

PRESS RELEASE

Unipetrol significantly improved retail segment results

- Purchase of licence for new polyethylene unit PE3
- Unipetrol signed a share purchase agreement with Shell, for Shell's 16.335% shareholding in Ceska rafinerska
- Long-term contract on lignite supplies
- New unmanned filling station Expres 24 finished in Ostrava

Prague, 24 January 2013 – In Q4 Unipetrol Group posted operational profit EBITDA LIFO of CZK 252m. Due to lower petrochemical and refinery production sales, as well as refining margins, revenues of the Company decreased by 5% y/y and in Q4 amounted at CZK 25.070 bn. The results were also negatively influenced by difficult refining macroeconomic conditions. Petrochemical segment continued to be the key profit maker of the Group. Company also recorded improvement in performance of retail segment.

*„We are consequently aiming at improvement of our financial performance. In Q4 2013 Unipetrol achieved some significant milestones important for realization of our strategy for the years 2013-2017. We signed purchase agreement with Shell, which increased our share capital in Ceska Rafinerska to 67.555%. The transaction brought Unipetrol the qualified majority of votes, allowing significant improvement of the company's operational management,”*said the Chairman of the Board of Directors and CEO of Unipetrol, Marek Świtajewski

In the **refinery segment**, the volume of crude processed in Q4 reached 906 kt, comparable amount as in previous quarters of 2013. Nominal utilization ratio reached 81% in Q4. The refinery segment recorded EBITDA LIFO of CZK -391m in 4Q13, mainly due to weakest refining margins since the end of 2011 and low Brent-Ural differential. The results of the segment were positively affected by variable and fixed costs savings within Operational Excellence Initiatives. Paramo recorded better results, driven by ongoing restructuring of the company. Group sales of refinery products decreased to 762kt (-2% y/y) in Q4, mainly due to planned turnaround of Kralupy refinery in September and October 2013.

Operational profit EBITDA LIFO in the **petrochemical segment** amounted to CZK +514m in 4Q13. The results of the segment were positively affected by very good petrochemical margins, development of FX – stronger EUR vis-à-vis CZK and USD, higher steam cracker utilization and fixed and variable costs savings within Operational Excellence Initiatives. In y/y comparison the company recorded negative impact of lower olefin margins, higher

renewable energy surcharges and negative impact of CO2 allowances. Company recorded sales decrease of petrochemical products to 420kt in Q4 (-7% y/y) due to slightly lower sales of polymers.

The **retail segment** recorded a positive EBITDA LIFO of CZK +173m in 4Q13, mainly due to higher fuel margins, and higher fuel sales volumes. The result of the segment in 4Q 2013 was inevitably, accelerated by promotional activities and also by new legislation for mitigation of illegal imports (amendment to Act on Fuels in force from October 1). Better results of the segment were affected also by Customer View program to improve customers perception and loyalty with BENZINA network. On the other hand, weak nonfuel sales driven by Czech economy recession negatively impacted results of segment. As for investments in the segment - at the end of 2013 BENZINA finished construction of third unmanned filling station Expres 24 in Ostrava in December.

On 3 October 2013 Unipetrol RPA has signed a **license agreement with INEOS**, based on which it acquired the right to use a production process and technology for the new polyethylene unit (PE3). Purchase of the license is the first achieved milestone and represents the official start of the project's execution. The new polyethylene unit will assist in the process of increasing utilization of the steam cracker and it will contribute to a better interconnection between the petrochemical and refinery segments of the Unipetrol Group. The most modern technology will also improve production safety and reliability.

Within next years, as communicated in Unipetrol Strategy, the majority of investments will be undertaken in petrochemical area. To secure reliable and stable energy sources for this segment, on 13 November 2013, Unipetrol RPA signed a **contract with Severní energetická** on long-term supplies of lignite until December 2017. The contract consist of fixed and optional volume, which can be used according to Unipetrol's actual needs. Annual lignite supplies will reach up to approximately 1 million tons.

UNIPETROL, a.s. is a group of companies operating in the petrochemical industry in the Czech Republic. In 2005 UNIPETROL became a part of the PKN ORLEN Group, the largest oil processor in Central Europe. The UNIPETROL Group is oriented mostly towards oil processing, fuel distribution and petrochemical production. In all of these business areas the UNIPETROL Group is among the key players both in the Czech Republic and on the Central European market. The Group ranks among the leading firms in the Czech Republic in terms of its revenues, and employs 3700 people.

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Attachment No. 1

Consolidated un-audited financial results (CZK million)

	4Q12	3Q13	4Q13	r/r	FY2012	FY2013	r/r
Revenues	26,260	24,859	25,070	-5%	107,160	99,415	-7%
EBITDA LIFO	-3,170	235	252	n/a	-599	1,589	n/a
EBITDA	-3,500	737	246	n/a	-1 012	1,522	n/a
EBIT	-4,185	160	-396	n/a	-3 819	-893	n/a

Net result ¹⁾	-2,780	-130	-690	n/a	-3 098	-1,396	n/a
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EBITDA LIFO Segment Breakdown (CZK million)

	4Q12	3Q13	4Q13
EBITDA LIFO, of which	-3,170	235	252
• Refining	-4,041	-256	-391
• Petrochemical	840	361	514
• Retail distribution	76	147	173
• Others	-69	-18	-43