UNIPETROL
3Q 2013 FINANCIAL RESULTS

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23 October 2013

Prague, Czech Republic

AGENDA

Key highlights of 3Q 2013

Macro environment

Production & Sales

Financial results

Summary

Back-up

KEY HIGHLIGHTS OF 3Q 2013

Positive EBITDA LIFO of CZK 235 m

Extremely weak refining market conditions…

Model refining margin only 0.2 USD per barrel – the lowest level since 2Q 2011. Brent-Ural differential only 0.2 USD per barrel.

…partially offset by very good petchem macro…

Model combined petrochemical margin at 615 EUR per ton. Trend of very solid petrochemical margins has continued.

…and solid fuel sales of Benzina network

Higher fuel sales of Benzina filling stations' network thanks to successful sales promotions.

Positive EBITDA LIFO of CZK 235 m

Positive EBITDA LIFO of CZK 235 m. Positive contribution of petrochemical and retail segments. Negative contribution of refining segment. Same breakdown like in 2Q 2013.

New contract with Transpetrol for 2014

Announced on 15 August. New transportation tariffs for Druzhba pipeline in Slovakia for 2014.

Agreement with ASMR – Czech Republic

Announced on 4 September. Agreement with the Administration of State Material Reserves – Czech Republic on crude oil processing during crisis situations reinforcing the Czech Republic's crude oil security.

License purchase for new PE3 unit

Announced on 3 October. First achieved milestone and official start of execution of the key development project within Strategy 2013-2017 – new polyethylene unit (PE3).

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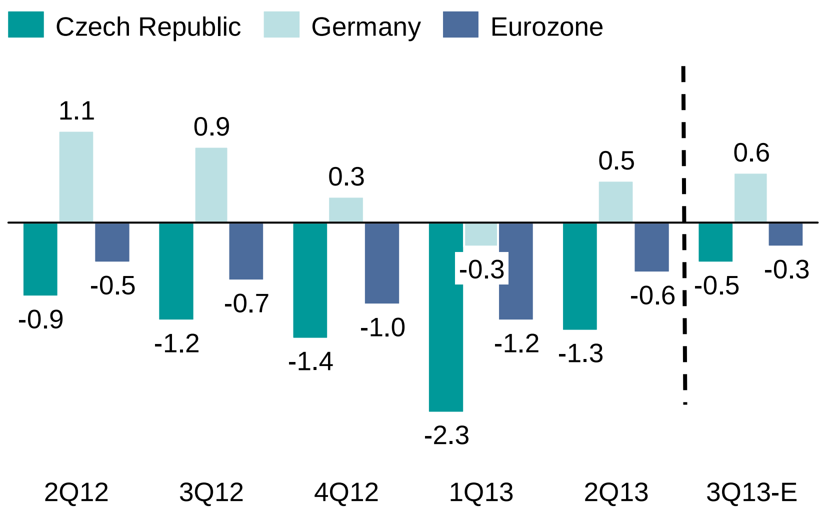
GENERAL MACRO ENVIRONMENT

Still not supportive, however confidence in the Czech economy slightly improves

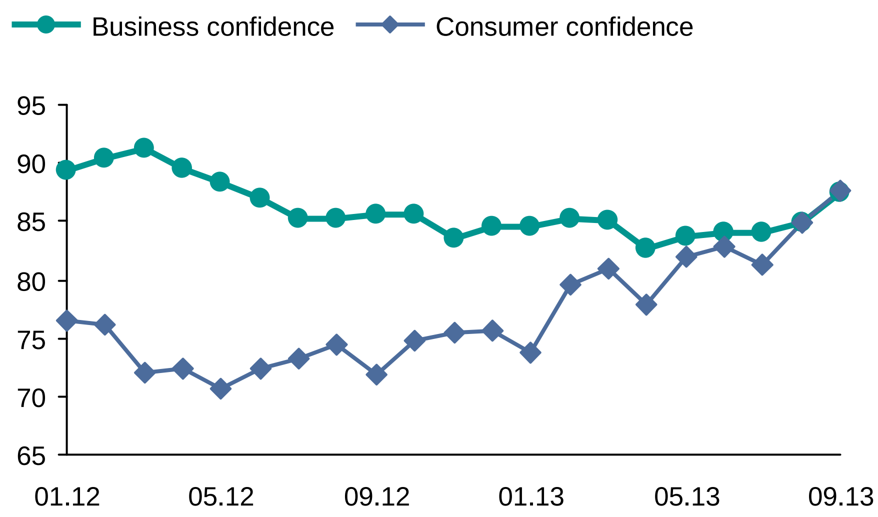
GDP – Czech Republic, Germany, Eurozone (y/y)



Source: OECD, Czech Statistical Office, Bloomberg

- 6th quarter in a row of Czech economy recession in 2Q13
- Negative GDP dynamics very likely also in 3Q13
- Whole Eurozone still in recession
- Both local and international macro not supportive

Confidence in the Czech economy



Source: Czech Statistical Office

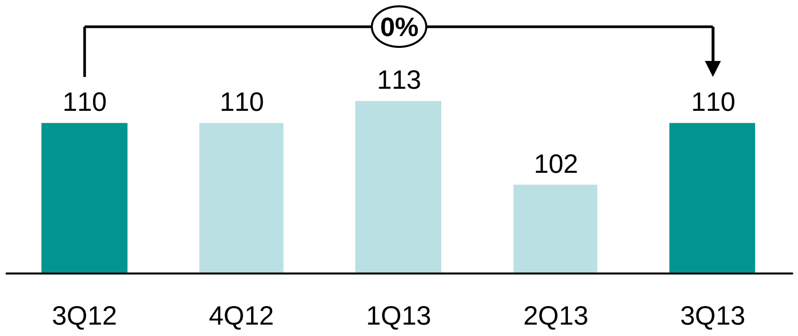
- Confidence in the Czech economy slightly improving, mainly from the consumers' side
- Improvement however still quite fragile

DOWNSTREAM MACRO ENVIRONMENT

Extremely weak refining, still favorable petrochemicals

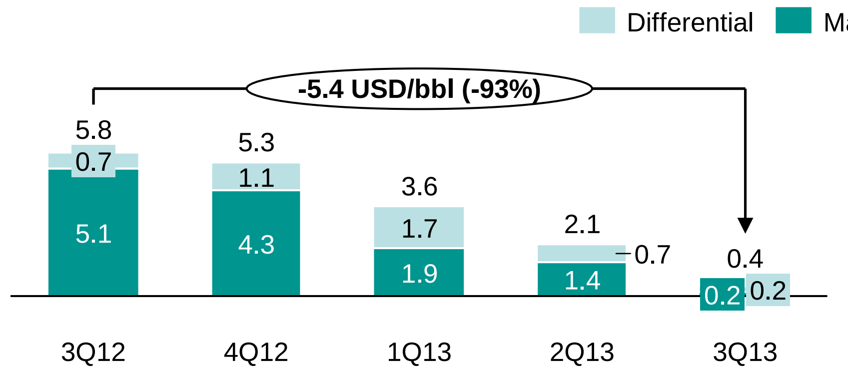
Brent crude oil price, USD/bbl

- ▶ Increase q/q, stable y/y



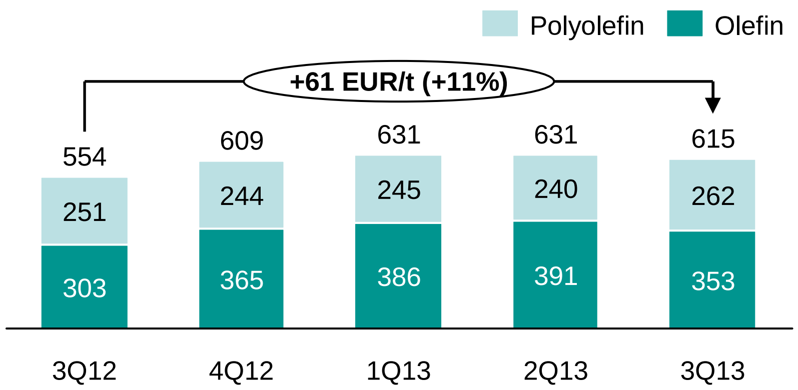
Model refining margin and Brent-Ural differential, USD/bbl

- ▶ Extremely weak refining macro in 3Q13



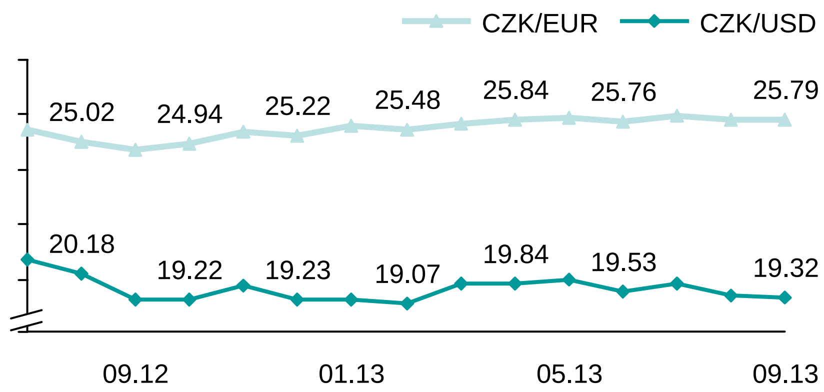
Model combined petrochemical margin, EUR/t

- ▶ Continuation of solid petrochemical margins



CZK/USD and CZK/EUR exchange rate

- ▶ Relative CZK stability vis-à-vis both EUR and USD



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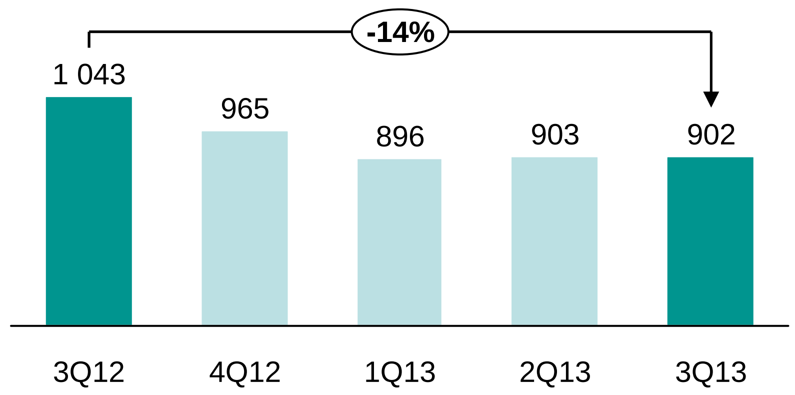
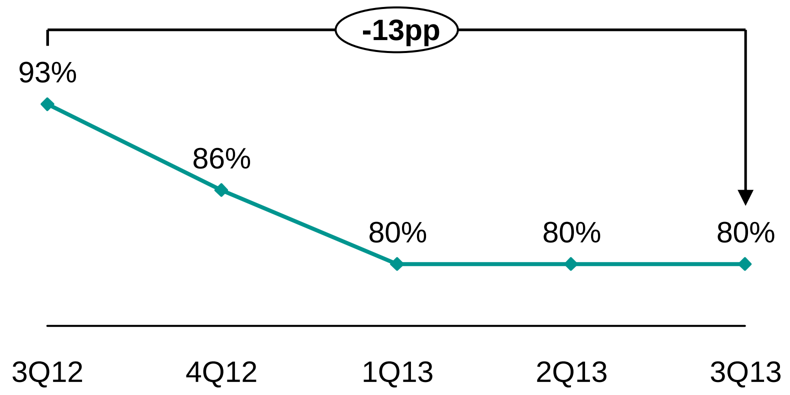
REFINERY PRODUCTION

Lower crude oil throughput y/y at 902 kt

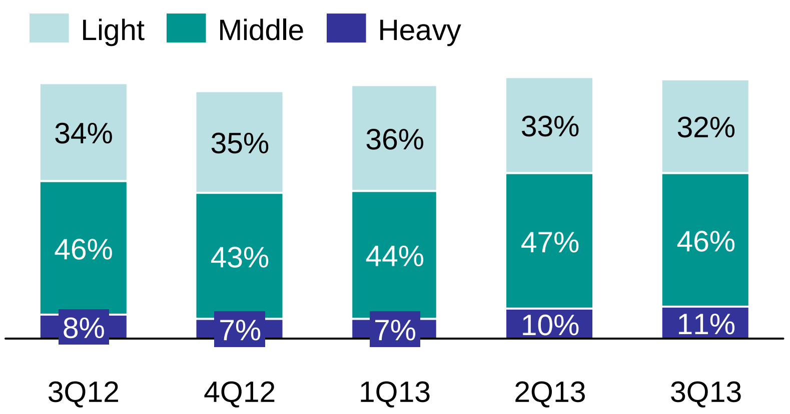
Crude oil throughtput, kt



Refining utilization ratio, %



Distillation yields, %

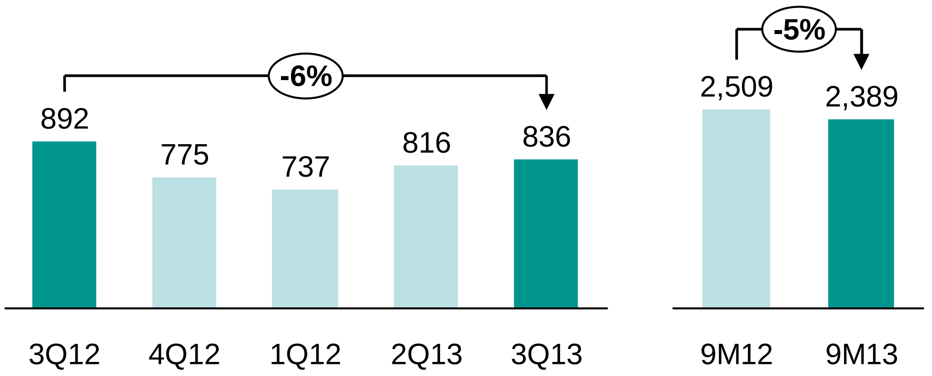


- Lower crude oil throughput by 14% y/y of 902 kt due to scheduled complete turnaround of Kralupy refinery in September (and October) within 4-year cycle and two steam cracker shutdowns
- Refining utilization ratio correspondingly also lower by 13 pp at 80%
- Lower light yield at 32% due to Kralupy refinery turnaround

GROUP SALES VOLUMES

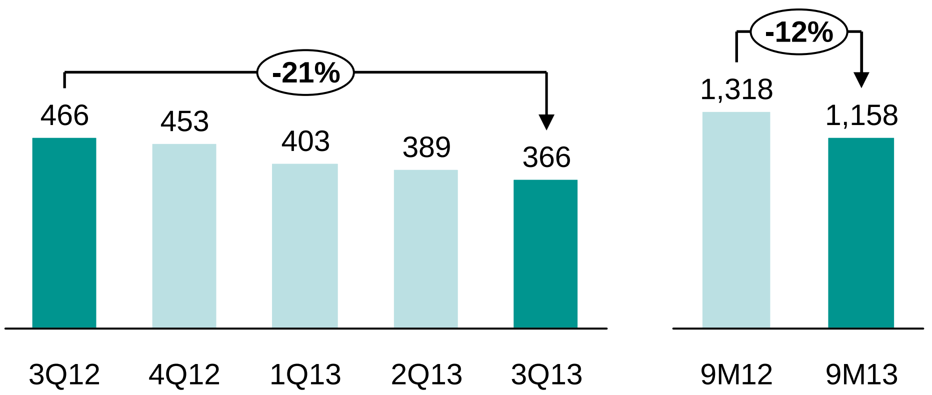
Higher sales in retail segment, lower sales in refining and petrochemical segments

Refining, including retail (Benzina network), kt



- Lower refining sales volumes due to higher basis in 3Q12, caused by big one-off sales in September 2012, dramatic increase of illegal fuel imports by rails in the second half of August and in September 2013 (slightly compensated by higher exports), scheduled Kralupy refinery turnaround in September (and October) within 4-year cycle, and two shutdowns of the steam-cracker
- Higher retail sales volumes of Benzina network thanks to successful promotions
- With new legislation valid from November 2013 we expect significant improvement of the Czech fuels market environment and additional mitigation of illegal imports

Petrochemicals, kt



- Lower petrochemical sales volumes due to June floods in the Czech Republic, negatively impacting supplies of ammonia to Lovochemie and ammonia and ethylene to Spolana, and two steam cracker’s shutdowns, first from middle of July and second from middle of September
- Another factor is higher production basis in 3Q12 due to urea unit closure at the beginning of 2013

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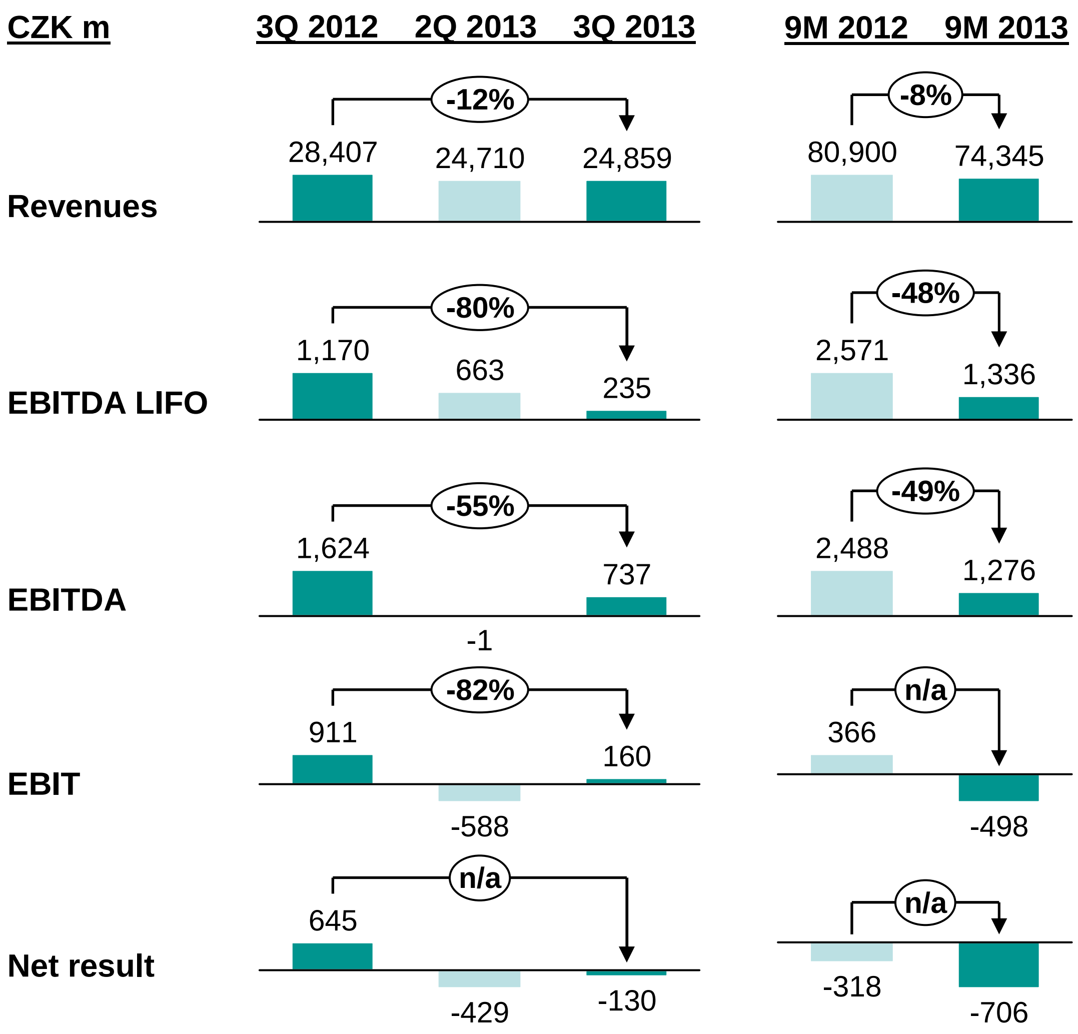
FINANCIAL RESULTS

EBITDA LIFO of CZK 235 m

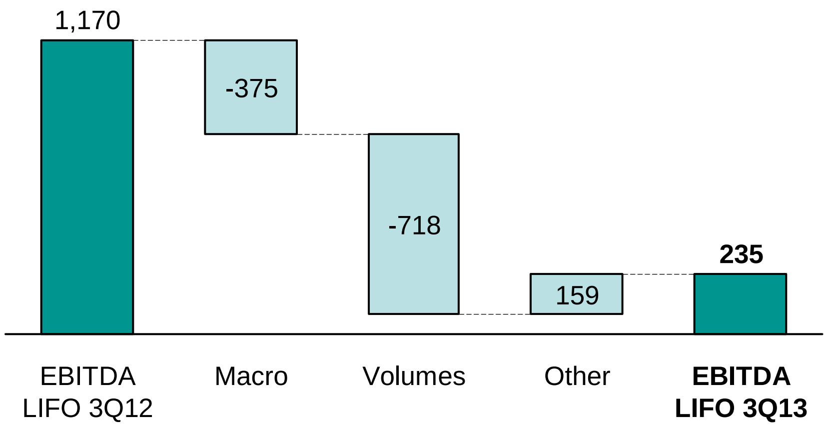


- **Revenues** at CZK 24,859 m lower by 12% y/y driven by lower sales volumes of both refining and petrochemical products
- **EBITDA LIFO** at CZK 235 m lower by 80% y/y due to lower sales volumes of both refining and petrochemical products, profoundly lower refining margins and Brent-Ural differential, and higher renewable energy surcharges (POZE)
- **LIFO effect** in 3Q13 at CZK +502 m due to increase of crude oil prices
- **EBITDA** at CZK 737 m
- **Financial result** negative at CZK -306 m stemming from hedging losses (financial derivatives)
- **Net loss** lower compared with 2Q13 at CZK -130 m

OPERATING PROFITABILITY – EBITDA LIFO

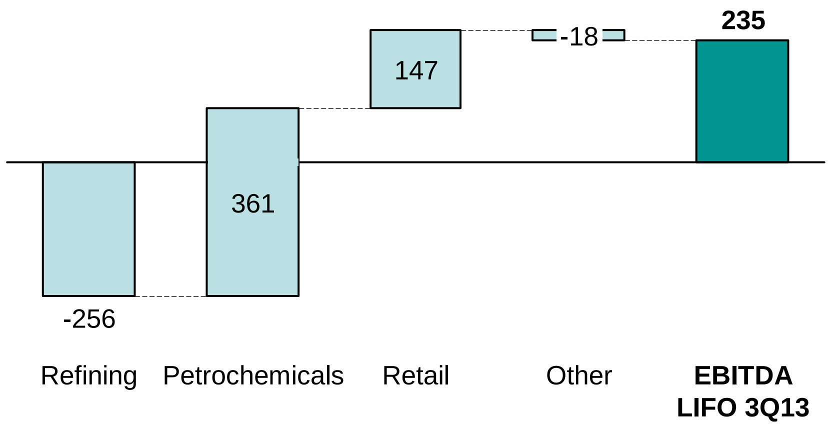
Negative impact of weaker sales volumes and extremely weak refining macro

Drivers of change in results in 3Q13 y/y, CZK m



- Negative impact of weaker macro, refining segment driven (CZK -375 m)
- Negative impact of lower sales volumes, refining segment as well as petrochemicals (CZK -718 m)

Segments' results in 3Q13, CZK m

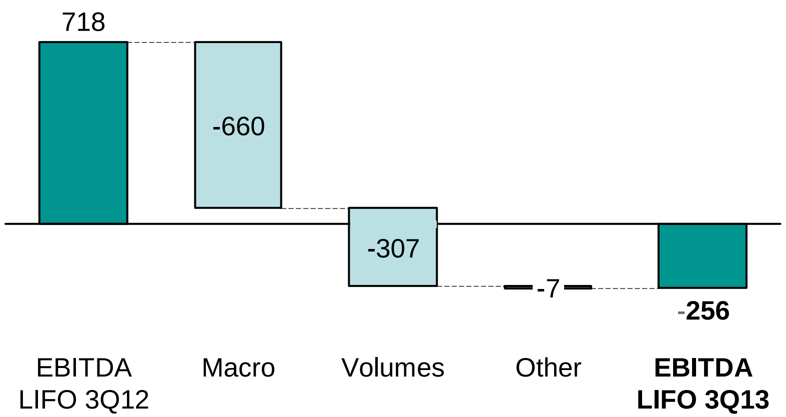


- Positive contribution of petrochemical segment (CZK 361 m) and retail segment (CZK 147 m)
- Negative contribution of refining segment (CZK -256 m)
- Same breakdown like in 2Q13

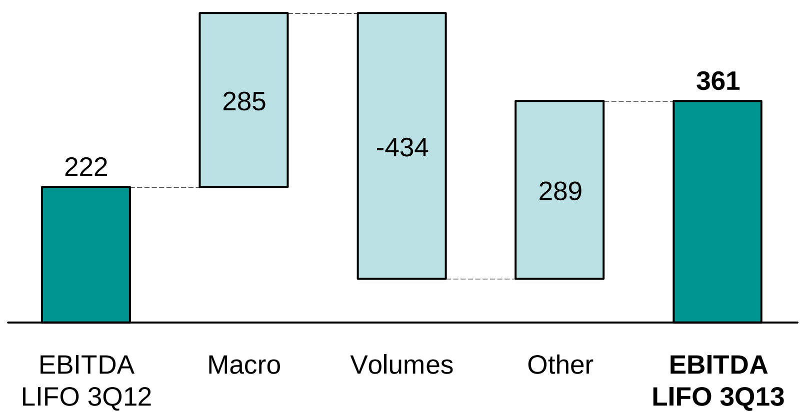
SEGMENT PROFITABILITY – EBITDA LIFO

Positive contribution of petrochemical and retail segments, negative from refining

Refining

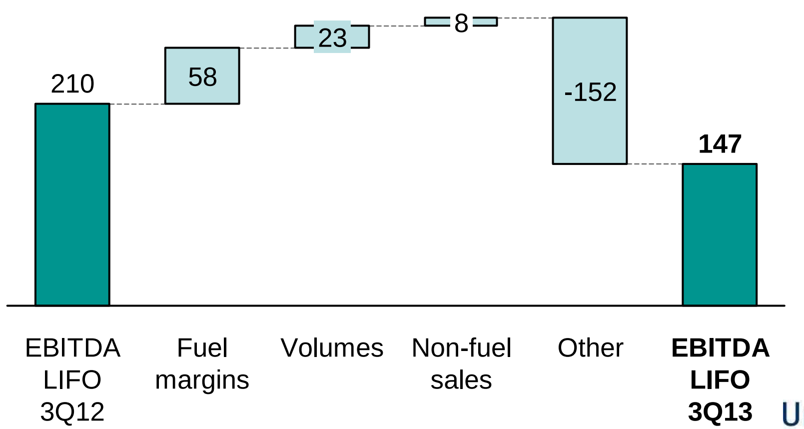


Petrochemicals



- **Refining segment** negatively impacted by extremely weak refining macro, refining margins and Brent-Ural differential (CZK -660 m), and by weaker sales volumes, particularly fuels (CZK -307 m)
- **Petrochemical segment** negatively impacted by weaker sales volumes (CZK -434 m); positive impact from macro – FX – stronger EUR vis-à-vis USD (CZK +285 m), and higher positive inventory revaluation y/y (included in Other)
- **Retail segment** positively impacted by higher unit fuel margins (CZK +58 m), and higher fuel sales volumes in spite of declining retail market in the Czech Republic overall (CZK +23 m); non-fuel segment profitability better y/y (CZK +8 m); provision release for antimonopoly penalty of CZK 131 m in 3Q12 (negative impact y/y included in Other)

Retail



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CASH FLOW & FINANCIAL GEARING

CAPEX of CZK 1,044 m in 9M2013, financial gearing ratio at 9.2%

CZK m	3Q12	2Q13	3Q13	q/q	y/y	9M12	9M13	y/y
Operating cash flow	336	2,023	1,526	-25%	354%	-498	-1,626	-227%
CAPEX	293	298	381	28%	30%	1,182	1,044	-12%
Free cash flow	-352	2,017	789	-61%	-	-1,493	-2,695	-81%
Net working capital	7,330	8,138	7,627	-6%	4%	7,330	7,627	4%
Net debt	1,881	3,033	2,639	-13%	40%	1,881	2,639	40%
Financial gearing ratio	5.8%	10.5%	9.2%	(-1.3pp)	3.4pp	5.8%	9.2%	3.4pp

- Operating cash flow negative in 9M13 of CZK -1,626 m
- CAPEX in 9M13 of CZK 1,044 m
- Free cash flow in 9M13 correspondingly negative of CZK -2,695 m

- Net working capital higher y/y by 4% at CZK 7,627 m
- Net debt higher y/y due to increase of external financing sources usage at CZK 2,639 m
- Financial gearing ratio correspondingly higher by 3.4 pp y/y to 9.2%

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SUMMARY OF 3Q 2013

- Extremely weak refining market conditions…
- …partially offset by very good petrochemical macro…
- …and solid fuel sales of Benzina network
- Positive EBITDA LIFO of CZK 235 m
- New contract with Transpetrol for 2014
- Agreement with the Administration of State Material Reserves – Czech Republic
- License purchase for new polyethylene unit (PE3)

THANK YOU FOR YOUR ATTENTION

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EBITDA & EBIT

Detailed breakdown

CZK m	3Q12	2Q13	3Q13	q/q	y/y	9M12	9M13	y/y
EBITDA LIFO	**1,170**	**663**	**235**	**-65%**	**-80%**	**2,571**	**1,336**	**-48%**
EBITDA	1,624	-1	737	-	-55%	2,488	1,276	-49%
Refining - EBITDA LIFO	**718**	**-151**	**-256**	**-70%**	**-**	**1,104**	**-751**	**-**
Refining - EBITDA	713	-528	17	-	-98%	936	-832	-
Petrochemicals - EBITDA LIFO	**222**	**682**	**361**	**-47%**	**63%**	**983**	**1,771**	**80%**
Petrochemicals - EBITDA	663	407	581	43%	-12%	1,055	1,787	69%
Retail - EBITDA LIFO	**210**	**145**	**147**	**1%**	**-30%**	**471**	**336**	**-29%**
Retail - EBITDA	229	134	157	17%	-31%	484	340	-30%
Other - EBITDA	19	-13	-18	-38%	-	13	-20	-

CZK m	3Q12	2Q13	3Q13	q/q	y/y	9M12	9M13	y/y
EBIT LIFO	**456**	**76**	**-341**	**-**	**-**	**449**	**-437**	**-**
EBIT	911	-588	160	-	-82%	366	-498	-
Refining - EBIT LIFO	**508**	**-263**	**-347**	**-32%**	**-**	**461**	**-1,089**	**-**
Refining - EBIT	503	-641	-74	88%	-	293	-1,170	-
Petrochemicals - EBIT LIFO	**-176**	**308**	**-24**	**-**	**86%**	**-181**	**638**	**-**
Petrochemicals - EBIT	265	33	195	491%	-26%	-109	654	-
Retail - EBIT LIFO	**127**	**63**	**67**	**6%**	**-47%**	**219**	**90**	**-59%**
Retail - EBIT	146	52	76	46%	-48%	232	94	-59%
Other - EBIT	-2	-32	-37	-16%	-1750%	-50	-76	-52%

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SALES VOLUMES

Detailed breakdown

	3Q12	2Q13	3Q13	q/q	y/y	9M12	9M13	y/y
Refining, including retail (Benzina network), kt	**892**	**816**	**836**	**2%**	**-6%**	**2,509**	**2,389**	**-5%**
Diesel, including retail (Benzina network)	460	438	446	2%	-3%	1,327	1,281	-3%
Gasoline, including retail (Benzina network)	238	200	200	0%	-16%	635	597	-6%
JET	31	22	19	-15%	-38%	73	57	-22%
LPG	38	19	25	33%	-33%	95	66	-30%
Fuel oils	19	37	31	-15%	66%	78	107	37%
Naphtha	0	0	0	-85%	-72%	2	5	91%
Bitumen	60	62	76	22%	27%	165	158	-5%
Lubest	8	8	10	18%	24%	24	25	4%
Rest of refining products	38	30	29	-4%	-25%	108	93	-14%

	3Q12	2Q13	3Q13	q/q	y/y	9M12	9M13	y/y
Petrochemicals, kt	**466**	**389**	**366**	**-6%**	**-22%**	**1,318**	**1,158**	**-12%**
Ethylene	43	30	30	0%	-28%	118	99	-16%
Benzene	52	43	38	-11%	-25%	150	134	-10%
Propylene	12	7	9	33%	-29%	33	26	-22%
Urea	44	0	0	n/a	-100%	127	5	-96%
Ammonia	38	40	38	-5%	0%	99	133	34%
C4 fraction	19	22	16	-25%	-14%	56	58	3%
Butadien	17	11	15	28%	-14%	49	42	-14%
Polyethylene	80	76	66	-13%	-18%	211	201	-5%
Polypropylene	57	60	52	-13%	-9%	174	173	-1%
Rest of petrochemical products	105	100	101	1%	-4%	300	287	-4%

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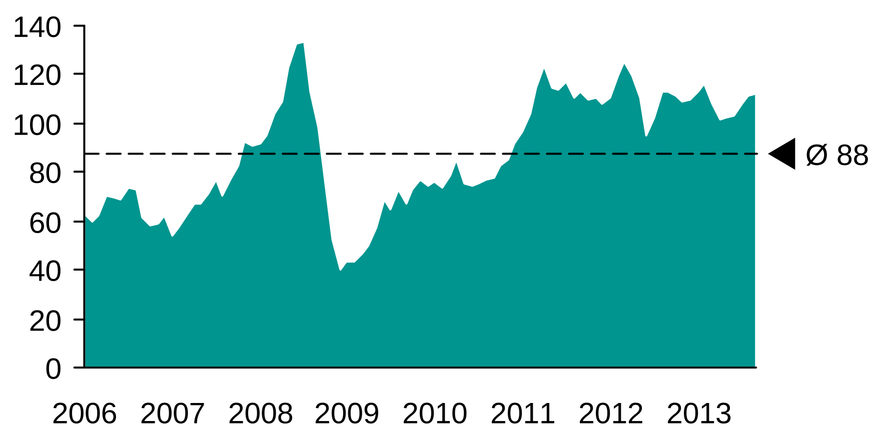
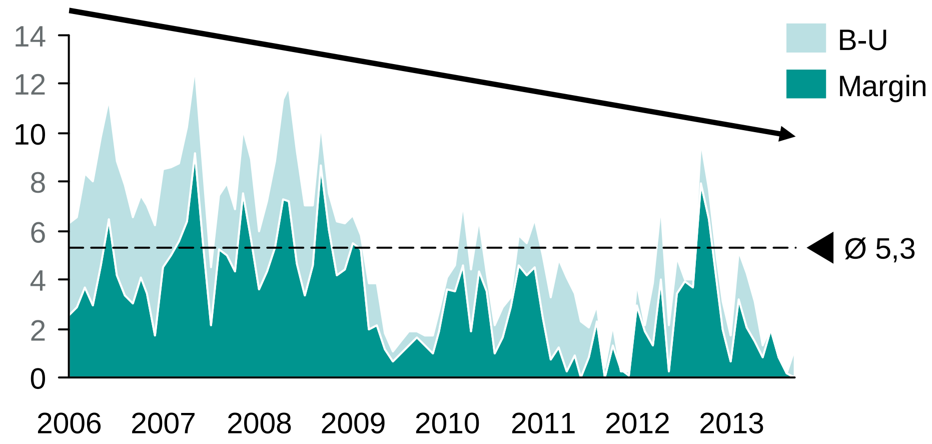
LONG-TERM MACRO DEVELOPMENT

Crude oil price, refining and petrochemical segment macro

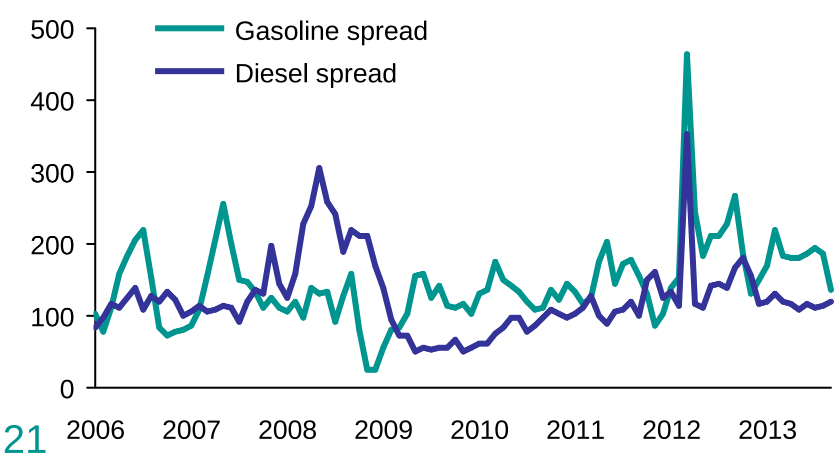
Brent crude oil, USD/bbl



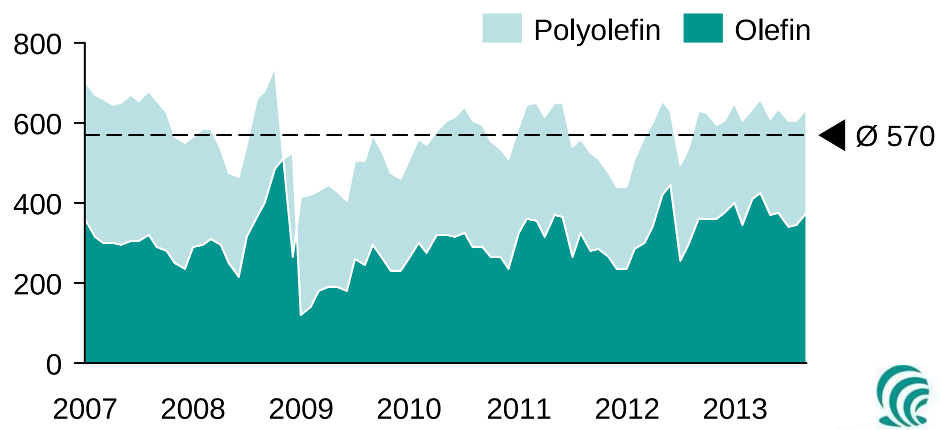
Model refining margin and Brent-Ural differential, USD/bbl



Gasoline-crude spread and diesel-crude spread, USD/t



Model combined petrochemical margin, EUR/t



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DICTIONARY

Explanation of key indicators

- **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 (96% Products = Gasoline 17%, Petchem feedstock 20%, JET 2%, Diesel 40%, Sulphur Fuel Oils 9%, LPG 3%, 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 income** = Net result attributable to shareholders of the parent company
- **Free cash flow** = operating cash flow minus investing cash flow
- **Net working capital** = inventories + trade and other receivables + Prepayments and other current assets – trade and other liabilities
- **Financial gearing ratio** = net debt / equity, both at the end of the period

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UNIPETROL GROUP PROFILE

Leading refining and petrochemical Group in the Czech Republic

Unipetrol is the leading refining and petrochemical Group in the Czech Republic and one of the major players in Central Europe. In the Czech Republic, it is the largest crude oil processor, one of the most important plastic producers, and the owner of the largest fuel filling stations network under the brand Benzina. The Group revenues amounted to CZK 107 bn in 2012, i.e. ca EUR 4 bn. Since 2005, Unipetrol Group has been a part of the biggest refining and petrochemical group in Central Europe - PKN Orlen from Poland.

The Group consists of three business segments: refining, petrochemicals and retail distribution of fuels. Within the refining segment, the company holds a 51.22% stake in ČESKÁ RAFINÉRSKÁ, a.s., the operator of the Czech refineries in Litvínov and Kralupy nad Vltavou. The Group is a leader on the Czech wholesale fuels market. It operates a steam cracker with a downstream polymer production in its Litvínov plant. Benzina network of filling stations was in 2012 with 338 stations and estimated retail market share of 13.7% the biggest player in the Czech Republic.

The Group operates, within its subsidiaries PETROTRANS, s.r.o. and UNIPETROL DOPRAVA, s.r.o., a broad range of transport and haulage services. Výzkumný ústav anorganické chemie, a.s. in Ústí nad Labem and Polymer Institute Brno, spol. s r.o. in Brno represent the research and development subsidiaries focusing on petrochemicals. The Group employed approximately 3,700 people of various professions as of 31 December 2012.

The mother company of the Group is UNIPETROL, a.s. As of 31 December 2012, the main subsidiaries of the Group were:

- UNIPETROL RPA, s.r.o.
- ČESKÁ RAFINÉRSKÁ, a.s.
- PARAMO, a.s.
- BENZINA, s.r.o.

DISCLAMER

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.

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