Unipetrol ORLEN GROUP

INSIDE INFORMATION

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

Regulatory Announcement 2/2013

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

External Environment	Unit	4Q11	1Q12	2Q12	3Q12	4Q12	Q/Q	Y/Y	FY11	FY12	FY12/ FY11
Average Brent crude oil price	USD/b	109	119	108	110	**110**	*0%*	*+1%*	111	**112**	*+1%*
Brent-Ural differential [1)]	USD/b	0.3	1.3	2.1	0.7	**1.1**	*+60%*	*+275%*	1.7	**1.3**	*-24%*
Unipetrol model refining margin [2)]	USD/b	0.8	2.2	2.6	5.3	**4.4**	*-16%*	*+473%*	0.9	**3.6**	*+281%*
Unipetrol model petrochemical olefin margin [3)]	EUR/t	262	274	400	303	**365**	*+21%*	*+39%*	313	**335**	*+7%*
Unipetrol model petrochemical polyolefin margin [4)]	EUR/t	214	240	217	251	**244**	*-3%*	*+14%*	259	**238**	*-8%*
CZK/EUR [5)]	CZK	25.3	25.1	25.3	25.1	**25.2**	*0%*	*0%*	24.6	**25.1**	*+2%*
CZK/USD [5)]	CZK	18.8	19.1	19.7	20.1	**19.4**	*-3%*	*+3%*	17.7	**19.6**	*+11%*
USD/EUR	USD	1.35	1.31	1.28	1.25	**1.30**	*+4%*	*-4%*	1.39	**1.28**	*-8%*

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 = 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); 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	4Q11	1Q12	2Q12	3Q12	4Q12	Q/Q	Y/Y	FY11	FY12	FY12/ FY11
Crude oil throughput	th t	1,010	906	1,013	1,043	**965**	*-7%*	*-4%*	3,942	**3,927**	*0%*
Utilisation ratio [1)]	%	79	71	79	93	**86**	*-7pp*	*+7pp*	77	**82**	*+5pp*
Light distillates yield [2)]	%	33	34	34	34	**35**	*+1pp*	*+2pp*	33	**34**	*+1pp*
Middle distillates yield [3)]	%	44	47	45	46	**43**	*-3pp*	*-1pp*	45	**45**	*0pp*
Heavy distillates yield [4)]	%	8	8	9	8	**7**	*-1pp*	*-1pp*	9	**8**	*-1pp*

1) 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)
2) LPG, gasoline, naphtha
3) JET, diesel, light heating oil
4) Fuel oil, bitumen

Sales volumes – Refinery products	Unit	4Q11	1Q12	2Q12	3Q12	4Q12	Q/Q	Y/Y	FY11	FY12	FY12/ FY11
Fuels and other refinery products [1)]	th t	842	751	866	892	**775**	*-13%*	*-8%*	3,438	**3,283**	*-5%*
Diesel [1)]	th t	436	415	452	460	**422**	*-8%*	*-3%*	1,789	**1,749**	*-2%*
Gasoline [1)]	th t	204	178	219	238	**175**	*-26%*	*-14%*	826	**810**	*-2%*
JET	th t	20	13	29	31	**20**	*-37%*	*0%*	79	**93**	*+17%*
LPG	th t	30	24	33	38	**29**	*-24%*	*-3%*	116	**124**	*+6%*
Fuel oils	th t	38	46	14	19	**21**	*+13%*	*-45%*	162	**99**	*-39%*
Naphtha	th t	5	2	0	0	**4**	*+100%*	*-25%*	11	**6**	*-46%*
Bitumen	th t	63	29	76	60	**61**	*+2%*	*-2%*	263	**226**	*-14%*
Lubs	th t	10	9	7	8	**8**	*-2%*	*-28%*	44	**32**	*-28%*
Rest of refinery products	th t	37	35	35	38	**35**	*-8%*	*-4%*	148	**143**	*-3%*

1) Includes retail distribution – Benzina

Sales volumes - Petrochemicals	Unit	4Q11	1Q12	2Q12	3Q12	4Q12	Q/Q	Y/Y	FY11	FY12	FY12/ FY11
Petrochemicals	th t	387	440	411	466	**453**	*-3%*	*+17%*	1,668	**1,771**	*+6%*
Ethylene	th t	35	39	36	43	**38**	*-10%*	*+10%*	148	**156**	*+6%*
Benzene	th t	47	51	47	52	**55**	*+7%*	*+16%*	201	**205**	*+1%*
Propylene	th t	11	12	9	12	**8**	*-35%*	*-28%*	42	**41**	*-2%*
Urea	th t	39	48	35	44	**48**	*+9%*	*+22%*	174	**175**	*0%*
Ammonia	th t	31	30	31	38	**43**	*+13%*	*+39%*	130	**141**	*+9%*
C4 fraction[1)]	th t	15	19	18	19	**21**	*+12%*	*+43%*	71	**77**	*+11%*
Butadien	th t	16	17	15	17	**18**	*+3%*	*+8%*	59	**67**	*+12%*
Polyethylene (HDPE)	th t	61	72	60	80	**77**	*-4%*	*+26%*	262	**289**	*+10%*
Polypropylene	th t	44	61	56	57	**63**	*+9%*	*+42%*	212	**237**	*+12%*
Rest of petrochemical products	th t	88	91	104	105	**84**	*-21%*	*-5%*	371	**383**	*+3%*

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 fourth quarter 2012:

Average quarterly crude oil price unchanged at 110 USD/bbl (neutral) with milder short-term intra-quarter volatility (positive). The average Brent-Ural differential increased by 60% q/q to 1.1 USD/bbl (positive). Model refining margin decreased by 16% q/q to 4.4 USD/bbl driven by 33% decline of gasoline spread to quarterly average of 157 USD/t (negative). Model petrochemical olefin margin increased significantly by 21% q/q to 365 EUR/t while model petrochemical polyolefin margin decreased slightly by 3% q/q to 244 EUR/t (positive). Average quarterly CZK/USD rate decreased by 3% q/q to 19.4, CZK strengthened, and average quarterly CZK/EUR rate was approximately flat at 25.2 (neutral). On the other hand CZK weakened against USD by 11% in year-over-year comparison (positive).

Refining

The main factors that influenced the quarter-on-quarter performance of the refining segment in the fourth quarter 2012 were: higher average Brent-Ural differential and roughly flat average “Brent-Other sweet crude oils” differential (positive), lower model refining margin with steep declining trend during the quarter, driven by strong decrease of gasoline spread (negative), lower crude oil throughput by 7%, lower capacity utilization by 7pp and significantly lower sales volumes, mainly gasoline driven, by 16% as a result of weak seasonality, decreasing consumption and also by significant increase of fuel imports within grey economy, in connection with VAT frauds (negative), negative LIFO effect, stronger CZK against USD by 3% (negative).

Petrochemicals

The main factors that influenced the quarter-on-quarter performance of the petrochemical segment in the fourth quarter 2012 were: significant stabilization of external market conditions in terms of crude oil prices and corresponding petrochemical feedstock prices (positive), higher model olefin margin as a result of higher spreads of ethylene and propylene to naphtha, slightly compensated by small decrease of model polyolefin margin (positive), slightly improved demand for polymers in the second part of the quarter, inter alia thanks to production shutdowns of several competitors (positive), though slightly lower total petrochemical sales volumes by 3% (neutral), permanent shutdown of urea production unit in Litvínov according to plan as of 1 January 2013 (positive), negative LIFO effect, and finally relatively stable CZK against EUR (neutral).

Retail Distribution

The main factors that influenced the quarter-on-quarter performance of the retail segment in the fourth quarter 2012 were: lower sales volumes, mainly gasoline driven, due to weak seasonality, recession of Czech economy, very fierce price competition on the Czech market and also due to significant increase of fuels imports, mentioned within refining segment (negative), higher unit margins on gasoline (positive) and slightly lower unit margins on diesel on the other hand (negative), implementation of gastronomic concept Stop Cafe successfully completed in December, 88 installations in operation (positive), construction of two new premium filling stations Benzina Plus on D3 highway between Prague and České Budějovice in Mezno and Mitrovice locations successfully finished, operations started in December (positive).

Management Board estimates

Unipetrol's Management Board estimates that **reported EBIT** of the Unipetrol Group in the fourth quarter 2012 will be **negative** in the amount of **ca CZK 4.5bn**.

LIFO effect was negative. Underlying LIFO EBIT will thus be better than reported headline IFRS EBIT.

Unipetrol estimates that it will book **negative one-off items on EBIT level** in the amount of **ca CZK 4.5bn** related to **impairments of fixed assets of the refining segment**. The reason is decrease in the value of the assets due to the deteriorated external refining environment and intention to sell certain refining segment subsidiaries.

Reported EBIT excluding one-off impairments of fixed assets of the refining segment is estimated to be **approximately at zero level**.

The fourth quarter 2012 includes a one-off negative EBIT impact from operations with CO_2 allowances in the amount of ca CZK 130m.

Development of foreign exchange rates is estimated to influence the financial result positively by approximately CZK 40m in the fourth quarter 2012. This positive effect is estimated to be approximately compensated by losses on other financial instruments.

The financial information published in this report presents estimates and the values may differ from the values which will be published on 23 January 2013 in Unipetrol’s consolidated financial statements and/or the presentation for the fourth quarter 2012.

In Prague, on 18 January 2013

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