shown a strengthening trend during the course of 1Q12 in fact.

Refining

The main factors that influenced the quarter-on-quarter performance of the refining segment in the first quarter 2012 were: better model refining margin amounting to 2.2 USD/bbl driven mainly by higher gasoline and naphtha spreads (positive), higher Brent-Ural differential and lower sweet crude premium over Brent (positive), lower crude oil throughput by 10% quarter-on-quarter amounting to 906 kt and the corresponding lower utilisation of crude oil processing capacity (negative) – utilisation ratio of 71% means a decrease of 8pp quarter-on-quarter as a result of Paramo refinery winter stoppage which was based on the application of Unipetrol's seasonal policy of crude oil processing, lower sales volumes of refinery products by 11% quarter-on-quarter amounting to 751 kt (1Q12 was much worse in q/q comparison with 4Q11 due to the seasonality effect and also due to the fact that more and more diesel is being imported to the Czech republic predominantly from Slovakia and Germany) and by 5% year-on-year (negative) – in particular the trend of 3-5% gasoline consumption decline per year continued in 1Q12 (gasoline sales volumes were lower by 4% year-on-year in 1Q12) with diesel demand stagnating as year-on-year sales volumes decreased by just 2%, positive LIFO effect due to higher crude oil prices, and weaker CZK against USD by 2% on average (positive).

Petrochemicals

The main factors that influenced the quarter-on-quarter performance of the petrochemical segment in the first quarter 2012 were: higher olefin and mainly polyolefin model margins by 4% and 12% respectively quarter-on-quarter (average model olefin margin of 274 EUR/t and average model polyolefin margin of 240 EUR/t) on significantly higher benzen-naphtha spread in olefins and higher PE-ethylene and PP-propylene spreads in polyolefins though still materially lower year-on year by 21% and 15% respectively, steep increase of feedstock (naphtha) price (quarterly average) by 20% from 646 EUR/t in 4Q11 to 772 EUR/t in 1Q12 resulting in record absolute prices of final petrochemical products which somewhat hindered market demand (negative), higher sales volumes by 14% across petrochemical products and polyolefins in particular, positive LIFO effect due to higher feedstock prices, and a slightly stronger CZK against EUR by 1% on average.

Retail Distribution

The main factors that influenced the quarter-on-quarter performance of the retail segment in the first quarter 2012 were: lower sales volumes as a result of the continuation of decrease in private consumption of customers due to the weak GDP dynamics, implemeted fiscal austerity measures with negative impact on custormers' purchasing power and adverse fuel price differential against some neighbouring countries with a negative effect mainly on international trucks' visits of Czech fuel filling stations (negative), flat unit margins on diesel, lower unit margins on gasoline and a further drop in non-fuel segment sales due to the unfavourable weather conditions apart from weaker private consumption in general (negative).

Management Board estimates

Unipetrol's Management Board estimates that the **reported EBIT** of the Unipetrol Group in the first quarter 2012 will be **slightly negative**.

There were **no one-offs** booked in the first quarter 2012.

LIFO effect was positive as a result of higher crude oil prices and higher price quotations of refining and petrochemical products. Underlying LIFO EBIT will thus be worse than reported headline IFRS EBIT.

Operations with CO_2 allowances are estimated to have a positive EBIT impact of approximately CZK 155m in the first quarter 2012.

Development of foreign exchange rates is estimated to influence positively the financial result of the Unipetrol Group by approximately CZK 156m in the first quarter 2012.

The financial information published in this report presents estimates and the values may differ from the values which will be published on 25 April 2012 in Unipetrol's consolidated financial statements and/or the presentation for the first quarter 2012.

In Prague, on 19 April 2012

Management Board of Unipetrol
and
Investor Relations Department
UNIPETROL, a.s.
Na Pankraci 127, 140 00 Prague
Czech Republic
Tel.: +420 225 001 417
E-mail: ir@unipetrol.cz
www.unipetrol.cz